



# U.S. Housing Market Conditions

February 2005

## SUMMARY

### 2004 Annual Data

The year 2004 was the second consecutive record-setting year for single-family housing. New annual records were set for single-family permits, single-family starts, single-family completions, and homeownership rate. The mortgage interest rate was nearly equal to the all-time low set in 2003. Both new and existing home sales set new annual records in 2004. Annual totals for overall permits, starts, and completions were at near-record levels and have not been this high since the 1970s. Total permits in 2004 were the second highest ever reported, starts were the sixth highest, and completions were the fifth highest. The strength of the housing market contributed to the overall growth of the U.S. economy. In 2004, real gross domestic product (GDP) grew by 4.4 percent from the 2003 value, and residential fixed investment (housing) grew by 9.5 percent, contributing 0.50 percentage point to the overall growth rate. This year is the second consecutive year in which housing provided momentum to the overall economy. In 2003, real GDP grew by 3.0 percent, and housing grew by 8.8 percent, contributing 0.43 percentage point to the overall growth rate.

- Builders took out permits for 2,018,200 new housing units in 2004, the second highest ever and an increase of 6.8 percent from 2003. Single-family permits set a new annual record in 2004 with 1,549,200 new home permits issued, up 6.0 percent from 2003.
- Housing starts totaled 1,953,400 units in 2004, up 5.7 percent from 2003. This housing start total is the sixth highest annual value recorded and the highest value since 1978. Single-family housing starts equaled 1,608,400 units in 2004, up 7.3 percent from 2003, setting a new single-family record.
- In 2004, construction was completed on 1,844,300 new housing units, up 9.9 percent from 2003. This value is the fifth highest annual number of comple-

tions. Single-family completions set a new record in 2004 with 1,533,300 units ready for occupancy, up 10.6 percent from 2003.

- Builders were relatively upbeat in 2004 compared with 2003. The National Association of Home Builders'™ Housing Market Index averaged 68.3 points in 2004, up 4.6 index points from 2003. The 2004 value is the third highest annual value in the 20-year history of this attitude survey.
- Builders sold a record number of new single-family homes in 2004. New home sales totaled 1,183,000 units, up 8.9 percent from 2003. This year's value set a new annual record for the fourth consecutive year.
- REALTORS® sold a record 6,675,000 existing single-family homes in 2004. This number of sales is a 9.4-percent increase from 2003 and set a new annual record for existing home sales for the fourth consecutive year.
- Interest rates were nearly tied with the lowest annual rate ever reported in the 31-year history of Freddie Mac's Primary Mortgage Market Survey. The 2004 average was 5.83 percent, 1 basis point above the record low set in 2003.

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U.S. Department of Housing and Urban Development  
Office of Policy Development and Research





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■ Affordability declined in 2004 due to higher home prices. The family earning the median income had 132.6 percent of the income needed to purchase the median-priced existing home in 2004, down 5.8 percentage points from 2003, and among the most favorable affordability conditions in the 31-year history of the NATIONAL ASSOCIATION OF REALTORS® affordability series.

■ In 2004, a higher proportion of American households owned their own homes than ever reported. The annual homeownership rate set a new annual record in 2004 with a rate of 69.0 percent, up from the previous record of 68.3 percent set in 2003. A new annual record of 51.0 percent was also set for the overall minority homeownership rate.

■ Manufactured housing continues to endure very low shipment levels. For 2004, manufacturers shipped 132,000 housing units, unchanged from 2003. Annual shipments have not been this low since 1962. The industry still is plagued by a glut of 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. The 2004 annual total for multifamily permits was 356,600, up 3.1 percent from 2003. Construction was started on 303,700 multifamily housing units in 2004, down 3.6 percent from 2003. Rental units experienced record-high vacancy rates, and newly completed apartments faced near record-low absorption or lease-up rates. The rental sector vacancy rate averaged 10.2 percent in 2004, up 0.4 percentage point from 2003, and the highest annual vacancy rate in the 44-year history of the measure. Only about 62 percent of new apartments in the past year were rented within 3 months of their completion, the second lowest level in the 33-year history of the data series.

## Fourth Quarter Data

The housing sector had a very strong fourth quarter, which followed an especially strong third quarter. Both single-family permits and starts for the fourth quarter achieved the third highest levels ever reported, and the number of completions was the second highest ever reported. The fourth quarter homeownership rate tied the quarterly record. New home and existing home sales had quarterly values that were the fifth and second

highest levels, respectively, ever reported. The multi-family sector is somewhat mixed: starts and permits increased, completions declined, the vacancy rate decreased, and the absorption rate improved but was still low.

## Housing Production

Housing production was very strong in the fourth quarter of 2004. Total starts, total permits, and total completions are the highest since the 1970s. Single-family statistics are at near-record levels: both single-family permits and starts are the third highest ever, and single-family completions are the second highest quarterly value ever.

■ During the fourth quarter of 2004, builders took out permits for new housing at a seasonally adjusted annual rate (SAAR) of 2,022,000, up 1 percent from the third quarter and up 3 percent from the fourth quarter of 2003. This quarter reported the eighth highest level for total permits and was surpassed only by levels in the early 1970s. Single-family permits were issued for 1,555,000 (SAAR) housing units, a decrease of 1 percent from the third quarter of 2004 but an increase of 1 percent from the fourth quarter of 2003. This quarter's pace is the third highest ever reported—just 12,000 off the record set in the third quarter of 2004.

■ Builders started construction on 1,959,000 (SAAR) new housing units in the fourth quarter of 2004, down 1 percent from the third quarter and down 4 percent from the fourth quarter of 2003. Such consistently high levels of new housing starts have not occurred since the 1970s. Single-family housing starts totaled 1,608,000 (SAAR) housing units, down 1 percent from the third quarter and down 3 percent from the fourth quarter of 2003. Even with this decline, the fourth quarter reported the third highest quarterly level for single-family starts.

■ Builders completed 1,836,000 (SAAR) new housing units in the fourth quarter, down 1 percent from the third quarter but up 6 percent from the fourth quarter of 2003. Single-family completions totaled 1,550,000 (SAAR) in the fourth quarter of 2004, up 1 percent from the third quarter and up 6 percent from the fourth quarter of 2003. This quarter marked the second highest quarterly pace in the 36-year history of the data series.



- Manufactured housing has improved but continues to have very low shipment levels. In the fourth quarter, manufacturers shipped 140,000 housing units, up 9.1 percent from the third quarter and up 11.4 percent from the fourth quarter of 2003.<sup>1</sup>

## Housing Marketing

Housing sales and marketing continued at very high, near-record levels in the fourth quarter of 2004. Builders of new single-family homes achieved their fifth highest quarterly sales level in the fourth quarter. REALTORS® had a record-setting fourth quarter for existing home sales. New home prices increased in the fourth quarter, while existing home prices remained unchanged. 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 and 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, 1,153,000 (SAAR) new single-family homes were sold, nearly unchanged from the 1,155,000 (SAAR) sold in the third quarter but up 3 percent from the fourth quarter of 2003. This total is the fifth highest quarterly value reported in the 42-year history of the series. New home sales in the past seven quarters are the highest ever reported.
- REALTORS® sold 6,790,000 (SAAR) existing single-family homes in the fourth quarter of 2004, up 2 percent from the third quarter and up 8 percent from the fourth quarter of 2003. The fourth quarter of 2004 set a new quarterly record for existing home sales. Existing home sales in the past 15 quarters are the highest quarterly values ever reported.
- The median price for new homes sold in the fourth quarter was \$223,400, up 5 percent from the third quarter and up 12 percent from the fourth quarter of 2003. The average price for new homes sold in the fourth quarter was \$282,300, up 3 percent from the third quarter and up 10 percent from the fourth quarter of 2003. A constant-quality house would have sold for \$239,900 in the fourth quarter, unchanged from the third quarter but up 7 percent from the fourth quarter of 2003.

- The NATIONAL ASSOCIATION OF REALTORS® reported that the median price for existing homes was \$187,500 in the fourth quarter of 2004, unchanged from the third quarter but up 9 percent from the fourth quarter of 2003. The average price in the fourth quarter was \$240,600, also unchanged from the third quarter but up 10 percent from the fourth quarter of 2003.

- At the end of the fourth quarter, 443,000 new homes were in the unsold inventory, up 7 percent from the end of the third quarter and up 18 percent from the end of the fourth quarter of 2003. This inventory will support 4.8 months of sales at the current sales pace, up 0.7 month from the end of the third quarter and up 0.8 month from the end of the fourth quarter of 2003. The inventory of existing homes available for sale at the end of the fourth quarter of 2004 consisted of 2,180,000 homes, down 9 percent from the end of the third quarter and down 11 percent from the end of the fourth quarter of 2003. This inventory would last for 3.9 months at the current sales rate, down 0.3 month from the end of the third quarter of 2003 and down 0.4 month from the end of the fourth quarter of 2003.

- Home builders were more optimistic in the fourth quarter. The National Association of Home Builders'™ composite Housing Market Index was 70 in the fourth quarter of 2004, up 2 index points from the third quarter but down 1 index point from the fourth quarter of 2003. 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.

## Affordability

Housing affordability improved and remains at very favorable levels according to the index published by the NATIONAL ASSOCIATION OF REALTORS®. The composite index indicates that the family earning the median income had 131.9 percent of the income needed to purchase the median-priced existing home using standard lending guidelines. This value is up 3 percentage points from the third quarter of 2004 but down 5.1 percentage points from the fourth quarter of 2003. The improvement from the third quarter is attributable to a slight, 0.4-percent decline in the median price of an

existing home, a 0.9-percent increase in median family income, and a 10-basis-point decline in the mortgage interest rate. Low interest rates and favorable affordability may account for the fourth quarter increase in the homeownership rate to 69.2 percent, which ties the quarterly record. The fourth quarter homeownership rate is 0.2 percentage point above the third quarter rate and 0.6 percentage point above the fourth quarter of 2003.

## Multifamily Housing

The multifamily sector (5+ units) is not faring as well as the single-family sector, with production mixed, absorption of new rental units improving slightly but still sluggish, and the vacancy rate near the record high.

- In the fourth quarter of 2004, builders took out permits for 375,000 new multifamily units, up 6 percent from the third quarter and up 7 percent from the fourth quarter of 2003.
- Construction was started on 313,000 new multifamily units in the fourth quarter of 2004, up 10 percent from the third quarter but down 10 percent from the fourth quarter of 2003.

- Builders completed 262,000 units in the fourth quarter, down 11 percent from the third quarter but up 13 percent from the fourth quarter of 2003.
- The rental vacancy rate in the fourth quarter of 2004 was 10.0 percent, down 0.1 percentage point from the third quarter and down 0.2 percentage point from the fourth quarter of 2003. The record-high quarterly vacancy rate was 10.4 percent, set in the first quarter of 2004.
- Market absorption of new rental apartments has increased with 65 percent of new apartments completed in the third quarter leased or absorbed in the first 3 months following completion. This absorption rate is among the lowest quarterly absorption rates reported in the past 30 years.

## Notes

<sup>1</sup> The number of shipments for the fourth quarter of 2004 was estimated based on October and November reports because data for December were not available when this report was prepared.



# AMERICAN HOUSEHOLDS AND THEIR HOUSING: 1985 AND 2003

The composition of American households has been shifting, over time, away from traditional husband-wife families toward individuals living alone and groups of unrelated individuals living together. An issue for American housing is the extent to which these demographic shifts have had an impact on the housing situations of American households.

Five household types are identified in this article: husband-wife families; other male-headed families; other female-headed families; male-headed, non-family households; and female-headed, non-family households. Households are classified as family households if two or more of the occupants are related and as non-family if none of the occupants are related. The two data sources are the 1985 and the 2003 American Housing Surveys for the United States.<sup>1</sup>

Over the 18-year period from 1985 to 2003, a shift from traditional husband-wife families to non-family households occurred. As Exhibit 1 indicates, 57.2 percent of all households in 1985 were husband-wife families.<sup>2</sup> In 2003, the proportion of husband-wife families among all households declined to 51.3 percent, a decline of

5.9 percentage points. Male-headed, non-family households increased 3.2 percentage points, from 11.8 percent in 1985 to 15.0 percent in 2003. Female-headed, non-family households increased by 1.2 percentage points, from 16.1 percent in 1985 to 17.3 percent in 2003. Other families, male-headed and female-headed, increased slightly.

Demographic changes have consequences for American housing. These changes have led to slight population shifts to the suburbs and shifts toward higher representation of nonwhite households; higher representation of Hispanic households; an aging population; increased homeownership; increased preferences for larger, single-family housing; and increased housing costs. In this article, we discuss changes that occurred between 1985 and 2003, note some possible explanations for any resulting shifts, and describe the distribution of households in 2003 across several housing dimensions.

Overall, the geographic distribution of households shifted from the Northeast and Midwest toward the South and West between 1985 and 2003. In 1985, 21.2 percent of all households lived in the Northeast; this proportion decreased to 19.1 percent in 2003. The Midwest underwent the same decline; its portion of households declined from 25.0 percent in 1985 to 23.1 percent in 2003. Household distribution in the other two regions, however, increased 2 percentage points each, from 34.0 to 36.0 percent in the South and 19.8 to 21.8 percent in the West. Although the detailed changes from 1985 to 2003 are generally minor, some tendency exists for households other than husband-wife families to be located in the South and West in 2003, which explains some of the overall regional shift noted above.<sup>3</sup> In 1985, the geographic distribution of the various household types is similar to the data Exhibit 2 shows for 2003. In 2003, 19.1 percent of all households lived in the Northeast, and this distribution generally applied for all types of households: the percentages of households in the Northeast varied from 18.4 percent for husband-wife families to 20.6 percent for female-headed, non-family households. In the Midwest, where 23.1 percent of all households were located, the proportions varied from 21.4 percent for other female-headed families to 23.7 percent for female-headed, non-family households. The South was home to 36.0 percent of all households in 2003, where percentages for the various types of households ranged from 33.8 percent for other male-headed families to 38.2 percent for other female-headed families. In the West, where 21.8 percent of all households lived, the different household types varied from 20.1 percent for female-headed, non-family households to 26.1 percent for other male-headed families.

**Exhibit 1. Household Types, 1985 and 2003**

Household Type	1985 (%)	2003 (%)
Husband-Wife Family	57.2	51.3
Other Male-Headed Family	3.4	4.1
Other Female-Headed Family	11.5	12.3
Male-Headed, Non-Family Households	11.8	15.0
Female-Headed, Non-Family Households	16.1	17.3
All	100.0	100.0

**Exhibit 2. Household Types by Region, 2003**

Household Type	Northeast (%)	Midwest (%)	South (%)	West (%)
Husband-Wife Family	18.4	23.4	36.0	22.2
Other Male-Headed Family	18.7	21.5	33.8	26.1
Other Female-Headed Family	19.6	21.4	38.2	20.9
Male-Headed, Non-Family Households	19.1	23.4	35.6	21.9
Female-Headed, Non-Family Households	20.6	23.7	35.6	20.1
All, 2003	19.1	23.1	36.0	21.8
All, 1985	21.2	25.0	34.0	19.8

Households overwhelmingly resided in metropolitan areas in 1985 and 2003; however, a shift toward suburban locations occurred over the 18-year period, driven by the preferences of husband-wife families. Husband-wife families, although declining, still accounted for the majority of households. In 1985, 33.5 percent of all households were located in central cities of metropolitan areas; this portion fell to 29.4 percent in 2003. In 1985, 44.1 percent of households were located in suburbs of metropolitan areas; this proportion increased to 48.4 percent in 2003. The percentages of households living outside metropolitan areas were nearly unchanged from 1985 to 2003—22.4 and 22.1 percent, respectively. The distribution of household types across metropolitan areas was basically unchanged over the period. Exhibit 3 shows the distribution for 2003. Two patterns emerge from this exhibit: most husband-wife families lived in the suburbs, and other household types continued to have a significant representation in the central cities. Although suburbs were the most common locations for all household types, 53.5 percent of all husband-wife

families were located in suburbs of metropolitan areas compared with 22.9 percent in central cities. One-third or more (33.4 to 37.7 percent) of the other household types lived in central cities compared with approximately 23 percent of husband-wife families.

The racial distribution of households has changed slightly from 1985 to 2003. In 1985, 86.3 percent of households were white; this portion decreased to 82.7 percent in 2003, a decline of 3.5 percentage points.<sup>4</sup> The proportion of African-American households increased from 11.2 percent in 1985 to 12.3 percent in 2003. The two other racial groups—American Indians and Alaskan Natives, and Asians, Hawaiians, and Pacific Islanders—had also increased their representations by then. Although the detailed shifts were generally minor, most of the shift away from the white category may be explained by the decline in the number of husband-wife families between 1985 and 2003. Exhibit 4 presents the racial composition of households in 2003.

**Exhibit 3. Household Types by Metropolitan Location, 2003**

Household Type	Central City of MSA <sup>a</sup> (%)	Inside MSA; Not in Central City (%)	Outside MSA (%)
Husband-Wife Family	22.9	53.5	23.5
Other Male-Headed Family	33.4	46.4	20.2
Other Female-Headed Family	37.6	42.9	19.5
Male-Headed, Non-Family Households	37.7	42.0	20.3
Female-Headed, Non-Family Households	34.9	43.1	22.0
All, 2003	29.4	48.4	22.1
All, 1985	33.5	44.1	22.4

<sup>a</sup> MSA=Metropolitan Statistical Area.



**Exhibit 4. Household Types by Householder Race, 2003**

Household Type	White Only (%)	African-American Only (%)	American Indian Only (%)	Asian, Native Hawaiian, or Pacific Islander Only (%)	Two or More Races (%)
Husband-Wife Family	87.6	7.1	0.5	3.9	0.9
Other Male-Headed Family	76.4	17.3	1.2	4.0	1.1
Other Female-Headed Family	65.1	29.5	1.1	2.5	1.8
Male-Headed, Non-Family Households	81.9	13.5	0.6	2.8	1.2
Female-Headed, Non-Family Households	82.6	13.3	0.5	2.2	1.4
All, 2003	82.7	12.3	0.6	3.3	1.1
All, 1985	86.3	11.2	0.5	3.0	—

Three patterns are evident in the data on household composition. First, most respondents from every household type selected white as their race. The percentages ranged from a high of 87.6 percent for husband-wife families to a low of 65.1 percent for other female-headed families. Second, male-headed and female-headed families are between two-and-one-half (17.3 percent) and four times (29.5 percent) as likely, respectively, as husband-wife families (7.1 percent) to have reported African American as their race category. Non-family households were twice as likely to have reported their race as African American.

Hispanic households have nearly doubled their representation from 1985 to 2003. In 1985, 5.7 percent of all households reported a Hispanic householder; this proportion increased to 10.4 percent in 2003. The portion of households reporting a Hispanic householder doubled for each of the five household types. Exhibit 5

**Exhibit 5. Household Types by Hispanic Householder Status, 2003**

Household Type	Hispanic Householder (%)	Not Hispanic Householder (%)
Husband-Wife Family	10.7	89.3
Other Male-Headed Family	19.6	80.4
Other Female-Headed Family	15.3	84.7
Male-Headed, Non-Family Households	8.4	91.6
Female-Headed, Non-Family Households	5.7	94.3
All, 2003	10.4	89.6
All, 1985	5.7	94.3

shows the percentage distribution of the different household types by whether they reported having a Hispanic householder. Although 10.7 percent of husband-wife families reported a Hispanic householder, 19.6 percent of male-headed family households reported a Hispanic householder as did 15.3 percent of female-headed family households. The percentages with Hispanic householders were much lower for non-family households: 8.4 percent for male-headed, non-family households and 5.7 percent for female-headed, non-family households.

Citizenship information was not collected in the American Housing Survey until 2001; therefore, information on citizenship in 1985 is not available. Exhibit 6, however, presents the distribution of citizenship status for the various household types. Overall, 89.2 percent of all householders were native-born citizens, 5.3 percent were naturalized citizens, and 5.5 percent

**Exhibit 6. Household Types by Citizenship, 2003**

Household Type	Citizen (%)	Naturalized Citizen (%)	Non-Citizen (%)
Husband-Wife Family	87.6	6.4	6.1
Other Male-Headed Family	82.7	6.0	11.3
Other Female-Headed Family	88.7	5.3	6.0
Male-Headed, Non-Family Households	91.8	3.4	4.8
Female-Headed, Non-Family Households	93.5	3.9	2.6
All	89.2	5.3	5.5

**Exhibit 7. Household Types by Age of Householder, 2003**

Household Type	Age of Householder						
	Under 25 (%)	25–29 (%)	30–34 (%)	35–44 (%)	45–54 (%)	55–64 (%)	65 and Over (%)
Husband-Wife Family	2.5	6.1	10.3	24.4	23.1	16.5	17.0
Other Male-Headed Family	9.7	10.8	11.5	26.7	21.8	8.9	10.6
Other Female-Headed Family	8.3	9.5	12.4	25.3	21.3	9.6	13.6
Male-Headed, Non-Family Households	10.8	10.6	11.9	18.4	18.5	12.9	17.1
Female-Headed, Non-Family Households	8.4	6.1	5.4	10.4	14.3	15.0	40.4
All, 2003	5.7	7.4	10.0	21.3	20.6	14.6	20.4
All, 1985	6.4	11.0	11.5	20.4	14.5	14.9	21.4

were non-citizens. Husband-wife families and female-headed families had similar percentage distributions. Non-family households were more likely to have native-born citizens as householders: 91.8 percent of male-headed and 93.5 percent of female-headed, non-family households. Non-citizen householders were twice as common for other male-headed families (11.3 percent) than for the four other types of households (2.6 to 6.1 percent). In general, non-native-born householders were more likely to head one of the three types of family households than the two types of non-family households. In other words, non-native-born households are more likely to be composed of relatives.

The median age of householders increased between 1985 and 2003, primarily because of the aging of baby boomers. In 1985, 14.5 percent of householders were between 45 and 54 years old, but by 2003, this category had grown to 20.6 percent of all households. Generally, the age distribution differences across household types did not shift except to account for the overall aging of

the householder population. Exhibit 7 shows the distribution of households in 2003 by the age of the householder. Husband-wife families had a median age of 47; other male-headed families had a median age of 41; other female-headed families had a median age of 42; male-headed, non-family households had a median age of 43; and female-headed, non-family households had the highest median age at 58. This last group includes many widows living alone or with nonrelatives.

The overall homeownership rate increased from 63.5 percent in 1985 to 68.3 percent in 2003, a gain of 4.8 percentage points. The detailed data show that non-family households made the largest gains. Exhibit 8 shows the homeownership rates for the various household types in 2003. Husband-wife families had the highest homeownership rate: 83.3 percent owned their homes. The other four household types had lower homeownership rates ranging from a low of 47.7 percent for male-headed, non-family households to a high of 57.1 percent for other male-headed families.

**Exhibit 8. Household Types by Homeownership Rate, 2003**

Household Type	Homeownership Rate (%)
Husband-Wife Family	83.3
Other Male-Headed Family	57.1
Other Female-Headed Family	50.1
Male-Headed, Non-Family Households	47.7
Female-Headed, Non-Family Households	56.9
All, 2003	68.3
All, 1985	63.5

More households lived in single-family housing (attached, detached, and manufactured) in 2003 than in 1985, but the changes were fairly small. The proportion of households in single-family, detached units in 2003 was 64.0 percent, up 1.7 percentage points from 1985; single-family, attached units accounted for 5.9 percent of all housing units in 2003, up 1.3 percentage points from 1985; and households in manufactured homes increased from 5.4 percent in 1985 to 6.5 percent in 2003. These increases in the distribution of households may be explained by an increased preference of non-family households for single-family, detached housing. Exhibit 9 shows the distribution of household types by structure type in 2003. Several patterns are evident in the data. First, nearly 80 percent of husband-wife families occupy traditional single-family, detached housing units. The other four household types are more likely to live in multifamily housing units than do



**Exhibit 9. Household Types by Structure Type, 2003**

Household Type	Single-Family, Detached (%)	Single-Family, Attached (%)	Multi-family, 2 to 4 Units (%)	Multi-family, 5 to 9 Units (%)	Multi-family, 10 to 19 Units (%)	Multi-family, 20 to 49 Units (%)	Multi-family, 50 or More Units (%)	Manufactured (%)
Husband-Wife Family	78.3	4.5	4.1	2.2	1.9	1.4	1.4	6.2
Other Male-Headed Family	59.7	6.5	9.4	5.7	4.9	3.4	2.9	7.5
Other Female-Headed Family	53.2	8.1	13.1	7.2	5.4	3.3	3.0	6.7
Male-Headed, Non-Family Households	44.2	6.7	12.8	8.4	8.1	6.2	6.3	7.3
Female-Headed, Non-Family Households	47.3	7.9	11.2	7.5	6.9	5.3	7.9	6.0
All, 2003	64.0	5.9	8.0	4.8	4.2	3.1	3.5	6.5
All, 1985	62.3	4.6	11.6	5.0	4.3	3.3	3.7	5.4

husband-wife families. The two other family household types are about twice as likely to occupy multi-family housing units as husband-wife families, and the two non-family household types are about three to four times more likely to occupy multifamily housing units than do husband-wife families. Finally, the portion of households living in manufactured homes was nearly the same for all five household types, ranging between 6.0 and 7.5 percent.

Housing units in 2003 had more rooms than they did in 1985. In 2003, 9.4 percent of all housing units had three or fewer rooms while in 1985, 12.0 percent of housing units had this number of rooms. In 1985, however, 26.7 percent of all housing units had seven or more rooms compared with 28.7 percent in 2003. Much of this shift is attributable to a move of non-family households to larger units. Exhibit 10 presents the distribution of household types and number of rooms. The data present several patterns. First, husband-wife families live in larger units. About 41 percent

of husband-wife families lived in housing units with seven or more rooms. This proportion is two to three times higher than for the other four household types. Fewer family households live in small units (three or fewer rooms) compared with non-family households. Between 3 and 5 percent of family households lived in units with this number of rooms, while between 21 and 25 percent of non-family households lived in such units. This preference for units with more rooms is demonstrated by the number of households living in units with four rooms: approximately 10 percent for husband-wife families and about 25 percent for the other four household types. The distribution of households in six-room units provides further evidence of this preference. About 20 to 24 percent of family households lived in six-room units, while 15 to 17 percent of non-family households lived in such units.

Housing costs doubled for all five household types in the 18-year period from 1985 to 2003.<sup>5</sup> The median monthly housing cost for all households was \$344 in

**Exhibit 10. Household Types by Number of Rooms, 2003**

Household Type	1 to 3 Rooms (%)	4 Rooms (%)	5 Rooms (%)	6 Rooms (%)	7 or More Rooms (%)
Husband-Wife Family	2.7	10.5	21.1	24.4	41.3
Other Male-Headed Family	5.0	24.4	28.3	20.0	22.2
Other Female-Headed Family	4.3	24.3	28.9	22.7	19.8
Male-Headed, Non-Family Households	24.7	26.1	22.3	14.9	12.0
Female-Headed, Non-Family Households	20.6	24.7	24.2	16.9	13.6
All, 2003	9.4	17.5	23.1	21.3	28.7
All, 1985	12.0	19.0	22.4	19.9	26.7

1985, which increased to \$691 in 2003.<sup>6</sup> Exhibit 11 presents the distribution of median monthly housing costs for the five household types. Husband-wife families incurred the highest monthly housing costs, \$833, reflecting their larger sized homes. The other two family household types paid housing costs of \$709 for male-headed families and \$639 per month for female-headed families. The non-family households had median monthly housing costs of \$599 and \$513 for male-headed and female-headed, non-family households, respectively.

Household incomes nearly doubled from 1985 to 2003. The median income for all households was \$21,600 in 1985, which increased to \$40,177 in 2003. Although the median incomes of husband-wife families and female-headed families and non-families doubled during this period, male-headed families and non-families experienced smaller gains. Exhibit 11 presents estimated median incomes for the five types of households. The highest median income is \$60,000 earned by husband-wife families. Other male-headed families earned the second highest, \$40,000. The lowest median income, \$21,000, belongs to female-headed, non-family households.

**Exhibit 11. Household Types by Housing Costs and Income, 2003**

Household Type	Median Monthly Housing Costs (\$)	Median Income (\$)
Husband-Wife Family	833	60,000
Other Male-Headed Family	709	40,000
Other Female-Headed Family	639	27,000
Male-Headed, Non-Family Households	599	32,000
Female-Headed, Non-Family Households	513	21,000
Overall Median, 2003	691	40,177
Overall Median, 1985	344	21,600

## Notes

<sup>1</sup> The survey was called the Annual Housing Survey from 1973 to 1983 and the American Housing Survey from 1985 to 2001. Copies of the 1973 to 2001 reports are available at <http://www.census.gov/prod/www/abs/h150.html>. For information on both surveys, visit the HUDUSER web site at <http://www.huduser.org/datasets/ahs.html> or the Census Bureau web site at <http://www.census.gov/hhes/www/ahs.html>. The HUDUSER and Census Bureau web sites provide information on ordering printed copies of the reports.

<sup>2</sup> All statistics in this article are based on sample surveys (American Housing Survey) of the entire population and are, therefore, subject to sampling and nonsampling error. The Census Bureau web site contains more information on survey errors.

<sup>3</sup> To conserve space, detailed tabular distributions are not shown for 1985.

<sup>4</sup> Racial categories have changed since 2000. Respondents are now allowed to select more than one race. As a result, numerous possible combinations of races exist. For our purposes, we grouped all responses of two or more races into one category, and the primary racial categories consist of respondents who selected a single race.

<sup>5</sup> Housing costs and family incomes are nominal; that is, they are not adjusted for overall change in price levels.

<sup>6</sup> Monthly housing cost is the sum of the monthly costs of rent, mortgage payments, other charges included in mortgage payments, home equity loan payments, applicable utility costs (electricity, gas, fuel oil, other fuels [for example, wood, coal, and kerosene], garbage and trash, water and sewage), real estate taxes, property insurance, condominium fees, homeowners association fees, manufactured home park fees, land or site rent, other required manufactured home fees, and routine maintenance.



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# National Data


## HOUSING PRODUCTION



### Permits<sup>★</sup>

Permits for construction of new housing units were up a statistically insignificant 1 percent in the fourth quarter of 2004, at a seasonally adjusted annual rate (SAAR) of 2,022,000 units, and were up 3 percent from the fourth quarter of 2003. One-unit permits, at 1,555,000 units, were down a statistically insignificant 1 percent from the level of the previous quarter but up a statistically insignificant 1 percent from a year earlier. Multifamily permits (5 or more units in structure), at 375,000 units, were 6 percent above the third quarter of 2004 and 7 percent above the fourth quarter of 2003.

In 2004, a total of 2,018,200 building permits were issued, 7 percent more than in 2003. Of these, 1,549,200 were for single-family units, an increase of 6 percent from the previous year, and 356,600 were for multifamily units, up 3 percent from 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total</b>	2,022	2,011	1,971	+ 1 <sup>**</sup>	+ 3
<b>One Unit</b>	1,555	1,567	1,536	- 1 <sup>**</sup>	+ 1 <sup>**</sup>
<b>Two to Four</b>	93	92	84	+ 1 <sup>**</sup>	+ 10 <sup>**</sup>
<b>Five Plus</b>	375	352	351	+ 6	+ 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 2004 totaled 1,959,000 units at a seasonally adjusted annual rate, a statistically insignificant 1 percent below the third quarter of 2004 and a statistically insignificant 4 percent below the fourth quarter of 2003. Single-family starts, at 1,608,000 units, were a statistically insignificant 1 percent lower than the previous quarter and a statistically insignificant 3 percent below the fourth quarter level of the previous year. Multifamily starts totaled 313,000 units, a statistically insignificant 10 percent above the previous quarter but a statistically insignificant 10 percent below the same quarter in 2003.

Builders started construction on 1,953,400 housing units in 2004, an increase of 6 percent over 2003. Single-family units accounted for 1,608,400 of this total, 7 percent more than in the previous year, and multifamily units accounted for 303,700, 4 percent fewer than in 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total</b>	1,959	1,969	2,035	– 1**	– 4**
<b>One Unit</b>	1,608	1,632	1,657	– 1**	– 3**
<b>Five Plus</b>	313	284	346	+ 10**	– 10**

\*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 2004 were at a seasonally adjusted annual rate of 1,278,000 units, a statistically insignificant 3 percent above the previous quarter and 8 percent above the fourth quarter of 2003. Single-family units stood at 892,000, a statistically insignificant 3 percent above the previous quarter and 10 percent above the fourth quarter of 2003. Multifamily units were at 348,000, up a statistically insignificant 2 percent from the previous quarter and up a statistically insignificant 1 percent from the fourth quarter of 2003.

At the end of 2004, 1,235,700 housing units were under construction, 8 percent more than at the end of 2003. Single-family units accounted for 850,700 of this total, an increase of 10 percent over the previous year, and multifamily units comprised 346,900, up 1 percent from 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total</b>	1,278	1,240	1,181	+ 3**	+ 8
<b>One Unit</b>	892	864	811	+ 3**	+ 10
<b>Five Plus</b>	348	340	346	+ 2**	+ 1**

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

\*\*This change is not statistically significant.


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



## Completions<sup>★</sup>

Housing units completed in the fourth quarter of 2004, at a seasonally adjusted annual rate of 1,836,000 units, were down a statistically insignificant 1 percent from the previous quarter but up 6 percent from the same quarter of 2003. Single-family completions, at 1,550,000 units, were up a statistically insignificant 1 percent from the previous quarter and up 6 percent from the rate of a year earlier. Multifamily completions, at 262,000 units, were a statistically insignificant 11 percent below the previous quarter but 13 percent above the same quarter of 2003.

In 2004, a total of 1,844,300 housing units were completed, including 1,533,300 single-family units and 288,100 multifamily units. Compared with the previous year, total completions increased 10 percent, single-family units rose 11 percent, and multifamily units grew 10 percent.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total</b>	1,836	1,856	1,725	- 1 **	+ 6
<b>One Unit</b>	1,550	1,538	1,467	+ 1 **	+ 6
<b>Five Plus</b>	262	294	233	- 11 **	+ 13

\*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<sup>★</sup>

Shipments of new manufactured (mobile) homes were at a seasonally adjusted annual rate of 139,000 units in the fourth quarter of 2004, which is 8 percent above the previous quarter and 10 percent above the rate of a year earlier.

A total of 131,000 units were shipped in 2004, the same rate as 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Manufacturers' Shipments</b>	139	128	126	+ 8	+ 10

\*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 1,153,000 units at a seasonally adjusted annual rate (SAAR) in the fourth quarter of 2004, nearly unchanged from the previous quarter but up a statistically insignificant 3 percent from the fourth quarter of 2003. The number of new homes for sale at the end of December 2004 was 443,000 units, up 7 percent from the past quarter and up 18 percent from the fourth quarter of 2003. At the end of December, inventories represented a 4.8 months' supply at the current sales rate, up 17 percent from the previous quarter and up 20 percent from the fourth quarter of last year. In 2004, 1,183,000 new houses sold, up 9 percent from last year.

Sales of existing single-family homes for the fourth quarter of 2004 reported by the NATIONAL ASSOCIATION OF REALTORS® totaled 6,790,000 (SAAR), up 2 percent from the third quarter of 2004 and up 8 percent from the fourth quarter of 2003. The number of units for sale at the end of the fourth quarter of 2004 was 2,180,000, 9 percent below the previous quarter and 5 percent below the fourth quarter of 2003. At the end of the fourth quarter of 2004, a 3.9 months' supply of units remained, 7 percent fewer than the previous quarter and 9 percent fewer than the fourth quarter a year ago.

In 2004, sales of existing single-family homes rose to 6,675,000, up 9 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>	1,153	1,155	1,116	—	+ 3**
<b>For Sale</b>	443	413	377	+ 7	+ 18
<b>Months' Supply</b>	4.8	4.1	4.0	+ 17	+ 20
<b>Existing Homes</b>					
<b>Existing Homes Sold</b>	6,790	6,677	6,297	+ 2	+ 8
<b>For Sale</b>	2,180	2,390	2,300	– 9	– 5
<b>Months' Supply</b>	3.9	4.2	4.3	– 7	– 9

\*Units in thousands.

\*\*This change is not statistically significant.

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




## Home Prices

The median price of new homes during the fourth quarter of 2004 increased to \$223,400, up 5 percent from the previous quarter and up 12 percent from the fourth quarter of 2003. The average price of new homes sold during the fourth quarter of 2004 was \$282,300, up a statistically insignificant 3 percent from the third quarter of this year and up 10 percent from the fourth quarter a year ago. The price adjusted to represent a constant-quality house was \$239,900, unchanged from the third quarter of 2003 but up 7 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 2004 increased to \$218,900, up 12 percent from 2003. The annual average price was \$272,500, up 11 percent from the past year. The constant-quality house price rose 8 percent to \$236,100 in 2004.

The median price of existing single-family homes in the fourth quarter of 2004 was \$187,500, unchanged from the third quarter of 2004 but up 9 percent from the fourth quarter a year ago, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of existing homes, \$240,600, was unchanged from the previous quarter but increased 10 percent above the price in the fourth quarter of 2003.

In 2004, the annual median price of existing homes increased 8 percent to \$184,100, while the average price rose to \$236,200, a 9-percent gain over the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
Median	\$223,400	\$213,500	\$198,800	+ 5	+ 12
Average	\$282,300	\$274,000	\$256,000	+ 3 **	+ 10
Constant-Quality House <sup>1</sup>	\$239,900	\$237,800	\$225,000	—	+ 7
Existing Homes					
Median	\$187,500	\$188,200	\$172,200	—	+ 9
Average	\$240,600	\$240,100	\$219,000	—	+ 10

\*\*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 2004 shows that families earning the median income have 131.9 percent of the income needed to purchase the median-priced existing home. This figure is up 2 percent from the third quarter 2004 index but down 4 percent from the fourth quarter of 2003.

The increase in the fourth quarter 2004 housing affordability index reflects current changes in the marketplace. The national average home mortgage interest rate for existing single-family homes decreased 10 basis points from the previous quarter to an interest rate of 5.72 percent, while the median price of existing single-family homes decreased to \$187,467, a slight decline of less than one-half percent from the third quarter of 2004. The median family income rose just 1 percent from the previous quarter to \$55,239.

The fixed-rate index increased 4 percent from the third quarter 2004 index but decreased 3 percent from the fourth quarter of 2003. The adjustable-rate index increased 1 percent from the last quarter but decreased 7 percent from the fourth quarter of 2003.


	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Composite Index	131.9	128.9	137.0	+ 2	– 4
Fixed-Rate Index	129.3	124.8	133.3	+ 4	– 3
Adjustable-Rate Index	137.4	136.6	148.3	+ 1	– 7

Source: NATIONAL ASSOCIATION OF REALTORS®



## Apartment Absorptions

In the third quarter of 2004, 45,100 new, unsubsidized, unfurnished, multifamily (five or more units in structure) rental apartments were completed, up a statistically insignificant 5 percent from the previous quarter and up a statistically insignificant 6 percent from the third quarter of 2003. Of the apartments completed in the third quarter of 2004, 65 percent were rented within 3 months. This absorption rate is a statistically insignificant 10 percent above the previous quarter and 16 percent above the same quarter of the previous year. The median asking rent for apartments completed in the third quarter was \$956, which is a statistically insignificant 7 percent below the previous quarter but a statistically insignificant 3 percent above a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Apartments Completed*</b>	45.1	42.9	42.5	+ 5**	+ 6**
<b>Percent Absorbed Next Quarter</b>	65	59	56	+ 10**	+ 16
<b>Median Rent</b>	\$956	\$1,024	\$925	- 7**	+ 3**

\*Units in thousands.

\*\*This change is not statistically significant.


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

Development and Research, Department of Housing and Urban Development



## Manufactured (Mobile) Home Placements

Manufactured homes placed on site ready for occupancy in the third quarter of 2004 totaled 123,000 at a seasonally adjusted annual rate, a statistically insignificant 5 percent below the level of the previous quarter and 13 percent below the third quarter of 2003. The number of homes for sale on dealers' lots at the end of the third quarter totaled 38,000 units, 6 percent above the previous quarter but a statistically insignificant 1 percent below the same quarter of 2003. The average sales price of the units sold in the third quarter was \$57,000, a statistically insignificant 2 percent above the previous quarter and a statistically insignificant 1 percent above the price in the third quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Placements*</b>	123.0	129.7	140.7	- 5**	- 13
<b>On Dealers' Lots*</b>	38.0	36.0	38.3	+ 6	- 1**
<b>Average Sales Price</b>	\$57,000	\$56,000	\$57,000	+ 2**	+ 1**

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

\*\*This change is not statistically significant.

Note: Percentage changes are based on unrounded numbers.


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



## Builders' Views of Housing Market Activity

The National Association of Home Builders™ (NAHB) 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 2004 value for the index of current market activity for single-family detached houses stood at 77, up 2 points from the third quarter but down 1 point from the fourth quarter of 2003. The index for future sales expectations, 79, was up 3 points from the third quarter value but down 1 point from the same quarter in 2003. Prospective buyer traffic had an index value of 51, which is down 2 points from the third quarter 2004 value but up 1 point from the 2003 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 70, up 2 points from the third quarter level but down 1 point from the value in the fourth quarter of 2003.

Over all of 2004, the current sales index averaged 75, up 5 points from 2003. The average future sales expectations index was 76, 4 points higher than the previous year. The prospective sales index averaged 51 for the year, also 4 points above 2003. The composite index for 2004 was 68, an increase of 4 points over the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Housing Market Index</b>	70	68	71	+ 3	– 1
<b>Current Sales Activity—Single-Family Detached</b>	77	75	78	+ 3	– 1
<b>Future Sales Expectations—Single-Family Detached</b>	79	76	80	+ 4	– 1
<b>Prospective Buyer Traffic</b>	51	53	50	– 4	+ 2


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

# HOUSING FINANCE



## Mortgage Interest Rates

The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac fell to 5.73 percent in the fourth quarter of 2004, 16 basis points lower than in the previous quarter and 19 basis points lower than in the fourth quarter of 2003. Adjustable-rate mortgages (ARMs) in the fourth quarter of 2004 were going for 4.12 percent, 6 basis point above the previous quarter and 37 basis points above the fourth quarter of 2003. Fixed-rate, 15-year mortgages, at 5.15 percent, were down 14 basis points from the third quarter of 2004 and down 10 basis points from the fourth quarter of last year. The 2004 annual rate for 30-year, fixed-rate, conventional mortgages was 5.84 percent, up 1 basis point from 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>	5.73	5.89	5.92	- 3	- 3
<b>Conventional ARMs</b>	4.12	4.05	3.75	+ 2	+ 10
<b>Conventional, Fixed-Rate, 15-Year</b>	5.15	5.29	5.25	- 3	- 2
<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 178,000 (not seasonally adjusted) properties in the fourth quarter of 2004, down 14 percent from the previous quarter and down 34 percent from the fourth quarter of 2003. Total endorsements or insurance policies issued totaled 153,100, down 24 percent from the third quarter of 2004 and down 54 percent from the fourth quarter of last year. Purchase endorsements, at 99,900, were down 27 percent from the previous quarter and down 46 percent from the fourth quarter of 2003. Endorsements for refinancings decreased to 53,300, a 20-percent decrease from the third quarter and a 64-percent decrease from the fourth quarter a year ago.

The total number of FHA applications received in 2004 was 945,600, a 42-percent decline from 2003. Total endorsements were 826,600, a decline of 40 percent from last year. Purchase endorsements, at 502,300, declined 26 percent from 2003, and the 324,300 refinancings were 54 percent below the previous year's total.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Applications Received</b>	178.0	207.9	268.0	- 14	- 34
<b>Total Endorsements</b>	153.1	202.2	333.1	- 24	- 54
<b>Purchase Endorsements</b>	99.9	135.9	183.9	- 27	- 46
<b>Refinancing Endorsements</b>	53.3	66.3	149.2	- 20	- 64

\*Units in thousands of properties.


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



## PMI and VA Activity\*

Private mortgage insurers issued 377,700 policies or certificates of insurance on conventional mortgage loans during the fourth quarter of 2004, down 10 percent from the third quarter of 2004 and down 23 percent from the fourth quarter of 2003; these numbers are not seasonally adjusted. The Department of Veterans Affairs (VA) reported the issuance of mortgage loan guaranties on 42,400 single-family properties in the fourth quarter of 2004, down 27 percent from the previous quarter and down 63 percent from the fourth quarter of 2003.

In 2004, private insurers issued 1,708,972 certificates of insurance, a decrease of 31 percent from 2003. Total VA mortgage loan guaranties decreased 49 percent to 262,791 from 2003 to 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total PMI Certificates</b>	377.7	418.1	490.5	- 10	- 23
<b>Total VA Guaranties</b>	42.4	57.8	115.4	- 27	- 63

\*Units in thousands of properties.

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

National Data



## Delinquencies and Foreclosures

Delinquencies for all total past due loans were at 4.41 percent at the end of 2004's third quarter, unchanged from the second quarter of 2004 but down 5 percent from the third quarter of 2003. Delinquencies for subprime total past due loans were at 10.39 percent, up 3 percent from the second quarter of 2004 but down 18 percent from the third quarter of the previous year. Ninety-day delinquencies for all loans were at 0.78 percent, down 3 percent from the second quarter of 2004 and down 12 percent from the third quarter a year ago. Subprime loans that were 90 days past due stood at 2.13 percent in the third quarter of 2004, down 5 percent from 2004's second quarter and down 30 percent from 2003's third quarter. During the third quarter of 2004, 0.39 percent of all loans entered foreclosure, unchanged from the second quarter of 2004 but a decrease of 11 percent from the third quarter of the previous year. In the subprime category, 1.36 percent began foreclosure in the third quarter of 2004, an increase of 15 percent over the second quarter of 2004 but a 29-percent decrease from the third quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total Past Due (%)</b>					
<b>All Loans</b>	4.41	4.43	4.65	—	– 5
<b>Subprime Loans</b>	10.39	10.04	12.69	+ 3	– 18
<b>90 Days Past Due (%)</b>					
<b>All Loans</b>	0.78	0.80	0.89	– 3	– 12
<b>Subprime Loans</b>	2.13	2.25	3.04	– 5	– 30
<b>Foreclosures Started (%)</b>					
<b>All Loans</b>	0.39	0.39	0.44	—	– 11
<b>Subprime Loans</b>	1.36	1.18	1.92	+ 15	– 29

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




# HOUSING INVESTMENT



## Residential Fixed Investment and Gross Domestic Product\*

Residential Fixed Investment (RFI) for the fourth quarter of 2004 was at a seasonally adjusted annual rate of \$681.9 billion, 1 percent above the value from the third quarter of 2004 and 12 percent above the fourth quarter of 2003. As a percentage of the Gross Domestic Product (GDP), RFI for the fourth quarter of 2004 was 5.7 percent, unchanged from the previous quarter but 0.3 percentage point above the same quarter a year ago.

RFI for all of 2004 was \$661.7 billion, 16 percent above 2003. Annual RFI accounted for 5.6 percent of GDP, an increase of 0.4 percentage point from the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>GDP</b>	11,967.0	11,814.9	11,270.9	+ 1	+ 6
<b>RFI</b>	681.9	677.0	609.0	+ 1	+ 12
<b>RFI/GDP (%)</b>	5.7	5.7	5.4	—	+ 6

\*Billions of dollars.


Source: Bureau of Economic Analysis, Department of Commerce

# HOUSING INVENTORY



## Housing Stock<sup>★</sup>

At the end of the fourth quarter of 2004, the estimate of the total housing stock, 122,740,000 units, was up a statistically insignificant 0.3 percent from the third quarter of 2004 and up a statistically insignificant 1.1 percent above the fourth quarter level for 2003. The number of occupied units increased a statistically insignificant 0.6 percent from the third quarter of 2004 and rose 1.6 percent above the fourth quarter of 2003. Owner-occupied homes increased a statistically insignificant 0.9 percent from the third quarter of 2004 and were up 2.4 percent above last year's fourth quarter. Rentals increased a statistically insignificant 0.1 percent from the previous quarter but decreased a statistically insignificant 0.2 percent from the fourth quarter of 2003. Vacant units were down 2.0 percent from last quarter and decreased 2.3 percent from 2003's fourth quarter.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>All Housing Units</b>	122,740	122,373	121,415	+ 0.3 <sup>**</sup>	+ 1.1 <sup>**</sup>
<b>Occupied Units</b>	107,546	106,870	105,858	+ 0.6 <sup>**</sup>	+ 1.6
<b>Owner Occupied</b>	74,413	73,772	72,650	+ 0.9 <sup>**</sup>	+ 2.4
<b>Renter Occupied</b>	33,133	33,098	33,208	+ 0.1 <sup>**</sup>	- 0.2 <sup>**</sup>
<b>Vacant Units</b>	15,194	15,503	15,557	- 2.0	- 2.3

<sup>★</sup>Components may not add to totals because of rounding. Units in thousands.

<sup>\*\*</sup>This change is not statistically significant.


Source: Census Bureau, Department of Commerce



## Vacancy Rates

The homeowner vacancy rate for the fourth quarter of 2004, at 1.8 percent, increased a statistically insignificant 0.1 percentage point from the third quarter of 2004 but was unchanged from the fourth quarter of 2003.

The 2004 fourth quarter national rental vacancy rate, at 10.0 percent, decreased a statistically insignificant 0.1 percentage point from the previous quarter and was down a statistically insignificant 0.2 percentage point from the fourth quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Homeowner Rate</b>	1.8	1.7	1.8	+ 6**	—
<b>Rental Rate</b>	10.0	10.1	10.2	– 1**	– 2**

\*\*This change is not statistically significant.


Source: Census Bureau, Department of Commerce



## Homeownership Rates

The national homeownership rate was 69.2 percent in the fourth quarter of 2004, up a statistically insignificant 0.2 percentage point from last quarter and up 0.6 percentage point from the fourth quarter of 2003. The homeownership rate for minority households, at 51.4 percent, increased 0.5 percentage point from the third quarter of 2004 and increased 0.8 percentage point from the fourth quarter of 2003. The 62.8-percent homeownership rate for young married-couple households was up a statistically insignificant 0.3 percentage point from the third quarter of 2004 and was up 0.9 percentage point from 2003's fourth quarter.

The annual homeownership rate for all households in 2004 was 69.0, up 0.7 percentage point from 2003. Since last year, the rate for minority households rose 1.5 percentage points to 51.0, and young married-couple households increased by 1.6 percentage points to a rate of 63.1.

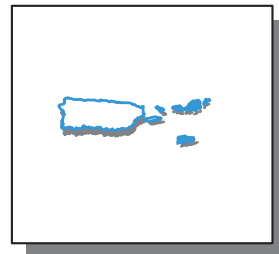
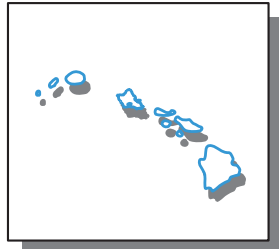
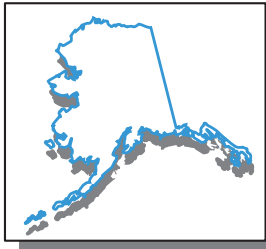
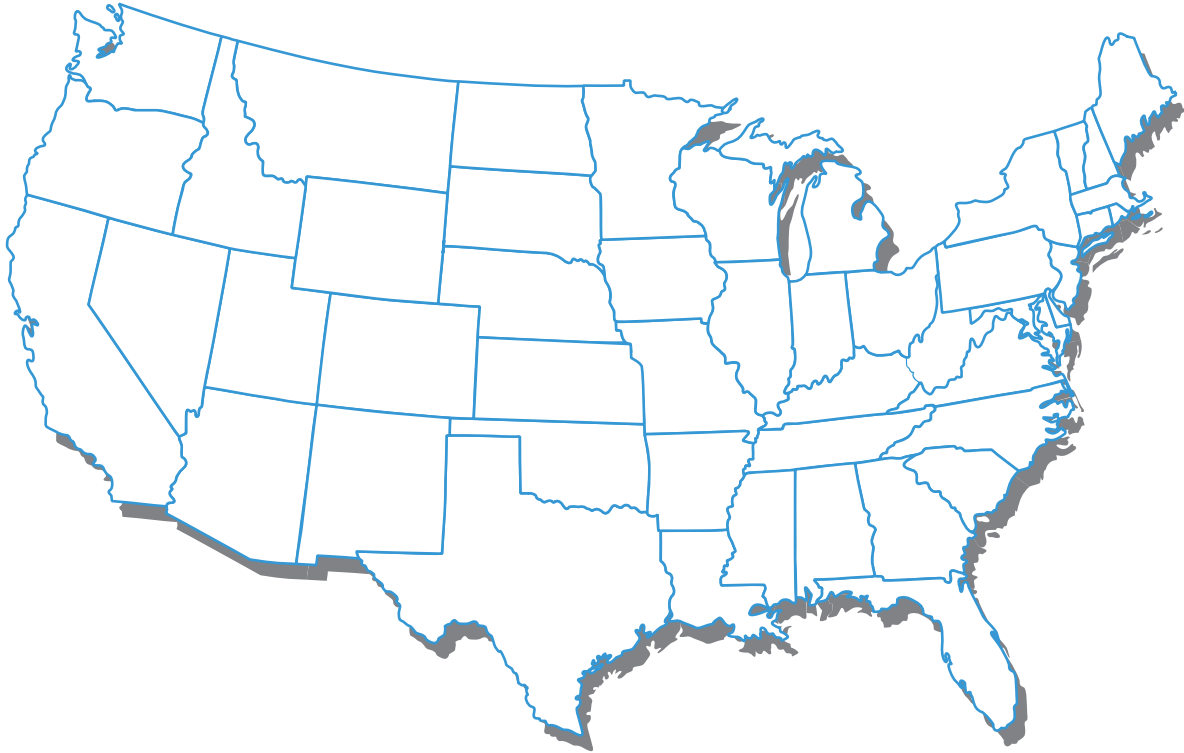
	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>All Households</b>	69.2	69.0	68.6	+ 0.3**	+ 0.9
<b>Minority Households</b>	51.4	50.9	50.6	+ 1.0	+ 1.6
<b>Young Married-Couple Households</b>	62.8	62.5	61.9	+ 0.5**	+ 1.5

\*\*This change is not statistically significant.

Source: Census Bureau, Department of Commerce



# Regional Activity

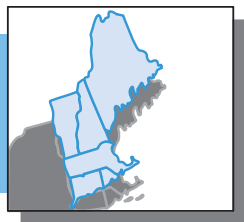


he following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends within each region of HUD management. Also included 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 the New England region increased by 37,500 jobs to a total of 6,937,100 in the 12 months ending December 2004. For the first time since 2000, job gains were posted in all New England states. Connecticut and Massachusetts, the two states that lost the most jobs since 2000 and were the last to turn around, gained 14,300 jobs, or 38 percent of the regional increase. New Hampshire posted the largest job gain at 9,700 jobs, or 1.5 percent, during the 12 months. Maine and Vermont had 1.0 percent job gains with 6,300 and 3,100 jobs, respectively. Bucking the historical trend of losing goods-producing jobs, primarily in manufacturing industries, the region gained 3,000 jobs in this sector, mostly in construction. Only Maine and Rhode Island had small goods-producing job losses. Connecticut, Massachusetts, and Vermont had small manufacturing jobs increases. Service-producing industry jobs represented the bulk of the job increase in the region with an increase of 34,500 jobs. The three northern New England states of Maine, New Hampshire, and Vermont accounted for only 22 percent of the region's service-producing jobs as of December 2004, but they recorded more than 50 percent of the overall increase from December 2003 to December 2004. The recovery in these states, although modest, has been in place longer than in the more urban southern New England states. Service-producing job gains for New Hampshire and Maine were 1.8 and 1.5 percent, respectively.

The unemployment rate in New England was 4.0 percent in December 2004, the lowest rate in the nation for any geographic Census Division, and down from 5.1 percent in December 2003. The unemployment rolls decreased by 79,200 people, or 20.9 percent. Continuing a recent trend, Massachusetts had the most significant decrease in unemployment from 4.7 percent in December 2003 to 4.1 percent in December 2004. Although some job creation has occurred, a portion of the decreased unemployment is due to those leaving the labor force and a decline in population. The unemployment rate in Vermont, although considerably less than in December 2003, has increased recently from its lowest

levels due to people re-entering the labor force as new jobs are created.

In Boston and Cambridge, where the commercial office market has a significantly high rate of availability, a building boom of specialized life sciences projects is under way that will ultimately support thousands of new jobs. More than two dozen projects have been recently completed, are under construction, or are in planning, including hospital expansions, offices/laboratories, research centers, and housing for scientists. This recent phenomenon is spurred by the increasing amount of public and private investment in the scientific and medical areas, according to Spaulding and Slye Colliers, an international commercial real estate firm. The core area of new development is the Longwood Medical area, which has supported existing hospitals, clinics, and research facilities and now hosts nine ongoing projects with an investment of more than \$1.7 billion.

As of July 2004, the census-estimated population of the New England region was 14,238,900, an increase of 316,300, or 2.3 percent, from April 2000. The annual census estimates indicate increases each year during this 4-year period for all the states with the exception of Massachusetts, which lost population from 2003 to 2004. Analysis of the components of population change indicates that all states in the region have recorded net natural increases. International migration has been strong, totaling 234,675 people since 2000, with 59 percent locating in Massachusetts. Both Massachusetts and Connecticut, however, have recorded net out-migration.

Residential building activity in New England was up by 10.5 percent for the 12-month period ending December 2004 compared with 2003. With more than 21,200 units, Massachusetts is supporting the most significant level of construction activity with about one-third of the regional single-family volume and more than half of the multifamily volume. The greatest percentage increase in construction activity was in Vermont where the 3,500 units permitted represent a 25-percent increase from 2003. Single-family units were up about 12 percent, while multifamily activity has doubled. More than half of the multifamily construction is in the Burlington metropolitan area where the economy has been recovering and significant growth has occurred at the University of Vermont.

The increase in single-family construction in the region ranged from 9 to 13 percent for all states except Rhode Island, which had a 4-percent decline. Along with Vermont's increase in multifamily construction,

Maine and Rhode Island had percentage increases of 60 and 20, respectively. The pace slowed somewhat from earlier in the year for Massachusetts and Connecticut. Connecticut actually had a decrease in multifamily construction of about 3 percent from 2003 to 2004. This decrease was most prevalent in suburban Hartford; the city of Hartford has increased multifamily rental housing activity during the past couple of years in conjunction with myriad other public/private projects and investments in an effort to build a residential population base and revitalize the downtown area. Although multifamily units permitted were up about 9 percent in Massachusetts in 2004 compared with 2003, units permitted in the geographically larger Boston-Cambridge-Quincy, Massachusetts-New Hampshire Core Based Statistical Area (CBSA), as defined by the Office of Management and Budget, were down about 6 percent in 2004 to about 6,600 units. Recent higher levels of new rental inventory have increased overall vacancy rates, particularly in Class A properties, and led to concessions—most notably, 1 to 2 months of free rent. According to CB Richard Ellis New England, about 3,600 multifamily units were delivered in the Boston market during 2004 and up to 6,500 multifamily units may enter the market in 2005.

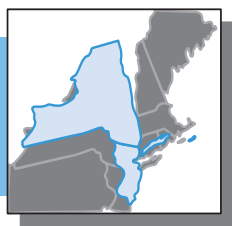
Single-family home sales in the New England states continue at a strong pace. Data from the Massachusetts Association of REALTORS® indicate that sales through 2004 increased by 6 percent to 51,800 units compared with 2003. The median sales price for single-family homes increased 12 percent in 2004 to \$343,900. With rising interest rates anticipated for 2005, both sales and pricing are expected to moderate. The condominium market has also been very strong in 2004. Spurred by new development, adaptive reuse, rental conversions, and commercial office conversions, sales of condominium units in Massachusetts totaled 20,125 units in 2004, a 26-percent increase over the 2003 total. The median sales price also increased, climbing 14 percent to \$258,500 in 2004 from \$226,775 in 2003. In Rhode Island, according to the statewide multiple listing service, sales of existing single-family homes for the first 9 months of 2004 increased by 9 percent to 7,500 units compared with the same period in 2003. The median sales price increased 14 percent to \$260,000 during the same period compared with 2003. Condominium sales during the first 9 months of 2004 increased 16 percent to more than 1,300 units compared with the same period in 2003. The median sales price for condominium units sold during the first 9 months of 2004 was up more than 14 percent to \$199,900 compared with 2003.

According to the Greater Hartford Association of REALTORS®, sales of existing single-family homes in the Hartford metropolitan area increased almost 5 percent in 2004 to 11,700 units. The median sales price climbed 10 percent to \$227,000 compared with \$206,000 in 2003. A recent report from the Capitol Region Council of Governments, however, indicates that prices in most Hartford area towns have not reached the levels of 1988, adjusted for inflation.

According to the Office of Federal Housing Enterprise Oversight (OFHEO), prices continue to rise significantly in New England, up 15 percent in the third quarter of 2004 over the third quarter of 2003. Price appreciation rates range from 22 percent for 5th-ranked Rhode Island to 13 percent for 18th-ranked New Hampshire. NATIONAL ASSOCIATION OF REALTORS® data indicate that the third quarter medians for the Boston and Providence metropolitan areas were \$398,900 and \$283,900, respectively.

According to Reis, Inc., vacancy trends in New England's major apartment markets have been mixed recently. The fourth quarter 2004 apartment vacancy rate for Fairfield County, which is the new Bridgeport-Stamford-Norwalk, Connecticut CBSA, was 3.5 percent, down from 3.9 percent in the fourth quarter of 2003. Rental demand has been boosted by the recovering, adjacent New York economy, limited additions to the rental inventory, and conversions to condominiums. The fourth quarter rental vacancy rate in apartments in the Hartford metropolitan area was 4.9 percent, up from 3.6 percent in the fourth quarter of 2003. Hartford's limited new inventory and generally strong fundamentals were challenged by competition from homeownership, which was driven by very low interest rates in 2004. The Boston metropolitan area rental market had an apartment vacancy rate of 5.2 percent in the fourth quarter of 2004, up slightly from the two previous quarters but down from 5.4 percent a year ago. According to CB Richard Ellis New England, the vacancy rate for Class A properties is more than 6 percent and closer to 4 percent for Class B properties. Rents have increased only slightly over the past year. The increased level of inventory additions and the less-than-optimum economic growth have kept market pressures in check. Despite an improving economy, higher interest rates for prospective homeowners, and continued rental-to-condominium conversions, new rental units projected to be delivered to market in 2005 are anticipated to push the apartment vacancy rate toward 6 percent.

## NEW YORK/ NEW JERSEY



Low interest rates, improved conditions in the financial markets, and a gradually improving job market in the Northeast contributed to economic growth in the New York/New Jersey region. In 2004, total nonfarm employment in New York/New Jersey increased to 12,489,400, up 0.9 percent compared with 2003. Between 2003 and 2004, total nonfarm employment in New York State increased 0.6 percent to 8,449,600, an annual increase of 46,100 jobs. Similarly, employment in New Jersey continued its steady expansion with total nonfarm employment increasing to 4,039,800 during 2004. This increase of 59,500 jobs was up 1.5 percent from the 2003 level, with growth occurring primarily in the trade, transportation, and utilities; leisure and hospitality; and education and health services sectors.

In the 12-month period through December 2004, total nonfarm employment in New York City increased to 3,549,200 jobs, up 0.6 percent from a year ago. This increase was significant because it represented the first year since 2000 in which the city registered net employment growth after the decline in the stock market and the aftermath of September 11. Although Wall Street bonuses were lower than originally expected, compensation was estimated to be 10 to 15 percent above last year's levels. Traditionally, these bonuses contribute to major year-end durable goods purchases and generate increased residential real estate sales activity.

The most recent Federal Reserve Board "Beige Book" confirmed that the economy of New York/New Jersey continued to gain momentum during the fourth quarter of 2004. Strength was evident in residential and commercial real estate markets in both states. Tourism increased in New York City and in certain Upstate New York metropolitan areas, including Buffalo and Rochester. In Manhattan, hotel occupancy levels increased only marginally, but average hotel room rates reportedly increased 15 percent compared with a year earlier.

In Upstate New York, Lockheed Martin, a prominent defense contractor with a facility located in the Syracuse metropolitan area, expects to expand due to the awarding of several large military contracts. In 2005, the company intends to hire 500 high-wage engineers to build a new radar system for the U.S. Navy's E-2C Hawkeye plane

and radar systems for the U.S. Army's Patriot and Hawk missiles. These engineering salaries are estimated to range between \$65,000 and \$100,000 a year.

In 2004, the average unemployment rate in New York State declined to 5.8 percent, down significantly from 6.3 percent a year ago. Over the year, New York City's unemployment rate also decreased significantly to 7.1 percent from 8.4 percent last year. According to the New Jersey Department of Labor and Workforce Development, the state's unemployment rate has remained below the national average for the last 20 consecutive months. In 2004, the average unemployment rate in New Jersey declined a full percentage point from 5.9 to 4.9 percent compared with a year earlier.

During the fourth quarter of 2004, demand for commercial office space in New York and New Jersey increased, particularly for the more desirable Class A office space. Cushman & Wakefield reported that 29 million square feet of commercial office space were leased in Manhattan during 2004, almost 9 million square feet more than in 2003. Increased absorption resulted in a decline in the vacancy rate for commercial office space in New York City to 11.1 percent, the lowest level in several years. Despite the increased demand, average rents for office space declined slightly to \$39.47 a square foot. In New Jersey, absorption of commercial office space also increased above 2003 levels; however, this increase was offset by additions to the inventory. While increased demand slightly diminished the need for tenant concessions, overall asking rents in New Jersey remained flat.

According to the Buffalo Niagara Association of REALTORS®, 10,331 existing homes were sold in the Buffalo-Niagara Falls, New York metropolitan area during 2004. This level was a negligible change of 95 units, or a 1-percent increase above 2003 sales levels. Despite robust sales activity in 2003 and 2004, the available sales inventory increased to 4,380 units, 3 percent above last year's level. The median sales price in December 2004 was \$93,000, up 16.5 percent from a year earlier. Expectations are for continued strong residential sales activity in 2005, but below the historically high levels set in 2003 and 2004.

In 2004, existing single-family home sales in the Albany-Schenectady-Troy, New York metropolitan area increased to 10,544 units, or 4 percent over 2003. The median sales price level increased 14 percent to \$160,000 in the metropolitan area. The most active sales housing submarkets were Albany and Saratoga Counties, which registered price appreciations of 11 and 17 percent, respectively, from a year ago. These two counties were also the most active in sales volume.

Through December 2004, however, Albany County had an 11-percent increase in the number of sales transactions to 2,893 units, while Saratoga County declined by 3 percent to 3,034 units. With a 2004 median sales price of \$212,200, Saratoga County's housing prices are more than 30 percent higher than those of the entire metropolitan area.

For the 12-month period ending December 2004, the median sales price of an existing single-family home in the Rochester, New York metropolitan area increased 4 percent from \$102,000 to \$106,000. During the year, total existing single-family home sales volume remained stable at approximately 11,900 units, while real estate listings in the metropolitan area increased by almost 5 percent to 21,324 units.

Although sales activity decreased slightly during the fourth quarter of 2004, New York City's housing market remained strong. According to Prudential Douglas Elliman, the median sales price of co-op and condominium housing in Manhattan during the fourth quarter of 2004 was \$670,000, an increase of more than 15 percent from a year ago. In the fourth quarter, the number of property listings declined 23 percent to 3,911 units, and the time on the market decreased from 130 to 95 days. Both of these indicators verify strong sales market conditions in the city. Consequently, continued price appreciation is expected through 2005.

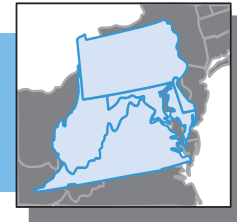
Between 2003 and 2004, statistics obtained from the New York State Association of REALTORS® indicate that the median sales price of an existing single-family home in New York State increased by 17 percent from \$198,500 to \$232,000. Statewide, existing single-family home sales activity increased to 103,526 units, or 8 percent above 2003.

During 2004, residential construction activity in the New York/New Jersey region, as measured by building permit authorizations, increased more than 10 percent compared with 2003 levels to 90,996 units. Multifamily housing construction was particularly strong, increasing by 7,365 units over the year to 44,283 units, or almost 20 percent. Single-family housing construction in the region also increased 3 percent in 2004 to 46,713 units.

Preliminary statistics compiled by Reis, Inc., during the fourth quarter of 2004 indicate that Long Island, Central New Jersey, and New York City all registered apartment vacancy rates of 3.3 percent. Rental vacancy rates in Northern New Jersey were estimated to be stable at 4.5 percent. All these vacancy rates are significantly less than the national average of 6.7 percent in the fourth quarter of 2004.

The New York/New Jersey region sales housing activity is expected to decline slightly from 2004 levels as residential mortgage interest rates gradually increase in 2005 and the economy expands moderately. This decline should have a positive impact on upstate rental housing markets, which have generally softened due to tenure shifts associated with increased homebuying activity.

## MID-ATLANTIC



Economic conditions are gradually improving in the Mid-Atlantic region. Nonfarm employment rose by 1.2 percent during the 12 months ending December 2004, increasing the number of jobs by 160,500 to 13.5 million. All states in the region reported positive growth. The professional and business services sector gained 48,400 jobs, and the trade, transportation, and utilities; educational and health services; leisure and hospitality; and construction sectors gained between 27,200 and 29,900 jobs. These gains more than offset the loss of 39,500 jobs, primarily in the manufacturing sector.

Virginia continues to report the largest number of new jobs with an increase of approximately 80,900 during the 12 months ending December 2004. Virginia reported 27,500 new jobs in the professional and business services sector, reflecting continued growth in contract service employment in the northern counties surrounding the District of Columbia. The Mid-Atlantic region reported a small decrease of 1,400 jobs in the federal government subsector as declines in Pennsylvania, and to a lesser extent Maryland, offset the continued federal employment job growth in Virginia. The losses are attributed to retirement. With the exception of Pittsburgh, where the decrease in the number of jobs was small enough to predict a more stable job environment during 2005, all the major metropolitan areas in the region reported job growth.

For the 12 months ending December 2004, the region's average unemployment rate declined to 4.6 percent from 5.0 percent in 2003 and was below the national level of 5.5 percent for 2004. Rates continued to decline in all states throughout the region, with the exception of Washington, D.C., where the unemployment rate increased from 7 to 7.6 percent.



During 2004, building permits were issued for 121,443 single-family homes in the region, 4 percent greater than the number issued during 2003. The strong market for new homes continues as interest rates have remained at levels below 5.5 percent. The 10-percent increase in permits in Pennsylvania, or 3,379 homes, accounted for more than two-thirds of the total increase in the Mid-Atlantic region. Development in Pennsylvania continues to be concentrated on the perimeter of the larger metropolitan areas of Philadelphia and Pittsburgh and in smaller metropolitan areas such as Allentown-Bethlehem-Easton. The 12-percent increase in single-family permits in Virginia reflects the continuation of a healthy market for new homes.

As mortgage rates in the Mid-Atlantic region remained low during the fourth quarter of 2004, sales continued to outpace the activity of the previous year. The Maryland Association of REALTORS® reported an increase of almost 10 percent in the number of homes sold during 2004. Average prices for the 98,800 homes sold rose to \$283,100, an increase of almost 19 percent above the 2003 annual period. The Baltimore metropolitan area accounted for almost 45 percent of all homes sold in Maryland during 2004; sales activity of 43,928 homes was almost 12 percent greater than in 2003, and the average price rose by 18 percent to \$247,769. Montgomery and Prince George's Counties, two Maryland counties that make up the suburbs of Washington, D.C., accounted for 34 percent of home sales in the state. Price increases in that submarket exceeded the state's average, reflecting the higher costs in the Washington area. The average price of the 33,625 homes sold in 2004 was \$336,639, an increase of 23 percent over the average price for homes sold during 2003.

The Virginia Association of REALTORS® continued to report increased volume in home sales in the state. During the 12 months ending November 2004, 135,950 homes were sold, an 11-percent gain over the same period ending November 2003. The average price of all homes sold during the 12-month period rose by 15 percent to \$218,298. Sales in the Northern Virginia suburbs of Washington, D.C., continue to account for 30 percent of all existing home sales in the state and have the highest average price of \$434,860. Demand for homes in the Northern Virginia suburbs continues to be strong. While sales rose by almost 9 percent during the 12-month period, the average price increased by 22 percent. Sales in the Richmond metropolitan area during the 12 months ending November 2004 accounted for slightly less than 12 percent of all sales in the state of Virginia. Approximately 16,200 homes were sold, an increase of 8 percent over the number sold in 2003. The average price rose by 11 percent to \$205,538.

The volume of sales in Pennsylvania remained high during the 12 months ending September 2004, the most recent data available from the Pennsylvania Association of REALTORS®. A total of 207,725 homes were sold, more than 10 percent greater than the number recorded during the comparable period in 2003. Home prices in Pennsylvania are not exhibiting the same inflationary patterns as in the southern portion of the Mid-Atlantic region. The average price of homes sold during the 12 months ending September 2004 was \$187,100, only 8 percent greater than the period ending 2003. Of all homes sold in the state, 65 percent were in the Philadelphia and Pittsburgh metropolitan areas.

Apartment construction in the Mid-Atlantic region, as measured by multifamily building permit activity, increased in 2004. A total of 31,145 multifamily units, 27,054 of them in buildings of five or more units, were permitted during the year. Virginia was the most active state, permitting almost 45 percent, or 13,316, of all multifamily units in the region. The Washington, D.C. metropolitan area was the most active of the metropolitan markets, authorizing 9,987 multifamily units during 2004.

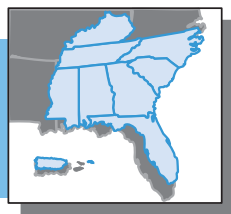
Rental market conditions continued to strengthen in the Washington metropolitan area. With the leasing of 6,000 rental units, the metropolitan area absorbed more units than any other large metropolitan market in the nation in 2004. Although the pipeline of new units expected to be available during the next 36 months is not declining, conversions of rental projects to condominium developments have kept the pipeline from expanding. According to Delta Associates, the overall metropolitan area vacancy rate in December 2004 for existing Class A garden-type developments was slightly more than 6 percent, a decline of 1 percent from the rate reported a year ago. Leasing of new product in Loudoun and Prince William Counties has caused the overall garden apartment vacancy rate in the Northern Virginia suburbs of the metropolitan area to increase to 7 percent. Vacancy rates in the Maryland suburbs of the Washington metropolitan area average 6 percent with a high of almost 15 percent in the Rockville submarket. The conversion of several developments to condominium status has also contributed to the decline in the Class A highrise property vacancies in the District of Columbia. Delta Associates reported rental vacancy rates of 18 percent in December 2004, a decline from the 27 percent reported in December 2003. The highrise market remains soft; reported absorption rates of 19 units a month, while impressive, are slightly below those reported earlier in the year. The District of Columbia metropolitan area pipeline of all garden and highrise rental units anticipated to be available in

the next 36 months has declined slightly from a year ago but remains high at 13,000 units.

The introduction of a large number of new garden apartment developments in the Philadelphia metropolitan area has caused a temporary softening of that segment of the rental market. Vacancy rates in garden apartments have increased to 14 percent from 9 percent a year ago. According to Delta Associates, 14 projects were marketing at the end of 2004 with almost 1,900 units not yet leased. The opening of new units into the Pennsylvania suburbs of Philadelphia, after years without new product, has raised the vacancy rate from 8 percent in December 2003 to 19 percent at the end of 2004. Post-absorption rates are expected to stabilize at less than 4 percent. The 36-month pipeline of garden apartment rental units in the suburban areas has increased to 3,300 units. In the Center City Philadelphia submarket, December 2004 overall vacancy rates for Class A highrise rental units were estimated to be slightly above 9 percent, higher than a year ago. The 36-month highrise pipeline in Center City continues at a level of 1,500 units.

Conditions in the suburban counties of the Baltimore metropolitan area remain relatively strong. According to Delta Associates, vacancy rates have tightened to an overall rate of between 4 and 5 percent in the northern counties but increased to 6 percent in the southern portions of the metropolitan area as new product is in the leasing stage. More than 4,800 new multifamily rental units are in the 3-year development pipeline. Market conditions in downtown Baltimore will continue to be competitive. Approximately 300 units were in marketing at the end of 2004 and another 475 will begin pre-leasing in the first quarter of 2005. The vacancy rate in Class A highrise rentals in downtown Baltimore continued to rise. In December 2004, the vacancy rate was 13 percent compared with 7 percent in December 2003.

## SOUTHEAST/ CARIBBEAN



Employment growth in the Southeast/Caribbean region showed substantial improvement in 2004 compared with 2003. Nonfarm employment averaged 25,512,100 jobs during 2004, an increase of 308,500; during 2003, employment in the region gained only 68,900 jobs. The unemployment rate for the region

averaged 5.2 percent in 2004 compared with 6.0 percent in 2003. All eight states and Puerto Rico had gains in nonfarm employment and decreases in unemployment rates over the past 12 months. Puerto Rico had the greatest decline in unemployment, from 12.0 percent to 10.6 percent, followed closely by North Carolina, with a decline from 6.5 percent to 5.3 percent. During the year, Puerto Rico's economy improved because of the strong performance of the construction industry, including housing construction. Employment in North Carolina has not yet fully recovered from losses since the 2001 recession, but it posted its first increase in 2004 at 1.1 percent.

The greatest absolute and percentage nonfarm employment increases occurred in Florida. The 150,200 new jobs represent a 2.1-percent increase over 2003. In the metropolitan areas most affected by the hurricanes of August and September 2004, the rate of economic recovery varied widely. Gains in employment by residents for the 12-month period ending November 2004 were highest in the Naples area at 5.3 percent and lowest in the Punta Gorda area at 2.2 percent, while the average gain for the state for this series was 3.1 percent. Tourism throughout the state has made great strides toward recovery from the losses suffered in 2001 and 2002 because of the effects of the terrorist attacks and the national recession. For 2004, the leisure and hospitality sector increased 2.6 percent over 2003. Several local jurisdictions reported significant increases in the collection of their tourism development taxes.

The economy in Tennessee continues to improve as the unemployment rate dropped from 5.8 percent in 2003 to 4.9 percent in 2004. Total nonfarm employment increased 0.8 percent with service-providing employment up 1.0 percent and construction employment up 1.2 percent. Employment in South Carolina and Kentucky increased by 1.1 and 0.6 percent, respectively. The modest increase in Georgia nonfarm employment of 34,100 jobs was a reversal from the job losses of recent years. Nonfarm jobs in Alabama increased despite a 1.8-percent loss in manufacturing jobs. Despite the overall weakness in the manufacturing sector, the automobile manufacturing and parts industries are an exception. Toyota Motor Manufacturing announced a \$250 million expansion at its Huntsville, Alabama plant that will add 300 jobs, the second expansion at the plant in less than a year. In Mississippi, manufacturing employment in the state had declined every year from 1998 through 2003, but the recent expansion at the Nissan plant in Canton has helped the sector post a modest 800-job increase in 2004. Another sign of an overall recovery is that casino revenue in Mississippi totaled \$2.78 billion in 2004, up 3 percent from 2003.



Changes in nonfarm employment in metropolitan areas throughout the region during 2004 varied widely. Most large Florida metropolitan areas had significant increases, ranging from 1.0 percent in Miami-Hialeah to 2.2 percent in Orlando and 2.3 percent in Fort Lauderdale-Hollywood, because the state's tourism industry had a robust recovery. In the Knoxville, Tennessee metropolitan area, total nonfarm employment increased 1.5 percent during the past 12 months. In North Carolina, the Charlotte and Raleigh metropolitan areas averaged employment gains of 1.5 and 2.0 percent, respectively, while conditions in the Greensboro metropolitan area remain relatively unchanged. During the past 12 months, nonfarm employment in the Greensboro metropolitan area declined 0.1 percent. Employment in Atlanta's air transportation industry stabilized during the past 12 months at 37,800, although difficulties at Delta and other major airlines continue.

Significant local employment changes were announced for individual firms. A plant for fuselage assembly to be built by Vought Aircraft Industries and Alenia of Italy in the Charleston, South Carolina area will create 645 high-skilled jobs. Two significant job reductions were also announced for South Carolina. WestPoint Stevens, Inc., will lay off 1,345 employees at its fabricating plant and distribution center in Clemson, and Westinghouse Savannah River Company, the main contractor at the Savannah River Site federal nuclear reservation facility in Aiken County, plans to reduce employment by as many as 2,000 jobs during the next 2 years.

The improving economy throughout the region was partly responsible for an increase in the number of single-family homes authorized by building permits. In addition, low interest rates continue to fuel a strong sales market. The number of single-family units permitted in the region increased by 58,307, or 14.1 percent, to 471,142 units in 2004. Increases were reported for all states, but the rate of the change varied widely. The largest increase occurred in Florida, where the number of single-family units permitted increased by 19 percent. For the remaining states in the region, increases were about 5 percent.

A total of 4,811 single-family units were permitted in the Fort Lauderdale metropolitan area during 2004, 24 percent more than last year. According to Reinhold P. Wolff Economic Research, Inc., sales of new single-family homes during the past 12 months actually decreased slightly to 4,459 in 2004 from 4,513 a year ago. During the same period, sales of new condominium homes increased by 65 percent from 1,728 to 2,857. The demand for new condos versus new single-family homes is reflected in changes in median price during

the past 12 months. The median price of a new single-family home this quarter was \$370,700, or 2.9 percent higher than a year ago. During the same period, the median price of a new condominium home more than doubled from \$137,900 to \$284,100. Investors are reported to be active in the condominium market in this area. The interest in condominiums is expected to remain high during 2005, but not high enough to sustain this rate of increase in price.

The sales market in Knoxville remained healthy in 2004. The number of sales increased 18 percent compared with 2003. As reported by the Georgia Multiple Listing Service (MLS), the number of existing homes sold in the Atlanta metropolitan area increased 13 percent from 111,205 in 2003 to 125,706 in 2004. The Mississippi Gulf Coast MLS reported that 4,517 single-family units were sold during 2004, an increase of 30 percent over the same period a year ago. The North Carolina Association of REALTORS® reported sales volume increases for the three largest metropolitan areas in North Carolina: 23 percent to 30,203 in the Charlotte metropolitan area, 16 percent to 14,830 in the Greensboro metropolitan area, and 26 percent in the Raleigh metropolitan area. According to data from the Lexington-Bluegrass Association of REALTORS®, new and existing home sales in the Lexington, Kentucky area increased from 9,190 in 2003 to 9,896 in 2004, an 8-percent increase. The Northern Kentucky MLS reported 12,590 existing homes were sold in the Louisville area for the first 11 months of 2004, a 7-percent increase over the same period in 2003. Average sales prices increased 1.4 percent, reaching \$164,314.

Multifamily production in the region increased by 25,853 units, or 25 percent, during 2004. All states had large percentage increases in multifamily units authorized by building permits, from 18 percent in Alabama to 61 percent in Mississippi.

The rental market in the Orlando metropolitan area has tightened in the last year. According to M/PF Research, Inc., the rental vacancy was 3.6 percent in the fourth quarter of 2004, down from 8.0 percent in the fourth quarter of 2003. Monthly rents were reported to have increased over the period by 6.3 percent to \$790. Strong employment growth, supported by a rapidly recovering tourism sector, is supporting population growth that, in turn, is providing increased demand for housing. The economy is also growing in the Tampa metropolitan area; the rental market is improving but on a smaller scale than in Orlando. Employment growth averaged 1.5 percent for 2004 over 2003. According to M/PF Research, Inc., the apartment vacancy rate declined from 7.5 percent in the fourth quarter of 2003

to 5.3 percent in the fourth quarter of 2004. In the Fort Lauderdale metropolitan area, nearly 11,000 multifamily units were permitted between 2002 and 2003. The result, based on surveys by Reinhold P. Wolff Economic Research, Inc., was that rent increases declined to the 2- to 3-percent range. Vacancies were averaging 3 percent in 1999 and 2000 before the surge in multifamily permits, but climbed to about 5.5 percent in 2002 and 2003.

Conditions in the Memphis, Atlanta, Louisville, and Lexington rental markets remain soft. According to Reis, Inc., the fourth quarter apartment vacancy rate in Memphis is 9.6 percent, up from 7.8 percent in the fourth quarter of 2003. Although the vacancy rates for the other metropolitan areas dropped, they are still high with Atlanta at 9.7 percent, Louisville at 9.0 percent, and Lexington at 9.4 percent in the fourth quarter of 2004 compared with 11.1 percent for Atlanta, 9.9 percent for Louisville, and 10.2 percent for Lexington in the fourth quarter of 2003.

The October 2004 Columbia Apartment Index published by Real Data reported a vacancy rate of 9.8 percent, unchanged from 6 months ago but up from 8.1 percent during October 2003. With some 886 units under construction as of the latest survey, continued weak market conditions are likely.

## MIDWEST



Economic conditions in the Midwest region continue to improve but at a slower pace than the nation as a whole. The average total employment for 2004 remained near 25 million with an increase of 0.8 percent, or 195,500 jobs, compared with 2003. Average nonfarm employment in 2004 increased by a minimal 17,700 jobs from 2003. This small increase represents an improvement from an annual average decline of 1.2 percent registered from 2001 to 2003. The unemployment rate for the region declined from 6.2 to 5.8 percent during the past year. All states posted the same or lower unemployment rates in 2004 compared with 2003 and ranged from a low of 4.5 percent in Minnesota to a high of 6.8 percent in Michigan.

The primary growth sectors in the region in 2004 were construction, education and healthcare services, and leisure and hospitality, although none registered employment gains of more than 1.5 percent. Construction has been supported by continued development of residential properties. Combined construction employment in the residential building industry in Michigan and Minnesota has increased by at least 2 percent each year since 2000 and nearly 6 percent from 2003 to 2004. Education and healthcare gains reflect national trends and growth in leading health centers in most major cities in the Midwest region. Leisure and hospitality gains on a percentage basis were most significant in Illinois, Minnesota, and Wisconsin and were largely attributed to increased restaurant activity.

Manufacturing employment increased slightly more than 1 percent in Minnesota and Wisconsin in 2004, marking the first statewide gains registered in the region since 2000. Because the remaining states had manufacturing job losses of 1 to 3 percent in 2004, manufacturing employment for the whole region continued to decline. The decrease was only 1 percent compared with 6.5- and 4-percent decreases in 2002 and 2003, respectively. The Midwest economy's greater dependence on manufacturing sector employment (15 percent of nonfarm jobs compared with 11 percent for the nation) and the lack of a complete rebound in this sector caused the region's recovery to be slow. Changes in Midwestern state economies have been closely aligned with the condition of the manufacturing sector within the state. Wisconsin, Minnesota, and Indiana led the region with nonfarm job gains of 1.7, 0.8, and 0.5 percent, respectively. Illinois posted no change. Ohio and Michigan registered 0.3- and 1-percent losses, respectively.

According to census estimates, the population for the region totaled 51.1 million as of July 2004 for an annual increase of 0.5 percent since 2000. Minnesota led the region with an annualized growth rate of 0.9 percent, near the 1-percent increase for the nation as a whole; Ohio ranked last with an annual increase of 0.2 percent.

Low interest rates continue to sustain strong single-family sales and new construction despite the slow economic conditions. The total number of single-family homes permitted reached 208,600 in 2004, a 3.5-percent increase over 2003 and 8.5 percent higher than the number permitted in 2002. All states except Ohio registered new highs in 2004; in Ohio, 2004 single-family permit activity was 1 percent below the level in 2003 and reflected slower population growth.

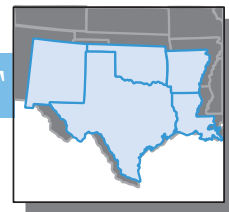


Home sales throughout much of the Midwest reached record numbers in 2004. According to the Ohio Association of REALTORS®, total sales for the first 11 months of 2004 in Ohio increased by 7 percent to 116,900 and the average sales price increased by 2 percent to \$153,739. Similarly, data from the Michigan Association of REALTORS® showed November 2004 year-to-date sales to be 3.4 percent above the same period in 2003; the average sales price increased by 3.5 percent to \$149,200 during this period. The Illinois Association of REALTORS® reported sales activity for the first 11 months of 2004 to be 4 percent above the same period in 2003; the average sales price increased 6 percent to \$171,000 during this period. Strong demand for existing homes throughout the Chicago area boosted the median sales price by 7.5 percent to \$238,800 for the first 11 months of 2004. The median sales price for existing condominiums in Chicago was \$192,000, up 6 percent from the previous 11-month period. Local sources reported that the Indianapolis, Minneapolis-St. Paul, and Milwaukee areas set records for sales in 2004 and had increases over 2003 levels of 9, 3, and 2 percent, respectively.

Slow economic conditions, households shifting to the sales market, and earlier additions to the rental inventory have created soft rental market conditions in most of the Midwest region. According to Reis, Inc., apartment vacancy rates increased in the Chicago, Cincinnati, Columbus, Dayton, Detroit, Minneapolis, and Milwaukee markets between the fourth quarter 2003 and fourth quarter 2004. The Cleveland and Indianapolis markets registered slight vacancy rate declines during this period, although the most recent Indianapolis apartment vacancy rate remained more than 10 percent. Rent increases were positive, although below the national average of 2.2 percent, in all the major Midwest markets except Minneapolis where the average rent decreased by 0.7 percent.

The number of multifamily units permitted in Midwest jurisdictions peaked at 62,900 in 2002 and has declined by about 6 percent annually over the past 2 years due to weak rental markets. Declines between 2003 and 2004 were registered in all states except Michigan and Minnesota where a large portion of new multifamily units are condominiums. For example, the Building Industry Association of Southeastern Michigan reported that construction of attached condominiums increased nearly 18 percent during 2004, to 6,380 units, in metropolitan Detroit; construction of new rental apartment units decreased 8.5 percent to 2,722 units.

## SOUTHWEST



Employment gains were recorded in every state in the Southwest region during 2004. Nonfarm employment in the region in 2004 averaged 14.8 million, an increase of 110,000 jobs over the 2003 average. Although only a 0.8-percent gain, the increase compares favorably with the loss of more than 70,000 jobs between 2002 and 2003. Oklahoma joined the rest of the region in recording employment growth by moving from a loss of 36,000 jobs in 2003 to an increase of 8,500 jobs in 2004. Education and health services added 46,000 jobs, while trade added 26,000 jobs this year. Manufacturing was the only sector to record a loss, down 21,000 jobs. Among the states, the most significant employment gain was nearly 2 percent in New Mexico. Employment in New Mexico has increased continuously since 2000 and was affected minimally by the 2001 economic downturn.

The unemployment rate in the Southwest region decreased to an average of 5.7 percent for 2004, a significant improvement from the 6.6-percent rate for 2003. Unemployment rate averages ranged from 4.6 percent in Oklahoma to 5.9 percent in Texas.

The demand for homes in the Southwest remained robust during 2004. The low interest rates throughout the year resulted in record sales levels. According to multiple listing service data obtained from the Real Estate Center at Texas A&M University, home sales in Houston totaled 66,800, up 10 percent compared with 2003 and 18 percent greater than 2002. Home sales in Dallas-Fort Worth during 2004 exceeded 62,200 and were 9 percent higher than 2003. Sales rose 14 percent in Austin and 10 percent in San Antonio. Sales elsewhere in the region were up 5 to 10 percent in most other metropolitan areas. Average price increases throughout the region were generally moderate at approximately 3 percent. Austin has the highest average price of homes sold in the region at approximately \$198,000; however, the annual average increased only 0.9 percent in 2004. The average sales price in the Fort Worth area of \$123,000 was \$70,000 lower than the average of \$193,000 for the adjacent Dallas metropolitan area. The average number of sales listings increased significantly in most of the region's major metropolitan areas, ranging from an increase of 7 percent in Dallas-

Fort Worth to 14 percent in Houston. The higher sales volume slightly reduced the average months of inventory on hand for 2004 in the major metropolitan areas to a range of 5.5 to 6.3 months.

With the expectation of continued strong sales in 2005, builders throughout the region are constructing more speculative homes. A broader choice of units is available for immediate move-in than in previous years. Some concern exists that vacancies will increase; however, an increased emphasis on homeownership also exists, which is expected to result in greater demand. One special program to enable more renters to become homeowners has recently been introduced in the Austin area. Operated by the nonprofit Strategic Housing Finance Corp. of Travis County, the program enables qualified households to lease homes for approximately 3 years before converting the lease to a 30-year mortgage. Applicants must have an income below 120 percent of the county median family income of approximately \$81,500.

Single-family building permit activity in the Southwest during 2004 totaled 194,800 homes, up 6 percent compared with the number of permits issued in 2003. Louisiana recorded the greatest increase in the five-state region over the year; the 18,200 single-family permits were 9 percent more than the number permitted during 2003. The 141,800 permits issued in Texas in 2004 were a 7-percent increase and set a new record for the third year in a row. In Houston, permits were issued for a total of 42,500 single-family homes, a 7-percent increase over the 2003 total. Since 2000, approximately 180,000 new homes have been permitted in Houston. Building activity in the Dallas-Fort Worth area was even more active than in Houston with 44,700 new homes permitted, a gain of 10 percent compared with 2003. Most other larger metropolitan areas throughout the region registered gains in single-family permits for 2004 ranging from 3 to 11 percent more than for 2003. Notable exceptions were the Austin and San Antonio areas, which were up 14 and 16 percent, respectively. Little Rock had a 2-percent decline.

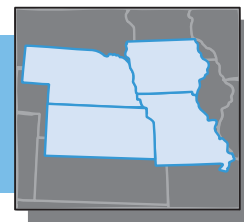
Most apartment rental markets in major metropolitan areas of the Southwest remained soft through the fourth quarter of 2004, although several improved. ALN Systems, a company that reports on major Texas housing markets, indicates that Austin registered an increase in apartment occupancy during 2004 to 90.9 percent from 88.8 percent at the end of 2003. Occupancy increased slightly in the Dallas area from 87.9 percent at the end of 2003 to 88.1 percent at the end of 2004. According to CB Richard Ellis Oklahoma, Tulsa's apartment occupancy rate improved to 91 percent at

the end of 2004 from 89 percent at the end of 2003. The Apartment Association of New Mexico reports that apartment occupancy in Albuquerque increased 4 percentage points over the year to 94.2 percent. Surveys for the Houston and Fort Worth metropolitan areas, however, showed significant declines in occupancy to 86.9 percent in Houston from 89.1 percent in 2003 and in Fort Worth from 88.3 percent at the end of 2003 to 86.7 percent occupancy at the end of 2004.

The Dallas-Fort Worth and Houston areas are estimated to each have 13,000 to 14,000 multifamily units under construction, which indicates that occupancy rates will continue to decline in 2005. Conditions in the Houston rental market should improve because several proposed rental projects have converted to condominiums during construction. Average rents in the major metropolitan areas were flat or declined in 2004, with most having decreases of less than 2 percent.

The soft apartment markets had a significant effect on multifamily building activity in the Southwest during the past year as permits were issued for 49,000 units, down 9 percent from the total for 2003. The exception was Arkansas where an increase of 17 percent to 5,550 permits occurred for 2004. New Mexico and Louisiana reported the greatest decreases; the numbers of units permitted were down 40 and 31 percent, respectively. The number of multifamily units issued permits in Texas in 2004 was 9 percent lower, or 4,700 less, than in 2003. In Oklahoma, an increase of only 128 units occurred permitted in 2004 compared with 2003. In the Houston area, 31 percent fewer units were permitted in 2004, and 34 percent fewer were permitted in the Dallas-Fort Worth area. In San Antonio, however, permits were issued for 80 percent more multifamily units in 2004 and, given the current soft market, a further decline in occupancy rates can be expected.

## GREAT PLAINS



The economy in the Great Plains region showed significant signs of recovery during 2004. Job gains were posted for all four states. Nonfarm employment averaged 6.5 million for the year, an increase of 100,000 jobs compared with the 2003 annual average. All employment sectors except transportation recorded increases. The



construction and health and education sectors led job growth, both up nearly 3.5 percent. The manufacturing sector increased by 1 percent in 2004 after posting annual average declines in each of the previous 3 years. All states in the region recorded a decline in the unemployment rate. The unemployment rate for the region averaged 4.6 percent in 2004 compared with 5.1 percent in 2003.

Among the metropolitan areas, Des Moines registered the highest rate of increase in employment, up 3.5 percent in 2004. Job gains occurred in the construction and manufacturing sectors of 16 and 11 percent, respectively. New construction projects, valued at nearly \$1.5 billion, are now under way. Increases in the manufacturing sector occurred in the food processing and appliances industries. In St. Louis, nonfarm employment increased 3 percent, reflecting job gains in the trade and information and professional services sectors. Employment increased by only 0.4 percent in Kansas City and by 0.3 percent in Wichita, which had posted significant declines during the previous 3 years. Employment gains were recorded in the transportation sector due to increased orders for private aircraft. Further growth is expected given Boeing's new contract to build the new multisensor command aircraft in Wichita.

Single-family sales demand and residential construction remained strong in the Great Plains region, with 53,000 single-family permits issued in 2004, up 16 percent compared with 2003. Permit activity was up 33 percent in Iowa and ranged between 11 and 14 percent in the remaining states. The existing sales market was very active in 2004. The Greater St. Louis Board of REALTORS® reports that year-to-date existing sales increased 10 percent to 22,530 units sold in 2004 compared with 2003. The average existing sales price in St. Louis rose 6 percent to \$141,600. According to the Heartland Association of REALTORS®, in Kansas City, existing sales rose 5 percent to nearly 30,000 units during this period, and the average sales price rose 5 percent to \$154,000.

According to the Office of Federal Housing Enterprise Oversight (OFHEO), home prices rose 4 to 5 percent in each of the four states in the region in the third quarter of 2004 over the third quarter of 2003. Among the metropolitan areas, prices increased 5 percent in Omaha and Des Moines.

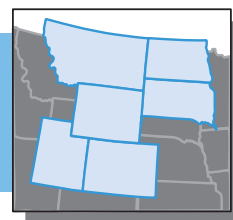
Due to soft rental market conditions, multifamily permit activity throughout the region continued a downward trend for the third straight year. Approximately 12,000 permits were issued in the region, down 13 percent from 2003. Only Missouri registered an increase with

activity up 3 percent. Kansas recorded a 60-percent decline, with Nebraska and Iowa down 4 and 2 percent, respectively.

Rental market conditions were more soft than balanced in the larger metropolitan areas in the region. The rental vacancy rate in St. Louis averaged nearly 8 percent in 2004 compared with 9 percent in 2003. Rent increases have been minimal, averaging less than 2 percent a year. The St. Charles County submarket registered the highest vacancy rate in the area at 12 percent, while Franklin County posted the lowest rate at 5 percent. Vacancies remain high in St. Charles due to the number of new units entering the market and declining demand due to renters purchasing homes. The rental market in the Kansas City area remained very competitive, but conditions have improved. The vacancy rate was in the 8- to 9-percent range in 2004 compared with 10 percent in 2003 and 12 percent in 2002. Most properties continued to offer 1 to 3 months of free rent in 2004 in return for a 1-year lease. Competitive conditions have created even higher vacancy rates in older Class B and C properties throughout the area. The Kansas City downtown rental market continues to be the strongest submarket in the metropolitan area with a 6-percent vacancy rate.

In Omaha, overall rental market conditions were in the 5- to 6-percent range in 2004 compared with 7 percent in 2003. Sarpy County had the strongest market conditions in the area in 2004 with a 4-percent vacancy rate. The vacancy rate in Des Moines remained at 5 percent throughout 2004.

## ROCKY MOUNTAIN



The economy of the Rocky Mountain region continued to improve through the fourth quarter of 2004. For the first time in nearly 3 years, job gains were posted in all Rocky Mountain states. Nonfarm employment in the region increased by 52,800 jobs in 2004. The level of nonfarm employment is still 14,000 below the peak of 4,652,000 jobs in 2001. The most significant increase was in Utah, where 23,600 jobs were added, followed by Colorado with an increase of 13,800 jobs. In Utah, all industries grew, as the state continues to display all-around strength in an economic recovery that

began in 2003. Led by recent gains in service-providing jobs, the Colorado economy finally rebounded after lagging behind other states for more than 3 years. The strong performance of Colorado and Utah resulted in an employment growth of more than 1.2 percent in the region. Other states in the region had steady employment increases that also helped maintain an improved job picture for the region. Benefiting from a surge in natural gas, oil, and coal production, Montana and Wyoming added 5,700 and 4,900 jobs, respectively. Rounding out the job gains for the region, South Dakota and North Dakota added 3,200 and 1,600 jobs, respectively.

The average unemployment rate in the region was 4.5 percent in December 2004, down from 5.3 percent in December 2003. Unemployment rates in all states in the region were less than the national rate. Colorado, Montana, South Dakota, and Utah all showed significant improvement from a year ago.

Census Bureau population estimates as of July 2004 reported increases in all Rocky Mountain states, reversing a 3-year slowing trend. Population in the region increased by 1.1 percent between July 2003 and July 2004, up slightly from the previous year's 1.0-percent gain, but still less than the 1.5-percent increase recorded at the start of the decade. Utah's 1.6-percent growth rate led the region and made it the 7th-fastest growing state in the United States, and Colorado's 1.2-percent increase positioned the state in 14th place. Montana, South Dakota, and Wyoming each posted a 1-percent growth rate. For the first time since the start of the decade, annual population growth in North Dakota showed a gain of 0.2 percent, placing it 48th among all states. All states except North Dakota recorded increases in net in-migration due to strong international in-migration.

Residential building activity for the region increased in 2004 because of an improved economy and relatively low interest rates. The number of single-family homes authorized by building permits increased by 19 percent over the previous year to 68,400 units. Colorado and Utah accounted for nearly 80 percent of the gain. Montana recorded the greatest percent increase, on a smaller base, with a 53-percent change from 2003, followed by Wyoming's 23 percent. North and South Dakota realized gains in the 10- to 15-percent range.

Existing sales activity increased in the region according to the NATIONAL ASSOCIATION OF REALTORS®. All states except Montana and North Dakota registered annualized sales gains in the third quarter of 2004 compared with the third quarter of 2003. Wyoming's 14-percent increase led the region. Annual rate of

home price appreciation also increased according to data released by the Office of Federal Housing Enterprise Oversight (OFHEO) in its third quarter 2004 survey. Prices in Montana and Wyoming increased by 11 percent from the third quarter of 2003 but fell just short of the U.S. average increase. Prices in Colorado and Utah were up nearly 5 percent after insignificant gains for the past 3 years.

Sales market conditions are balanced and relatively healthy throughout the region. According to the Denver Board of REALTORS®, existing single-family home and condominium sales for 2004 were up nearly 14 and 4 percent, respectively, from 2003. Coinciding with improved demand, the average single-family home price increased to \$290,100, up 4.4 percent annually. Meanwhile, the condominium market posted a 3.2-percent average sale price gain. The Salt Lake City Area Multiple Listing Service reports that single-family sales activity for 2004 was up by more than 10 percent, and the average price increased by 4.3 percent to \$182,800. The improvement in both metropolitan areas is a welcome change from the negligible increases of the previous 3 years.

Second-home buyers have propelled mountain resort home sales in Colorado and Utah in 2004. Local real estate sources in the seven Colorado "ski" counties report a nearly 30-percent increase in sales and total volume approaching a record \$6 billion. Activity has improved significantly over the previous 3 years when the number of transactions and total sales volume dropped dramatically in resort communities because of the economic downturn. Through the first three quarters of 2004, the Utah Association of REALTORS® reported a 30-percent increase of residential sales and a 58-percent increase in total value for Summit County, home of the state's largest resorts. A resurgence of international travelers and improved snow conditions helped the market. Colorado Ski Country USA and Ski Utah report skiers' visits are up between 5 and 8 percent for the fourth quarter of 2004 compared with the fourth quarter of 2003.

Multifamily permit activity in the region for 2004 totaled 15,700 units and reflects the generally improved rental market conditions. Although the increase over 2003 was only 2,250 units, this gain is a good indicator of the positive direction the market is heading. All states except Utah posted gains. Activity in Utah was down just 90 permits below 2003 volume.

Employment growth and reduced construction levels compared with excessive levels earlier in the decade have led to improved rental markets in Colorado and Utah. The Colorado Division of Housing's survey of



markets outside the Denver Metro area as of September 2004 shows an improvement in other markets as well. Rental markets in most mountain areas remain firm during the ski season, but several areas have weakened during the off-season months. The 12.5-percent vacancy rate in Loveland was the highest the survey, and Grand Junction was the lowest at 6.3 percent. Rural market vacancy rates ranged from 1 percent in Alamosa to 11.9 percent in Buena Vista. The solid economic recovery in Salt Lake City and a modest level of construction caused its rental market to improve. EquiMark, Inc., reported a rental vacancy rate of 8.3 percent in the fourth quarter of 2004, down considerably from 9.9 percent recorded a year ago. Provo-Orem improved slightly to 8.7 percent from a year ago.

Downtown Denver's rental market improved significantly during the past year despite an increase in production. The Apartment Association of Metropolitan Denver's third quarter 2004 survey for the downtown area shows a vacancy rate of 6 percent, down from 16.2 percent recorded a year earlier. According to a January 2005 Housing Finance Authority report, the 3,500 rental units absorbed in the downtown area since 2000 represent nearly 30 percent of all units absorbed in the entire Denver-Boulder metropolitan area. Delivery of more than 3,600 units during this time was met by demand for new units and heavily discounted rents that made downtown an affordable and attractive place to live and work. Absorption was strongest in 2003 and 2004. Nevertheless, the outlook for downtown is mixed. Over the next year, the downtown area must absorb nearly 1,200 units currently under construction, well above the annual average of the past 5 years. The market is expected to temporarily weaken in 2005, but continued strong absorption should help the downtown area recover ahead of other submarkets in the metropolitan area.

## PACIFIC



The economy of the Pacific region strengthened steadily during 2004. Nonfarm employment in the region rose by 224,000 jobs, or 1.2 percent, to more than 18.6 million in 2004, the largest gain since 2000 and a significant improvement over the 22,500 jobs added in 2003. California employment increased by 105,000, a modest 0.7-percent gain, and surpassed the previous peak set

in mid-2001. Growth in business services, construction, trade, and other sectors was partially offset by losses in information and state and local government. Manufacturing employment generally remained stable after 3 years of decline. The Riverside-San Bernardino, Los Angeles, and San Diego areas led the state's job growth, and the San Francisco Bay Area posted a modest gain of less than 0.5 percent during the year due to continued weakness in the technology sector centered in San Jose.

In Arizona, employment increased by nearly 56,000 in 2004, or 2.4 percent. Four-fifths of the growth occurred in Phoenix, where the economy strongly rebounded in 2004 due to the construction, business services, and tourist-driven leisure and hospitality sectors. Nevada led the nation with a 4.5-percent gain in employment, registering 49,100 new jobs in 2004. All sectors expanded but none faster than the construction industry, fueled by the boom in single-family homebuilding and the construction of a number of large casino hotels in Las Vegas. Favorable currency exchange rates and economic growth have led to a resurgence of travel to Hawaii, Nevada, and other tourist-dependent areas in the Pacific region. As a result, employment in Hawaii increased by 14,500 jobs, or 2.5 percent, in 2004, a notable improvement compared with the 1.9-percent job gain in 2003. The labor market tightened throughout the Pacific region in 2004. The regional unemployment rate averaged 5.8 percent for the year, down from 6.5 percent in 2003. Unemployment rates ranged from 3.4 percent in Hawaii to 6.1 percent in California. Arizona and Nevada maintained rates of 4.8 and 4.1 percent, respectively.

According to census estimates, the region had an estimated population of more than 45 million as of July 2004. The region's population grew much faster than the nation's between early 2000 and July 2004, adding 711,000 annually, or 1.6 percent a year. California accounted for two-thirds of the increase. Nevada and Arizona have consistently led the nation in population growth with 3.7- and 2.7-percent annual gains, respectively, since the 2000 Census. Population in California and Hawaii rose more moderately with gains of 1.4 and 1 percent, respectively.

Continued employment gains, population growth, and low interest rates supported strong levels of home sales throughout the region in 2004. Existing home sales in California set a record of 624,700 for the year, a 3.8-percent increase, according to the California Association of REALTORS®. The median price of existing homes rose more than 21 percent in 2004. In Southern California, new and existing home sales were off

slightly for the year, due to a moderate slowdown in the second half of the year, especially in Los Angeles and Orange Counties. In the San Francisco Bay Area, the total number of sales for new and existing homes rose 10 percent to about 135,000 for the year. The Bay Area median price for a home reached \$533,000 in 2004, a gain of nearly 17 percent from 2003.

The Phoenix and Las Vegas existing home markets continued to be very strong in 2004. According to the Phoenix Housing Market Letter, resales totaled a record of nearly 113,000 in 2004, a 30-percent gain. Las Vegas existing sales increased 29 percent to more than 64,000, according to data from the Las Vegas Housing Market Letter. The median resale price for 2004 increased 40 percent to \$250,000 compared with 2003.

Responding to robust demand and limited unsold inventories, builders in the region received permits for a record 274,000 new single-family homes in 2004, a 12-percent annual gain. California registered 208,000 new home permits, a 7-percent increase from the previous year, due to strong activity in the Riverside-San Bernardino, Sacramento, and Los Angeles areas. Arizona and Nevada home permits rose 23 and 17.5 percent, respectively, due to record production and sales in the Phoenix and Las Vegas areas, both among the nation's 10 largest home markets.

Rental markets strengthened in most parts of the Pacific region during the fourth quarter of 2004. The San Francisco Bay Area maintained balanced conditions, with rental vacancies generally in the 5- to 6-percent range. The north Bay Area market was more competitive with a 7-percent rental vacancy rate for larger apartment developments, in part because of the completion of new rental units and potential renters being attracted to homeownership given the relatively affordable home prices compared with the rest of the Bay Area. Bay Area rents have been flat overall in the last year, according to the Consumer Price Index, but have declined about 1 percent or more at larger, higher-end properties in the Oakland and San Jose areas. In the Central Valley, Sacramento rental vacancies rose to 6.5 percent in the fourth quarter from 6 percent a year earlier due to new rental completions and a sluggish state government-based economy. Rents rose less than 2 percent during 2004 in the Sacramento area.

Rental demand continued to exceed rental unit construction throughout Southern California, resulting in lower vacancy rates and higher rents. Market conditions tightened in Los Angeles and Orange Counties with

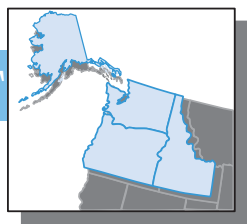
vacancy rates at 4 percent. San Bernardino and San Diego Counties' vacancy rates decreased to 5 percent. San Diego's vacancy rate declined as a result of the improved absorption of upper-end units. Market conditions tightened in San Bernardino due to commuters being attracted to lower rents than in neighboring Los Angeles County and increased employment opportunities. Vacancies in Riverside County remained at the 6-percent level. Because of continued limited apartment construction in the South Coast portion of Santa Barbara and Ventura Counties, these areas remain the tightest rental markets in Southern California. All counties in Southern California had annual rent increases of less than 5 percent in the past year with the exception of San Bernardino County, where rents rose 6 percent.

The Phoenix rental market continued to strengthen during the fourth quarter of 2004 due to rapid population and employment growth, higher household formations, and more moderate apartment production levels than in recent years. According to the Arizona State University apartment survey of larger properties, vacancy rates fell to 8 percent in the fourth quarter, down from 9.6 percent a year earlier. Apartment rental absorption in 2004 was reportedly more than double the rate of the previous year. Base rents increased by 1.5 to 2 percent in 2004, and concessions are easing a bit.

The rental market has also tightened substantially in the Las Vegas area. In the fourth quarter, CB Richard Ellis reported rental vacancies of less than 5 percent in properties with 50 or more units, down from more than a 7-percent vacancy rate a year earlier. The market has tightened as a result of a substantial increase in renter households due to the strong economy, declining affordability of homeownership, and the effect of condominium conversions on the supply of apartments. As a result, rents have risen 4 to 5 percent in the last year and only half of the apartments surveyed are offering concessions, while nearly 90 percent did so a year earlier.

The improvement in most rental markets in the region supported a 4-percent increase in multifamily permit activity, to 74,900 units, in 2004. California builders registered 57,200 multifamily units during the year, a 10-percent gain compared with 2003, with the greatest increases in Southern California. Arizona authorized 8,800 multifamily units, little changed from 2003. Nevada multifamily production dropped 45 percent to just 5,600 units during 2004, the lowest level since 1993. Local sources report that homebuilders in Las Vegas are increasingly outbidding apartment developers for residential parcels.

## NORTHWEST



The economy of the Northwest region improved notably during 2004. Total regional nonfarm employment averaged 5.19 million for the year, a 1.9-percent increase over the 2003 annual average. The gain represented approximately 50,000 additional jobs, compared with 5,000 jobs added in 2003. Idaho registered the highest rate of growth in 2004, up 2.4 percent, or 13,700 jobs, primarily due to gains in professional and business services, construction, and education and healthcare services. Manufacturing employment rose by 450 jobs in computers and electronics but was more than offset by the loss of 950 jobs in wood and food products. Employment rose 1.9 percent in Washington due to strength in trade, construction, and professional and business services. The Oregon economy added 28,600 jobs in 2004 for a gain of 1.8 percent after recording annual average declines in each of the previous 3 years. Health care and social assistance, construction, and business support services led gains in Oregon, followed by transportation equipment and high-technology manufacturing. Growth in Alaska measured 1.2 percent with healthcare services, construction, and retail trade contributing largely to the increase. The regional unemployment rate averaged 6.3 percent, down from 7.5 percent in 2003. The unemployment rate averaged 4.8 percent in Idaho, 6.1 percent in Washington, 7.1 percent in Oregon, and 7.3 percent in Alaska.

The Northwest region gained slightly more than 136,000 new residents during the July 2003 through July 2004 period based on census estimates. As of July 2004, the region's population totaled 11.9 million, up 1.2 percent from the previous year. Idaho had the fastest rate of growth, up 1.9 percent, followed by Washington, up 1.2 percent, and Alaska, up 1.1 percent. Oregon's population increased less than 1 percent during the period.

Improved economic conditions, combined with low mortgage interest rates and moderate population growth, resulted in strong sales housing demand throughout the Northwest during 2004. In the western Oregon counties of Jackson, Lane, Coos, and Douglas,

the total number of homes sold increased by 10 percent or more compared with 2003. The median price of a home sold was \$199,000 in western Oregon—up 17 percent in Jackson County, 19 percent in Coos County, and 15 percent in Douglas County. In the Portland metropolitan area, the number of sales rose 7 percent to 41,549, and the median price increased 10 percent to \$201,450. Listings declined to less than 3 months' supply in the Portland area and in Lane County.

Sales market conditions were similar in the Puget Sound area. In the Seattle metropolitan area, existing home sales rose 9 percent compared with 2003 to 44,890, according to data from the Northwest Multiple Listing Service. Sales in the Tacoma metropolitan area increased 6 percent, and the Bremerton area registered a 7-percent gain in homes sold in 2004. In the Olympia area, sales increased 12 percent. New and existing condominium sales were especially strong, up 16 percent in the Seattle area and 17 percent in the Tacoma area. Reflecting the strong demand for homes, the median sales price continued to rise throughout Washington's metropolitan areas, up 10 percent in Seattle, 12 percent in Tacoma, and 11 percent in Bremerton and Olympia. The median sales price in the Seattle area was \$301,600 in 2004 compared with \$274,000 in 2003. Retirement areas in Washington also showed strength. In San Juan County, a nationally renowned retirement destination, sales continued to increase to a total of 273 homes, up 41 percent, and the median sales price was \$385,000, up 22 percent from 2003.

Market conditions in Idaho and Alaska also indicated a high demand for homes. Sales in Idaho totaled 26,185 homes, up 12 percent from 2003, according to data from the Idaho Association of REALTORS®. The average price of a home sold was \$174,000, a 13-percent increase over the 2003 average of \$154,000. Coeur d'Alene, a popular retirement area, recorded the highest rate of annual increase in homes sold among Idaho markets, or 29 percent above the total sales in 2003. Bonner County/Sandpoint and Canyon County followed with total sales up 19 percent. The average sales price rose 23 percent in Bonner County and 15 percent in Coeur d'Alene and the eastern Idaho communities of Idaho Falls, Iona, and Ammon. In Anchorage, total sales were off 4 percent in 2004 compared with 2003 when volume reached a recorded high of more than 3,200 sales. The decrease in sales appeared to be related to the 6-percent decline in available inventory as the average price continued to increase steadily. The average sales price for a home in Anchorage rose 11 percent to \$259,500 in 2004 compared with \$233,500 in 2003.

Single-family permit activity in the Northwest continued to increase due to the strong demand for homes, up 11 percent in 2004 compared with 2003. Single-family building permits rose 18 percent in Idaho to 14,650, followed by Oregon, up 14 percent to 21,370 permits. Activity registered a 7-percent gain in Washington, where 36,815 permits were issued, and a 3-percent increase in Alaska.

Competitive rental market conditions prevailed throughout much of the Northwest during the fourth quarter of 2004. The Seattle metropolitan area had an estimated vacancy rate of 7.5 percent, essentially unchanged from a year ago. Rents were down slightly over the year, and concessions were still common in the Seattle area. In smaller Washington markets, conditions were more balanced based on the fall 2004 Washington State University survey that showed vacancy rates of 5.3 percent in Spokane, 4.3 percent in Bellingham, and 5.2 percent in Yakima. In Oregon markets, rents stabilized, but vacancies had generally increased. The vacancy rate registered a 0.5-percentage

point increase in the Portland area to reach 7 percent compared with the fourth quarter of 2003. Vacancy rates were similar in the Bend, Eugene-Springfield, Salem, and Medford market areas. Idaho markets were generally balanced-to-tight, with the exception of the Boise metropolitan area. The vacancy rate in Boise was estimated at 7.8 percent, up from 7.5 percent a year ago. The rental market in Anchorage was balanced with a 5-percent vacancy rate.

Multifamily building in the Northwest region increased 10 percent in 2004 compared with 2003, primarily due to a rise in Washington's activity near the end of the year. Regionwide, 22,780 units were permitted, of which 12,430 units were in Washington—a 37-percent gain over the 2003 total for the state. The Seattle and Tacoma metropolitan areas accounted for more than half of the increase in Washington, primarily due to the strong demand for condominiums in those markets. Permits totaled 6,625 units in Oregon, 2,350 in Idaho, and 1,385 in Alaska.



## Housing Market Profiles

### Albuquerque, New Mexico

Albuquerque, New Mexico's largest city, is located between the Sandia Mountains on the east and the Petroglyph National Monument on the west. The Albuquerque metropolitan area includes Bernalillo, Sandoval, and Valencia Counties. Strengths of the area include a stable government workforce, affordable housing, a desirable climate that attracts in-migration, and a large university that fosters an educated workforce sought by area research institutions.

Population growth in this area has been steady since the late 1990s due to consistent in-migration of families, students, retirees, military personnel, and research technicians. The population aged 65 and older is becoming more numerous due to the area's excellent health facilities, the dry climate, and the affordable cost of housing. The population of the Albuquerque metropolitan area was estimated to be 766,000 as of October 1, 2004, up 1.5 percent annually since April 2000. Household growth increased during the period by an annual average of 1.9 percent. Most of the growth is taking place outside the city of Albuquerque.

Albuquerque has been a center for national defense research since 1940. The Kirtland Air Force Base (KAFB) is the center of research and development activities in coordination with Sandia National Laboratories and a branch of Phillips Research Laboratories. With the opening of the Intel semiconductor plant and related businesses in 1994, nearly 17,700 jobs were added to the local economy for a 6-percent annual growth rate, the highest of any recent year. Since then, these research facilities have attracted other high-technology industries, and the combined workforce is estimated at 30,000. Intel has asked for approval of a \$16 billion industrial revenue bond, which would provide funds to retool and improve existing operations to attract new projects to the plant over the next 15 years.

The economy of the Albuquerque metropolitan area has maintained a modest rate of growth since 2000 following a more rapid rate during the 1990s. Steady employment at KAFB, Sandia Labs, and the University of New Mexico lessened the effect of declines in other local industries. Nonfarm employment declined slightly in 2002 and increased by 0.6 percent in 2003. For the 12-month period ending November 2004, nonfarm jobs

increased 5,400 to 365,800, up 1.5 percent compared with the previous 12-month period. The unemployment rate declined to less than 5 percent. All major job sectors are showing improvement with the exception of the information sector, specifically the call center industry, which recorded job losses. Growth in education and health services and tourism continues to contribute to the local economy. More casinos are planned on tribal lands in Sandoval and Bernalillo Counties. The revitalization of downtown Albuquerque is expected to reduce a relatively high office vacancy rate of approximately 20 percent.

Demand for sales housing is strong, with sales of single-family homes setting new records despite the slower growth in the economy. Single-family permits have grown rapidly from 4,660 in 2000 to more than 7,000 units in the past 12 months. Single-family homes make up approximately 80 percent of sales demand, condominiums another 10 percent, and manufactured housing, which is relied on heavily in outlying areas, the remaining 10 percent.

During the past year, more than 70 percent of new housing starts were in suburban Rio Rancho in Sandoval County. Additional development has occurred in Albuquerque's Northwest and Southwest Mesas, taking advantage of the localities' proximity to Interstate 40. Loft conversions in the downtown area, however, are attracting people back to the city.

The average sales price of an existing home for the 12 months ending November 2004 was \$181,800, an increase of 9 percent over the comparable period ending November 2003. Due to the increasing numbers of retirees migrating to the area, substantial price increases have occurred in the relatively affordable condominium market. The average sales price was \$116,300 compared with \$108,100, a 7.6-percent increase for the 12 months ending November 2004.

The rental market is currently balanced. Because apartment developers have limited building activity since 2000, the apartment market has remained relatively balanced with an occupancy rate of approximately 93 percent. Newer market-rate apartments, however, have high vacancy rates due to competition from the sales market and single-family rentals. Local sources indicate that the number of single-family homes for rent has increased significantly as owners buying in the suburbs are holding onto former homes as investment properties, creating a surplus of homes for rent. As interest rates rise, the newer and higher rental units should record stronger absorption. Despite soft market conditions for high-end units, Albuquerque's rental

market remains one of the most affordable in the nation. Average contract rents are \$530 for a one-bedroom unit, \$600-\$700 for a two-bedroom unit, and \$850 for a three-bedroom apartment.

## Ann Arbor, Michigan

The Ann Arbor metropolitan area, located 45 miles west of Detroit, consists of Lenawee, Livingston, and Washtenaw Counties. The city of Ann Arbor, located in Washtenaw County, is the economic and cultural center of the region. The University of Michigan in Ann Arbor and Eastern Michigan University in nearby Ypsilanti provide the area with a strong academic identity and a stable economic base. Livingston County, north of Washtenaw County, is centrally located at the crossroads between Flint, Ann Arbor, Lansing, and Detroit and attracts commuters from all four metropolitan areas.

The education, healthcare, and manufacturing sectors form the foundation of the Ann Arbor economy, representing almost one-third of the area's jobs. The University of Michigan is the area's leading employer with 15,500 employees. The University of Michigan Health System and three other major healthcare providers employ in excess of 14,000 people, including more than 2,000 physicians and medical professionals. Major manufacturing employers include General Motors, Ford Motor Company, and automobile parts supplier Visteon Corporation, each of which employs between 5,000 and 6,000 workers. Several companies, including Hyundai, General Dynamics, and Bosal, a Belgium-based parts manufacturer, are developing automotive-related research centers in this area.

Total nonfarm employment in the area averaged 290,200 jobs for the 12 months ending November 2004, a gain of 0.3 percent compared with the previous 12-month period. Nonfarm employment was still 5,700 jobs below the 2001 peak in employment because of average annual losses of 1.1 percent through 2003. Job gains during the past year were led by the professional and business services sector due to increased hiring at research-oriented firms. Growth in the combined professional and business services, leisure and hospitality, and educational and healthcare sectors more than offset the loss of 1,800 manufacturing jobs during the 12 months ending November 2004. Reflecting the in-migration and growing number of commuter households, nearly 8,000 more residents were employed during the 12 months ending November 2004 compared with the previous 12-month period. During this period, the unemployment rate fell to 3.9 percent from 4.1 percent.

The Census Bureau's July 2003 estimated population of the Ann Arbor area was 612,200, a 1.8-percent annual increase since the 2000 Census. The population of Michigan grew only 0.4 percent annually during this period. Livingston County has contributed the largest share of new residents to the metropolitan area, leading all Michigan counties with a population growth rate of 13.5 percent between 2003 and 2004 based on estimates made by the Southeast Michigan Council of Governments.

Steady population growth combined with a relatively stable local economy and low mortgage interest rates have created a strong demand for sales housing throughout the Ann Arbor area. During the 12 months ending November 2004, 4,563 permits for single-family homes were issued in the Ann Arbor metropolitan area, a 1.3-percent increase from the previous 12-month period. Existing home sales totaled 6,956 year-to-date through November 2004, a 7-percent increase over year-to-date figures last year. The average sales price was the highest of all Michigan metropolitan areas and increased to \$249,350 through November 2004, a 5-percent increase over the previous 12-month period.

The average sales price in the city of Ann Arbor is the highest in the area at \$333,000 year-to-date through November 2004, up from \$330,000 for the same period in 2003. Because only small tracts of developable land remain in the city of Ann Arbor, new home development has been limited in the city, and most of the construction activity has moved into the remainder of Washtenaw County and into Livingston County. Demand for homes in Livingston County also comes from households from the surrounding metropolitan areas of Flint, Lansing, and Detroit. In the 12-month period ending November 2004, Livingston County accounted for 41 percent of the single-family homes permitted and 38 percent of the existing home sales in the metropolitan area. Reflecting the strong demand, the Livingston County average sale price for new and existing homes has risen to \$268,000, up 15 percent over the past year. Homes in Livingston County are typically newer, larger, and in lower density subdivisions than homes in the city of Ann Arbor.

The 39,000 students at the University of Michigan, plus the 25,000 students at Eastern Michigan University, provide a permanent base for rental demand in the Ann Arbor area. The market is currently tight with an average vacancy rate of approximately 5 percent. Almost 3,000 multifamily units have been permitted in the metropolitan area since 2000, but fewer than 25 percent have been built as market-rate rental units due to the strong demand for condominiums. Recently completed two-bedroom units rent for approximately \$1,400. The



University of Michigan has not built any new dormitories since 1968, and although additional housing has been discussed, no firm timetable has been released concerning future development. Currently, a 186-unit development is being built as a private dormitory with apartment-type units near the campus of Eastern Michigan University in Washtenaw County. In the remainder of the metropolitan area, three upscale properties, with almost 500 units, are currently under construction.

## Baton Rouge, Louisiana

The Baton Rouge metropolitan area, located 80 miles northwest of New Orleans, consists of East Baton Rouge, Ascension, Livingston, and West Baton Rouge Parishes. The city of Baton Rouge is the state capital, and most employment in the downtown area is related to state and local government. The city is the home of the main campuses of Louisiana State University and Southern University, with 31,550 and 9,400 students, respectively. As of October 1, 2004, the metropolitan area's population was estimated at 639,900, an average annual increase of 8,200, or 1.3 percent, since the 2000 Census. Most of the growth is occurring in Ascension and Livingston Parishes.

The Port of Baton Rouge is the nation's 10th largest and the farthest inland deep-water port. An average of 64 million tons of cargo each year is shipped from the port to locations all around the world. The government, petrochemical, and service sectors dominate the economic base of the metropolitan area. State and local agencies with 57,550 jobs account for 20 percent of the nonfarm employment. The area has the largest concentration of chemical industries in Louisiana with 7,300 employees and an annual payroll of more than \$500 million. ExxonMobil, with more than 4,000 employees, has the second largest petroleum refinery in the country and the ninth largest in the world.

The Baton Rouge economy has recently started to rebound from job losses in 2001 and 2002 that occurred primarily in the petrochemical, construction, and wholesale/retail trade sectors. For the 12 months ending November 2004, nonfarm employment increased only 0.7 percent, or 1,980 jobs, compared with the previous 12-month period. The unemployment rate has improved significantly, averaging 5.7 percent for the 12 months ending November 2004 compared with 6.2 percent for the previous 12 months. Several major construction projects costing a total of \$157 million are intended to revitalize downtown Baton Rouge.

For the past 4 years, the number of new single-family homes, as authorized by building permits, has averaged 3,125 annually. More than half of these homes were built in Ascension and Livingston Parishes. Low mortgage interest rates and strong household growth spurred a strong demand for sales housing in the metropolitan area despite the slowdown in the economy during 2001 and 2002. According to the Baton Rouge Multiple Listing Service, existing home sales in 2004 totaled 8,744 in the metropolitan area, up 5 percent compared with 2003. The average sales prices for existing homes rose 6.8 percent during 2004 to \$144,100. Condominiums account for less than 1 percent of the total housing inventory—only 2,275 according to the 2000 Census. Sales prices for new condo units built over the past 5 years are primarily in the \$100,000 to \$139,000 range.

The Smart Growth Leadership Institute recently selected Baton Rouge as one of nine cities to be surveyed for Smart Growth barriers with the goal of promoting the development of mixed-use or high-residential densities in urban Baton Rouge. Phase I of this project, developed by the Willow Grove Traditional Neighborhood Development (TND), will be located around a town square in the city of Baton Rouge. This development will include approximately 800 units, including 390 single-family homes and townhouses, 60 condominiums, a 20-unit bed and breakfast, and offices and retail shops. Home prices will range from \$350,000 to \$1 million with most in the \$500,000 to \$600,000 range. Prices for townhouses will start below \$200,000. Another TND project, known as Perkins Rowe, is in the planning stage and is expected to be even larger than Phase I of the Willow Grove TND development.

The metropolitan area had a small boom in apartment construction from 1995 to 2003 when 30 new apartment complexes with 5,560 units were built. From 2000 to 2002, multifamily building permit activity averaged 530 units annually but increased to 1,760 units in 2003, with 537 of these units permitted in Livingston Parish. This building activity will be the first multifamily construction in Livingston in recent years. The Baton Rouge Apartment Association reported that as of October 2004 the city's apartment units were 94.5 percent occupied compared with the 91-percent occupied rate a year earlier. Rent increases have averaged 1 to 2 percent annually over the past 3 years.

Five market-rate projects with a total of 1,074 units are currently under construction in the area. These projects include 320 units in East Baton Rouge, 490 units in Ascension, 264 units in Livingston, and 537 units that have been approved for construction but are

not yet started. Contract rents at these projects will range from \$650 to \$1,100 for units sized between 550 and 1,500 square feet.

Currently, 3,600 rental units in the Baton Rouge area are financed using the Low-Income Housing Tax Credit (LIHTC) Program. Overall, conditions in this segment of the affordable rental market are balanced with an occupancy rate of 94 percent. LIHTC projects now in the development stage consist of single-family, lease-to-own homes located on sites scattered around the area.

## Lynchburg, Virginia

The Lynchburg metropolitan area is located in southern Virginia, approximately 115 miles west of Richmond and 175 miles southwest of Washington, D.C. It includes the counties of Amherst, Appomattox, Bedford, and Campbell, as well as the independent cities of Bedford and Lynchburg. The city of Lynchburg is home to approximately 28 percent of the area's population and is the center of economic activity for the region.

The population of the Lynchburg metropolitan area has grown steadily in recent years, but the population of the city of Lynchburg has not changed significantly since 2000. The population of the metropolitan area has increased by an estimated 1,500 people annually since that year. More than two-thirds of the population growth comes from in-migration. Although in-migration for jobs has slowed since 2000, in-migration to the area for retirement is significant.

The average number of workers in the labor force in Lynchburg over the 12 months ending December 2004 was approximately 104,600, essentially unchanged from the average 1 year earlier, but significantly lower than the annual average of 106,200 in 2001. The 12-month average resident employment through December 2004 was 100,200 people, and the unemployment rate was 4.2 percent. In 2001, average resident employment numbered 104,300 people, and the unemployment rate was 1.8 percent.

The largest decrease in employment has been in the manufacturing sector, which has lost approximately 6,500 jobs since 2000. Some local manufacturers were forced to cut their payrolls when demand declined for their products during the recent recession. Other manufacturing firms closed their facilities. Ericsson,

a Swedish telecommunications company, employed more than 3,000 people in Lynchburg before it closed its production facility in 2002 and moved operations abroad. In contrast, the education and health services sector has grown by more than 4,000 jobs since 2000, increasing its payrolls by 33 percent over the past 4 years. The growth in this sector came primarily from local hospitals, which have added facilities such as wellness and rehabilitation centers.

The housing market in the Lynchburg metropolitan area has been strong in recent years. Permits issued for single-family homes increased each year from 2000 to 2003, while the number of multifamily units permitted was more than double the rate of the 1990s. The increase in single-family permits can be attributed to low interest rates and increased demand for housing. Single-family permits in the Lynchburg metropolitan area increased each year during this period, from 976 in 2000 to 1,391 in 2003. In 2004, the city of Lynchburg and Bedford, Campbell, and Amherst Counties reported a combined total of 1,279 single-family permits. Single-family permit activity for the entire Lynchburg metropolitan area in 2004 is unlikely to meet or exceed the 2003 level when the complete permit count is available some time in 2005. Permit authorization for multifamily units was high in 2001 and 2002 with 186 and 255 permits, respectively. In 2003, permits were issued for only 30 multifamily units; in 2004, only 34 multifamily units have been permitted in the metropolitan area, not including the city of Bedford and Appomattox County, which will not be available until later in 2005.

The Virginia Association of REALTORS® publishes sales market data on the Lynchburg metropolitan area, although its definition of the area excludes portions of Bedford and Campbell Counties. In the 12-month period ending November 2004, 2,682 homes were sold at an average price of \$142,901. The number of sales increased from 2,513 a year earlier, and the average price increased by 4.2 percent from \$137,185. The two areas with the most activity and highest prices are the town of Forest and the Smith Mountain Lake area, both located in Bedford County. Forest is located in the eastern corner of the county just outside the city of Lynchburg. Many potential buyers who work in the city are attracted to several planned communities and new, higher priced, single-family homes in Forest. Smith Mountain Lake, on the southern border of the county, is a popular vacation and retirement location. Many single-family homes, townhouses, and condominium projects have been built at the lake in recent years.



The rental market in the Lynchburg metropolitan area has changed considerably since 2000. During the 1990s, no large Class A apartment complexes were developed. Existing properties operated at full occupancy with applicants waiting as long as 6 months, indicative of a tight market. Since 2000, however, more than 500 Class A units in four large complexes have been added to the inventory, and the addition of these projects has led to a more balanced market. One large apartment complex has had low occupancy rates since Ericsson, which had a contract for more than 100 units to house new or temporary hires, closed its Lynchburg facility in 2002. This complex has yet to reach full occupancy, resulting in a higher overall vacancy rate for the area. The newest properties generally operate at vacancy rates of less than 3 percent, and the overall rental vacancy rate for the metropolitan area is estimated to be 7.0 percent.

## Minneapolis-St. Paul, Minnesota

The Minneapolis-St. Paul metropolitan area encompasses 11 counties in Minnesota and 2 in Wisconsin. Since 2000, the population of the Twin Cities area has increased at an annual average rate of 1.5 percent, reaching 3.1 million in 2003. This growth is the result of a well-diversified economy with most industries showing strong growth. Leading employers include 3M Company, General Mills, Target, Northwest Airlines, Medtronic, and the University of Minnesota. In November 2004, the seasonally adjusted unemployment rate was 3.7 percent compared with Minnesota's rate of 3.8 percent and the U.S. rate of 5.2 percent.

The Twin Cities area lost 27,000 nonfarm jobs during 2001 and 2002, followed by a gain of more than 14,000 jobs during the past 2 years. Manufacturing firms added 3,500 jobs during 2004, reversing 3 years of losses. Driven by residential building, construction employment showed respectable growth, adding more than 2,000 jobs. Education and health services employment increased by 9,000 jobs during 2004 and more than 42,000 since 2000. Leisure and hospitality services have shown similar strength with more than 6,300 jobs added during 2004 and 19,000 since 2000. Retail trade continues to struggle and is down by more than 4,000 jobs during 2004. Government employment also declined, recording a decrease of 5,600 jobs, with most of the loss in local government.

Low interest rates for home mortgages and an improved job market were the prime factors behind another strong year of residential building in the Twin

Cities. After a recordbreaking year in 2003, when permits were issued for 27,966 units, 2004 is on pace to fall slightly below that mark. During the first 11 months of 2004, single-family permits were issued for 18,678 units, down 2.5 percent from the same period in 2003. A consensus exists that 2005 should be another good year unless mortgage interest rates rise dramatically. Permits were issued for 6,631 multifamily units through November 2004, 11 percent more than during the same period in 2003. The increase in multifamily permit activity is the result of not only rental development, but also significant activity in the condominium market.

Existing home sales in the area set another record in 2004 with 58,233 houses, townhouses, and condominiums sold, a 3-percent increase over 2003. Historically low mortgage interest rates have enabled many people who would typically rent to become homeowners. According to the Minneapolis Area Association of REALTORS®, 40 percent of the homes purchased during 2004 were bought by first-time homebuyers. During 2004, the median sales price increased by 8 percent, reaching \$215,900, a record high. Homes in the upper price ranges in suburban locations are taking the longest time to sell. The overall sales market remains healthy and is expected to remain strong into 2005.

Since 2001, the Twin Cities area has seen a boom in the construction of condominium units. A report by Dahlgren, Shardlow, and Uban, Inc., which assessed the market as of the third quarter of 2004, estimated that in 2004, 2,100 condominium units were added in the core seven-county area, more than were added in the previous 9 years combined. Most of the development has been in downtown Minneapolis within several blocks of the Mississippi River. The average square-foot price for condominiums sold in the Twin Cities area increased from \$150 in 1999 to \$222 in 2004, or a 10-percent annual increase. Downtown Minneapolis is the highest priced submarket, averaging \$270 per square foot. The downtown area is viewed as a very desirable place to live, as evidenced by the 25,000 to 30,000 people already in residence. Demand has been driven by young professionals and empty nesters who are opting out of the suburban lifestyle for the more urban way of life that the downtown area offers. Nicollet Mall, Hennepin Avenue, and the area surrounding the Target Center—home of the Minnesota Timberwolves—offer a vibrant nightlife and many recreational activities. The riverfront parkway has paths for walking, biking, and roller blading. The new Guthrie Theatre, adjacent to the river, is near many of the newly constructed condominiums. The downtown housing market was given a lift with the announcement that locally based

Lunds Food Holding, Inc., will open one grocery store across the river from downtown and a second store on the southern edge of downtown in the Loring Park area in 2006.

The rental market has become more balanced during the past several years. According to GVA Marquette Advisors' quarterly rental survey of more than 124,000 rental units, the rental vacancy rate declined to 6.7 percent as of the third quarter of 2004 from 7 percent in the same quarter in 2003. Between 2001 and the third quarter of 2004, average rents increased by only 1.7 percent, reaching \$851. Leasing agents noted improvement compared with a year earlier, although concessions of 1 to 2 months for a 1-year lease are still common in some upscale projects. The rental vacancy rate in some submarkets is declining because several developments are being converted to condominiums. With new projects continuing to enter the market, the short-term outlook is for vacancies and rents to remain near current levels.

## Portland-Vancouver, Oregon

Sales housing market conditions reflected record-setting demand in the Portland-Vancouver metropolitan area during 2004. Home price appreciation accelerated, and the inventory of homes for sale neared an all-time low. Low interest rates, an improving economy, and steady population growth are the leading factors contributing to strong home sales. Rental market conditions remain very competitive, primarily due to attractive home purchase opportunities. Rents are unchanged from a year ago, and the vacancy rate for the Portland-Vancouver metropolitan area is 7 percent.

The Portland-Vancouver metropolitan area population was 2.03 million as of July 2003 according to census estimates. The population increased by 34,500 annually since the 2000 Census, or 1.8 percent. Among the six counties that make up the Portland-Vancouver metropolitan area, population growth was fastest in Clark County, Washington. Migration from Oregon due to the lower taxes and home prices in Clark County was the major factor behind its 10-percent population increase between April 2000 and July 2003. Washington County, where most of the Portland-Vancouver area's high-technology firms are located, was second in population growth, increasing by 8 percent during the period. The two counties combined accounted for 61 percent of the Portland-Vancouver area's population growth from 2000 through 2003.

Economic conditions improved in the metropolitan area during 2004. Nonfarm employment increased by 0.4 percent, or 3,750 workers, to 928,575 jobholders compared with a 1.8-percent decline in 2003. The Portland-Vancouver metropolitan area is still 36,000 jobs below its peak year of 2000; however, labor market analysts at the Oregon Employment Department suggest that because recovery in the manufacturing sector started in 2004, the local economy is likely to continue to recover. The unemployment rate averaged 7.0 percent in 2004, down from 8.0 percent a year ago and 7.4 percent in 2002.

Steady growth in the high-technology sector during the 1990s diversified the Portland-Vancouver economy; computer components and related equipment are now the area's largest dollar-value export. Manufacturing employment rose in 2004 for the first time in 3 years, up 1.4 percent, led by gains in high-technology employment. Hiring at semiconductor firms totaled 925 new employees, a 4-percent increase, primarily due to stronger demand from Asia. Manufacturing gains in the coming year are expected to improve the Portland area's economy overall. The high-technology firm Intel and electronic testing equipment maker Tektronix are both planning to add to their workforces. Freightliner, a truck manufacturer, is planning to hire 700 workers, and Oregon Steel Mills will be hiring 200 workers at its large-diameter pipe production facility. Among service sector industry groups, employment in trade increased by 1,550 jobs during 2004, and professional technical services added 1,000 jobs to local payrolls. Job losses in 2004 were scattered throughout the service sector.

Several economic development projects are significantly changing the urban landscape in the Portland area. Redevelopment of the Pearl District to the north of Portland's downtown core is nearly complete. The construction of several condominium projects priced beginning at \$250,000, new highrise apartments, and the arrival of various retail operations have converted this area from an aging warehouse district to a thriving, mixed-use, urban neighborhood. An additional 210 affordable rental units financed with low-income housing tax credits also are under construction in the Pearl District. The South Waterfront, with 140 acres of land, is one of the last large developable parcels of land close to downtown Portland. A clinic and research facility that will be part of Oregon Health & Science University's campus are currently under construction in the area, as are two waterfront condominium towers. Another large-scale project is under way directly across the Willamette River from Portland's downtown core. Conversions from industrial and warehouse operations to office and residential use are planned to take advantage of the river setting.



Low interest rates, steady migration to the Portland-Vancouver area, builders' production of a wide variety of affordable homes, and flexible mortgage products combined to sustain new and existing home sales at the record pace of 41,360 in the area during 2004. Compared with the same period a year ago, home sales are up 11 percent, and the median price of a home sold increased by nearly \$20,000 to \$201,500. Sales of single-family, detached homes were most vigorous in the \$140,000 to \$250,000 price range and accounted for 60 percent of total sales. Home price appreciation has accelerated during each of the past 4 years, increasing by 3 percent in 2001, 4 percent in 2002, 5 percent in 2003, and 10 percent in 2004. The inventory of homes for sale is at a 2.9-month supply compared with a 4.2-month supply a year ago. Condominium sales were also strong, representing 8 percent of all sales in 2004 compared with 7 percent in 2003. The median price of the 3,370 condominiums sold in 2004 was \$148,000, up 7 percent from 2003, and 60 percent of sales were in the \$100,000 to \$160,000 price range.

Although home prices overall have appreciated, a wide variety of relatively affordable, for-sale housing exists in the Portland area. Row houses in Beaverton are priced as low as \$130,000, and a single-family, four-bedroom, 1,300-square-foot house in east Gresham sells for \$135,000. Condominiums are available for \$86,000 in Tualatin, and freestanding, four-bedroom condominiums in southeast Portland are priced at \$168,000. In addition, lease-to-own plans for row houses in the southeast area are available for monthly payments of \$795 to \$875.

Due to the strong demand for homes, single-family permits rose to 10,373 through November 2004, up from 10,004 for the same period in 2003. Few large tracts of developable land are available within the Portland-Vancouver area's urban growth boundary, which has caused most subdivisions to have fewer than 20 lots. Large subdivisions currently under construction are located in the suburban areas of Beaverton, Hillsboro, Troutdale, Happy Valley, and Sherwood. Clark County, which is outside the urban growth area, is the one submarket where land supply for large-scale subdivision development is adequate.

The Portland-Vancouver metropolitan area rental market is very competitive. The apartment vacancy rate estimated by Reis, Inc., a real estate research firm, was 7 percent as of September 2004, up slightly from 6.5 percent a year earlier. Affordable home-buying opportunities and a slower economy are the main reasons limiting higher occupancy levels. The median rent for apartments in the Portland-Vancouver metropolitan area as of September 2004 was \$710 according to Reis, essentially unchanged

from September 2003. Specials such as up to 3 months free rent, no move-in fees, and other promotions are common at apartment complexes throughout the area. The advertised rent for a one-bedroom apartment is typically between \$500 and \$550, \$625 to \$725 for a two-bedroom unit, and \$850 to \$1,050 for a three-bedroom apartment.

Multifamily permit activity for 2004 through November slowed to 4,335 units, a 20-percent drop from the same period in 2003. Due to the competitive rental market conditions and strong sales demand, the majority of multifamily development has been for the sales market. Multifamily activity was most active in the city of Portland, where permits were issued for 1,900 units, of which less than 50 percent were for apartments. The largest rental complexes under construction are the 210-unit Sitka Apartments financed through the Low-Income Housing Tax Credit Program and a 300-unit HOPE VI project. The city of Beaverton authorized more than 1,000 multifamily units for the 12-month period ending November 2004. Several projects located in planned unit developments offer a mix of townhouse and apartment rentals, townhouse ownership, and single-family ownership. Rents for new upscale apartments near the light rail line in Beaverton are \$750 for a one-bedroom unit, \$875 for a two-bedroom unit, and \$1,200 for a three-bedroom unit.

## Raleigh, North Carolina

The central region of North Carolina known as the Triangle includes the cities of Chapel Hill, Durham, and Raleigh. The Raleigh metropolitan area consists of Franklin, Johnston, and Wake Counties. Raleigh, the largest city in the Triangle, is located in Wake County. Known for research and postsecondary education, cities in the Triangle share a significant employment center in the Research Triangle Park. Situated in Durham and Wake Counties, the park is home to more than 130 companies and is the source of employment for 44,000 employees. Raleigh is the home of North Carolina State University, which has nearly 30,000 students and employs approximately 7,000 people. The university has an annual budget of approximately \$820 million and an endowment of more than \$289 million.

Although employment growth in the Raleigh metropolitan area was strong during the 1990s, the subsequent decline in technology industries weakened the local economy slightly in 2002. Because the Raleigh area's economy was not as dependent on manufacturing, the area fared better than many areas in North Carolina,

which had considerable job losses since 2001, including the closures of several large manufacturing plants. As the capital of North Carolina, Raleigh has a strong foundation of employment in the government sector. Total government employment, including employment at North Carolina State University, accounts for approximately 20 percent of the local workforce and provides a stabilizing factor to the economy. For the 12 months ending November 2004, resident employment increased 2.2 percent from a similar period a year ago to an average of 475,682. The unemployment rate for the same period averaged 3.7 percent, down from the 4.8-percent rate recorded a year earlier. The unemployment rate remains one of the lowest in North Carolina. Continued employment growth is expected for the area during the next 3 to 4 years, with gains in technology industries fueling the improvement.

In July 2003, the Census Bureau estimated population for the metropolitan area at 884,489. Local population continues to grow, primarily as a result of in-migration. A low unemployment rate and the potential for high-income jobs encourage thousands of new residents each year to move to the area. Workers in the metropolitan area have the highest median family income in the state.

With growing population and historically low interest rates in recent years, the sales market in the metropolitan area has been very strong. Although single-family permit activity has slowed slightly during the past 2 years, production continues at historically high levels. For the 12 months ending November 2004, the number of single-family homes permitted declined 4.3 percent to 11,758 units compared with the average annual level of 10,285 units permitted during the 2000–03 period.

The number and price of homes sold in the region continue to rise. For the 12 months ending November 2004, the North Carolina Association of REALTORS® reports that sales of new and existing homes in the Triangle reached 29,519 units, an increase of 26 percent over the previous 12-month period. Sales data for the Raleigh metropolitan area are not reported separately from the Triangle. Average sales prices increased at a much slower pace of 0.6 percent during the same period, averaging \$203,847. The Triangle outperformed the state as a whole, where prices averaged \$193,501 and sales increased by 20 percent.

The rental market in Raleigh is soft and has not yet recovered from excess production during the late 1990s and early 2000s that led to repeated increases in the apartment vacancy rate. According to Real Data, in January 2003, the average vacancy rate had increased to a high of 12.3 percent. With a slowdown in apartment production, the apartment vacancy rate declined to 9.4 percent by July 2004. Although the market remains soft, the vacancy rate is expected to continue to decline in 2005. Contributing to the recovery is a continued reduction in apartment construction. For the 12 months ending November 2004, 2,385 multifamily units were permitted, a decline of 37 percent from the previous 12 months.

Although the apartment market has improved in recent months, conditions are competitive and concessions are common. The average rent in July 2004 was \$668, a decrease of 11 percent from the \$744 average rent recorded a year earlier; rent for all unit sizes declined. In July 2004, rents averaged \$572 for one-bedroom units, \$688 for two-bedroom units, and \$891 for three-bedroom units.

North Carolina State University has a significant impact on the rental market in the metropolitan area. Approximately 7,000 students live on campus, while the majority of the nearly 23,000 remaining students rent local apartments. In 2004, the university completed construction of 300 four-bedroom, two-bathroom apartments on campus that compete with off-campus apartments. Units are available to students classified as sophomores through graduate students. Each furnished apartment houses four students and includes a shared living room, kitchen, and washer/dryer unit. The per-bedroom rental rate for these apartments is \$2,140 a semester.

According to the Downtown Raleigh Alliance, redevelopment of downtown Raleigh is currently in its early stages. Already more than 1,400 multifamily units have been completed or are under construction. Recent multifamily development includes the construction of several new highrise condominiums and apartment buildings. In addition, Capitol Park, a mixed-income HOPE VI project, replaced a 318-unit public housing project. Capitol Park includes 24 general-occupancy apartments, 90 apartments for seniors, 58 townhomes, and 37 single-family homes. Additional housing construction in the downtown area is expected during the coming years.



## San Antonio, Texas

The San Antonio metropolitan area, consisting of Bexar, Comal, Guadalupe, and Wilson Counties, is located in south-central Texas about 80 miles south of Austin and approximately 150 miles north of the Mexican border. The population of the area is growing at a relatively strong rate. Between April 2000 and September 2004, this area's population increased to 1,729,700, up 8.6 percent, or 1.9 percent annually. More than 85 percent of the population resides in Bexar County, which includes the city of San Antonio. Two counties in the metropolitan area, Comal and Wilson, were among the 20 fastest growing Texas counties according to 2002 Census estimates.

The San Antonio area is a tourist destination, a center for healthcare services and biosciences, and a retail center for south Texas and northern Mexico. Currently, planning is under way to build three additional large malls, located in the far northwest section of the city. One of the new malls, the Rim, will be a destination center with a Bass Pro Shop Outdoor World to anchor the new 700-acre retail and family entertainment center. Historically, manufacturing has been a minor sector of the economy; however, Toyota Motor Manufacturing is building an \$800 million plant in south-central Bexar County that, when completed in the fall of 2006, will produce Tundra pickup trucks and provide 2,000 jobs. Toyota suppliers that will be in the area are expected to employ an additional 1,500 people.

Because of its diversification, San Antonio's economy was not severely affected by the closure in July 2001 of Kelly Air Force Base, which had been the area's leading employer. When Kelly was selected to close in 1995, it employed about 19,500 people. When the base closed, KellyUSA, a nonprofit organization was formed, enabling 7,400 of these people to remain employed in the area. KellyUSA was successful in attracting Boeing to the area, which now has 1,700 employees, and creating a partnership between Lockheed Martin and General Electric, which now has 1,500 employees. The military presence remains large in the area with total employment of more than 58,000 at Fort Sam Houston, Brooke Army Medical Center, and Randolph, Lackland, and Brooks Air Force Bases.

Job growth in the metropolitan area averaged 19,300 annually during the late 1990s but slowed dramatically after 2000. In 2003, employment declined by approximately 2,500 jobs. The economy appears to have begun to recover in 2004. For the 12 months ending November, average nonfarm employment totaled 731,800, an

increase of 6,500 jobs over the previous 12-month period. During the same period, resident employment increased by 17,145 jobs, and the unemployment rate fell from 5.6 to 5.1 percent. Nonfarm employment is expected to grow by about 2 percent in 2005.

Low interest rates, affordable housing prices, and a growing economy have supported a fairly steady increase in existing home sales every year since 1995. Sales volume in 2003 increased 12 percent to 17,812, as reported by multiple listing services. The median sales price increased from \$106,700 in 2002 to \$113,900 in 2003. According to the San Antonio Board of REALTORS®, existing home sales in 2004 totaled 18,895, the highest ever for the area. The average selling price was \$144,000, a 4-percent increase from the previous year. Another factor affecting home sales has been the strong peso in relation to the dollar. According to a recent article in the *San Antonio Express News*, the number of residences in San Antonio owned by Mexican nationals has increased to an estimated 40,000.

New single-family home building activity in the San Antonio metropolitan area had a banner year in 2004. Permits were issued for 12,029 units compared with 9,322 in 2003, an increase of 29 percent. According to Metrostudy, which tracks new home production, construction starts totaled 12,676 in 2004, up 11.6 percent from 11,359 in 2003. New home closings were also at record levels with 11,840 for the year. Prices have been rising 3 to 4 percent a year, a trend that is expected to continue.

Production is expected to remain at or near current levels given the expected job growth. Most of the new home production is occurring on the west side of the metropolitan area with more than 4,000 units in 2004 followed by the far north corridor with more than 2,500 units and the northeast side with 2,300 units. Southside development is finally taking off. With the new Toyota plant, as well as the proposed 2009 opening of the Texas A&M University campus at San Antonio, HLH Development is set to begin developing a master-planned community that will include lots for 362 single-family homes that will range in size from 1,100 to 2,000 square feet and be priced between \$100,000 and \$130,000.

Competition from a very active single-family sales market and increased apartment production are the primary reasons for soft rental market conditions in the San Antonio metropolitan area. The apartment occupancy rate, as reported by ALN Systems' apartment market research, was 90.3 percent at the end of 2004 compared with 91.1 percent in 2003. Permits for 4,564

multifamily units were issued in 2004, up from 2,243 for the same period in 2003. The dramatic increase is due to developers anticipating substantial employment growth and rental demand as well as the current low interest rates. In addition, Austin Investor Interest reported that for the fourth quarter of 2004, an additional 2,709 units were in the development pipeline, although permits had not yet been issued. Embrey Partners, Ltd., has contracted for land to develop two new luxury apartment complexes with a total of 612 units. Absorption of apartment units, however, has decreased every year since 2001, when 2,948 units were absorbed. According to Austin Investor Interest's *San Antonio Multi-Family Trend Report*, net absorption for 2002 was 1,570 units, 1,451 units in 2003, and only 670 units in 2004. More than 70 percent of the market continues to offer move-in incentives. With the large amount of production coming into the market and absorption declining, concessions are expected to increase as occupancy levels decline in 2005.

## State College, Pennsylvania

State College, Pennsylvania, a borough in Centre County, which is coterminous with the metropolitan area, is located in the center of the state. State College Borough includes Pennsylvania State University's (Penn State's) main campus, which provides employment, as well as recreational and cultural venues, to the region. The area's relatively affordable housing prices and small-town, college atmosphere have become increasingly attractive to retirees.

The current population in the State College metropolitan area is estimated to be 146,250, which is a 1.1-percent average annual increase since 2000, based on census data and university enrollment records. As of the fall of 2004, Penn State has 41,200 students, who account for more than one-quarter of the metropolitan area's population.

In recent years, the area's economy has slowed as manufacturing losses increased and the rate of growth in services slowed. From 2002 to 2003, nonfarm employment declined by 1.1 percent, or 800 jobs, while manufacturing declined by 13.6 percent, or 900 jobs. During the 12 months ending November 2004, the number of nonfarm jobs increased 0.3 percent to 71,200, and resident employment increased 1.8 percent to 67,600 jobs compared with the same period in 2003. Resident employment has been impacted less by the manufacturing decline than has the overall economy, because workers who commute to the State College

area from neighboring counties account for a portion of the job losses. For the 12-month period ending November 2004, the unemployment rate rose from 3.4 to 3.6 percent.

Since 2000, more than one-half of the jobs added in the service-providing sector have been in government, particularly state government, which includes employees of Penn State, the area's leading employer. During this period, employment at Penn State accounted for more than 60 percent of the increase in state government jobs. University employment increased an average of 2 percent a year to more than 14,700 faculty and non-student staff as of the fall of 2004. Jobs in the leisure and hospitality sector have also increased by an average of 170 jobs, or 2.9 percent, annually since 2000, as additional hotels have been developed in the area.

After a peak of 877 single-family homes permitted in 2002, the number declined to 742 homes in 2003. Since 2000, permit activity in the area has averaged approximately 700 single-family homes and 120 multifamily units annually. Annual multifamily permit activity increased from 118 units in 2002 to 280 units in 2003, which was more than 100 percent higher than the number of units permitted during each of the previous 3 years. Permit activity for 2004 appears to be approximately equal to the average annual single-family and multifamily activity since 2000.

With approximately two-thirds of Penn State's students living off campus, these renters have had a significant impact on the rental housing market. The opening of a new apartment development on campus this fall with capacity for 808 students has resulted in slightly higher vacancies in off-campus rentals. State College's rental market, however, remains balanced overall. Townhome construction has been popular in recent Class A developments, with an average gross rent for a two-bedroom/two-bath unit of \$1,150.

The sales market is also balanced throughout the metropolitan area. According to the Centre County Association of REALTORS®, for the year ending December 2004, the median sales price in Centre County rose to \$156,000, or by 4.7 percent compared with the same period in 2003. Sales volume increased to 1,514 homes, or by 6.2 percent. The highest home prices in the metropolitan area are in State College Borough and the five townships that surround it, where the median home sales price increased by 8.6 percent to \$179,000. Average new home prices range from \$200,000 to \$250,000 for single-family homes and \$100,000 to \$150,000 for townhomes.



A planned residential community, The Village at Penn State, is currently under construction in Patton Township. At completion, it will consist of 376 traditional and condominium-style single-family homes, townhomes, and duplex and quadruplex units. Currently, 70 units are available for occupancy and 20 units are under construction. The home sales prices in the community have been attractive to retirees, with prices ranging from \$240,000 to \$375,000 for single-family homes and \$160,000 to \$225,000 for town-

homes. A separate life care retirement community, part of The Village that was completed in 2003, has 138 apartments, 12 cottages, and assisted-living and nursing facilities.

With a moderate rate of employment and household growth anticipated for the State College area, along with its increasing popularity as a retirement destination, potential exists for developing modest levels of additional sales and rental housing over the next few years.

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

HUD Region and State	2004 Through December			2003 Through December			Ratio: 2003/2004 Through December		
	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*
Connecticut	11,672	9,222	2,450	10,758	8,229	2,529	1.085	1.121	0.969
Maine	8,383	7,668	715	7,361	6,764	597	1.139	1.134	1.198
Massachusetts	21,219	14,100	7,119	19,273	12,726	6,547	1.101	1.108	1.087
New Hampshire	8,446	6,481	1,965	7,861	5,935	1,926	1.074	1.092	1.020
Rhode Island	2,493	1,908	585	2,349	1,984	365	1.061	0.962	1.603
Vermont	3,491	2,678	813	2,792	2,388	404	1.250	1.121	2.012
<b>New England</b>	<b>55,704</b>	<b>42,057</b>	<b>13,647</b>	<b>50,394</b>	<b>38,026</b>	<b>12,368</b>	<b>1.105</b>	<b>1.106</b>	<b>1.103</b>
New Jersey	36,033	22,223	13,810	32,369	21,564	10,805	1.113	1.031	1.278
New York	54,963	24,490	30,473	49,998	23,885	26,113	1.099	1.025	1.167
<b>New York/New Jersey</b>	<b>90,996</b>	<b>46,713</b>	<b>44,283</b>	<b>82,367</b>	<b>45,449</b>	<b>36,918</b>	<b>1.105</b>	<b>1.028</b>	<b>1.199</b>
Delaware	7,947	7,539	408	7,786	6,788	998	1.021	1.111	0.409
District of Columbia	1,936	226	1,710	1,427	152	1,275	1.357	1.487	1.341
Maryland	28,384	21,929	6,455	30,125	23,813	6,312	0.942	0.921	1.023
Pennsylvania	46,814	37,981	8,833	42,315	34,602	7,713	1.106	1.098	1.145
Virginia	62,437	49,121	13,316	56,951	47,048	9,903	1.096	1.044	1.345
West Virginia	5,070	4,647	423	4,584	4,156	428	1.106	1.118	0.988
<b>Mid-Atlantic</b>	<b>152,588</b>	<b>121,443</b>	<b>31,145</b>	<b>143,188</b>	<b>116,559</b>	<b>26,629</b>	<b>1.066</b>	<b>1.042</b>	<b>1.170</b>
Alabama	28,458	23,404	5,054	26,012	21,734	4,278	1.094	1.077	1.181
Florida	250,887	184,538	66,349	211,078	155,052	56,026	1.189	1.190	1.184
Georgia	105,889	85,121	20,768	94,773	78,417	16,356	1.117	1.085	1.270
Kentucky	22,705	18,253	4,452	20,183	17,265	2,918	1.125	1.057	1.526
Mississippi	13,572	10,860	2,712	12,052	10,368	1,684	1.126	1.047	1.610
North Carolina	91,808	76,137	15,671	77,982	66,127	11,855	1.177	1.151	1.322
South Carolina	42,530	35,484	7,046	36,733	31,118	5,615	1.158	1.140	1.255
Tennessee	44,551	37,345	7,206	37,427	32,754	4,673	1.190	1.140	1.542
<b>Southeast/Caribbean</b>	<b>600,400</b>	<b>471,142</b>	<b>129,258</b>	<b>516,240</b>	<b>412,835</b>	<b>103,405</b>	<b>1.163</b>	<b>1.141</b>	<b>1.250</b>
Illinois	60,277	45,748	14,529	61,411	43,829	17,582	0.982	1.044	0.826
Indiana	39,130	32,282	6,848	40,270	32,216	8,054	0.972	1.002	0.850
Michigan	52,800	44,782	8,018	51,486	43,589	7,897	1.026	1.027	1.015
Minnesota	40,834	31,075	9,759	40,086	30,915	9,171	1.019	1.005	1.064
Ohio	49,627	40,788	8,839	52,419	42,201	10,218	0.947	0.967	0.865
Wisconsin	37,797	28,031	9,766	39,212	27,769	11,443	0.964	1.009	0.853
<b>Midwest</b>	<b>280,465</b>	<b>222,706</b>	<b>57,759</b>	<b>284,884</b>	<b>220,519</b>	<b>64,365</b>	<b>0.984</b>	<b>1.010</b>	<b>0.897</b>
Arkansas	15,239	9,689	5,550	14,177	9,443	4,734	1.075	1.026	1.172
Louisiana	20,719	18,244	2,475	20,313	16,706	3,607	1.020	1.092	0.686
New Mexico	12,684	11,743	941	13,400	11,829	1,571	0.947	0.993	0.599
Oklahoma	16,186	13,342	2,844	15,248	12,570	2,678	1.062	1.061	1.062
Texas	179,030	141,810	37,220	174,170	133,077	41,093	1.028	1.066	0.906
<b>Southwest</b>	<b>243,858</b>	<b>194,828</b>	<b>49,030</b>	<b>237,308</b>	<b>183,625</b>	<b>53,683</b>	<b>1.028</b>	<b>1.061</b>	<b>0.913</b>
Iowa	15,667	12,235	3,432	16,654	12,851	3,803	0.941	0.952	0.902
Kansas	12,098	10,517	1,581	13,748	10,452	3,296	0.880	1.006	0.480
Missouri	29,637	23,541	6,096	27,307	21,608	5,699	1.085	1.089	1.070
Nebraska	10,199	8,635	1,564	10,130	8,514	1,616	1.007	1.014	0.968
<b>Great Plains</b>	<b>67,601</b>	<b>54,928</b>	<b>12,673</b>	<b>67,839</b>	<b>53,425</b>	<b>14,414</b>	<b>0.996</b>	<b>1.028</b>	<b>0.879</b>
Colorado	45,585	38,164	7,421	39,446	33,428	6,018	1.156	1.142	1.233
Montana	3,936	2,258	1,678	3,645	2,190	1,455	1.080	1.031	1.153
North Dakota	3,787	2,357	1,430	3,535	2,219	1,316	1.071	1.062	1.087
South Dakota	5,891	4,721	1,170	4,835	3,938	897	1.218	1.199	1.304
Utah	23,728	19,899	3,829	22,226	17,995	4,231	1.068	1.106	0.905
Wyoming	3,304	2,670	634	2,622	2,096	526	1.260	1.274	1.205
<b>Rocky Mountain</b>	<b>86,231</b>	<b>70,069</b>	<b>16,162</b>	<b>76,309</b>	<b>61,866</b>	<b>14,443</b>	<b>1.130</b>	<b>1.133</b>	<b>1.119</b>
Arizona	87,646	78,841	8,805	73,070	64,143	8,927	1.199	1.229	0.986
California	207,944	150,710	57,234	192,273	140,512	51,761	1.082	1.073	1.106
Hawaii	8,938	5,631	3,307	7,222	6,149	1,073	1.238	0.916	3.082
Nevada	44,411	38,817	5,594	43,140	33,033	10,107	1.029	1.175	0.553
<b>Pacific</b>	<b>348,939</b>	<b>273,999</b>	<b>74,940</b>	<b>315,705</b>	<b>243,837</b>	<b>71,868</b>	<b>1.105</b>	<b>1.124</b>	<b>1.043</b>
Alaska	3,185	1,800	1,385	3,545	1,752	1,793	0.898	1.027	0.772
Idaho	16,997	14,650	2,347	14,903	12,432	2,471	1.141	1.178	0.950
Oregon	28,000	21,372	6,628	26,103	18,799	7,304	1.073	1.137	0.907
Washington	49,247	36,815	12,432	43,580	34,480	9,100	1.130	1.068	1.366
<b>Northwest</b>	<b>97,429</b>	<b>74,637</b>	<b>22,792</b>	<b>88,131</b>	<b>67,463</b>	<b>20,668</b>	<b>1.106</b>	<b>1.106</b>	<b>1.103</b>
<b>United States</b>	<b>2,024,211</b>	<b>1,572,522</b>	<b>451,689</b>	<b>1,862,365</b>	<b>1,443,604</b>	<b>418,761</b>	<b>1.087</b>	<b>1.089</b>	<b>1.079</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 Core Based Statistical Areas (Listed by Total Building Permits)

CBSA *	CBSA Name	2004 Through December		
		Total	Single Family	Multi-family**
12060	Atlanta-Sandy Springs-Marietta, GA	74,457	57,727	16,730
38060	Phoenix-Mesa-Scottsdale, AZ	64,229	56,896	7,333
35620	New York-Northern New Jersey-Long Island, NY-NJ-PA	57,222	19,905	37,317
26420	Houston-Baytown-Sugar Land, TX	53,229	42,471	10,758
19100	Dallas-Fort Worth-Arlington, TX	53,010	44,707	8,303
40140	Riverside-San Bernardino-Ontario, CA	51,392	43,069	8,323
16980	Chicago-Naperville-Joliet, IL-IN-WI	47,680	35,904	11,776
33100	Miami-Fort Lauderdale-Miami Beach, FL	45,369	24,494	20,875
47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	36,881	26,894	9,987
31100	Los Angeles-Long Beach-Santa Ana, CA	36,450	16,665	19,785
29820	Las Vegas-Paradise, NV	36,395	31,741	4,654
36740	Orlando, FL	34,070	27,485	6,585
45300	Tampa-St. Petersburg-Clearwater, FL	29,487	23,006	6,481
33460	Minneapolis-St. Paul-Bloomington, MN-WI	27,348	20,091	7,257
42660	Seattle-Tacoma-Bellevue, WA	23,879	16,052	7,827
40900	Sacramento--Arden-Arcade--Roseville, CA	22,005	18,529	3,476
19820	Detroit-Warren-Livonia, MI	21,619	17,165	4,454
16740	Charlotte-Gastonia-Concord, NC-SC	21,422	17,589	3,833
19740	Denver-Aurora, CO	21,161	16,380	4,781
37980	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	21,048	15,364	5,684
15980	Cape Coral-Fort Myers, FL	20,583	15,052	5,531
27260	Jacksonville, FL	19,325	14,680	4,645
12420	Austin-Round Rock, TX	17,499	13,800	3,699
41700	San Antonio, TX	17,377	12,742	4,635
34980	Nashville-Davidson--Murfreesboro, TN	16,319	12,982	3,337
38900	Portland-Vancouver-Beaverton, OR-WA	15,927	11,300	4,627
41740	San Diego-Carlsbad-San Marcos, CA	15,590	9,008	6,582
26900	Indianapolis, IN	15,459	12,389	3,070
41180	St. Louis, MO-IL	15,313	13,101	2,212
41860	San Francisco-Oakland-Fremont, CA	15,256	7,919	7,337
28140	Kansas City, MO-KS	14,944	12,535	2,409
14460	Boston-Cambridge-Quincy, MA-NH	14,610	7,994	6,616
42260	Sarasota-Bradenton-Venice, FL	14,496	10,989	3,507
39580	Raleigh-Cary, NC	14,404	12,083	2,321
18140	Columbus, OH	13,201	10,732	2,469
17140	Cincinnati-Middletown, OH-KY-IN	13,023	10,867	2,156
47260	Virginia Beach-Norfolk-Newport News, VA-NC	10,509	7,703	2,806
38940	Port St. Lucie-Fort Pierce, FL	10,330	8,885	1,445
12580	Baltimore-Towson, MD	10,234	7,446	2,788
32820	Memphis, TN-MS-AR	10,201	8,937	1,264
46060	Tucson, AZ	10,166	9,460	706
29460	Lakeland, FL	9,427	8,112	1,315
36420	Oklahoma City, OK	9,346	7,714	1,632
40060	Richmond, VA	9,275	7,901	1,374
32580	McAllen-Edinburg-Pharr, TX	9,256	6,686	2,570
37340	Palm Bay-Melbourne-Titusville, FL	8,943	6,508	2,435
14260	Boise City-Nampa, ID	8,771	7,761	1,010
16700	Charleston-North Charleston, SC	8,327	7,369	958
31140	Louisville, KY-IN	8,324	7,172	1,152
48900	Wilmington, NC	8,063	6,592	1,471

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

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

CBSA=Core Based Statistical Area.

Source: Census Bureau, Department of Commerce

# Historical Data



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

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1967	1,141.0	650.6	42.5	30.5	417.5	918.0	223.0	222.6	309.8	390.8	217.8
1968	1,353.4	694.7	45.1	39.2	574.4	1,104.6	248.8	234.8	350.1	477.3	291.1
1969	1,323.7	625.9	44.7	40.5	612.7	1,074.1	249.6	215.8	317.0	470.5	320.4
1970	1,351.5	646.8	43.0	45.1	616.7	1,067.6	284.0	218.3	287.4	502.9	342.9
1971	1,924.6	906.1	61.8	71.1	885.7	1,597.6	327.0	303.6	421.1	725.4	474.6
1972	2,218.9	1,033.1	68.1	80.5	1,037.2	1,798.0	420.9	333.3	440.8	905.4	539.3
1973	1,819.5	882.1	53.8	63.2	820.5	1,483.5	336.0	271.9	361.4	763.2	423.1
1974	1,074.4	643.8	32.6	31.7	366.2	835.0	239.4	165.4	241.3	390.1	277.6
1975	939.2	675.5	34.1	29.8	199.8	704.1	235.1	129.5	241.5	292.7	275.5
1976	1,296.2	893.6	47.5	45.6	309.5	1,001.9	294.2	152.4	326.1	401.7	416.0
1977	1,690.0	1,126.1	62.1	59.2	442.7	1,326.3	363.7	181.9	402.4	561.1	544.6
1978	1,800.5	1,182.6	64.5	66.1	487.3	1,398.6	401.9	194.4	388.0	667.6	550.5
1979	1,551.8	981.5	59.5	65.9	444.8	1,210.6	341.2	166.9	289.1	628.0	467.7
1980	1,190.6	710.4	53.8	60.7	365.7	911.0	279.6	117.9	192.0	561.9	318.9
1981	985.5	564.3	44.6	57.2	319.4	765.2	220.4	109.8	133.3	491.1	251.3
1982	1,000.5	546.4	38.4	49.9	365.8	812.6	187.9	106.7	126.3	543.5	224.1
1983	1,605.2	901.5	57.5	76.1	570.1	1,359.7	245.5	164.1	187.8	862.9	390.4
1984	1,681.8	922.4	61.9	80.7	616.8	1,456.2	225.7	200.8	211.7	812.1	457.3
1985	1,733.3	956.6	54.0	66.1	656.6	1,507.6	225.6	259.7	237.0	752.6	483.9
1986	1,769.4	1,077.6	50.4	58.0	583.5	1,551.3	218.1	283.3	290.0	686.5	509.7
1987	1,534.8	1,024.4	40.8	48.5	421.1	1,319.5	215.2	271.8	282.3	574.7	406.0
1988	1,455.6	993.8	35.0	40.7	386.1	1,239.7	215.9	230.2	266.3	543.5	415.6
1989	1,338.4	931.7	31.7	35.3	339.8	1,127.6	210.8	179.0	252.1	505.3	402.1
1990	1,110.8	793.9	26.7	27.6	262.6	910.9	199.9	125.8	233.8	426.2	324.9
1991	948.8	753.5	22.0	21.1	152.1	766.8	182.0	109.8	215.4	375.7	247.9
1992	1,094.9	910.7	23.3	22.5	138.4	888.5	206.5	124.8	259.0	442.5	268.6
1993	1,199.1	986.5	26.7	25.6	160.2	1,009.0	190.1	133.5	276.6	500.7	288.2
1994	1,371.6	1,068.5	31.4	30.8	241.0	1,144.1	227.5	138.5	305.2	585.5	342.4
1995	1,332.5	997.3	32.2	31.5	271.5	1,116.8	215.8	124.2	296.6	583.2	328.5
1996	1,425.6	1,069.5	33.6	32.2	290.3	1,200.0	225.6	136.9	317.8	623.4	347.4
1997	1,441.1	1,062.4	34.9	33.6	310.3	1,220.2	220.9	141.9	299.8	635.9	363.5
1998	1,612.3	1,187.6	33.2	36.0	355.5	1,377.9	234.4	159.4	327.2	724.5	401.2
1999	1,663.5	1,246.7	32.5	33.3	351.1	1,427.4	236.1	164.9	345.4	748.9	404.3
2000	1,592.3	1,198.1	30.6	34.3	329.3	1,364.9	227.3	165.1	323.8	701.9	401.5
2001	1,636.7	1,235.6	31.8	34.2	335.2	1,410.4	226.3	159.8	333.6	730.3	413.0
2002	1,747.7	1,332.6	37.2	36.5	341.4	1,501.5	246.1	173.7	352.4	790.7	430.9
2003	1,889.2	1,460.9	40.9	41.6	345.8	1,670.4	218.8	182.4	371.0	849.3	486.5
2004	2,018.2	1,549.2	43.6	48.7	356.6	1,774.8	243.3	193.6	356.4	943.3	533.8
Monthly Data (Seasonally Adjusted Annual Rates)											
2003											
Oct	2,015	1,558	82		375	NA		199	383	908	525
Nov	1,920	1,504	94		322	NA		192	387	849	492
Dec	1,979	1,546	77		356	NA		204	369	914	492
2004											
Jan	1,913	1,488	96		329	NA		184	351	880	498
Feb	1,913	1,516	78		319	NA		183	343	884	503
Mar	1,975	1,551	93		331	NA		206	350	916	503
Apr	2,006	1,544	99		363	NA		198	369	905	534
May	2,097	1,610	96		391	NA		196	355	994	552
Jun	1,945	1,546	83		316	NA		197	339	902	507
Jul	2,066	1,586	113		367	NA		189	358	964	555
Aug	1,969	1,556	82		331	NA		175	349	910	535
Sep	1,998	1,559	80		359	NA		191	376	904	527
Oct	2,018	1,557	93		368	NA		175	358	960	525
Nov	2,028	1,549	89		390	NA		204	347	920	557
Dec	2,021	1,558	96		367	NA		206	352	912	551

\* Authorized in permit-issuing places.

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

Source: Census Bureau, Department of Commerce

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



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

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1967	1,291.6	843.9	41.4	30.2	376.1	902.9	388.7	214.9	337.1	519.5	220.1
1968	1,507.6	899.4	46.0	34.9	527.3	1,096.4	411.2	226.8	368.6	618.5	293.7
1969	1,466.8	810.6	43.0	42.0	571.2	1,078.7	388.0	206.1	348.7	588.4	323.5
1970	1,433.6	812.9	42.4	42.4	535.9	1,017.9	415.7	217.9	293.5	611.6	310.5
1971	2,052.2	1,151.0	55.1	65.2	780.9	1,501.8	550.4	263.8	434.1	868.7	485.6
1972	2,356.6	1,309.2	67.1	74.2	906.2	1,720.4	636.2	329.5	442.8	1,057.0	527.4
1973	2,045.3	1,132.0	54.2	64.1	795.0	1,495.4	549.9	277.3	439.7	899.4	428.8
1974	1,337.7	888.1	33.2	34.9	381.6	922.5	415.3	183.2	317.3	552.8	284.5
1975	1,160.4	892.2	34.5	29.5	204.3	760.3	400.1	149.2	294.0	442.1	275.1
1976	1,537.5	1,162.4	44.0	41.9	289.2	1,043.5	494.1	169.2	400.1	568.5	399.6
1977	1,987.1	1,450.9	60.7	61.0	414.4	1,377.3	609.8	201.6	464.6	783.1	537.9
1978	2,020.3	1,433.3	62.2	62.8	462.0	1,432.1	588.2	200.3	451.2	823.7	545.2
1979	1,745.1	1,194.1	56.1	65.9	429.0	1,240.6	504.6	177.9	349.2	747.5	470.5
1980	1,292.2	852.2	48.8	60.7	330.5	913.6	378.7	125.4	218.1	642.7	306.0
1981	1,084.2	705.4	38.2	52.9	287.7	759.8	324.3	117.3	165.2	561.6	240.0
1982	1,062.2	662.6	31.9	48.1	319.6	784.8	277.4	116.7	149.1	591.0	205.4
1983	1,703.0	1,067.6	41.8	71.7	522.0	1,351.1	351.9	167.6	217.9	935.2	382.3
1984	1,749.5	1,084.2	38.6	82.8	544.0	1,414.6	334.9	204.1	243.4	866.0	436.0
1985	1,741.8	1,072.4	37.0	56.4	576.1	1,493.9	247.9	251.7	239.7	782.3	468.2
1986	1,805.4	1,179.4	36.1	47.9	542.0	1,546.3	259.1	293.5	295.8	733.1	483.0
1987	1,620.5	1,146.4	27.8	37.5	408.7	1,372.2	248.2	269.0	297.9	633.9	419.8
1988	1,488.1	1,081.3	23.4	35.4	348.0	1,243.0	245.1	235.3	274.0	574.9	403.9
1989	1,376.1	1,003.3	19.9	35.3	317.6	1,128.1	248.0	178.5	265.8	536.2	395.7
1990	1,192.7	894.8	16.1	21.4	260.4	946.9	245.7	131.3	253.2	479.3	328.9
1991	1,013.9	840.4	15.5	20.1	137.9	789.2	224.7	112.9	233.0	414.1	254.0
1992	1,199.7	1,029.9	12.4	18.3	139.0	931.5	268.2	126.7	287.8	496.9	288.3
1993	1,287.6	1,125.7	11.1	18.3	132.6	1,031.9	255.8	126.5	297.7	561.8	301.7
1994	1,457.0	1,198.4	14.8	20.2	223.5	1,183.1	273.9	138.2	328.9	639.1	350.8
1995	1,354.1	1,076.2	14.3	19.4	244.1	1,106.4	247.6	117.7	290.1	615.0	331.3
1996	1,476.8	1,160.9	16.4	28.8	270.8	1,211.4	265.5	132.1	321.5	661.9	361.4
1997	1,474.0	1,133.7	18.1	26.4	295.8	1,221.3	252.7	136.8	303.6	670.3	363.3
1998	1,616.9	1,271.4	15.7	26.9	302.9	1,349.9	267.0	148.5	330.5	743.0	394.9
1999	1,640.9	1,302.4	15.0	16.9	306.6	1,367.7	273.2	155.7	347.3	746.0	391.9
2000	1,568.7	1,230.9	15.2	23.5	299.1	1,297.3	271.4	154.5	317.5	713.6	383.1
2001	1,602.7	1,273.3	17.2	19.3	292.8	1,329.4	273.3	149.2	330.4	732.0	391.1
2002	1,704.9	1,358.6	14.0	24.4	307.9	1,398.1	306.8	158.7	349.6	781.5	415.5
2003	1,847.7	1,499.0	15.7	17.8	315.2	1,517.5	330.3	163.9	372.5	838.4	473.6
2004	1,953.4	1,608.4	17.3	24.1	303.7	1,588.9	364.5	173.3	356.0	908.4	515.7
Monthly Data (Seasonally Adjusted Annual Rates)											
2003											
Oct	1,983	1,644	NA		310	NA		152	386	914	531
Nov	2,054	1,670	NA		347	NA		188	424	894	548
Dec	2,067	1,657	NA		381	NA		172	400	970	525
2004											
Jan	1,934	1,565	NA		339	NA		149	331	940	514
Feb	1,895	1,521	NA		344	NA		176	348	890	481
Mar	2,000	1,624	NA		343	NA		173	373	929	525
Apr	1,963	1,615	NA		312	NA		178	382	957	446
May	1,979	1,654	NA		269	NA		180	357	870	572
Jun	1,817	1,520	NA		272	NA		165	315	864	473
Jul	1,985	1,661	NA		260	NA		182	349	894	560
Aug	2,018	1,685	NA		266	NA		202	370	908	538
Sep	1,905	1,549	NA		325	NA		158	350	898	499
Oct	2,065	1,662	NA		362	NA		176	389	947	553
Nov	1,807	1,483	NA		286	NA		159	319	851	478
Dec	2,004	1,678	NA		291	NA		168	379	941	516

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

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



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

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1970	922.0	381.1	22.8	27.3	490.8	NA	NA	197.1	189.3	359.2	176.4
1971	1,254.0	504.9	26.7	37.8	684.6	NA	NA	236.6	278.5	494.4	244.4
1972	1,542.1	612.5	36.4	46.4	846.8	NA	NA	264.4	306.8	669.1	301.8
1973	1,454.4	521.7	31.0	48.0	853.6	NA	NA	239.4	293.1	650.2	271.7
1974	1,000.8	441.1	19.4	29.1	511.3	NA	NA	178.0	218.8	418.9	185.1
1975	794.3	447.5	20.1	27.4	299.4	563.2	231.1	130.2	195.1	298.1	171.0
1976	922.0	562.6	22.7	31.8	304.9	658.5	263.5	125.4	232.1	333.3	231.2
1977	1,208.0	729.8	34.0	44.9	399.3	862.5	345.5	145.5	284.6	457.3	320.6
1978	1,310.2	764.5	36.1	47.3	462.2	968.0	342.2	158.3	309.2	497.6	345.2
1979	1,140.1	638.7	31.3	46.7	423.4	820.1	320.0	146.7	232.5	449.3	311.6
1980	896.1	514.5	28.3	40.3	313.1	620.9	275.2	120.1	171.4	376.7	227.9
1981	682.4	381.7	16.5	29.0	255.3	458.9	223.5	103.2	109.7	299.7	169.8
1982	720.0	399.7	16.5	24.9	278.9	511.7	208.3	98.6	112.4	344.0	165.0
1983	1,002.8	523.9	19.0	39.1	420.8	757.8	245.0	120.8	122.6	520.6	238.8
1984	1,050.5	556.0	20.9	42.5	431.0	814.1	236.4	152.5	137.3	488.9	271.7
1985	1,062.5	538.6	20.6	34.9	468.4	885.1	177.4	186.6	143.8	437.5	294.7
1986	1,073.5	583.1	19.3	28.4	442.7	899.7	173.8	218.9	165.7	387.3	301.5
1987	987.3	590.6	17.3	22.5	356.9	820.6	166.7	221.7	158.7	342.5	264.4
1988	919.4	569.6	16.1	24.1	309.5	757.5	161.9	201.6	148.1	308.2	261.6
1989	850.3	535.1	11.9	25.1	278.1	686.7	163.6	158.8	145.5	282.1	263.9
1990	711.4	449.1	10.9	15.1	236.3	553.9	157.5	121.6	133.4	242.3	214.1
1991	606.3	433.5	9.1	14.5	149.2	458.4	147.9	103.9	122.4	208.5	171.6
1992	612.4	472.7	5.6	11.3	122.8	453.1	159.4	81.4	137.8	228.4	164.8
1993	680.1	543.0	6.5	12.4	118.2	521.0	159.1	89.3	154.4	265.4	170.9
1994	762.2	557.8	9.1	12.9	182.5	597.6	164.5	96.3	173.5	312.1	180.3
1995	775.9	547.2	8.4	12.7	207.7	620.1	155.8	86.3	172.0	331.4	186.3
1996	792.3	550.0	9.0	19.1	214.3	629.9	162.4	85.2	178.0	337.6	191.4
1997	846.7	554.6	11.2	20.7	260.2	684.4	163.2	87.1	181.9	364.8	213.0
1998	970.8	659.1	8.3	20.5	282.9	794.8	176.0	98.5	201.2	428.5	242.6
1999	952.8	647.6	9.0	12.1	284.1	786.1	166.6	103.5	202.5	422.3	224.5
2000	933.8	623.4	10.2	19.5	280.7	759.8	173.9	110.0	186.6	397.6	239.5
2001	959.4	638.3	11.8	16.7	292.6	790.6	168.7	116.1	195.9	396.5	250.9
2002	1,001.2	668.8	10.9	15.5	306.0	817.7	183.4	125.0	207.1	413.0	256.0
2003	1,141.4	772.9	10.4	13.9	344.2	940.4	201.0	128.1	234.7	482.6	296.1
2004	1,235.7	850.7	13.9	24.1	346.9	1,008.8	226.9	143.7	222.6	537.5	332.0
Monthly Data (Seasonally Adjusted Annual Rates)											
2003											
Oct	1,134	781	NA		329	NA		126	228	490	290
Nov	1,154	793	NA		336	NA		126	235	494	299
Dec	1,181	811	NA		346	NA		129	240	503	309
2004											
Jan	1,197	822	NA		349	NA		130	237	518	312
Feb	1,207	825	NA		357	NA		132	235	525	315
Mar	1,226	840	NA		360	NA		133	238	533	322
Apr	1,225	838	NA		360	NA		136	239	539	311
May	1,230	850	NA		351	NA		140	235	535	320
Jun	1,224	850	NA		346	NA		139	231	537	317
Jul	1,243	855	NA		357	NA		142	227	551	323
Aug	1,237	867	NA		335	NA		145	222	539	331
Sep	1,240	864	NA		340	NA		143	222	542	333
Oct	1,259	878	NA		345	NA		141	226	550	342
Nov	1,265	884	NA		344	NA		142	226	552	345
Dec	1,278	892	NA		348	NA		145	227	560	346

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

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



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

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1970	1,418.4	801.8	42.9	42.2	531.5	1,013.2	405.2	184.9	323.4	594.6	315.5
1971	1,706.1	1,014.0	50.9	55.2	586.1	1,192.5	513.6	225.8	348.1	727.0	405.2
1972	2,003.9	1,160.2	54.0	64.9	724.7	1,430.9	573.0	281.1	411.8	848.5	462.4
1973	2,100.5	1,197.2	59.9	63.6	779.8	1,541.0	559.5	294.0	441.7	906.3	458.6
1974	1,728.5	940.3	43.5	51.8	692.9	1,266.1	462.4	231.7	377.4	755.8	363.6
1975	1,317.2	874.8	31.5	29.1	381.8	922.6	394.5	185.8	313.2	531.3	286.8
1976	1,377.2	1,034.2	40.8	36.5	265.8	950.1	427.2	170.2	355.6	513.2	338.3
1977	1,657.1	1,258.4	48.9	46.1	303.7	1,161.9	495.2	176.8	400.0	636.1	444.2
1978	1,867.5	1,369.0	59.0	57.2	382.2	1,313.6	553.9	181.9	416.5	752.0	517.1
1979	1,870.8	1,301.0	60.5	64.4	444.9	1,332.0	538.8	188.4	414.7	761.7	506.0
1980	1,501.6	956.7	51.4	67.2	426.3	1,078.9	422.7	146.0	273.5	696.1	386.0
1981	1,265.7	818.5	49.2	62.4	335.7	888.4	377.4	127.3	217.7	626.4	294.3
1982	1,005.5	631.5	29.8	51.1	293.1	708.2	297.3	120.5	143.0	538.8	203.2
1983	1,390.3	923.7	37.0	55.2	374.4	1,073.9	316.5	138.9	200.8	746.0	304.6
1984	1,652.2	1,025.1	35.0	77.3	514.8	1,316.7	335.6	168.2	221.1	866.6	396.4
1985	1,703.3	1,072.5	36.4	60.7	533.6	1,422.2	281.0	213.8	230.5	812.2	446.8
1986	1,756.4	1,120.2	35.0	51.0	550.1	1,502.1	254.3	254.0	269.8	763.8	468.8
1987	1,668.8	1,122.8	29.0	42.4	474.6	1,420.4	248.4	257.4	302.3	660.4	448.7
1988	1,529.8	1,084.6	23.5	33.2	388.6	1,286.1	243.7	250.2	280.3	594.8	404.6
1989	1,422.8	1,026.3	24.1	34.6	337.9	1,181.2	241.7	218.8	267.1	549.4	387.5
1990	1,308.0	966.0	16.5	28.2	297.3	1,060.2	247.7	157.7	263.3	510.7	376.3
1991	1,090.8	837.6	16.9	19.7	216.6	862.1	228.7	120.1	240.4	438.9	291.3
1992	1,157.5	963.6	15.1	20.8	158.0	909.5	248.0	136.4	268.4	462.4	290.3
1993	1,192.7	1,039.4	9.5	16.7	127.1	943.0	249.8	117.6	273.3	512.0	290.0
1994	1,346.9	1,160.3	12.1	19.5	154.9	1,086.3	260.6	123.4	307.1	580.9	335.5
1995	1,312.6	1,065.5	14.8	19.8	212.4	1,065.0	247.6	126.9	287.9	581.1	316.7
1996	1,412.9	1,128.5	13.6	19.5	251.3	1,163.4	249.4	125.1	304.5	637.1	346.2
1997	1,400.5	1,116.4	13.6	23.4	247.1	1,152.8	247.7	134.0	295.9	634.1	336.4
1998	1,474.2	1,159.7	16.2	24.4	273.9	1,228.5	245.7	137.3	305.1	671.6	360.2
1999	1,604.9	1,270.4	12.5	22.6	299.3	1,336.8	268.0	142.7	334.7	732.7	394.8
2000	1,573.7	1,241.8	12.6	14.7	304.7	1,313.7	260.0	146.1	334.4	729.3	363.9
2001	1,570.8	1,255.9	14.3	19.6	281.0	1,305.1	265.7	144.8	316.4	726.3	383.3
2002	1,648.4	1,325.1	13.1	21.9	288.2	1,367.4	281.0	147.9	329.8	757.8	412.8
2003	1,678.7	1,386.3	13.9	17.7	260.8	1,381.5	297.1	154.6	332.2	755.6	436.2
2004	1,844.3	1,533.3	11.0	11.8	288.1	1,515.8	328.5	156.8	363.3	840.8	483.4
Monthly Data (Seasonally Adjusted Annual Rates)											
2003											
Oct	1,731	1,483	NA		227	NA		157	319	775	480
Nov	1,709	1,459	NA		227	NA		162	316	805	426
Dec	1,736	1,459	NA		244	NA		151	334	828	423
2004											
Jan	1,714	1,437	NA		264	NA		129	380	726	479
Feb	1,729	1,458	NA		240	NA		139	377	762	451
Mar	1,782	1,488	NA		274	NA		143	340	837	462
Apr	1,944	1,654	NA		268	NA		140	369	894	541
May	1,928	1,523	NA		383	NA		145	380	919	484
Jun	1,865	1,524	NA		317	NA		177	356	837	495
Jul	1,876	1,541	NA		303	NA		154	369	869	484
Aug	1,914	1,551	NA		344	NA		167	425	870	452
Sep	1,777	1,521	NA		236	NA		159	329	833	456
Oct	1,833	1,531	NA		272	NA		191	353	804	485
Nov	1,730	1,446	NA		263	NA		152	313	831	434
Dec	1,946	1,673	NA		252	NA		155	367	858	566

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

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

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

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



Period	Shipments*	Placed for Residential Use*					Average Price	For Sale*
	U.S.	U.S.	Northeast	Midwest	South	West		
Annual Data								
1977	266	258	17	51	113	78	\$14,200	70
1978	276	280	17	50	135	78	\$15,900	74
1979	277	280	17	47	145	71	\$17,600	76
1980	222	234	12	32	140	49	\$19,800	56
1981	241	229	12	30	144	44	\$19,900	58
1982	240	234	12	26	161	35	\$19,700	58
1983	296	278	16	34	186	41	\$21,000	73
1984	295	288	20	35	193	39	\$21,500	82
1985	284	283	20	39	188	37	\$21,800	78
1986	244	256	21	37	162	35	\$22,400	67
1987	233	239	24	40	146	30	\$23,700	61
1988	218	224	23	39	131	32	\$25,100	58
1989	198	203	20	39	113	31	\$27,200	56
1990	188	195	19	38	108	31	\$27,800	49
1991	171	174	14	35	98	27	\$27,700	49
1992	211	212	15	42	124	30	\$28,400	51
1993	254	243	15	45	147	36	\$30,500	61
1994	304	291	16	53	178	44	\$32,800	70
1995	340	319	15	58	203	44	\$35,300	83
1996	363	338	16	59	218	44	\$37,200	89
1997	354	336	14	55	219	47	\$39,800	91
1998	373	374	15	58	250	50	\$41,600	83
1999	348	338	14	54	227	44	\$43,300	88
2000	251	281	15	50	177	39	\$46,400	59
2001	193	196	12	38	116	30	\$48,900	56
2002	169	174	12	34	101	27	\$51,300	47
2003	131	138	11	25	76	26	\$54,900	38
2004	131	NA	NA	NA	NA	NA	NA	NA
Monthly Data (Seasonally Adjusted Annual Rates)								
2003								
Aug	129	130	14	26	67	23	\$54,400	46
Sep	129	143	13	26	75	29	\$54,200	44
Oct	126	142	11	27	77	27	\$56,800	43
Nov	126	145	13	25	81	25	\$56,500	40
Dec	125	135	14	26	70	26	\$57,700	38
2004								
Jan	124	135	8	33	69	25	\$56,100	39
Feb	123	109	10	18	58	24	\$59,000	39
Mar	132	119	11	19	64	25	\$56,700	39
Apr	129	135	10	22	70	33	\$56,600	39
May	126	123	12	22	65	24	\$56,800	38
Jun	127	131	12	21	76	22	\$55,900	36
Jul	125	137	9	23	74	30	\$58,300	35
Aug	125	118	13	19	64	23	\$57,400	35
Sep	135	114	10	17	62	25	\$56,600	36
Oct	141	111	10	17	62	22	\$60,200	36
Nov	139	110	10	16	61	23	\$61,900	38
December	136	NA	NA	NA	NA	NA	NA	NA

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

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

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



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

Period	Sold During Period					For Sale at End of Period						Months' Supply at Current U.S. Sales Rate
	U.S.	North-east	Mid-west	South	West	U.S.	North-east	Mid-west	South	West	U.S.	
Annual Data												
1970	485	61	100	203	121	227	38	47	91	51	NA	NA
1971	656	82	127	270	176	294	45	55	131	63	NA	NA
1972	718	96	130	305	187	416	53	69	199	95	NA	NA
1973	634	95	120	257	161	422	59	81	181	102	NA	NA
1974	519	69	103	207	139	350	50	68	150	82	NA	NA
1975	549	71	106	222	150	316	43	66	133	74	NA	NA
1976	646	72	128	247	199	358	45	68	154	91	NA	NA
1977	819	86	162	317	255	408	44	73	168	123	NA	NA
1978	817	78	145	331	262	419	45	80	170	124	NA	NA
1979	709	67	112	304	225	402	42	74	172	114	NA	NA
1980	545	50	81	267	145	342	40	55	149	97	NA	NA
1981	436	46	60	219	112	278	41	34	127	76	NA	NA
1982	412	47	48	219	99	255	39	27	129	60	NA	NA
1983	623	76	71	323	152	304	42	33	149	79	NA	NA
1984	639	94	76	309	160	358	55	41	177	85	NA	NA
1985	688	112	82	323	171	350	66	34	172	79	NA	NA
1986	750	136	96	322	196	361	88	32	153	87	NA	NA
1987	671	117	97	271	186	370	103	39	149	79	NA	NA
1988	676	101	97	276	202	371	112	43	133	82	NA	NA
1989	650	86	102	260	202	366	108	41	123	93	NA	NA
1990	534	71	89	225	149	321	77	42	105	97	NA	NA
1991	509	57	93	215	144	284	62	41	97	83	NA	NA
1992	610	65	116	259	170	267	48	41	104	74	NA	NA
1993	666	60	123	295	188	295	53	48	121	73	NA	NA
1994	670	61	123	295	191	340	55	63	140	82	NA	NA
1995	667	55	125	300	187	374	62	69	158	86	NA	NA
1996	757	74	137	337	209	326	38	67	146	74	NA	NA
1997	804	78	140	363	223	287	26	65	127	69	NA	NA
1998	886	81	164	398	243	300	28	63	142	68	NA	NA
1999	880	76	168	395	242	315	28	64	153	70	NA	NA
2000	877	71	155	406	244	301	28	65	146	62	NA	NA
2001	908	66	164	439	239	310	28	70	142	69	NA	NA
2002	973	65	185	450	273	344	36	77	161	70	NA	NA
2003	1,086	79	189	511	307	377	29	97	172	79	NA	NA
2004	1,183	83	209	546	345	443	30	111	208	94	NA	NA
	Monthly Data											(Seasonally Adjusted)
	(Seasonally Adjusted Annual Rates)					(Not Seasonally Adjusted)						
2003												
Oct	1,141	88	199	534	320	368	29	92	171	76	360	3.8
Nov	1,086	87	158	523	318	367	29	95	169	75	365	4.1
Dec	1,120	92	185	513	330	377	29	97	172	79	370	4.0
2004												
Jan	1,155	95	217	553	290	376	27	96	175	78	374	3.9
Feb	1,165	86	190	536	353	366	25	94	172	74	373	3.7
Mar	1,270	81	191	618	380	375	26	99	176	75	379	3.6
Apr	1,176	89	209	533	345	382	26	100	182	73	384	4.0
May	1,244	105	208	571	360	379	25	101	177	76	385	3.7
Jun	1,198	74	197	589	338	385	26	103	178	78	383	3.9
Jul	1,095	57	222	490	326	397	29	101	184	83	399	4.4
Aug	1,158	67	215	536	340	404	30	102	187	84	405	4.3
Sep	1,211	79	225	553	354	413	30	104	191	89	411	4.1
Oct	1,263	99	244	513	407	416	29	105	197	84	413	3.9
Nov	1,097	83	155	558	301	426	29	111	196	89	421	4.7
Dec	1,098	70	241	467	320	443	30	111	208	94	432	4.8

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

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



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

Period	U.S.	Northeast	Midwest	South	West	For Sale	Months' Supply
<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	692	1,322	2,436	1,651	2,300	NA
2004	6,675	734	1,382	2,709	1,850	2,180	NA
<b>Monthly Data (Seasonally Adjusted Annual Rates)</b>							
<b>2003</b>							
Oct	6,390	740	1,360	2,580	1,700	2,460	4.6
Nov	6,130	710	1,270	2,450	1,690	2,480	4.9
Dec	6,370	720	1,360	2,550	1,740	2,300	4.3
<b>2004</b>							
Jan	6,000	630	1,180	2,600	1,590	2,200	4.4
Feb	6,130	720	1,270	2,490	1,660	2,280	4.5
Mar	6,480	720	1,350	2,580	1,830	2,350	4.4
Apr	6,630	730	1,410	2,650	1,830	2,360	4.3
May	6,810	720	1,410	2,750	1,930	2,420	4.3
Jun	6,920	740	1,460	2,760	1,960	2,400	4.2
Jul	6,720	730	1,390	2,770	1,820	2,490	4.4
Aug	6,550	730	1,340	2,690	1,790	2,440	4.5
Sep	6,760	760	1,410	2,670	1,930	2,390	4.2
Oct	6,760	750	1,380	2,780	1,850	2,430	4.3
Nov	6,920	740	1,390	2,830	1,950	2,470	4.3
Dec	6,690	750	1,410	2,710	1,810	2,180	3.9

\*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>1,2</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	140,000	186,000	138,000	126,200	153,900	166,400	166,400
1997	146,000	190,000	149,900	129,600	160,000	176,200	171,200
1998	152,500	200,000	157,500	135,800	163,500	181,900	175,600
1999	161,000	210,500	164,000	145,900	173,700	195,600	184,200
2000	169,000	227,400	169,700	148,000	196,400	207,000	192,000
2001	175,200	246,400	172,600	155,400	213,600	213,200	198,800
2002	187,600	264,300	178,000	163,400	238,500	228,700	207,700
2003	195,000	264,500	184,300	168,100	260,900	246,300	219,500
2004	218,900	312,000	203,400	178,500	279,300	272,500	236,100
<b>Quarterly Data</b>							
<b>2003</b>							
Q4	198,800	290,000	189,600	169,400	272,800	256,000	225,000
<b>2004</b>							
Q1	212,700	292,000	208,900	173,800	273,300	262,900	232,300
Q2	217,600	290,300	203,500	171,400	278,700	265,300	235,600
Q3	213,500	347,700	198,100	173,700	277,100	274,000	237,800
Q4	223,400	352,200	210,400	179,000	285,300	282,300	239,900

<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	170,000	190,500	141,300	157,100	234,200	216,200
2004	184,100	220,000	149,000	169,000	265,800	236,200
<b>Monthly Data</b>						
<b>2003</b>						
Oct	171,800	197,100	140,300	156,800	238,000	218,100
Nov	169,900	194,500	141,100	156,500	229,400	214,600
Dec	174,800	197,800	141,900	160,000	251,200	224,300
<b>2004</b>						
Jan	170,200	216,900	134,300	155,500	239,900	218,000
Feb	168,100	206,000	136,700	152,200	239,600	215,900
Mar	174,000	213,000	139,600	158,700	245,500	223,000
Apr	177,100	212,300	143,900	163,300	254,000	229,000
May	182,400	213,100	150,300	168,500	257,600	234,500
Jun	191,000	219,300	154,900	177,700	273,100	245,500
Jul	190,200	220,300	155,000	174,400	276,600	243,100
Aug	188,800	216,200	155,100	172,600	270,000	239,900
Sep	185,700	224,200	149,400	169,200	266,400	237,300
Oct	185,400	226,100	150,600	166,200	275,200	238,200
Nov	188,100	226,700	150,400	169,600	277,600	240,800
Dec	188,900	214,800	152,000	173,200	281,200	242,800

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	62.7	69.1	69.6	69.3	69.7	58.7	64.8	64.5	55.2	45.6
1976	66.6	71.7	71.0	70.9	72.4	63.6	68.9	68.9	60.2	53.4
1977	73.9	77.0	75.5	75.5	79.1	70.7	76.2	76.9	68.7	66.2
1978	83.7	87.8	81.2	83.5	87.6	81.2	87.3	87.5	80.7	79.0
1979	95.0	100.2	94.7	93.2	96.2	93.9	96.6	97.9	94.9	91.3
1980	102.6	104.6	103.8	102.2	100.3	103.2	102.7	101.1	102.5	104.1
1981	108.1	112.5	108.2	108.8	104.1	112.2	101.8	103.9	111.0	112.3
1982	111.4	117.5	112.9	114.5	106.6	122.9	102.3	100.2	117.3	114.5
1983	115.6	131.3	119.3	118.6	111.1	126.0	107.1	103.0	120.0	116.2
1984	120.9	155.0	134.1	123.4	114.7	125.2	111.1	105.3	119.9	120.5
1985	128.0	187.5	152.1	129.0	119.8	124.6	115.7	109.6	122.6	125.8
1986	138.0	229.0	176.6	136.9	126.0	125.8	120.5	116.4	126.5	133.4
1987	148.8	269.1	208.8	145.9	132.8	118.3	125.2	125.7	126.2	145.6
1988	158.2	287.8	229.7	156.0	136.9	111.8	127.8	134.9	124.2	166.1
1989	167.2	289.7	235.7	164.5	140.2	112.5	130.9	143.2	125.6	198.6
1990	171.6	278.1	234.5	167.9	142.6	113.8	133.2	150.1	128.4	216.4
1991	173.6	264.1	232.8	170.4	146.3	116.5	136.4	155.9	133.1	219.0
1992	177.5	260.7	237.4	174.7	151.5	120.7	140.8	162.3	139.7	218.4
1993	180.5	259.6	240.1	177.7	157.0	124.8	145.5	168.1	149.1	213.6
1994	183.8	256.5	237.9	179.7	164.8	128.8	153.4	176.6	163.4	208.7
1995	188.7	259.2	238.2	183.8	172.9	132.2	160.8	185.8	175.3	209.1
1996	195.3	266.2	243.0	190.1	181.2	136.6	168.3	195.9	184.9	212.6
1997	202.1	274.8	246.9	196.4	188.7	140.3	175.7	205.8	192.8	219.5
1998	212.5	291.4	257.1	205.9	198.2	147.2	184.4	215.4	201.8	234.9
1999	223.2	316.1	268.6	214.7	204.9	153.9	195.4	225.6	210.3	248.9
2000	238.7	354.2	288.3	227.0	211.5	161.5	208.8	238.2	223.1	273.8
2001	257.7	394.1	313.4	245.1	222.7	171.6	224.3	251.7	239.1	303.1
2002	275.8	439.4	344.2	262.5	229.7	178.0	238.6	263.3	249.6	331.1
2003	295.2	480.9	376.6	281.7	238.5	184.9	251.6	274.0	260.5	365.8
<b>Quarterly Data</b>										
<b>2003</b>										
Q3	295.8	482.1	377.3	282.5	239.0	185.1	252.2	274.5	260.9	366.5
Q4	306.8	504.3	396.7	293.1	242.5	187.7	259.8	280.7	267.5	388.0
<b>2004</b>										
Q1	311.5	512.0	401.9	299.4	244.7	189.1	261.5	282.7	271.1	398.5
Q2	319.4	524.6	413.0	308.0	247.2	191.3	266.4	286.6	278.5	416.3
Q3	334.1	554.5	436.4	322.0	251.5	194.0	273.8	294.1	290.6	449.7

Base: First quarter 1980 equals 100.

Source: Office of Federal Housing Enterprise Oversight (OFHEO)

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



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

Period	U.S.				Affordability Indexes *		
	Median Existing Price	Mortgage Rate <sup>†</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	\$51,680	\$38,592	133.9	131.6	147.1
2003	\$170,000	5.74	\$52,682	\$38,064	138.4	125.7	140.5
2004	\$184,100	5.72	\$54,527	\$41,136	132.6	121.1	135.4
<b>Monthly Data</b>							
<b>2003</b>							
Oct	\$171,800	5.83	\$53,189	\$38,832	137.0	133.5	148.7
Nov	\$169,900	5.85	\$53,335	\$38,496	138.5	134.8	149.1
Dec	\$174,800	5.82	\$53,482	\$39,456	135.5	131.7	147.2
<b>2004</b>							
Jan	\$170,200	5.70	\$53,662	\$37,920	141.5	137.7	153.1
Feb	\$168,100	5.74	\$53,818	\$37,632	143.0	140.5	155.1
Mar	\$174,000	5.48	\$53,974	\$37,872	142.5	137.5	156.2
Apr	\$177,100	5.42	\$54,131	\$38,256	141.5	136.4	154.3
May	\$182,400	5.77	\$54,288	\$40,944	132.6	127.1	143.3
Jun	\$191,000	6.01	\$54,445	\$44,016	123.7	118.6	132.4
Jul	\$190,200	5.93	\$54,603	\$43,440	125.7	121.1	133.5
Aug	\$188,800	5.83	\$54,761	\$42,672	128.3	124.3	136.1
Sep	\$185,700	5.70	\$54,920	\$41,376	132.7	129.1	140.2
Oct	\$185,400	5.70	\$55,079	\$41,328	133.3	130.1	139.9
Nov	\$188,100	5.70	\$55,239	\$41,904	131.8	128.7	137.5
Dec	\$188,900	5.76	\$55,399	\$42,384	130.7	129.0	134.7

\*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>†</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
2003	166,500	61	\$931
<b>Quarterly Data</b>			
<b>2003</b>			
Q3	42,500	56	\$925
Q4	38,800	63	\$935
<b>2004</b>			
Q1	34,000	61	\$949
Q2	42,900	59	\$1,024
Q3	45,100	65	\$956

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



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

Period	Housing Market Index	Sales of Single-Family Detached Homes		Prospective Buyer Traffic
		Current Activity	Future Expectations	
Annual Data				
1979	NA	48	37	32
1980	NA	19	26	17
1981	NA	8	16	14
1982	NA	15	28	18
1983	NA	52	60	48
1984	NA	52	52	41
1985	55	58	62	47
1986	60	62	67	53
1987	56	60	60	45
1988	53	57	59	43
1989	48	50	58	37
1990	34	36	42	27
1991	36	36	49	29
1992	48	50	59	39
1993	59	62	68	49
1994	56	61	62	44
1995	47	50	56	35
1996	57	61	64	46
1997	57	60	66	45
1998	70	76	78	54
1999	73	80	80	54
2000	62	69	69	45
2001	56	61	63	41
2002	61	66	69	46
2003	64	70	72	47
2004	68	75	76	51
Monthly Data (Seasonally Adjusted)				
2003				
Oct	72	78	82	52
Nov	70	78	81	47
Dec	70	77	77	52
2004				
Jan	69	76	76	51
Feb	64	71	73	46
Mar	64	70	70	49
Apr	69	77	76	48
May	69	74	75	55
Jun	68	73	74	53
Jul	67	74	74	51
Aug	71	77	78	56
Sept	67	73	75	52
Oct	69	76	79	51
Nov	70	77	78	51
Dec	71	78	80	52
2005				
Jan	70	77	78	50

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

<http://www.nahb.org/generic.aspx?genericContentID=372> (See HMI Release.)



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



Period	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
2004	NA	NA	5.84	0.7	5.21	0.6	3.90	0.7
<b>Monthly Data</b>								
<b>2003</b>								
Oct	NA	NA	5.95	0.6	5.27	0.6	3.74	0.6
Nov	NA	NA	5.93	0.6	5.27	0.7	3.75	0.7
Dec	NA	NA	5.88	0.7	5.20	0.6	3.75	0.6
<b>2004</b>								
Jan	NA	NA	5.71	0.7	5.02	0.7	3.63	0.7
Feb	NA	NA	5.64	0.7	4.94	0.7	3.55	0.7
Mar	NA	NA	5.45	0.7	4.74	0.7	3.41	0.6
Apr	NA	NA	5.83	0.7	5.16	0.6	3.65	0.6
May	NA	NA	6.27	0.7	5.64	0.7	3.88	0.7
Jun	NA	NA	6.29	0.6	5.66	0.6	4.10	0.7
Jul	NA	NA	6.06	0.6	5.46	0.6	4.11	0.7
Aug	NA	NA	5.87	0.7	5.26	0.6	4.06	0.6
Sep	NA	NA	5.75	0.7	5.14	0.7	3.99	0.7
Oct	NA	NA	5.72	0.7	5.12	0.6	4.02	0.7
Nov	NA	NA	5.73	0.6	5.14	0.6	4.15	0.7
Dec	NA	NA	5.75	0.6	5.18	0.6	4.18	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: FHA—Office of Housing, Department of Housing and Urban Development; and Conventional—Federal Home Loan Mortgage Corporation  
<http://www.freddiemac.com/pmms/pmms30.htm>

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



Period	Fixed Rate				Adjustable Rate			
	Rate	Points	Effective Rate	Term to Maturity	Rate	Points	Effective Rate	Term to Maturity
<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
2003	5.87	0.38	5.92	26.3	4.98	0.39	5.03	29.8
<b>Monthly Data</b>								
<b>2003</b>								
Oct	6.03	0.41	6.09	26.5	5.08	0.32	5.13	29.6
Nov	6.03	0.50	6.11	26.7	5.13	0.40	5.18	29.9
Dec	5.98	0.52	6.06	26.6	5.00	0.52	5.07	29.8
<b>2004</b>								
Jan	5.88	0.49	5.95	26.3	4.91	0.46	4.98	29.9
Feb	5.86	0.37	5.92	26.4	4.94	0.46	5.01	30.0
Mar	5.76	0.37	5.82	25.8	4.66	0.35	4.71	29.8
Apr	5.72	0.36	5.77	26.4	4.66	0.32	4.70	29.8
May	6.10	0.36	6.16	26.4	5.04	0.32	5.09	29.8
Jun	6.28	0.40	6.34	26.5	5.34	0.36	5.39	29.8
Jul	6.22	0.40	6.28	27.4	5.36	0.34	5.41	29.7
Aug	6.07	0.48	6.14	27.4	5.31	0.37	5.36	29.7
Sep	5.86	0.54	5.94	27.5	5.24	0.41	5.29	29.9
Oct	5.86	0.47	5.93	27.4	5.33	0.36	5.38	29.9
Nov	5.87	0.45	5.93	27.5	5.40	0.31	5.45	29.9
Dec	5.88	0.45	5.94	27.7	5.58	0.26	5.62	29.8

Source: Federal Housing Finance Board

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



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

Period	FHA*			VA Guaranties	PMI Certificates
	Applications	Total Endorsements	Purchase Endorsements		
Annual Data					
1971	998,365	565,417	NA	284,358	NA
1972	655,747	427,858	NA	375,485	NA
1973	359,941	240,004	NA	321,522	NA
1974	383,993	195,850	NA	313,156	NA
1975	445,350	255,061	NA	301,443	NA
1976	491,981	250,808	NA	330,442	NA
1977	550,168	321,118	NA	392,557	NA
1978	627,971	334,108	NA	368,648	NA
1979	652,435	457,054	NA	364,656	NA
1980	516,938	381,169	359,151	274,193	392,808
1981	299,889	224,829	204,376	151,811	334,565
1982	461,129	166,734	143,931	103,354	315,868
1983	776,893	503,425	455,189	300,568	652,214
1984	476,888	267,831	235,847	210,366	946,408
1985	900,119	409,547	328,639	201,313	729,597
1986	1,907,316	921,370	634,491	351,242	585,987
1987	1,210,257	1,319,987	866,962	455,616	511,058
1988	949,353	698,990	622,873	212,671	423,470
1989	989,724	726,359	649,596	183,209	365,497
1990	957,302	780,329	726,028	192,992	367,120
1991	898,859	685,905	620,050	186,561	494,259
1992	1,090,392	680,278	522,738	290,003	907,511
1993	1,740,504	1,065,832	591,243	457,596	1,198,307
1994	961,466	1,217,685	686,487	536,867	1,148,696
1995	857,364	568,399	516,380	243,719	960,756
1996	1,064,324	849,861	719,517	326,458	1,068,707
1997	1,115,434	839,712	745,524	254,670	974,698
1998	1,563,394	1,110,530	796,779	384,605	1,473,344
1999	1,407,014	1,246,433	949,516	441,606	1,455,403
2000	1,154,622	891,874	826,708	186,671	1,236,214
2001	1,760,278	1,182,368	818,035	281,505	1,987,717
2002	1,521,730	1,246,561	805,198	328,506	2,305,709
2003	1,634,166	1,382,570	677,507	513,259	2,493,435
2004	945,565	826,611	502,302	262,791	1,708,972
Monthly Data					
2003					
Oct	109,969	127,268	66,132	51,529	200,827
Nov	81,974	107,924	59,993	32,206	144,485
Dec	76,308	97,926	57,780	31,622	145,163
2004					
Jan	82,241	81,917	49,212	30,548	126,677
Feb	91,903	78,492	44,458	24,458	137,948
Mar	123,094	80,329	44,321	27,910	166,898
Apr	103,888	79,349	42,106	28,631	175,091
May	81,563	74,297	39,890	26,518	144,868
Jun	77,062	76,938	46,547	24,590	161,725
Jul	70,499	66,927	45,632	22,656	137,242
Aug	71,007	67,697	49,139	19,341	145,993
Sep	66,358	67,545	41,139	15,779	134,842
Oct	64,641	53,641	36,665	13,705	135,124
Nov	62,346	49,712	32,623	14,568	118,705
Dec	50,963	49,767	30,570	14,087	123,859

\*These operational numbers differ slightly from adjusted accounting numbers.

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



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

Period	Construction of New Rental Units <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	180	30,871	2,224.5	701	87,193	2,273.5	253	31,126	1,502.2
2004 (12 mos.)	166	27,891	1,802.6	672	70,740	2,203.1	228	26,094	1,344.3

\*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						Foreclosures Started					
	Conventional Loans						Conventional Loans						Conventional Loans					
	All Loans	All Conv.	Prime Only	Sub-prime Only	FHA Loans	VA Loans	All Loans	All Conv.	Prime Only	Sub-prime Only	FHA Loans	VA Loans	All Loans	All Conv.	Prime Only	Sub-prime Only	FHA Loans	VA Loans
<b>Annual Averages</b>																		
1986	5.56	3.80	NA	NA	7.16	6.58	1.01	0.67	NA	NA	1.29	1.24	0.26	0.19	NA	NA	0.32	0.30
1987	4.97	3.15	NA	NA	6.56	6.21	0.93	0.61	NA	NA	1.19	1.17	0.26	0.18	NA	NA	0.34	0.32
1988	4.79	2.94	NA	NA	6.56	6.22	0.85	0.54	NA	NA	1.14	1.14	0.27	0.17	NA	NA	0.37	0.32
1989	4.81	3.03	NA	NA	6.74	6.45	0.79	0.50	NA	NA	1.09	1.09	0.29	0.18	NA	NA	0.41	0.37
1990	4.66	2.99	NA	NA	6.68	6.35	0.71	0.39	NA	NA	1.10	1.04	0.31	0.21	NA	NA	0.43	0.40
1991	5.03	3.26	NA	NA	7.31	6.77	0.80	0.46	NA	NA	1.25	1.11	0.34	0.27	NA	NA	0.43	0.42
1992	4.57	2.95	NA	NA	7.57	6.46	0.81	0.47	NA	NA	1.35	1.15	0.33	0.26	NA	NA	0.45	0.40
1993	4.22	2.66	NA	NA	7.14	6.30	0.77	0.45	NA	NA	1.40	1.16	0.32	0.24	NA	NA	0.48	0.42
1994	4.10	2.60	NA	NA	7.26	6.26	0.76	0.45	NA	NA	1.44	1.19	0.33	0.23	NA	NA	0.56	0.48
1995	4.24	2.77	NA	NA	7.55	6.44	0.74	0.43	NA	NA	1.46	1.17	0.33	0.23	NA	NA	0.53	0.50
1996	4.33	2.78	NA	NA	8.05	6.75	0.63	0.32	NA	NA	1.40	1.10	0.34	0.25	NA	NA	0.58	0.46
1997	4.31	2.82	NA	NA	8.13	6.94	0.58	0.32	NA	NA	1.22	1.15	0.36	0.26	NA	NA	0.62	0.51
1998 <sup>1</sup>	4.74	3.41	2.59	10.87	8.57	7.55	0.66	0.39	0.28	1.31	1.50	1.23	0.42	0.34	0.22	1.46	0.59	0.44
1999	4.48	3.17	2.26	11.43	8.57	7.55	0.63	0.34	0.24	1.23	1.50	1.23	0.38	0.33	0.17	1.75	0.59	0.44
2000	4.54	3.23	2.28	11.90	9.07	6.84	0.62	0.32	0.22	1.21	1.61	1.22	0.41	0.37	0.16	2.31	0.56	0.38
2001	5.26	3.79	2.67	14.03	10.78	7.67	0.80	0.44	0.27	2.04	2.12	1.47	0.46	0.41	0.20	2.34	0.71	0.42
2002	5.23	3.79	2.63	14.31	11.53	7.86	0.91	0.57	0.29	3.16	2.36	1.61	0.46	0.39	0.20	2.14	0.85	0.46
2003	4.77	3.51	2.52	12.42	12.15	7.97	0.90	0.59	0.30	3.18	2.64	1.75	0.42	0.34	0.20	1.68	0.89	0.48
<b>Quarterly Data (Seasonally Adjusted)</b>																		
<b>2003</b>																		
Q3	4.65	3.52	2.45	12.69	12.13	7.74	0.89	0.58	0.31	3.04	2.68	1.76	0.44	0.36	0.20	1.92	0.98	0.48
Q4	4.49	3.31	2.40	11.59	12.23	7.99	0.83	0.53	0.30	2.55	2.77	1.78	0.45	0.39	0.20	2.14	0.91	0.49
<b>2004</b>																		
Q1 <sup>2</sup>	4.33	NA	2.26	11.19	11.68	7.37	0.83	NA	0.29	2.65	2.69	1.65	0.46	NA	0.20	1.99	0.93	0.48
Q2	4.43	NA	2.40	10.04	12.52	7.55	0.80	NA	0.29	2.25	2.81	1.66	0.39	NA	0.19	1.18	0.95	0.50
Q3	4.41	NA	2.32	10.39	12.22	7.28	0.78	NA	0.29	2.13	2.54	1.46	0.39	NA	0.18	1.36	0.98	0.51

\* All data are seasonally adjusted.

NA = not applicable.

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

<sup>2</sup> The Mortgage Bankers Association has discontinued publishing data on "All Conventional Loans."

Source: National Delinquency Survey, Mortgage Bankers Association

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



**Table 19. Expenditures for Existing Residential Properties: 1969–Present**

Period	Total Expenditures	Maintenance and Repairs¹	Improvements					
			Total	Additions and Alterations²				Major Replacements
				Total	To Structures		To Property Outside Structure	
					Additions³	Alterations⁴		
Annual Data (Millions of Dollars)								
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
2003	176,899	44,094	132,805	93,458	20,994	55,028	17,435	39,347
Quarterly Data (Seasonally Adjusted Annual Rates)								
2003								
Q2	173,200	41,000	132,200	91,900	NA	NA	NA	40,300
Q3	187,400	45,300	142,100	97,600	NA	NA	NA	44,500
Q4	166,700	40,100	126,600	92,600	NA	NA	NA	34,000
2004								
Q1	198,800	54,400	144,400	NA	NA	NA	NA	NA
Q2	190,300	52,000	138,300	NA	NA	NA	NA	NA

<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, and sheds.

<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; they include furnaces, boilers, roof replacement, and central air conditioning. Effective with the first quarter of 2004, this survey no longer tabulates major replacements separately from other types of improvements. As a result, data previously tabulated as "Major Replacements" are now included in the columns of "Additions and Alterations."

Source: Census Bureau, Department of Commerce

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



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



Period	Total	New 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	388,324	279,772	249,086	30,305	108,933
2002	421,912	298,841	265,889	32,952	123,071
2003	476,143	345,893	310,575	35,318	130,250
2004	542,678	408,793	370,231	38,562	133,886
Monthly Data (Seasonally Adjusted Annual Rates)					
2003					
Oct	495,573	366,390	330,298	36,092	NA
Nov	504,246	375,588	339,765	35,823	NA
Dec	511,253	381,717	346,033	35,684	NA
2004					
Jan	513,899	383,511	347,950	35,561	NA
Feb	516,436	384,900	348,051	36,849	NA
Mar	522,178	391,127	353,529	37,598	NA
Apr	525,895	397,794	360,009	37,785	NA
May	535,543	407,469	368,995	38,474	NA
Jun	538,534	409,750	370,430	39,320	NA
Jul	543,327	411,713	371,889	39,824	NA
Aug	552,655	419,474	380,274	39,200	NA
Sep	556,233	419,318	380,334	38,984	NA
Oct	555,778	418,430	378,939	39,491	NA
Nov	559,791	420,907	380,203	40,704	NA
Dec	557,286	417,984	378,910	39,074	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	10,128.0	469.3	4.6
2002	10,487.0	504.1	4.8
2003	11,004.0	572.3	5.2
2004	11,728.0	661.7	5.6
<b>Quarterly Data (Seasonally Adjusted Annual Rates)</b>			
<b>2003</b>			
Q3	11,116.7	586.9	5.3
Q4	11,270.9	609.0	5.4
<b>2004</b>			
Q1	11,472.6	624.6	5.4
Q2	11,657.5	663.2	5.7
Q3	11,814.9	677.0	5.7
Q4	11,967.0	681.9	5.7

Source: Bureau of Economic Analysis, Department of Commerce

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



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

Period	Total	Less Than 25 Years	25 to 29 Years	30 to 34 Years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Older
<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>r</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>2</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>r</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>r</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>2003</b>								
Q4	359	149	181	33	(107)	(136)	26	212
<b>2004</b>								
Q1	12	(198)	94	(256)	(153)	211	339	(25)
Q2	196	36	47	(65)	43	176	117	(156)
Q3	804	228	(32)	20	137	209	214	27
Q4	676	(47)	272	(91)	30	(68)	271	309

\*Units in thousands.

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

<sup>1</sup>Data from 1971 to 1979 weighted based on the 1970 decennial census.

<sup>2</sup>Data from 1980 to 1992 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, Department of Commerce (The source of annual data is the Current Population Survey March Supplement. The quarterly data source is the monthly Current Population Survey/Housing Vacancy Survey.)

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



Period	Total	Families <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									
2003 Q4	359	148	167	87	4	(211)	(26)	227	(37)
2004 Q1	12	(199)	(291)	129	240	(141)	15	105	153
Q2	196	(170)	153	88	(63)	182	128	(31)	(91)
Q3	804	(69)	492	140	36	198	(133)	(88)	229
Q4	676	407	(10)	(14)	78	(208)	(32)	257	197

\*Units in thousands.

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

<sup>1</sup>Data from 1971 to 1979 weighted based on the 1970 decennial census.

<sup>2</sup>Data from 1980 to 1992 weighted based on the 1980 decennial census.

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

<sup>4</sup>Primary families only.

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



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

Period	Total	Non-Hispanic				Hispanic
		White Alone	Black Alone	Other Race Alone	Two or More Races¹	
Annual Data						
1971¹	848	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA
1974²	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)
1980²	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
1984²	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
1988²	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
1993³	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
Quarterly Data						
2003 Q4	359	105	(58)	10	(23)	324
2004 Q1	12	98	66	55	37	(244)
Q2	196	157	193	(39)	(18)	(96)
Q3	804	230	78	75	45	375
Q4	676	367	39	103	16	151

\*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 select more than one race.

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



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

Period	Total <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
2003	120,777	3,566	117,211	11,369	3,597	1,284	6,488	105,842	72,238	33,604
<b>Quarterly Data</b>										
<b>2003</b>										
Q4	121,415	3,750	117,665	11,807	3,809	1,331	6,667	105,858	72,650	33,208
<b>2004</b>										
Q1	121,633	3,696	117,937	12,067	3,904	1,273	6,890	105,870	72,666	33,204
Q2	122,002	3,989	118,013	11,947	3,775	1,261	6,911	106,066	73,449	32,617
Q3	122,373	3,655	118,718	11,848	3,798	1,321	6,729	106,870	73,772	33,098
Q4	122,740	3,519	119,221	11,675	3,731	1,375	6,569	107,546	74,413	33,133

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

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

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



**Table 26. Rental Vacancy Rates: 1979–Present**

Period						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	8.9	8.7	9.2	8.2	10.2	5.8	10.1	11.6	6.9	8.0	9.7	10.4
2003	9.8	9.6	10.0	9.2	10.6	6.6	10.8	12.5	7.7	8.4	10.7	11.4
<b>Quarterly Data</b>												
<b>2003</b> Q4	10.2	10.1	10.4	9.7	10.6	6.9	11.3	12.9	8.0	8.7	11.2	11.9
<b>2004</b> Q1	10.4	10.3	10.8	9.7	11.0	7.9	12.3	12.7	7.6	9.1	11.4	11.7
Q2	10.2	10.2	11.2	9.0	10.5	7.0	11.7	13.0	7.7	8.4	11.5	12.0
Q3	10.1	10.2	10.8	9.5	9.7	7.3	12.3	12.3	7.7	9.2	10.9	11.5
Q4	10.0	10.1	10.4	9.8	9.6	6.8	12.4	12.5	7.2	9.3	10.6	11.5

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 <sup>1</sup>	64.0	14.8	33.6	50.8	65.1	75.3	79.9	77.3
1994	64.0	14.9	34.1	50.6	64.5	75.2	79.3	77.4
1995	64.7	15.9	34.4	53.1	65.2	75.2	79.5	78.1
1996	65.4	18.0	34.7	53.0	65.5	75.6	80.0	78.9
1997	65.7	17.7	35.0	52.6	66.1	75.8	80.1	79.1
1998	66.3	18.2	36.2	53.6	66.9	75.7	80.9	79.3
1999	66.8	19.9	36.5	53.8	67.2	76.0	81.0	80.1
2000	67.4	21.7	38.1	54.6	67.9	76.5	80.3	80.4
2001	67.8	22.5	38.9	54.8	68.2	76.7	81.3	80.3
2002	67.9	22.9	38.8	54.9	68.6	76.3	81.1	80.6
2003	68.3	22.8	39.8	56.5	68.3	76.6	81.4	80.5
<b>Quarterly Data</b>								
<b>2003</b>								
Q4	68.6	22.8	40.6	57.3	69.0	77.2	81.3	80.8
<b>2004</b>								
Q1	68.6	23.6	40.0	56.4	68.8	77.0	81.7	80.7
Q2	69.2	25.7	40.8	57.6	69.4	77.0	82.4	81.1
Q3	69.0	25.4	39.9	57.7	68.6	77.4	81.2	81.8
Q4	69.2	25.9	40.1	58.0	70.0	77.4	81.6	80.5

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

Source: Census Bureau, Department of Commerce

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



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



Period	Total	Region				Metropolitan Status <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
2004	69.0	65.0	73.8	70.9	64.2	53.1	75.7	76.3
Quarterly Averages of Monthly Data								
2003 Q4	68.6	64.7	73.5	70.5	63.8	53.1	75.2	75.5
2004 Q1	68.6	65.1	73.5	70.3	63.7	52.6	75.3	76.1
Q2	69.2	65.4	74.2	70.9	64.5	52.9	76.1	77.2
Q3	69.0	64.4	73.8	71.0	64.7	53.2	75.9	75.7
Q4	69.2	65.2	73.7	71.5	63.9	53.8	75.4	76.4

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

<sup>2</sup>Beginning in 1993, CPS data 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, Department of Commerce (The annual data come from two sources: For years 1983 to 1993, the source is the Current Population Survey March Supplement; and for years 1994 and later, the data are the average of the 12 monthly Current Population Surveys/Housing Vacancy Surveys. The quarterly data source is the monthly Current Population Survey/Housing Vacancy Survey.)

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



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

Period	Non-Hispanic				Hispanic
	White Alone	Black Alone	Other Race Alone	Two or More Races <sup>3</sup>	
March Supplemental Data					
1983 <sup>1</sup>	69.1	45.6	53.3	NA	41.2
1984 <sup>r</sup>	69.0	46.0	50.9	NA	40.1
1985	69.0	44.4	50.7	NA	41.1
1986	68.4	44.8	49.7	NA	40.6
1987	68.7	45.8	48.7	NA	40.6
1988 <sup>r</sup>	69.1	42.9	49.7	NA	40.6
1989	69.3	42.1	50.6	NA	41.6
1990	69.4	42.6	49.2	NA	41.2
1991	69.5	42.7	51.3	NA	39.0
1992	69.6	42.6	52.5	NA	39.9
1993 <sup>2</sup>	70.2	42.0	50.6	NA	39.4
Annual Averages of Monthly Data					
1994	70.0	42.5	50.8	NA	41.2
1995	70.9	42.9	51.5	NA	42.0
1996	71.7	44.5	51.5	NA	42.8
1997	72.0	45.4	53.3	NA	43.3
1998	72.6	46.1	53.7	NA	44.7
1999	73.2	46.7	54.1	NA	45.5
2000	73.8	47.6	53.9	NA	46.3
2001	74.3	48.4	54.7	NA	47.3
2002	74.7	48.2	55.0	NA	47.0
2003	75.4	48.8	56.7	58.0	46.7
2004	76.0	49.7	59.6	60.4	48.1
Quarterly Averages of Monthly Data					
2003 Q4	75.5	50.1	57.3	59.4	47.7
2004 Q1	75.5	49.9	60.1	57.3	47.3
Q2	76.2	50.1	59.4	61.2	47.4
Q3	76.1	49.0	59.1	61.8	48.7
Q4	76.2	49.7	59.7	61.1	48.9

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

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

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

<sup>4</sup>Beginning in 2003, the CPS respondents were able to select more than one race.

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



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

Period	Married Couples		Other Families		Other
	With Children	Without Children	With Children	Without Children	
March Supplemental Data					
1983 <sup>1</sup>	75.0	80.8	38.3	67.5	44.5
1984 <sup>1</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>1</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
2004	79.7	87.7	45.3	67.8	53.5
Quarterly Averages of Monthly Data					
2003 Q4	78.9	87.3	44.5	66.3	53.2
2004 Q1	79.4	87.6	43.6	67.9	53.1
Q2	80.2	87.7	46.0	66.8	53.7
Q3	79.4	87.6	45.8	67.9	53.5
Q4	79.9	87.7	45.8	68.5	53.5

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

<sup>1</sup>CPS data from 1983 to 1992 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, Department of Commerce (The annual data come from two sources: For years 1983 to 1993, the source is the Current Population Survey March Supplement; and for years 1994 and later, the data are the average of the 12 monthly Current Population Surveys/Housing Vacancy Surveys. The quarterly data source is the monthly Current Population Survey/Housing Vacancy Survey.)

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