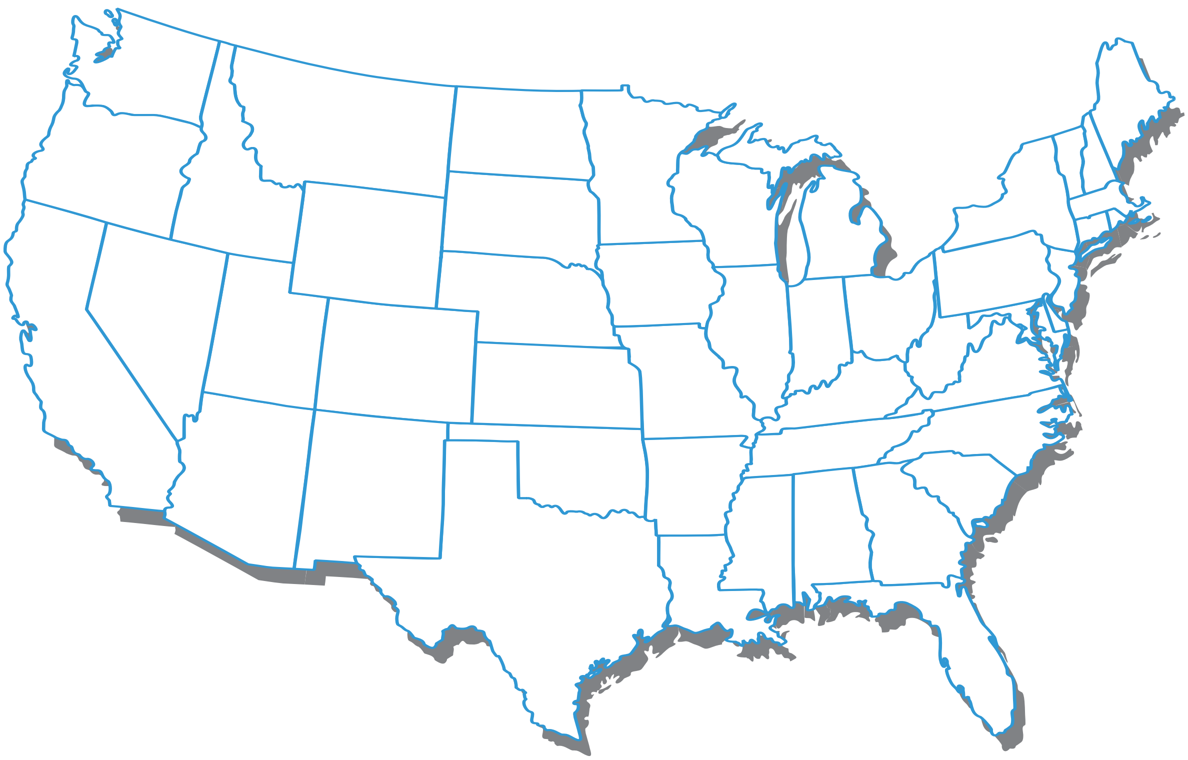
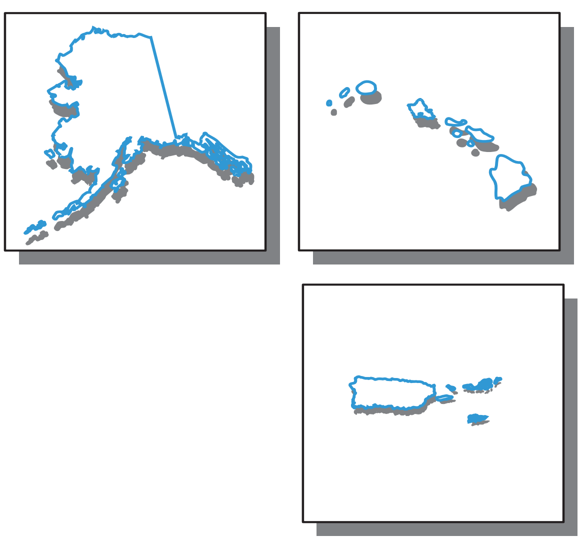
Regional Activity

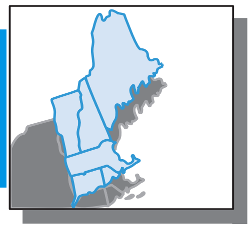




The following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends within each region of HUD management. Also included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

Regional Reports

New England



Nonfarm employment in the New England region averaged 6.95 million jobs, an increase of 47,100, or 0.7 percent, during the 12 months ending December 2006 compared with the 12 months ending December 2005. Although the number of new jobs has been increasing annually during the past 3 years, only 44 percent of the jobs lost during the 2001-to-2003 period have been recovered. Massachusetts led the region with a gain of 23,900 jobs. Massachusetts and Vermont were the only states to post increases in the goods-producing sectors with gains of 3,000 and 600 construction jobs, respectively; these gains were partially offset by small losses in manufacturing employment. New Hampshire had the highest rate of job growth in the region at 1.1 percent with 7,700 jobs created entirely in the service-providing sectors. Overall job losses in the goods-producing sectors during 2006 amounted to only 4,100, a considerable improvement from the average loss of almost 40,000 jobs annually between 2001 and 2005. The service-providing sectors have added 51,200 new jobs in the region; almost 50 percent of these new jobs are in Massachusetts and Connecticut, where increases totaled 21,300 and 13,600, respectively. A significant number of the new jobs in both states were created in the professional and business services and education and health services sectors. The 1.5-percent rate of increase in service-providing jobs in New Hampshire was concentrated in retail trade and education and health services.

During the 12 months ending December 2006, the average unemployment rate in the region was 4.6 percent, relatively unchanged from a year ago. New Hampshire and Vermont maintained the lowest unemployment rates at 3.4 percent and 3.5 percent, respectively. Connecticut continues to show the most improvement in reducing unemployment; its rate fell from an average of 4.9 percent in 2005 to 4.3 percent in 2006.

Since 2000 population gains in New England have been moderate, increasing by 347,500, or 2.5 percent, to nearly 14.3 million as of July 2006. The slowest growth rates have been in Massachusetts and Rhode Island, where the population increased by 1.4 percent and 1.8 percent, respectively, due primarily to several years of out-migration. The highest growth rate is attributed to New Hampshire, where in-migration, although slowing recently, supported a population growth of 79,100, or 6.4 percent, from April 2000 to July 2006.

Commensurate with a moderate level of employment growth, rising interest rates, increasing construction costs, and a slowing home sales market, overall home-building activity, as measured by building permits, slowed significantly throughout 2006. The number of single-family homes permitted in the region was down by more than 8,000 units in 2006 to 35,500, a 19-percent decline compared with 2005. The number of single-family building permits declined in all states but most significantly in New Hampshire, where permits declined 26 percent to 4,775 units during 2006. In-migration to New Hampshire, primarily from Massachusetts, has slowed somewhat recently. Single-family building permits issued in Rhode Island and Vermont fell by only 150 units and 300 units, or 9 percent and 11 percent, respectively. Single-family building permits were down 22 to 27 percent in the region's largest metropolitan areas of Boston, Hartford, and Providence; however, they declined more than 50 percent in the central and western Massachusetts metropolitan areas of Worcester, Springfield, and Pittsfield and in Bangor, Maine. These smaller areas are located farther from the core of economic activity in the region.

New England home sales markets during the 12 months ending December 2006 are characterized, generally, by falling sales volume, decreasing prices, and increasing inventories of homes for sale. The Massachusetts Association of REALTORS® (MAR) reported that sales of existing single-family homes were down in 11 of the past 12 months, resulting in a decline of almost 15 percent to 41,600 homes sold in 2006 from 48,650 sold in 2005. The median sales price declined 3 percent to $349,750 during the same period. The inventory of homes for sale during 2006 averaged about 39,400 units, up more than 20 percent from the 2005 average. By the end of 2006, homes were on the market almost 5 weeks longer than they were compared with the end of 2005. According to the Rhode Island Association of REALTORS® (RIAR), single-family home sales fell 14 percent from 9,700 units in 2005 to 8,300 units in 2006, the lowest total recorded since 1997. The median sales price was $282,900, virtually flat compared with 2005.

The Maine Real Estate Information System, Inc., reported that the total number of homes sold in 2006 was the lowest total sales volume recorded since 2003. Sales fell 7 percent to 13,350 homes sold during 2006 from 14,400 sold during 2005. The median sales price for the state increased 1 percent in 2006 to a new high of $192,500. Median sales prices for homes in Maine counties ranged from $250,000 in Cumberland County, which is included in the Portland-South Portland metropolitan area, to $80,000 in Aroostook County, which borders Canada to the north. The Connecticut Association of REALTORS® reported total home sales of 74,700 units for the 12 months ending September 2006, down 9 percent from the previous 12-month period. The median sales price was $313,000, relatively unchanged from the previous 12-month period. Third quarter 2006 median sales prices for homes in Connecticut counties ranged from $496,500 in Fairfield County, also known as the Bridgeport-Stamford-Norwalk metropolitan area, to $188,300 in nonmetropolitan Windham County in northeast Connecticut, down 6 percent and 8 percent, respectively, from third quarter 2005 median sales prices.

According to the Office of Federal Housing Enterprise Oversight (OFHEO), price appreciation in the region was up 4 percent in the third quarter of 2006 compared with the third quarter of 2005, ranking New England eighth of nine census regions. This rate was well below the national price appreciation rate of 8 percent. Vermont had the highest price appreciation rate in the region at 9 percent and Massachusetts had the lowest rate at 1 percent. The only metropolitan area with a negative appreciation rate was Cambridge-Newton-Framingham, Massachusetts, where price appreciation declined less than 1 percent.

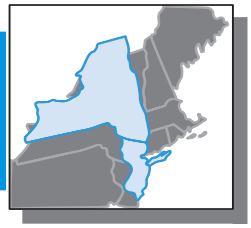
Condominium sales in the region slowed throughout 2006. In Massachusetts, MAR reported 20,150 condominium sales in 2006, down 12 percent from the total condominium sales in 2005. The median condominium sales price was $274,250, down only about 1 percent from 2005. The average number of condominium units on the sales market increased to 19,700 in 2006, up 37 percent compared with 2005. The average number of days units remained on the market also increased to 118 in 2006 from 83 in 2005. In Rhode Island, RIAR reported 1,890 condominium sales in 2006, a 16-percent decline compared with 2005. Despite the decrease in sales, the median sales price of condominiums sold in 2006 increased 3 percent to $225,000 from the median price in 2005.

Multifamily building activity in the region, as measured by the number of units authorized by building permits, was down 18 percent in 2006 to 13,400 units from the recent peak total of 16,250 units in 2005 but down only 2 percent from the total number of permits issued in 2004. Units permitted in 2006 were down 28 to 38 percent in New Hampshire, Connecticut, and Rhode Island; however, in Massachusetts and Maine, multifamily units permitted were down only 11 and 19 percent, respectively, due primarily to the stable rental markets in the Boston and Portland, Maine metropolitan areas. The Boston metropolitan area continues to increase its share of the multifamily housing production in the region, reaching 62 percent for 2006. In Vermont, the only state in the region in which the number of multifamily units permitted increased in 2006 compared with 2005, more than 400 units were permitted, up 8 percent, primarily due to strong market conditions in the Burlington metropolitan area.

New England rental markets generally remained balanced through the end of 2006. With the exception of the Boston metropolitan area rental market, completions of rental units in the fourth quarter and for all of 2006 were modest. According to Reis, Inc., among the Connecticut markets of Hartford, Fairfield County, and New Haven, only Hartford added to the rental inventory in the fourth quarter of 2006, completing 340 new units, which resulted in 440 units for the full year. The apartment vacancy rate in Hartford at the end of 2006 was 5.0 percent, up from 4.6 percent a year ago. The average asking rent was $918, up nearly 3 percent from the previous year. Fairfield County had no rental unit completions in 2006; however, almost 800 units were under construction at the end of the year. In addition, 575 condominium units were under construction, some of which may end up in the rental market. More than 700 rental units are projected for completion in the county in 2007, adding pressure to the current 3.2-percent vacancy rate, unchanged from a year ago. Reflecting one of the highest rent levels in the nation, the Fairfield County average asking rent of $1,695 in 2006 was up more than 1 percent from 2005.

According to Reis, Inc., the Boston metropolitan area rental market finished 2006 with more than 4,200 new rental units, of which about 1,900 were delivered in the fourth quarter. The addition of these new units resulted in an increase in the apartment rental vacancy rate to 5.5 percent in the fourth quarter of 2006 from 4.8 percent in the previous quarter and 4.7 percent a year ago. During the fourth quarter of 2006, more than 6,300 rental units were under construction with 3,700 expected to enter the market in 2007. In addition, during the same period, more than 4,800 condominium units were under construction. Given the declining sales market for condominiums, developers or investor owners may convert a portion of these units to rentals, putting additional pressure on occupancy rates. The average asking rent in the Boston market was $1,645 at the end of 2006, up 4 percent from the same period in 2005.

New York/ New Jersey



During 2006, average annual nonfarm employment in the New York/New Jersey region increased by 107,800 jobs, or almost 1 percent, to 12.7 million jobs. Nonfarm employment grew by the same rate in both states, increasing by 73,300 jobs to 8.6 million in New York and by 34,500 jobs to 4.1 million in New Jersey. Job gains occurred primarily in the service-providing sectors, with 42,500 jobs added in education and health services, 24,400 in professional and business services, and 17,400 in leisure and hospitality. Sustained employment growth in New York City, which has been occurring for the past 4 years, generated approximately 50 percent of the new employment in the region during the past year. In 2006, nonfarm employment in the city increased by 54,200 jobs, up 1.5 percent from 2005, to 3.7 million. According to the Federal Reserve Board's "Beige Book," tourism in New York City increased significantly in 2006, with an estimated 10-percent increase in both Manhattan hotel occupancy and Broadway theater attendance.

Between 2005 and 2006, the unemployment rate in the region declined from 4.8 to 4.6 percent. The unemployment rate in New York declined from 5.0 to 4.5 percent, but in New Jersey the unemployment rate increased from 4.4 to 4.8 percent during the period.

As employment has increased in the region, population growth has continued. According to the Census Bureau, as of July 1, 2006, the estimated population of the New York/New Jersey region was 28,030,743, an annual increase of less than 0.5 percent since the 2000 Census. During the period, the estimated population of New York increased to 19.3 million and the estimated population of New Jersey increased to 8.7 million, indicating annual gains of 0.3 and 0.6 percent, respectively.

Despite population gains in the region, many housing markets have softened. Recent housing statistics illustrate both sales price declines and reduced sales activity in many areas compared with a year ago. Trends were mixed, however; relatively stronger housing conditions continued in the New York City area while softer conditions prevailed in both Upstate New York and New Jersey. According to the New York State Association of REALTORS®, the median price of a single-family home in New York State decreased nearly 3 percent to $248,500 in 2006 compared with 2005. The New Jersey Association of REALTORS® indicated that the median price of an existing single-family home in the state increased 4 percent to $385,200 through the 12 months ending September 2006, the most recent data available. During 2006, annual home sales in New York decreased by more than 6 percent to 101,130 units compared with the previous year. Housing sales in New Jersey for the 12-month period ending September 2006 decreased approximately 15 percent to 161,100 units compared with a year ago.

According to the real estate firm Prudential Douglas Elliman, moderate price increases occurred in the Manhattan co-op and condominium market in 2006 in contrast to the substantial price increases that have occurred in the market during the past several years. In the fourth quarter of 2006, the median price of a Manhattan apartment increased to $799,000, up 5 percent from a year earlier. Sales activity also increased significantly from a year ago, while listing inventory remained stable at approximately 5,900 units.

During 2006, rising inventories and higher mortgage interest rates impacted the home sales markets in both New York and New Jersey. According to the Buffalo Niagara Association of REALTORS®, the median price of an existing single-family home or condominium in the area increased more than 2 percent to $97,800 in 2006. A total of 10,340 homes were sold in the metropolitan area, representing more than a 1-percent decrease from 2005 but remaining above the 10,000-unit level first achieved in 2003.

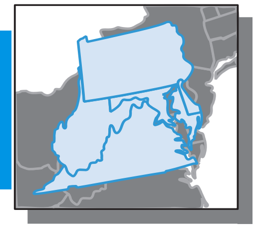
The median price of a single-family home in the Albany-Schenectady-Troy metropolitan area continued to increase in 2006. According to the Greater Capital Association of REALTORS®, the 2006 median price of an existing single-family home increased 5 percent to $189,000 compared with increases ranging from 12 to 14 percent during the past 3 years. Saratoga and Albany Counties, which have the highest home prices in the area, registered median price increases of approximately 7 and 6 percent to $257,000 and $198,500, respectively. During 2006, total sales activity declined 1 percent to 10,675 units, the first decline in the Capital District area in the past 4 years, while the number of residential listings increased 14 percent to more than 17,000 units.

In 2006, the median price of an existing single-family home in the Rochester, New York metropolitan area increased nearly 3 percent to $115,000 compared with last year. Although prices increased slightly, sales of existing single-family homes decreased more than 4 percent to 11,500 units during the same period. Reduced housing sales occurred in all five counties in the metropolitan area, with sales listings increasing more than 7 percent during the year as a result of local economic conditions.

During 2006, residential construction in the New York/New Jersey region, as measured by building permit authorizations, decreased approximately 10 percent to 87,800 units compared with 2005, as builders responded to the slowdown in market activity. Declines occurred in both single-family and multifamily housing construction. Total permit activity decreased approximately 7 percent in New York to 55,300 units and 15 percent in New Jersey to 32,600 units. Single-family housing construction in the region declined by 18 percent to 37,600 units, while multifamily building permits decreased by 3 percent to 50,200 units. From 2005 to 2006, multifamily permit approvals declined nearly 2 percent to 34,700 units in New York and more than 6 percent to 15,550 units in New Jersey.

Preliminary fourth quarter 2006 statistics from Reis, Inc., indicated that Downstate New York and New Jersey apartment rental housing markets remained tight and asking rents were increasing. In 2006, the larger Upstate New York rental markets remained balanced and had relatively lower rates of rent increases. The apartment vacancy rate in New York City declined from 2.9 percent in 2005 to 2.3 percent in 2006, partially due to recent condominium conversion activity, which resulted in the loss of almost 2,000 rental units during the year. The average asking rent was up almost 8 percent to $2,578 a month. On Long Island, the rental vacancy rate increased from 3.4 to 3.7 percent during this period, while average asking rents increased 2 percent to $1,476. In 2006, modest annual asking rent increases of around 2 percent occurred in Buffalo and Syracuse. Apartment vacancy rates in these metropolitan areas increased only slightly during 2006 but remained balanced at approximately 5 percent. In 2006, the apartment vacancy rate decreased from 3.7 to 3.5 percent in Central New Jersey but increased from 3.6 to 4.0 percent in Northern New Jersey. From 2005 to 2006, average monthly asking rents increased by almost 4 percent to $1,086 in Central New Jersey and more than 3 percent to $1,409 in Northern New Jersey.

MID-ATLANTIC



The economy of the Mid-Atlantic region continued to grow stronger during 2006, although the rate of growth slowed as job gains moderated in Pennsylvania and Virginia, the two largest states in the region. Nonfarm employment increased by 178,500 jobs, or 1.3 percent, to an average of 13,963,900 during 2006, down from the 1.5-percent increase during the previous year. The education and health services sector was the fastest growing of all sectors in the regional economy during the year, adding 58,900 jobs, 11 percent more than the 53,150 added during 2005. The professional and business services sector added only 45,000 jobs during the past 12 months after increasing by 65,500 in 2005 and by 72,000 in 2004. Pennsylvania reported total job gains of 54,400, almost 5,500 fewer than the 59,500 jobs added in 2005. In Virginia, 62,300 jobs were added, a growth rate of 1.7 percent, but the increase was 22,300 fewer than the number of jobs gained during 2005, when the growth rate was almost 2.4 percent. All other states in the region reported increases in the number of jobs, with growth rates ranging from 1.1 in West Virginia to 1.7 in Delaware.

The unemployment rate in the Mid-Atlantic region declined from 4.4 percent in 2005 to 4 percent in 2006 with Virginia reporting the lowest unemployment rate of 3.1 percent. Unemployment rates declined in all states, but the most significant change was in the District of Columbia, where the rate fell from 6.5 to 5.8 percent as 71,770 jobs were added during the year. Forty percent of the gain was in the professional and business services sector, where jobs reflect contracting to, or support of, the federal government.

According to data released by the Census Bureau, the population of the Mid-Atlantic region was an estimated 28,952,700 as of July 2006, an increase of slightly more than 0.5 percent, or 155,561, since July 2005. For the region as a whole, two-thirds of the growth was generated by net natural increase; however, in Delaware, the state reporting the highest growth rate of 1.4 percent, net in-migration accounted for two-thirds of the change as more affordable housing and lower taxes attracted both families and retirees. Only the District of Columbia lost population, reporting 500 fewer people as a result of out-migration. The population increase of 78,500 in Virginia was the largest numerical change for a state in the region.

Continued economic expansion produced 5 years of increased home sales volume and higher sales prices in the Mid-Atlantic region. During 2006, however, the rise in interest rates resulted in a sharply reduced number of home sales and increased inventories and caused home sales prices to fall in some parts of the region. According to the Virginia Association of REALTORS®, the 112,400 homes sold during 2006 was the fourth highest annual amount on record, but the total was 19 percent less than the 138,600 homes sold during the record-high year of 2005. Bolstered by continued price escalation in the southern portion of the state, the average home sales price in Virginia increased more than 6 percent from $261,900 in 2005 to $278,300 during the past year. Homes were on the market an average of 2 weeks longer than they were in 2005. A total of 26,000 homes were sold in Northern Virginia through December 2006, a 31-percent decline from the 37,500 sold during 2005. Average home prices in Northern Virginia declined 1 percent during 2006 but remain the highest in the state at $531,600. The volume of sales in the Richmond metropolitan area, at 15,900 homes, was 3 percent less than the 16,500 homes sold during 2005, and the average price of an existing home rose by 11 percent to $267,900. In the Norfolk-Virginia Beach-Newport News metropolitan area, sales fell 8 percent during 2006, to 26,700 homes, with an average price of $272,600, an increase of 8 percent above the 2005 figure. During the past 2 years, sales activity in the state has shifted to the southern metropolitan areas. Northern Virginia accounted for only 23 percent of all home sales in the state in 2006, down from 27 percent in 2005 and 30 percent in 2004. The Norfolk-Virginia Beach-Newport News metropolitan area now supports 24 percent of all sales, up from 21 percent in 2005 and 20 percent in 2004. Richmond recorded slightly more that 14 percent of the home sales in the state in 2006, up from 12 percent the previous year.

The Maryland Association of REALTORS® reported that approximately 79,100 existing homes were sold in the state during 2006, a decrease of 21 percent compared with the 100,000 homes sold during 2005. The average monthly inventory of homes for sale nearly doubled from 17,950 units to 35,570 during the year. The increase in the average home sales price from $338,100 to $357,200 was less than 6 percent, a significant change from the 19-percent increase in prices reported during 2005. In the Baltimore metropolitan area, 36,050 homes were sold, a decline of almost 20 percent as buyers responded negatively to increased interest rates and higher prices. The average price of $310,500 was an increase of 6 percent from the average price of homes sold during 2005. Approximately 25,600 homes were sold in the Maryland suburbs of the Washington, D.C. metropolitan area during 2006, reflecting a 21-percent decrease in sales from the previous year. The average price rose to $433,950, only 6 percent higher than in 2005; the price increase between 2004 and 2005 was 22 percent.

According to the NATIONAL ASSOCIATION OF REALTORS®, sales of existing homes declined less than 5 percent in Pennsylvania, where price increases have been significantly less than in the southern portion of the Mid-Atlantic region. Approximately 245,000 homes were sold during the 12 months ending September 2006, approximately equal to the combined number of existing homes sold in Maryland and Virginia. According to the NATIONAL ASSOCIATION OF REALTORS®, approximately 19,000 homes were sold in Delaware, 10,000 in the District of Columbia, and 32,000 in West Virginia during 2006, declines of 10, 15, and 19 percent, respectively, from the number of homes sold in 2005.

Despite the expanding economy of the region, overall homebuilding activity, as measured by building permits, slowed during 2006 after reaching a record-high level in 2005. Faced with higher sales prices and interest rates, cautious buyers cancelled contracts, leaving builders with larger inventories of unsold homes. Single-family homebuilding activity in the region fell by almost 18 percent to approximately 101,725 homes permitted during 2006 compared with 123,727 during the previous year. During the past year in Virginia, 38,550 homes were permitted, a decrease of 11,300 units, or 23 percent, compared with the number permitted a year ago. During 2006 in Pennsylvania, 33,680 permits for new homes were issued, down 9 percent from the 36,950 homes permitted in 2005. The decline in production in Pennsylvania was less than in Virginia because builders in Pennsylvania had slowed production during 2005 when new homes declined 1 percent compared with 2004. In Maryland, production fell by 20 percent, or 4,860 homes, to a total of 19,490 building permits. During 2006, production declined in all the major metropolitan areas in the region. The number of building permits issued for single-family homes in the Washington, D.C. metropolitan area declined nearly 27 percent, or by 6,600 units, to 18,320 homes. In the Philadelphia metropolitan area, building permits fell 24 percent to 11,550 homes from a year ago.

During 2006, multifamily building activity declined in all states in the Mid-Atlantic region except Maryland and Delaware. Approximately 25,850 units were permitted in the region, a decline of 6 percent, or 1,650 units, from a year ago. Delaware and Maryland had a combined increase of 1,500 units permitted, of which 90 percent were in Maryland, but that increase was offset by a combined decline of 3,150 units permitted in the remaining states. Multifamily building activity declined in all the largest metropolitan areas in the region except Baltimore, where production was stable. In the Philadelphia metropolitan area, 5,550 units were permitted, almost 1,700, or 30 percent, fewer than the 2005 total as the production of condominiums slowed.

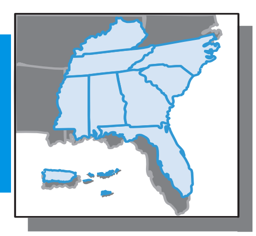
Sales of new condominium units have declined in the Mid-Atlantic region. Purchasers were deterred by the higher interest rates and sales prices, which also impacted single-family home sales, and also by higher monthly fees for common area maintenance and service. In the Washington, D.C. metropolitan area, 6,600 units were sold during 2006, less than half the 13,700 units sold during 2005. Concessions as a percentage of sales price averaged 4.6 percent during the year and were highest in Northern Virginia, where they were 5.4 percent. In the fourth quarter of 2006, approximately 5,900 planned condominium unit conversions were returned to rental status and another 2,500 planned new units were cancelled. In the Baltimore metropolitan area, developers also are addressing slower sales and increased inventories by reverting planned condominium developments to rental projects. As of December 2006, 4,500 unsold condominium units were on the market with average concessions of 4.4 percent. Concessions of almost 6 percent were offered in the city of Baltimore, where the rental market also is soft. Approximately 6,500 units were available for sale in the Philadelphia metropolitan area in December 2006 with two-thirds, or 4,650 units, available in the city of Philadelphia. An additional 5,800 units are proposed to be available for sale during the next 3 years; of that total, 3,600 will be in the city. Slower sales have prompted developers in Philadelphia to cancel or postpone approximately 750 new construction condominium units.

During 2006, conditions varied among the three largest rental markets in the Mid-Atlantic region. The vacancy rate for Class A rental units in the Baltimore metropolitan area declined from 8 percent in December 2005 to 5.8 percent currently, according to Delta Associates. Vacancy rates in four of the five suburban counties in the metropolitan area ranged from 1.2 to 3.8 percent in December 2006, all below the 1.3- to 5.4-percent range reported for those counties in December 2005. The vacancy rate in Anne Arundel County declined from 11.5 percent reported in December 2005, but the market remained soft in December 2006 with a rate of 10.3 percent. Rental conditions continued to be soft in the city of Baltimore, where the vacancy rate was almost 10 percent, but were improved from a year ago when the rate was more than 17 percent. Concessions valued at 2.2 percent of rents contributed to the relatively moderate absorption of 10 units per month and the lowered vacancy rate in the city.

In the Philadelphia metropolitan area, the rental market has tightened to a near-balanced condition. According to Delta Associates, apartment vacancy rates fell from 11.3 percent in December 2005 to slightly above 7 percent in December 2006. Absorption has been strong with 300 units leased between September 30 and December 31, nearly the same as the number of units leased during the fourth quarter of 2005. More than 400 of the 700 units still in lease-up were in Montgomery County, Pennsylvania, where the vacancy rate was 13 percent, down from 16 percent a year ago. The market tightened in Center City Philadelphia as vacancy rates declined from almost 8 percent in December 2005 to 3.3 percent currently. Concessions were low, at just slightly above 1 percent of rents, because fewer than 300 apartments were in lease-up.

Delta Associates reported that the rental market for Class A garden apartments in the Washington, D.C. metropolitan area softened slightly to 6.2 percent in December 2006 compared with 4 percent a year ago. Apartment vacancy rates for Class A highrise units in the District of Columbia and Northern Virginia increased substantially from 5.9 and 2 percent, respectively, in December 2005 to the current rates of 12.7 and 7.8 percent, respectively, at the end of 2006. Approximately 1,300 new units are being marketed in traditional rental projects and local sources estimate that as many as 2,000 investor-owned condominium units may also be available for rent.

SOUTHEAST/ CARIBBEAN



Total nonfarm employment in the Southeast/Caribbean region increased by 539,800 jobs, or 2.1 percent, to 26,809,000 jobs in 2006, slightly slower than the 2.4-percent growth rate in 2005. Sectors providing the largest employment increases were professional and business services, education and health services, and construction, with gains of 116,700, 84,500, and 80,900 jobs, respectively. Manufacturing employment continued to decline in 2006, with 30,400 fewer jobs than in 2005. Almost all the manufacturing job losses were in nondurable goods production. The unemployment rate for the region averaged 4.8 percent during 2006 compared with 5.2 percent in 2005.

Nonfarm employment increased in all eight states in the region during 2006. Puerto Rico posted a small net decline of 2,300 jobs for the year as a result of losses in the manufacturing and government sectors. Florida led the region with 250,600 new nonfarm jobs in 2006, fewer than the 300,000 jobs added in 2005. Georgia and North Carolina followed with 81,600 and 69,600 new nonfarm jobs, respectively, in 2006, down from the 99,600 and 75,400 jobs added, respectively, in those states in 2005. The professional and business services sector was the leading source of nonfarm employment growth in Florida, Georgia, and North Carolina. Growth in several sectors produced a 2.4-percent increase in nonfarm employment in South Carolina, where 44,200 jobs were added. In Alabama, continued expansion in motor vehicle manufacturing helped produce a 3.8-percent increase in durable goods manufacturing that contributed to an increase of 32,200 jobs in total nonfarm employment. Nonfarm employment growth was modest in Kentucky and Tennessee during 2006, with increases of just over 1 percent in both states.

Employment growth in Mississippi has been strongest in areas along the gulf coast as the recovery from Hurricane Katrina continues, while growth in the inland areas has moderated recently. Total nonfarm employment in the state increased by 2.2 percent from 1,130,200 jobs in the fourth quarter of 2005 to 1,155,500 in the fourth quarter of 2006. In the Gulfport-Biloxi and Pascagoula metropolitan areas, the rates of increase in nonfarm employment were 4.9 percent and 6.7 percent, respectively, for the period.

The expanding regional economy is contributing to continuing population growth. According to the Census Bureau, the population of the region was 62,314,000 as of July 2006 and had increased at an average annual rate of 1.6 percent during each of the 2 preceding years. In-migration continues to account for approximately 70 percent of the increase because workers are attracted to the strengthening economy in the region and retirees are attracted to the favorable climate. Between July 2005 and July 2006, the population increased in each state in the region, led by Florida with a gain of more than 321,700, to 18,090,000, compared with an annual average increase of 347,200 since 2000. The populations of Georgia and North Carolina expanded more rapidly during the past year compared with preceding years. Georgia grew by 231,400 to 9,364,000 by July 2006 compared with an average annual gain of 188,400 since 2000. North Carolina added 184,000 from July 2005 to July 2006 compared with 129,200 a year since 2000, bringing the total population to 8,857,000.

Single-family homebuilding in the region, as measured by building permits, slowed significantly during 2006 despite continuing economic expansion and population gains. Building permits were issued for 441,800 homes in the region in 2006, a decrease of 72,400 units, or 14 percent, compared with 2005. All states in the region reported reduced single-family home production except for Mississippi, where residential construction was strong as a result of rebuilding from Hurricane Katrina. In Florida, home builders responded to much slower sales and rising unsold inventory by reducing construction in 2006. That year, 27 percent fewer single-family building permits were issued compared with the number of permits issued in 2005, a decrease of 55,400 units. This figure represents 77 percent of the total reduction in single-family building permits for the region.

Existing home sales varied significantly within the region during 2006 after record or near-record sales during 2005 in most areas. According to the Florida Association of REALTORS®, sales of existing single-family homes declined statewide by 28 percent to 180,000 units during 2006 following 5 years of record sales. Home sales prices continued to increase but moderated as unsold inventories accumulated. The average home sales price in the state rose by 6 percent to $248,300 in 2006 after a 29-percent increase in 2005. Condominium sales in Florida fell by one-third to 55,600 units in 2006, although the average condominium sales price increased a modest 1 percent to $211,300. Single-family home sales in the active Tampa and Orlando markets decreased by 35 percent and 26 percent, respectively, but the median home sales price increased by 14 percent in both areas. In both Miami-Dade County and Fort Lauderdale, sales of single-family homes declined in 2006 for the second consecutive year. Miami-Dade County home sales fell by 24 percent in 2006 following a 13-percent decrease in 2005. In Fort Lauderdale, home sales declined by 29 percent in 2006 and by 21 percent in 2005.

The South Carolina Association of REALTORS® reports that the number of homes sold statewide decreased by 5 percent to 68,900 units during 2006 but the median sales price increased by 8 percent to $160,000. The sales decline was confined to the four coastal markets of Myrtle Beach, Charleston, Beaufort, and Hilton Head Island, which had recorded significant sales volume increases and price appreciations during the past 5 years in the rapidly growing vacation and investment home markets.

In North Carolina, existing home sales and average home sales prices were up statewide and in the three largest metropolitan areas in 2006. The North Carolina Association of REALTORS®, Inc., reports that sales increased 3 percent in 2006 to 135,100 homes. The average sales price for the state increased 2 percent to $214,100. Home sales volume increased by 13 percent in Charlotte, 5 percent in Raleigh, and 7 percent in Greensboro, while sales price gains averaged 4 percent, 5 percent, and 2 percent, respectively, in these areas.

In Tennessee, two of the three largest metropolitan areas reported modest increases in sales of single-family homes in 2006. Sales increased 2 percent in Nashville and 3 percent in Memphis but fell by 3 percent in Knoxville. Average sales prices increased in all three areas, rising by 6 percent to $184,600 in Nashville, 2 percent to $176,000 in Memphis, and 7 percent to $170,500 in Knoxville.

In Alabama, home sales were virtually unchanged at 59,400 units, and the average sales price increased by 6 percent to $156,800 during the 12 months ending November 2006, according to the Alabama Real Estate Research and Education Center. Sales volume declined and prices were relatively stable in the coastal areas. Sales increased by a significant 17 percent to 10,700 units in Huntsville, where local employment growth has been strong and local home builders are increasing production in anticipation of expansion at the U.S. Army's Redstone Arsenal. Personnel levels are expected to increase by 3,000 over the next 5 years.

Multifamily construction in the region, as measured by building permits, declined by 9,000 units during 2006 to 117,900 units. By far, North Carolina recorded the largest gain among the four states where multifamily construction increased. Multifamily building permits increased by 5,100 units, or 40 percent, in North Carolina during 2006. The 17,600 units permitted during the year are above the 15,550-unit annual average that the state has maintained since 2000. Developers increased production of apartments and condominiums in the state in response to a modest improvement in the major apartment markets and continued demand for condominium units. Of the multifamily building permits authorized in North Carolina, 62 percent were issued in Charlotte, Greensboro, and Raleigh, the highest percentage of the state total recorded for these areas since 2000, which is significantly above the areas' 35-percent share of the state total during 2005. The number of multifamily building permits issued in Florida decreased by 13,650 units, or 23 percent, to 58,150 in 2006 as apartment and condominium developers scaled back construction plans in response to rising inventories and vacancies.

Despite an expanding economy, increasing population, and slowing multifamily construction in the region, 13 of 20 southeast apartment markets surveyed by Reis, Inc., recorded vacancy rate increases in the fourth quarter of 2006 compared with the fourth quarter of 2005. Although circumstances leading to the vacancy rate increases varied because of local market conditions, many rental markets were affected by increased rental inventories resulting from net reconversion of condominium units back to the rental market and from newer condominium units built for sale but later made available for rent when they remained unsold. All six of the Florida market areas surveyed had vacancy rate increases; apartment vacancy rates in the state ranged from a low of 3.8 percent in Miami to 6.5 percent in Palm Beach. The largest increase from the rate recorded a year ago occurred in Palm Beach, where the vacancy rate rose by 2 percent. The largest vacancy rate decrease from the fourth quarter of 2005 to the fourth quarter of 2006 occurred in Charlotte, where the rate fell from 8.3 percent to 6.9 percent as the area economy continued to expand.

MIDWEST

The economy of the Midwest region continued to grow at a modest pace in the fourth quarter of 2006. Nonfarm employment increased by 132,000 jobs, or 0.5 percent, for the year compared with a gain of 120,000 jobs in 2005. Leading the growth in 2006 were the professional and business services, education and health services, and leisure and hospitality sectors, with gains of 83,000, 58,000, and 42,000 jobs, respectively. Manufacturing employment continued its 8-year decline with 77,000 fewer jobs in 2006 than in 2005. Almost all the manufacturing job losses were in durable goods production.

All six states in the region recorded job gains in 2006 except Michigan, where employment decreased by 20,000 jobs. The Michigan economy has not recovered from the economic slowdown of the early 2000s. Local economies are strengthening in many large metropolitan areas in the region. In 2006, the rates of increase in nonfarm employment in the Chicago and Cincinnati metropolitan areas were both 1.2 percent compared with 2005, and in the Cleveland and Milwaukee areas the rates of increase were both less than 1 percent. The regional average unemployment rate was 5.1 percent for the year, down from 5.6 percent in 2005. Unemployment rates ranged from a low of 3.9 percent in Minnesota to a high of 6.8 percent in Michigan.

The population of the Midwest region was estimated at 51.4 million as of July 2006, according to the Census Bureau. From early 2000 to 2006, regional population increased by an average of 219,000, or 0.4 percent, annually. During that time, Minnesota led the region with an average annual population growth rate of 0.8 percent, near the 1-percent increase for the nation as a whole. Ohio ranked last with an annual increase of 0.1 percent.

Single-family construction, as measured by the number of building permits issued, slowed during the fourth quarter of 2006 in the Midwest region. The number of single-family building permits issued in 2006 declined by 25 percent to approximately 166,000 units and decreased by 22 percent from the annual average of 213,000 permits issued since 2000. Michigan recorded a 35-percent decline in single-family building permits because residential construction in the Detroit-Ann Arbor area was down approximately 50 percent to 9,800 new homes in 2006 compared with 19,000 homes in 2005. The slowdown in the local economy during 2006 and reduced sales of new homes throughout the metropolitan area contributed to the cutback in residential construction for the year. Similarly, single-family building permits issued in Illinois in 2006 decreased 20 percent to 38,600 units because of a 22-percent decline in the number of permits issued in the Chicago metropolitan area. In 2006, the number of single-family building permits issued in Ohio and Wisconsin decreased by 22 to 23 percent; the number of permits issued in Indiana and Minnesota declined by 24 and 26 percent, respectively.

Sales of existing homes in the Midwest region also slowed in 2006, reversing a 5-year trend of increased home sales in the region. According to the NATIONAL ASSOCIATION OF REALTORS®, the annual rate of sales of existing homes was 1.1 million in the third quarter of 2006, down 8 percent from the third quarter of 2005. All six states in the region recorded a decline in sales of existing homes. The Michigan Association of REALTORS® reported that sales activity in the fourth quarter of 2006 continued an 18-month decline because of the slow economy. Existing home sales in the state were down 13 percent for the year compared with sales in 2005.

Despite strengthening economies in the other states of the region, sales of existing homes slowed in those states primarily because of higher interest rates. The Illinois Association of REALTORS® reported that sales of existing homes in the state were down 8 percent to 167,800 homes in 2006 from home sales in 2005, but the median sales price increased 1 percent in 2006 to $204,000. According to the Ohio Association of REALTORS®, existing home sales totaled 142,400 homes in 2006, 3 percent below record sales of 145,000 homes in 2005. In the Cleveland, Columbus, and Cincinnati metropolitan areas, the average sales prices of existing homes decreased 1 to 2 percent to $175,000, $178,000, and $179,000, respectively, in 2006. Sales of existing homes in the three metropolitan areas were down 3 to 5 percent. In Wisconsin, existing home sales also slowed in major market areas. According to multiple listing services in Milwaukee and Madison, sales of existing homes in the metropolitan areas fell by 5 and 8 percent, respectively, in 2006 compared with existing home sales in the previous year. The Minneapolis-St. Paul metropolitan area recorded a 16-percent decline in sales of existing homes in 2006 compared with 2005, but the median sales price increased by 1 percent to $230,000. In the Indianapolis area, the average sales price of existing homes increased by 1 percent to $155,000 during the 12 months ending November 2006; existing home sales in the metropolitan area decreased by 1 percent during the same period.

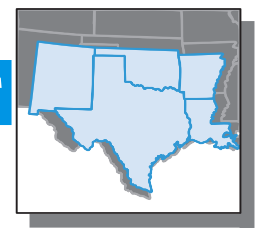
Most major apartment markets in the Midwest region continued to tighten in 2006 because of increased demand for rental housing and the relatively low number of new apartments constructed in the region. In the Minneapolis-St. Paul metropolitan area, the apartment vacancy rate was 4.7 percent in the fourth quarter of 2006, down from 6.1 percent in the fourth quarter of 2005. During this period, the average rent in the Twin Cities area increased 2 percent and concessions were less prevalent than in 2005. Major rental markets in Wisconsin are balanced. In Madison, the apartment vacancy rate eased to 7.5 percent by the fourth quarter of 2006 compared with 8.5 percent a year earlier. The stable economy in the Madison area and steady demand for rental housing in 2006 kept construction of new apartments at around 450 units, unchanged from 2005. In the Milwaukee metropolitan area, the rental market also tightened because of the strengthening local economy and conversions of rental housing to condominiums. Approximately 500 rental units were converted to condominiums in 2006, double the number of conversions in 2005. As vacancy rates decreased in 2006, rents increased more than 1 percent and concessions were less common than they were a year ago. The Indianapolis rental market showed modest improvement in 2006. The apartment vacancy rate in the metropolitan area was more than 9 percent compared with almost 11 percent in 2005. Although property managers in the Indianapolis area continued to offer concessions last year, rent specials were less widespread than in 2005.

Rental market conditions improved in most areas of Illinois in 2006. In the Peoria area, the apartment vacancy rate was approximately 4.5 percent in the fourth quarter of 2006, down from 6.5 percent in the fourth quarter of 2005. The increased demand for apartment units in the Rockford area boosted rents nearly 3 percent in 2006 compared with 2005, when rents were flat or declining. In Chicago, rents increased more than 5 percent in 2006 because of stronger demand for apartment units. The apartment vacancy rate in the metropolitan area was approximately 5 percent in the fourth quarter of 2006 compared with 7 percent in the fourth quarter of 2005. Apartment property managers in the Springfield area reported a vacancy rate around 6 percent in the fourth quarter of 2006, down 1 percentage point from the vacancy rate reported a year earlier.

Apartment vacancy rates in major market areas in Ohio also declined in 2006 and rents increased modestly. In the Cincinnati metropolitan area, the apartment vacancy rate was approximately 8.5 percent in the fourth quarter of 2006, down from 10 percent in the fourth quarter of 2005. The increased demand for apartment units in the metropolitan area boosted rents nearly 3 percent in 2006 compared with flat rents in 2005. In the Cleveland and Cincinnati metropolitan areas, modest rent increases of around 2 percent annually in both areas are attributed to the growing demand for rental housing and the small number of new apartments entering the market in 2006. The apartment vacancy rate in the Cleveland area was below 6 percent compared with 6.5 percent in 2005.

Despite tighter rental markets in most areas of the Midwest region, the volume of multifamily building activity was down in 2006. Building permits were issued for 49,000 multifamily units, 14 percent below the 57,100 units permitted in 2005 and 19 percent below the 61,000 units averaged annually since 2000. Illinois recorded an increase in multifamily building permit activity of 7 percent to 20,200 units because condominium construction in the city of Chicago remained strong. Although sales of new condominiums in downtown Chicago have slowed in the past 6 months, the 4,000 units sold in 2006 were still 25 percent more than the 3,200 condominiums sold annually since 2000. In contrast, multifamily building permit activity in Indiana and Ohio was down 30 percent in both states; in Michigan and Wisconsin, permit activity decreased by more than 22 percent. The number of multifamily building permits issued in Minnesota declined by 14 percent to 5,400 units in 2006.

SOUTHWEST



Nonfarm employment in the Southwest region averaged 15.3 million jobs during 2006, an increase of 213,000 jobs, or 1.4 percent, from the previous year. Job growth exceeded 2 percent in Texas, Oklahoma, and New Mexico; equaled 1.2 percent in Arkansas; and declined by 5 percent in Louisiana. Texas led the region in total number of jobs gained with 241,000. The 2.5-percent increase brought the number of jobs in the state to a historical high of 10.1 million. The largest increases in Texas were in four employment sectors: 60,000 in professional and business services, 36,000 in construction, and 32,000 each in trade and education and health services. In Oklahoma, nonfarm employment increased by 29,300 jobs, or 2.5 percent, during 2006 due to growth in the government, construction, and natural resources and mining sectors. Nonfarm employment increased by 22,000 jobs, or 2.7 percent, in New Mexico and by 14,000 jobs, or 1.2 percent, in Arkansas. The impact of hurricanes in the 2005 season on job losses in Louisiana has begun to subside. For 2006, the state recorded 1.8 million jobs, a decrease of about 94,000 jobs from the number for 2005, but year-over-year monthly job losses continued to decline during the year.

Because of strong employment growth in 2006, unemployment rates declined significantly in the Southwest region compared with 2005 rates. The unemployment rate fell 1 percentage point to 4.3 percent in New Mexico, 0.5 percentage point to 3.9 percent in Oklahoma, and from 5.3 percent to 4.9 percent in Texas. The rate in Arkansas was relatively stable at 5.1 percent.

The population of the Southwest region as of July 2006 was 36,140,000, according to the Census Bureau. This figure represents an increase of approximately 460,000 since July 2005. An influx of evacuees from the states impacted by the 2005 hurricanes contributed to strong growth in Texas, where the population increased by 579,000, or 2.5 percent, while Louisiana registered a decline of 219,500, or 4.9 percent, to 4,287,800. The population in other states in the region grew modestly, primarily as a result of net in-migration. Arkansas and New Mexico recorded population increases of 35,000, or 1.3 percent, and 29,000, or 1.5 percent, respectively. In Oklahoma, the population increased by 35,800, or 1 percent.

Despite strong employment growth, the record level of homebuilding in the Southwest region in recent years has contributed to softer market conditions for newly constructed homes. In response, many builders in the region have reduced production significantly to reduce their inventories of unsold homes. Residential building activity, as measured by building permits, increased only 1 percent in 2006. The total number of units permitted in the region during the year was 278,000, an increase of 1,800 units from the number permitted during 2005. Building permits issued for multifamily units increased by 9,100, which offset a decline of 7,300, or 3 percent, in the number of building permits issued for single-family homes. The only state in the region that recorded an increase was Louisiana, where single-family building permits were up 1,600, or 8 percent, primarily due to hurricane-related homebuilding. Although the remaining states in the region recorded declines in building permit activity in 2006, levels remain at or above the number of units permitted in 2004. In Texas, the number of permits issued for single-family homes—160,000—in 2006 was down more than 2 percent from the record set in 2005. In both Arkansas and Oklahoma, the number of single-family units permitted was down more than 10 percent from the record levels set in 2005. In New Mexico, the number of building permits issued for single-family homes—11,400—was 14 percent lower than in 2005.

Only two major metropolitan areas in the region recorded an increase in the number of single-family homes permitted in 2006: Houston and Austin. In Houston, the number increased by almost 5 percent to 53,000 homes and, in Austin, the number increased by 500 to more than 17,000 units. The Dallas-Fort Worth area recorded the largest decrease in single-family homes permitted, down 11 percent to 44,000 units. In Albuquerque and Oklahoma City, building permit levels for single-family homes were down 25 percent and 15 percent, respectively, compared with 2005 levels.

Sales of existing homes continued at record levels in Texas and Oklahoma but declined in the remaining states in the Southwest region. According to the Real Estate Center at Texas A&M University, more than 286,000 existing homes were sold in Texas during the 12-month period ending November 2006, an 8-percent increase compared with 2005. Existing home sales increased 11 percent to more than 80,000 units in the Houston area, 4 percent to 73,000 homes in the Dallas-Fort Worth area, 11 percent to 30,000 units in Austin, and 7 percent to 25,500 homes in San Antonio. According to the Oklahoma Association of REALTORS®, approximately 54,000 existing homes were sold in the state during the 12 months ending November 2006, an increase of 4 percent. Sales of existing homes were up nearly 10 percent in Tulsa but remained level in 2006 in Oklahoma City. In Arkansas, sales of existing homes declined 7 percent to approximately 30,600 units, according to the Arkansas REALTORS® Association. The NATIONAL ASSOCIATION OF REALTORS® reported that third quarter 2006 annualized sales of existing homes were up nearly 5 percent in Louisiana but down 7 percent in New Mexico compared with third quarter 2005 annualized sales.

During the 12 months ending November 2006, average sales prices for existing homes in several metropolitan areas of the Southwest region recorded double-digit increases. In Albuquerque, the average sales price increased 12 percent to $227,700; in Oklahoma City, the average sales price increased 13 percent to $154,000; and, in El Paso, the average sales price increased 20 percent to $150,300. Austin, which has the highest average sales price in Texas, recorded a 10-percent increase to $229,800. Smaller increases of 5 percent were recorded in Houston, Tulsa, and Fayetteville, and 4-percent increases occurred in Dallas-Fort Worth and Little Rock.

Multifamily homebuilding activity, as measured by building permits, increased 17 percent to 61,800 units in the Southwest region but varied greatly among the states. Higher levels of permit activity recorded in Texas due to population and employment growth and in Louisiana due to hurricane-related construction more than offset declines in Oklahoma and Arkansas. Compared with 2005, the number of units permitted in 2006 increased in Texas by 24 percent to 52,700, in Louisiana by more than 50 percent to 2,700, and in New Mexico by 24 percent to 1,150. In Oklahoma, permit activity in 2006 declined 36 percent to 1,900 units in response to soft rental market conditions in Oklahoma City and Tulsa. In Arkansas, soft market conditions in Little Rock and Fayetteville and slower employment growth overall in the state resulted in

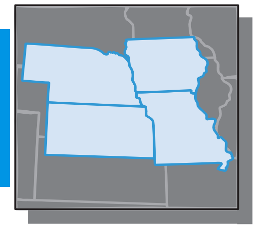
3,000 fewer multifamily units in 2006, a 40-percent decline compared with 2005.

The largest increases in multifamily permit activity in metropolitan areas of the region occurred in Houston, Austin, Dallas-Fort Worth, and Baton Rouge, where activity levels rose by 5,400, 3,350, 2,000, and 1,100 units, respectively, in 2006. Nearly all the increase in units permitted in Austin was in condominiums. The number of multifamily units permitted in 2006 dropped in San Antonio by 1,900 units to 5,800, in Little Rock by 1,000 units, and in McAllen by 800 units. The reduced multifamily construction activity in McAllen and San Antonio is expected to improve rental market conditions in those areas during 2007. The high building permit levels in Dallas-Fort Worth and Houston are likely to prolong the current soft market conditions in those markets during the coming year.

Rental market conditions remained soft but improved in many major metropolitan areas in the Southwest region during 2006. Vacancy rates were mostly down, while average rents were up. Rents in some areas increased for the first time in 5 years. A sharp decrease in vacancy rates in major markets in Texas following the devastation brought by Hurricanes Katrina and Rita resulted in higher rent levels in the state. According to ALN Systems, Inc., the apartment vacancy rate in Austin averaged 7 percent during 2006, down 1 percent compared with 2005, and monthly rents averaged $758, up 6 percent. In Houston, the vacancy rate averaged 9.2 percent in 2006, down 1 percentage point from a year earlier, and average rents were up 4 percent. In Dallas and Fort Worth, the vacancy rate averaged 9.6 percent and 10.7 percent, respectively, and average rents were up almost 3 percent in each area. The vacancy rate in San Antonio was 9.1 percent in 2006, down almost 1 percentage point from 2005, and the average rent increased 2.7 percent.

According to surveys by Reis, Inc., the average apartment vacancy rate in Albuquerque was 5.7 percent in 2006, down from 6.4 percent in 2005, and average rents rose 4 percent to $652. In Little Rock, the rental vacancy rate increased to 8.3 percent in 2006 from 6.5 percent in 2005, and the average rent increased 2 percent to $601. The vacancy rate in Oklahoma City increased from 8.4 percent to 8.9 percent and rents increased almost 3 percent to $510. In Tulsa, the vacancy rate increased from 9.7 to 10.1 percent and average monthly rents increased to $533. The vacancy rate in New Orleans was 2.7 percent at the end of 2006 and the average rent was $827. A recent survey by Cook, Moore & Associates reports an apartment vacancy rate of 2 percent in Baton Rouge and an average rent of approximately $716 for a two-bedroom unit.

GREAT PLAINS



The economy of the Great Plains region continued its 3-year expansion through the fourth quarter of 2006. Nonfarm employment increased in 2006 by 1.2 percent to 6,557,100 jobs just as it increased in 2005 and 2004 by 1.3 percent and 1 percent, respectively. Missouri and Iowa led the region in nonfarm employment growth with increases of 27,800 and 26,700 jobs, respectively. Nebraska followed with 15,900 jobs and Kansas added 6,300 jobs. In 2006, job gains in the region primarily occurred in the professional and business services, education and health services, and government sectors. Information was the only sector in which employment declined; the sector lost 4,700 jobs in 2006. Job gains through the year resulted in an average regional unemployment rate of 4.3 percent in 2006 compared with 4.9 percent in 2005. Nebraska reported the lowest unemployment rate, at 3.2 percent, and Missouri had the highest rate, at 4.8 percent.

Despite the growing economy, population gains in the Great Plains region have been small. As of July 1, 2006, the Census Bureau estimated the population of the region at 13,357,200, up 87,600 or 0.7 percent from the previous year. Almost 70 percent of the increase was due to net natural increase (resident births minus resident deaths) and the balance was due to net in-migration. The population of Missouri grew by approximately 45,000, or less than 1 percent, from the previous year. Approximately half of the increase in Missouri was from net in-migration. The population grew by 16,500 in Iowa, 15,900 in Kansas, and 10,200 in Nebraska.

The home sales market has eased from the record levels of sales recorded in recent years and conditions are now balanced to soft in most metropolitan areas of the region. According to local REALTORS® associations, slower home sales, rising inventories of unsold homes, and modest sales price increases were the norm in 2006. In Kansas City, the number of homes sold decreased by almost 6 percent from the number sold in 2005, the unsold inventory increased by 10 percent to 18,030 homes, and the average sales price increased by 1 percent to $188,480. In Omaha, sales declined by 2 percent, the unsold inventory increased significantly by 17 percent to 5,250 homes, and the average sales price increased by 1 percent to $178,600. In Lincoln, sales were down

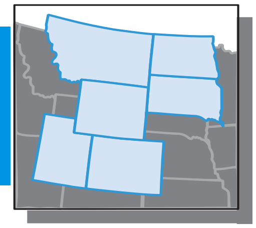
10 percent, the unsold inventory was up 2 percent to 2,050 homes, and the average sales price was up 2 percent to $160,070. In Des Moines, sales declined slightly to 11,040 units, the unsold inventory increased 12 percent to 6,400 units, and the average sales price increased 3 percent to $169,600.

In early 2006, home builders in the region reduced production in response to slower sales and increasing inventories of unsold homes. In 2006, single-family building activity, as measured by building permits, declined 24 percent to 38,900 units compared with 2005. All four states in the region recorded appreciable decreases. The number of building permits issued in Missouri and Nebraska declined by 26 percent to 16,300 and 5,600 units, respectively. Single-family building permits issued in Iowa and Kansas declined approximately 20 percent to 8,500 homes in each state. An estimated 10,000 homes are under construction throughout the region, with nearly 40 percent in Missouri.

Higher purchase prices of homes in many metropolitan areas of the Great Plains region coupled with rising interest rates have kept many renters from buying homes. These factors have prompted an increase in more affordable multifamily housing construction, primarily apartment developments. In 2006, nearly 16,100 multifamily units were permitted in the region, up 20 percent from a year ago. Missouri, which permitted 8,900 units, and Kansas, which permitted 2,900 units, accounted for more than 70 percent of the total.

Rental markets in the region's larger metropolitan areas have remained somewhat soft but are improving. According to Reis, Inc., annual average apartment rental vacancy rates for 2006 remained relatively stable in Kansas City, Omaha, St. Louis, and Wichita compared with 2005. The 2006 annual average vacancy rate was 7.7 percent in Kansas City, 6.4 percent in Omaha, 8.0 percent in St. Louis, and 9.4 percent in Wichita. According to Reis, Inc., the average monthly apartment rent increased slightly in each of the metropolitan areas, up nearly 2 percent from a year ago in St. Louis and Wichita to $696 and $470, respectively. In Kansas City and Omaha, the average rent increased a little more than 1 percent to $659 and $644, respectively.

Rocky Mountain



The economy of the Rocky Mountain region maintained strong growth through the fourth quarter of 2006. Nonfarm employment in 2006 increased by 138,600 jobs, or 2.9 percent, from 2005. The most significant employment growth occurred in Utah and Colorado, which added 52,500 and 46,500 jobs, respectively. In Utah, employment growth across all industries contributed to a 4.6-percent increase in 2006; the state's growth rate ranked among the top four of all states in the nation. In Colorado, job gains in the construction and professional and business services sectors contributed to a 2.1-percent growth rate. In Wyoming and Montana, employment increased by 4.2 percent and 3.0 percent, respectively; gains have been stimulated by growth in the construction sector and the natural resources and mining sector. In North Dakota and South Dakota, moderate employment growth contributed to the improving job situation in the region. Because of strong employment growth in 2006, the average unemployment rate in the region declined from 4.5 percent in 2005 to 3.8 percent. Unemployment rates ranged from 3.2 percent in South Dakota to 4.5 percent in Colorado.

The population of the Rocky Mountain region also grew significantly in 2006. According the Census Bureau, as of July 2006, the population was estimated at 10,180,000, a 1.7-percent increase since July 2005. The 2.4-percent growth rate in Utah led the region and ranked the state as the sixth fastest growing in the nation; the 1.9-percent growth rate in Colorado positioned the state in eighth place. Montana, South Dakota, and Wyoming each posted population gains of approximately 1 percent, and North Dakota recorded a gain of 0.2 percent. Net in-migration accounted for 55 percent of the regional population increase of 174,000. As a result of strong employment growth and larger population bases in Colorado and Utah, the two states accounted for 80 percent of the total gain in net in-migration during the past year.

Higher mortgage rates and a large supply of homes on the market have caused single-family home construction to decline in the Rocky Mountain region. Construction activity, as measured by building permits, decreased

17 percent to 58,800 homes in 2006 from the record set a year ago. The number of single-family building permits issued declined in all states in the region but most significantly in Colorado, where the inventory of existing homes for sale was considerably larger than that of other states in the region. Facing increased competition from the sales market for existing homes, most local home builders in Colorado have curtailed production as sales of new homes have slowed. The number of single-family building permits issued in the state declined 26 percent to 9,580 and accounted for 80 percent of the decline in single-family building permits issued in the region. Montana and Wyoming recorded the smallest decreases in the number of permits issued, at 2 percent each.

Demand for sales housing has eased from the record levels of recent years across most of the Rocky Mountain region. For the third quarter of 2006, the NATIONAL ASSOCIATION OF REALTORS® reported that sales of 247,200 existing single-family homes represented a decline of 6 percent from the same period in 2005. All states in the region reported decreases in the volume of sales except for Montana and South Dakota. Median sales prices for existing homes in a sampling of smaller metropolitan markets in the region were $140,400 in Bismarck, $137,300 in Fargo-Moorhead, and $140,000 in Sioux Falls. The median sales prices in these areas are well below the U.S. median of $224,900.

Despite the slowdown in sales, the annual rate of home price appreciation increased in the Rocky Mountain region, according to the Office of Federal Housing Enterprise Oversight (OFHEO). The OFHEO third quarter 2006 index indicated that Utah had the highest price appreciation rate in the region, at 17 percent, and the second highest in the nation. In Wyoming and Montana, price appreciation increased 14 percent and 13 percent, respectively, ranking the states seventh and twelfth in the nation, respectively. The recent high rates of appreciation in Wyoming and Montana were due to strong overall employment growth, an increase in higher paying jobs, and relatively low appreciation rates earlier in the decade.

The slowdown in the home sales market was most common in Colorado but affected individual market areas to varying degrees. Record-level inventories and modest price increases in 2006 were prevalent in the metropolitan areas of Denver, Boulder, and Colorado Springs, according to local sources. In Denver, the median home sales price rose by only 1 percent to $249,900 as a record level of home listings restrained prices; sales activity was off by 5 percent and the average number of homes listed for sale increased by 20 percent in 2006 compared with the previous year. In Boulder, the number of sales declined by 7 percent but the median sales price for an existing home increased 4 percent to $362,300 in 2006. Boulder ranks as the most expensive metropolitan area for housing in Colorado and in the region. In Colorado Springs, the median sales price for an existing home increased 5 percent to $243,400. Increases in home prices in these three market areas are expected to remain modest during the next 12 months until inventories are reduced to balanced levels.

Buyers of second homes and retirees moving to the resort areas of Colorado continue to affect local housing markets. The Colorado Association of REALTORS® reported that sales activity and price appreciation were the strongest in Aspen, Telluride, Summit County, and Durango. Sales activity for existing homes in these areas increased by an average of 8 percent and the median sales price was up by 20 percent. The highest median sales price recorded was $4.2 million in Aspen, followed by $1.9 million in Telluride, $444,200 in Summit County, and $357,900 in Durango. An influx of oil and gas workers in western Colorado has affected other home sales markets. In the Grand Junction area, the number of sales decreased by 6 percent but the median sales price for an existing home increased by 14 percent to $190,000.

Strong employment growth in Utah has supported sales markets for existing homes in the state's metropolitan and resort areas. Although the volume of home sales varied by market area in 2006 compared with the previous year, average sales prices have increased significantly. According to the Utah Association of REALTORS®, the average sales price in Salt Lake City increased by 21 percent to $268,900 in 2006 and the number of sales decreased by 2 percent. During the year, the average sales price in Provo-Orem increased by 20 percent to $261,600 and sales activity increased by 11 percent. Stimulated by the market for second homes, the resort areas of Park City and St. George recorded average sales price gains of more than 20 percent to $952,400 and $339,800, respectively. The number of sales declined slightly in each of these resort area markets.

Renter household growth and reduced construction levels in Utah and Colorado have led to improved rental market conditions in major metropolitan areas in the two states. According to Reis, Inc., the fourth quarter 2006 apartment vacancy rate in the Salt Lake City area remained at 5.7 percent but the average rent increased 5 percent from the fourth quarter of 2005, the highest annual rent increase recorded since 2000. According to a rental vacancy survey conducted by

Doug Carter, LLC, the apartment vacancy rate for the fourth quarter of 2006 in Colorado Springs was 10.2 percent, down from 10.8 percent a year ago. The rental market in Colorado Springs has remained soft for the past 4 years due to ongoing troop deployments from Fort Carson Army Base. According to the Apartment Association of Metro Denver's fourth quarter 2006 survey, the apartment vacancy rate in the Denver area fell to a 5-year low of 7 percent. This rate is well below the 2005 vacancy rate of 8.2 percent and the 2004 vacancy rate of 10 percent.

A third quarter 2006 apartment survey by the Colorado Division of Housing reports improved rental market conditions in smaller market areas throughout the state. Apartment vacancy rates decreased and average rents increased in 17 of the 21 markets surveyed compared with the third quarter of 2005. Resort areas, where tourism and the demand for worker housing have increased significantly, had the lowest apartment vacancy rates. Also contributing to the tight market conditions is the limited amount of land available for development. Rental vacancy rates in Aspen, Vail, Durango, and Glenwood Springs remained below 3 percent during the past year.

Multifamily building permits totaled 14,400 units in the Rocky Mountain region in 2006, up 8 percent from 2005. The increase was mostly attributed to activity in Colorado, where the number of multifamily units permitted rose by more than 40 percent. The significant increase in multifamily building activity in the state was due to an increase in condominium construction, especially in the Denver-Boulder metropolitan area. In South Dakota, the number of multifamily units permitted increased by 30 percent primarily because of affordable apartment construction in Rapid City and Sioux Falls. In Montana, North Dakota, Utah, and Wyoming, the number of multifamily units permitted declined in 2006 but not enough to offset the gains in building permit activity in Colorado and South Dakota.

Pacific

The economy of the Pacific region continued to expand throughout 2006, but at a slower pace than during the previous year. Nonfarm employment in the region rose by 421,000 jobs, or 2.2 percent, compared with 471,000 jobs added in 2005. Employment in the professional and business services and leisure and hospitality sectors increased by 3.7 and 3.1 percent, respectively, during the year. Together, the two sectors accounted for 40 percent of the jobs added in the region. The education and health services, wholesale trade, and financial activities sectors each expanded by more than 2 percent. In the goods-producing sector, construction employment rose 5 percent during the year, partly offset by a decline of less than 1 percent in manufacturing jobs.

Nonfarm employment in California increased by 217,200 jobs, or 1.5 percent, in 2006, approximately the same growth rate as the nation but below the 1.8 percent rate in state job growth in 2005. The leisure and hospitality and professional and business services sectors each expanded by more than 2 percent during the year, and the education and health services and financial activities sectors both increased by 1.8 percent. The construction sector accounted for 20,000 new jobs, a 2.2-percent gain, although more than 50,000 jobs were added in the sector in 2005 when the residential construction market was much stronger. Employment in the San Francisco Bay Area and the Central Valley grew faster than in the state as a whole, by 1.6 and 2 percent, respectively. In Arizona, employment increased by 123,000 jobs, a gain of nearly 5 percent. Job counts in all sectors except information services rose significantly, led by the professional and business services, leisure and hospitality, and retail trade sectors, which each increased by 6 percent or more. Nevada registered employment growth of 64,400 jobs, or 5.3 percent, in 2006, buoyed by strong gambling and tourism industries and the impact of having 15,000 rooms under construction in casino-hotels. Supported by near-record levels of domestic and international visitors, employers in Hawaii added 16,300 new jobs, up 2.7-percent, in a broad-based expansion across all major employment sectors.

Unemployment in the region declined from an average rate of 5.1 percent in 2005 to 4.6 percent in 2006. Rates ranged from just 2.6 percent in Hawaii, still lowest in the nation, to 4.8 percent in California. All states in the region registered lower unemployment rates compared with 2005, except Nevada, where the 4.1-percent unemployment rate was little changed from the previous year and remained below the national average.

The population of the Pacific region was estimated at 46.4 million as of July 2006, according to the Census Bureau, a 1.3-percent increase compared with a year earlier. Arizona and Nevada were the fastest growing states in the country, with population growth rates of 3.6 and 3.5 percent, respectively, due to strong net in-migration. California accounted for nearly half of the 612,000 regional population increase. The populations of California and Hawaii increased 0.8 and 1.0 percent, respectively, in the past year, primarily because of net natural increase and net international migration.

Home sales in the Pacific region in 2006 fell substantially from the very high levels reached in 2005, although signs of stabilization were apparent in some markets in the fourth quarter. In California, sales of existing single-family homes declined 23 percent to 477,400 units from the near-record level set in 2005, according to the California Association of REALTORS®. The greatest decline occurred in the first half of the year; since then, sales volume in the state has stabilized. In California, the median sales price for existing homes rose 6 percent in 2006 to $560,000, compared with a 17-percent gain in 2005. The average time required to sell an existing home increased continually through the year, reaching 67 days by the fourth quarter of 2006 due to elevated levels of unsold inventory. Total sales of both new and existing homes fell 19 percent in Southern California and 23 percent in the San Francisco Bay Area.

According to the Phoenix Housing Market Letter, sales of existing homes in the Phoenix area declined 33 percent in 2006 from the record sales volume of the previous year. The median sales price remained in the $250,000 range during the past year after increasing by more than 40 percent in 2005. The average level of unsold inventory in 2006 was approximately 45,500 existing homes, more than triple the average of 13,000 units in 2005. In 2006, the unsold inventory primarily consisted of homes priced above the median sales price for the area. The slower resale market, which affected move-up buyers, and a decline in investor demand contributed to an 11-percent decrease in new home sales in Phoenix. In Las Vegas, sales of new and existing homes fell 7 and 28 percent, respectively, in 2006, compared with near-record sales in 2005, according to the Las Vegas Housing Market Letter. The median sales price for existing homes rose about 5 percent in 2006, well below the 18-percent increase in the previous year. Sales of existing homes in Honolulu fell 17 percent to 10,400 units in 2006, the Honolulu Board of REALTORS® reported. Median sales prices of single-family homes and condominiums rose 7 and 15 percent, respectively, in 2006.

In reaction to generally reduced sales volume and higher levels of unsold inventory in 2006, homebuilding activity in the region, as measured by the number of building permits issued, declined 30 percent from the previous record-level year to 189,300 units. The reduction in homebuilding activity was widespread across the region; the number of units authorized in California, Arizona, and Nevada declined by approximately 30 percent in each state. In California, building permits were issued for 102,250 single-family units in 2006. The fast-growing Riverside-San Bernardino metropolitan area accounted for one-third of the permits issued in the state. In Arizona and Nevada, building permits were issued for nearly 55,000 and 26,600 units, respectively. In Las Vegas and Phoenix, building permits for new homes fell by 27 and 33 percent, respectively, in 2006 from extremely high levels of permits issued in 2005. In Hawaii, single-family homebuilding activity declined 19 percent during the year from the record level of activity during 2005 but remained slightly higher, by 3 percent, than the average number of permits issued in the previous 5 years.

Rental markets in the Pacific region remained typically tight or balanced through the end of 2006. Rents rose steadily in most areas despite slight increases in vacancies. Employment growth, population growth, and high home sales prices in most areas supported continued rental demand. In both the San Francisco and San Jose areas, apartment vacancy rates remained at about 4.5 percent in the fourth quarter of 2006. Average rents in the two areas rose 7 and 8 percent, respectively, from a year earlier; these rent increase rates are the highest recorded in the areas since the late 1990s, and the areas' rents are among the fastest rising in the country. The Sacramento rental market remained balanced with a 5.5-percent vacancy rate, up slightly from a year ago, and the average rent increased 2 percent during 2006. In Fresno, a 5-percent rental vacancy rate supported an average rent increase of nearly 4 percent in the past year.

Rental market conditions remained tight throughout most of Southern California. In Los Angeles and Orange Counties, rental vacancy rates increased slightly but remained around the 4-percent level. Southern Santa Barbara County continued to have the lowest rental vacancy rate in the region of less than 4 percent, primarily because fewer than 200 apartment units were completed in the county in 2006. Rental vacancy rates increased to 4.5 percent in both San Diego and Ventura Counties due to increased apartment completions during 2006. Rental market conditions in Riverside and San Bernardino Counties remained balanced with vacancy rates increasing to 7.5 and 6.5 percent, respectively, during 2006 as the two counties continued to absorb more than 6,000 units completed during the year.

Rents increased throughout Southern California during 2006, but the increases were moderated in the fourth quarter by the slightly higher vacancy rates. According to the Consumer Price Index covering most of Southern California, rents increased 5.8 percent during 2006.

The Phoenix rental market continued to be balanced through the fourth quarter of 2006. The apartment vacancy rate rose slightly from 5.0 percent in the fourth quarter of 2005 to 5.3 percent a year later, according to the Arizona Real Estate Center. The increase is attributed in part to a larger number of apartment completions in 2006, competition from investor-owned home and condominium rentals, and the virtual end of new condominium conversions by the fourth quarter of 2006. Rental conditions in Las Vegas became more balanced in 2006 due to increased apartment completions and increased rentals of condominiums and homes. The rental vacancy rate for large apartment properties averaged 5 percent in 2006, up from 4.6 percent in 2005, according to CB Richard Ellis. Average rents rose more than 4 percent in 2006 compared with a nearly 8-percent gain in 2005. The Honolulu rental market remained tight, with an average 2006 overall vacancy rate of just 4 percent.

Multifamily housing production remained high in the Pacific region overall in 2006 but varied among the states relative to building activity in 2005. Building permits were issued for 73,500 multifamily units, down only 1 percent from the volume in 2005 and 9 percent higher than the 5-year permit average. In California, multifamily building activity rose 3 percent in 2006 to 51,800 units permitted, accounting for 70 percent of the regional total. Los Angeles continued to be the second largest multifamily housing market in the country, issuing building permits for approximately 20,000 multifamily units in 2006. In Nevada, the 9,850 multifamily units permitted in 2006 were within 1 percent of the 2005 level, reflecting increased apartment construction activity that nearly offset decreased condominium building activity. The number of multifamily units permitted in Arizona declined 15 percent to 9,860, largely due to reduced condominium production in Phoenix. Nearly 2,000 multifamily units were permitted in Hawaii; the 20-percent reduction from the strong volume in 2005 reflected builders' response to the slowing of the condominium market.

Northwest

Nonfarm employment in the Northwest region averaged 5.5 million jobs during 2006, a 3.2-percent increase compared with 2005. As has been typical for the past four 12-month periods, Washington accounted for half of the new jobs in the region. A total of 86,000 jobs were added in the state for an annual nonfarm employment growth rate of 3.1 percent. Hiring in the construction, manufacturing, and professional and business services sectors contributed largely to the job gains in Washington. Strength in the manufacturing sector stemmed from hiring at The Boeing Company, which added 5,900 employees in Washington during the past year. In Oregon and Idaho, job increases in the construction and retail trade sectors supported growth rates of 3.2 and 4.6 percent, respectively. Alaska was the only state in the region where the annual rate of employment growth slowed in 2006, measuring 1.6 percent compared with 1.9 percent in 2005, mainly because of losses in the construction sector. Hiring in the oil and gas industry continued to support job growth in Alaska, as did the health services and retail trade sectors. The regional job gains caused the average unemployment rate to decline from 5.6 percent during 2005 to 5 percent during the past year.

Housing sales markets throughout the Northwest region were strong during 2006, but the rapid increase in sales that occurred during the previous 3 years essentially ended. In the Puget Sound region, which includes the Seattle, Bremerton, Olympia, and Tacoma areas, sales of new and existing homes totaled 72,000 units during 2006, down 8 percent from the record 83,600 units sold during 2005, according to Northwest Multiple Listing Service data. In the Seattle and Tacoma areas, sales of new and existing homes declined from record levels, down 10 percent to 48,800 units and down 7 percent to 17,700 units, respectively. In the Bremerton area, sales were 13 percent below the record total sold in 2005. In the Olympia area, sales increased 13 percent, reaching a record of 6,100 homes sold during 2006, compared with 5,400 homes sold in 2005. The strength of home sales in the Olympia area was mainly because the area had the lowest average sales price in the Puget Sound region of $259,100, a 10-percent increase compared with 2005 and 9 to 30 percent below the other average sales prices in the region. Average sales prices increased 11 percent or more in the Seattle, Bremerton, and Tacoma areas to $424,000, $288,700, and $282,700, respectively.

The number of sales of new and existing homes declined in Oregon during 2006, down 15 percent in major markets to 68,600 units compared with 81,000 in 2005, based on data from the RMLS™. In the Portland-Vancouver metropolitan area, 40,600 sales were recorded, 15 percent below the record level sold in 2005. In the central Oregon area, sales declined 22 percent to 8,200 units, and sales fell 9 percent in the Willamette Valley to 10,600 units; both sales levels are down from record levels recorded in 2005. Despite the slower pace of sales, the average sales price increased 15 percent to $296,700 in major Oregon markets. In the Portland-Vancouver area, the average sales price increased 14 percent to $316,600 and in the remaining major markets in Oregon it increased 16 percent to $267,900.

Markets in Idaho and Alaska also recorded declines in sales of new and existing homes in 2006 compared with the record levels in 2005. Based on Intermountain Multiple Listing Service data, home sales in the Boise-Nampa metropolitan area totaled 15,500 units, down 14 percent, while sales remained stable in central and southwest Idaho at 3,700 units. In Anchorage, home sales declined 5 percent to 3,050 units, according to data from the Alaska Multiple Listing Service, Inc. As in the rest of the Northwest region, the average sales price increased in both Boise and Anchorage during 2006 compared with 2005, up 9 percent to $213,800 and up 8 percent to $314,700, respectively.

The pace of single-family homebuilding activity, as measured by building permits, moderated in 2006 in response to the slower home sales. Single-family building permits issued in the Northwest region totaled 63,300 units in 2006, down 27 percent from the record level of 86,800 units issued in 2005. The volume in 2006, however, was just 3 percent below the annual average number of single-family building permits issued from 2002 through 2004. During 2006, single-family building permits totaled 30,400 units in Washington, 17,900 in Oregon, and 13,400 in Idaho; each of these figures was down by 25 percent or more compared with the total number of single-family building permits issued in each state in 2005. In Alaska, single-family building permits declined 8 percent to 1,600 in 2006.

Multifamily building permits were issued in the Northwest region for 23,600 units in 2006, a 5-percent increase compared with 2005. Washington accounted for all of the regional gain, up by 23 percent or 2,600 units, to 14,200 units. Multifamily building permit activity declined 8 percent in Alaska, 19 percent in Idaho, and 12 percent in Oregon. Multifamily permit activity in Oregon totaled 6,300 units but was still 2 percent above the average annual number of units permitted from 2002 through 2004. During 2006, 1,100 multifamily units were permitted in Alaska and 1,950 units were permitted in Idaho.

Rental market conditions tightened throughout the Northwest region during 2006 because of demand created by strong job growth. In the Seattle metropolitan area, the apartment rental vacancy rate was approximately 4 percent as of the fourth quarter of 2006, down 1 percentage point from the fourth quarter of 2005, based on data from Dupre+Scott Apartment Advisors, Inc. The average rent increased 7 percent over the same period to approximately $900. Rental market conditions were tight in the remainder of the Puget Sound region with an estimated average apartment rental vacancy rate of 5 percent in the Bremerton, Olympia, and Tacoma areas.

Rental market conditions in the Portland area were balanced, with a 5-percent apartment rental vacancy rate, down from 6.5 percent in the fourth quarter of 2005. Rents increased 4 percent during 2006 and fewer properties offered concessions. Market conditions were tight in the Eugene-Springfield metropolitan area with an estimated 3-percent apartment rental vacancy rate, unchanged from a year ago. In the Boise metropolitan area, the estimated apartment rental vacancy rate declined from 7 percent in the fourth quarter of 2005 to a more balanced rate of 6 percent in the fourth quarter of 2006. In Idaho, markets in the central and eastern regions of the state, as well as the Lewiston area, all were balanced with vacancy rates in the 5-percent range. During the past year, conditions remained tight in North Idaho while the Moscow area continued to have soft market conditions due to relatively high levels of new apartment construction that occurred in 2005. Concessions of up to 2 months' free rent with a 12-month lease were common in the Moscow area. In Anchorage, the rental vacancy rate averaged 7 percent during 2006 and market conditions were still relatively soft, unchanged from the previous year, while the borough of Juneau had balanced market conditions and the rental vacancy rate averaged 5 percent, down from 6.2 percent in 2005.

Housing Market Profiles

Atlanta-Sandy Springs-Marietta, Georgia

The Atlanta-Sandy Springs-Marietta metropolitan area encompasses 28 counties and covers 8,480 square miles in northwest Georgia. The lack of natural geographic boundaries and strong population growth since 1990 have fostered continued expansion in all directions from the core of the area. As of January 1, 2007, the population of the metropolitan area is estimated at 5,145,000, an increase of 3.1 percent annually since the 2000 Census. Approximately two-thirds of the metropolitan area population resides in the five core counties of Clayton, Cobb, DeKalb, Fulton, and Gwinnett.

Because of its strategic location and extensive transportation network, the Atlanta metropolitan area is a major transportation and distribution center. Almost 12 percent of nonfarm workers in the metropolitan area are employed in wholesale trade and transportation services compared with less than 8 percent nationally. The relatively low cost of doing business in the area and the large and growing pool of labor continue to attract a variety of businesses. According to the Metro Atlanta Chamber of Commerce, the city of Atlanta is the headquarters for 15 Fortune 500 companies such as Home Depot U.S.A., United Parcel Service of America, The Coca-Cola Company, and Delta Air Lines. The area is also a major regional medical and education center and a growing tourism destination. In 2005, the opening of the Georgia Aquarium, the world's largest aquarium, enhanced the tourism industry.

The Atlanta metropolitan area continued its 3-year economic expansion during 2006. Nonfarm employment increased by 2.5 percent in 2006 compared with 2005 to 2,395,000 jobs. Sectors leading the growth include professional and business services, education and health services, and trade. Construction employment, stimulated by several large residential and commercial projects, continued its rapid annual growth rate of 4 percent. After 5 years of decline, manufacturing employment stabilized at 177,600 jobs. The average unemployment rate for the 12 months ending November 2006 was 4.6 percent, down from 5.2 percent recorded a year ago. During this period, the metropolitan area labor force increased by more than 81,100, a 3.2 percent gain.

Employment growth is expected to continue in the metropolitan area despite plant closings and restructuring by some major employers. Near the end of 2006, Ford Motor Company ceased operations at its automobile assembly plant in Hapeville, idling 2,100 workers. By 2008, General Motors Corporation will close its 3,100-worker assembly plant in Doraville. Countering these losses, Delta Air Lines plans to hire 1,000 workers in 2007 after several years of downsizing. Over the next 5 years, AirTran Airways is expected to hire 2,500 new workers. During 2007, Comcast, which offers services such as cable television, plans to add 600 workers to its current workforce of 2,100.

For 10 of the past 11 years, the Atlanta metropolitan area has led the nation in single-family building activity. As in other areas of the country, however, builders have slowed production levels in recent months. During 2006, building permits were issued for 53,950 new single-family homes, a decrease of 12 percent from 2005. Approximately 27,950 homes, or 52 percent of the total permitted for the metropolitan area, were permitted in the 23 suburban counties beyond the five core counties.

The Atlanta metropolitan area home sales market is currently soft. Reflecting higher mortgage interest rates, sales of existing single-family homes in the metropolitan area slowed during 2006 compared with the previous year. Georgia Multiple Listing Service data indicate that 74,500 single-family homes were sold during 2006, a decrease of nearly 6 percent from the record volume sold during 2005. Despite the decrease in sales volume, the median sales price continued to increase, up by almost 3 percent to $175,500. In 2006, the median sales price for condominiums and townhomes increased by 3 percent to $142,000, following a 2-percent increase in 2005.

The availability of plentiful land in the continually expanding suburbs has enabled developers to provide new housing at competitive prices. According to the Office of Federal Housing Enterprise Oversight (OFHEO) Housing Price Index, home prices in the Atlanta metropolitan area increased by nearly 4 percent in the third quarter of 2006, compared with increases of almost 8 percent nationally and 10 percent in the South Atlantic region. For the previous 5-year period, home sales prices in the metropolitan area increased by 24 percent, less than half the national and regional rates of increase.

High land prices within the Interstate 285 (I-285) perimeter and increased demand for in-town living by young professionals and "empty-nesters" have contributed to increased density of housing development in the core counties of the metropolitan area. More than 90 percent of the 14,300 multifamily units permitted in the metropolitan area during 2006 were in the five core counties. Fulton County, which includes the city of Atlanta, accounted for 9,150 of the units. It is estimated that more than half of these units are in for-sale condominium and townhome developments.

Although the condominium market is still very active, a large supply of available condominiums is causing some developers and lenders to delay development plans for new properties. According to Haddow & Company, a local real estate consulting firm, the unsold condominium inventory in Intown Atlanta, defined as the downtown area extending out to Buckhead and east to Decatur, reached a record high of 5,990 units at the end of 2006, exceeding the previous high of 5,217 units at the end of 2004. Sales of 2,717 condominium units during 2006 were considerably below the 4,747 units sold in 2005, a particularly strong year for entry-level properties, but near the average number of condominium units sold during the past 7 years. An estimated 8,470 new condominium units were proposed at the end of 2006, down from 13,600 proposed at mid-year 2006.

The success of developments such as the $3 billion Atlantic Station urban renewal project at the northwestern edge of Midtown Atlanta has encouraged the construction of other large mixed-use developments with substantial residential components in the metropolitan area. Atlantic Station officially opened in October 2005 on the former brownfield site of the Atlantic Steel Mill and will eventually include 15 million square feet of retail, office, residential, and hotel space. Approximately 3,000 of 5,000 planned residential units have been completed; units range from single-family homes to high-rise condominiums. Construction is under way on Allen Plaza, a nine-block development at the northern edge of Atlanta's downtown, which borders the Centennial Olympic Park, the new Georgia Aquarium, and the future World of Coca-Cola museum. At an estimated cost of nearly $2 million, the Allen Plaza project, when completed in 2009, will include more than 2 million square feet of office space, 200,000 square feet of retail space and restaurants, approximately 3,000 residential units, and 500 hotel rooms.

Rental market conditions in the metropolitan area continued to strengthen in 2006 due to minimal construction activity, continuing condominium conversions, and growth in the number of renter households. According to M/PF YieldStar, the overall apartment vacancy rate in the Atlanta metropolitan area has been declining steadily since peaking at 10.5 percent in December 2003. As of December 2006, the rate was 5.9 percent, reflecting a relatively balanced rental market. Market conditions are tight in some submarkets, particularly those located within the I-285 perimeter, such as the Intown/Midtown submarket with a vacancy rate of 4.2 percent and the North Atlanta/Buckhead submarket with a vacancy rate of 4.5 percent. Responding to improving market conditions, apartment property owners increased rents by more than 3 percent in 2006 over the 2005 rents, the largest annual increase since 2000. Average monthly rents for one-, two-, and three-bedroom units are $698, $800, and $940, respectively. The rental market is expected to continue strengthening during the next year as demand continues to exceed apartment deliveries.

In recent years, the conversion of apartments to condominiums has significantly impacted the Atlanta rental market. During the period of historically low interest rates, condominium units offered buyers seeking an urban lifestyle a competitive alternative to single-family homes. Strong demand led to the conversion of many apartment properties to condominiums. According to Reis, Inc., more than 7,500 apartments have been converted to condominiums since 2002. The number of conversions increased each year through 2005, when 2,225 apartments were converted, a number that was almost matched during the first three quarters of 2006. The number of conversions is expected to decline slightly during the next year as the rental market continues to improve.

Bakersfield, California

The Bakersfield metropolitan area is coterminous with Kern County, the third fastest growing county in California. Since 2000, the total population has increased at an average annual rate of 2.5 percent, or 18,000 a year, to an estimated January 1, 2007, total of 780,000. The population growth has been evenly divided between net natural increase and net migration. About one-third of all migration has originated from neighboring counties, led by Los Angeles, as new residents seek lower priced housing.

In 2006, the Bakersfield economy added 5,725 jobs to total 269,500, a 2.2-percent increase from 2005. During the same period, the unemployment rate declined from 8.3 to 7.6 percent. The leading growth sectors were government, up 1,550 jobs; construction, up 1,275; and trade, up 900. The government is the largest industry sector, accounting for 21 percent of all jobs in the area. With more than 15,000 people on the combined payrolls, Edwards Air Force Base and the Naval Air Warfare Center are the two most significant employers in the county. The 2005 Base Realignment and Closure decision may add about 2,300 new jobs, mostly civilian and contractor positions, to the Naval Air Warfare Center within the next 4 years. Much of the recent growth in government jobs, however, is due to the 2005 opening of Kern Valley State Prison, which employs 1,425 people.

Kern County is the southernmost county in California's fertile Central Valley. Agricultural jobs constitute about 16 percent of all jobs in the county. The leading agricultural employers in the area include Giumarra Farms, Grimmway Farms, and William Bolthouse Farms. U.S. Borax and Occidental Petroleum Corporation are also among the leading employers in the area, mining Kern County's rich supply of minerals and oil, which accounts for as much as 10 percent of the total oil production in the nation.

Although home sales activity has declined from the record level of 2005, the sales market remains strong. During 2006, sales volume dropped by 12 percent to 15,500 new and existing homes sold, according to DataQuick. Despite this decrease, the sales volume in 2006 was still more substantial than in 2003, when 14,050 homes were sold. New and existing home sales totaled 17,650 units in 2005. About 75 percent of the existing sales in Kern County occurred in the city of Bakersfield. The housing sales market is currently moderating from the strong sellers' market that had prevailed during the past several years. The median sales price of new and existing homes was $278,000 in 2006, an 18-percent increase from the previous year.

The sales market for existing homes is stronger than that for new single-family homes. Sales volume for new homes declined by 25 percent to 2,425 units during the 12 months ending September 2006. The inventory of available new homes, measured by the estimated number of weeks it would take to sell all the units, increased from 2.5 weeks to 8.5 weeks. According to The Gregory Group, the average sales price of new homes increased more than 6 percent to $351,900 during the period. Builders have adjusted to the changing market by reducing construction activity. In 2006, single-family building permits were issued for 5,250 homes in the county, a 26-percent decline from the previous year. Two-thirds of the total number of single-family building permits were issued for units in the city of Bakersfield.

According to The Gregory Group, 33 subdivisions and 9 master-planned communities, the latter containing 15 subdivisions, are currently under construction within the city of Bakersfield. In one new community, the 2,070-acre McAllister Ranch, the developer plans to build 6,000 new single-family homes in four phases during the next several years. The first phase has begun with city approval for 1,100 homes.

In 2006, multifamily building permits were issued for 1,250 units, a record-setting volume. This permit activity represents a 16-percent increase compared with the previous year. Multifamily building permit volume had fallen to an annual average of 160 units from 1999 through 2003. This trend began to reverse in 2004. About half of the total number of multifamily permits issued in Kern County are for units located in the city of Bakersfield.

The Bakersfield apartment rental market is balanced. From the third quarter of 2004 through the second quarter of 2006, conditions in the rental market were tighter and average annual vacancy rates were less than 4 percent. Low levels of new rental construction from 2000 through 2004 contributed to the tight market conditions. New apartment projects entered the market starting in 2005 and the rate of single-family home sales slowed in 2006, both helping to bring more balanced conditions to the market. Information from RealFacts indicates the apartment rental market had a vacancy rate of 4.6 percent in 2006, up from 3.7 percent during the previous year. The average rent for rental units in Kern County increased to $818 in 2006, nearly a 6-percent increase from the previous year. Current asking rents for one-bedroom, one-bathroom and two-bedroom, two-bathroom apartments are $770 and $980, respectively.

Charlotte, North Carolina-South Carolina

The Charlotte metropolitan area consists of Anson, Cabarrus, Gaston, Mecklenburg, and Union Counties in North Carolina and York County, South Carolina. Located in Mecklenburg County, Charlotte is the largest city in North Carolina and one of the largest banking centers in the United States. The metropolitan area is located at the intersection of Interstates 77 and 85. Because of its location, the area has become a leading distribution center; more than 190 distribution facilities have opened since 1990.

Strong economic growth, a mild climate, and relatively affordable housing have contributed to rapid population growth in the metropolitan area since 2000. According to the Charlotte Chamber of Commerce, the population grew by 46,000, or 3.5 percent, annually since the 2000 Census, reaching 1.6 million in 2006. Since 2000, net in-migration has been the primary source of population growth, accounting for approximately two-thirds of the increase.

The economy of the metropolitan area is diverse and growing. For the 12 months ending November 2006, nonfarm employment averaged 808,400, an increase of 17,700 jobs, or 2.2 percent, from the previous 12-month period. Employment gains were recorded in multiple sectors. The largest increases occurred in the professional and business services sector and leisure and hospitality sector, which added 3,500 and 3,200 jobs, respectively. During the same period, the average unemployment rate in the metropolitan area declined to 4.6 percent from 5.2 percent a year earlier. Steady employment growth across multiple sectors is expected to continue during the next 2 to 3 years.

Wachovia Corporation and Bank of America, N.A., two of the largest banks in the nation, are headquartered in the city of Charlotte. Together, the two corporations provide approximately 32,000 jobs and account for more than half of the employment in the financial activities sector in the area. Since 2000, the financial activities sector has been one of the fastest growing employment sectors in the metropolitan area, increasing by an average of 2,600 jobs, or 4.9 percent, annually. Other major employers include Carolinas HealthCare System, US Airways, and Duke Energy Corporation. Distribution operations for dozens of diverse companies, including Family Dollar Stores, Inc., The Black & Decker Corporation, and General Motors Corporation, are also located in Charlotte.

The University of North Carolina (UNC) at Charlotte has a fall 2006 enrollment of more than 21,500 students and employs nearly 3,700 faculty and staff. Students and university staff serve as a catalyst for economic and housing development in the northeastern portion of Mecklenburg County. According to Real Data, Inc., more than 540 apartments were under construction in August 2006 in the submarket where the university is located and an additional 1,200 units have been proposed. University Research Park, the sixth largest university-affiliated research park in the United States, employs 25,000 people.

For the 12 months ending November 2006, single-family homebuilding, as measured by the number of building permits issued, totaled 20,050 homes, an increase of more than 4 percent from the previous 12-month period. The number of single-family building permits set a record in 2005 and is on pace to set a new record in 2006. During the past decade, southern Mecklenburg County has led the metropolitan area in single-family home development. During the past 2 years, the completion of a large northern portion of Interstate 485, which surrounds Charlotte, has led to a dramatic increase in new home construction in northern Mecklenburg County. New three-bedroom, two-bathroom starter homes with one-car garages are priced from approximately $115,000. The building trends in the metropolitan area are expected to continue during the next year.

Strong population growth and low home mortgage interest rates caused home sales in the Charlotte area to continue to increase during the past year. According to the North Carolina Association of REALTORS®, for the 12 months ending November 2006, 38,800 existing homes were sold, an increase of 2 percent from the same period a year earlier. After steady price appreciation during the past several years, the average home sales price increased dramatically during the second half of 2006. During the past 12 months, the average sales price of existing homes increased by 16 percent from $211,100 to $245,500. The sales market is currently balanced and is expected to remain that way during 2007.

Multifamily construction, as measured by the number of building permits issued, increased by 35 percent to 4,125 units for the 12-month period ending November 2006. Building permits included more than 2,000 condominium units that are primarily located in downtown Charlotte. During the past 12 months, permits for condominiums more than doubled compared with the previous 12-month period. The substantial increase in the number of multifamily units permitted represents a return to more typical production activity in the area following a cutback in 2005 as builders responded to soft market conditions. As with single-family homes, apartment construction is currently concentrated in northeastern Mecklenburg County.

The apartment market in Charlotte is relatively balanced and is tightening after several years of soft market conditions. According to a survey by Real Data, Inc., the overall apartment vacancy rate was 6.8 percent in August 2006, down from 8.2 percent a year earlier and more than 12 percent in 2004. The apartment vacancy rate in December 2006 was estimated at 7 percent. In recent years, the apartment market has been soft because of overbuilding and a shift toward homeownership. As employment increased in 2004 and apartment construction declined in 2005, the market became more balanced and vacancy rates fell.

The Real Data report also indicates that average rents increased by nearly 5 percent from approximately \$660 in August 2005 to \$695 in August 2006. Correspondingly, concessions have decreased. Specials offered 2 years ago at many developments included 1 month's free rent, reduced rental rates, and no application fees or security deposits. Currently, few properties are offering such concessions. During 2007, concessions and the apartment vacancy rate are expected to continue to decline because of rapid renter household growth.

According to Charlotte Center City Partners, approximately 6,800 housing units are in downtown Charlotte. A survey conducted by the organization found that most downtown residents are young, single professionals who moved downtown to be close to work. Of more than 8,000 new housing units scheduled to be completed in downtown Charlotte during the next 3 years, approximately 90 percent are expected to be condominiums.

Eugene-Springfield, Oregon

The Eugene-Springfield metropolitan area, defined as Lane County, is located in central western Oregon, approximately 100 miles south of Portland. With an estimated current population of 340,100, Eugene-Springfield is the third largest metropolitan area in Oregon. The population of the area has grown at an average annual increase of 2,525, or 0.8 percent, since 2000. Steady job growth, affordable housing costs, and expansion at the University of Oregon have generated increased net in-migration from several neighboring states, principally Northern California and Washington.

The economy in the Eugene-Springfield metropolitan area is strong. Total nonfarm employment increased by 2,300 jobs to 151,700, a 1.6-percent gain, during 2006. The average unemployment rate decreased to 5.6 percent from 6.1 percent a year ago. Job gains were registered in both goods-producing and service-providing sectors, which added 600 and 1,800 jobs, respectively. In 2006, the construction sector recorded the largest gain, adding more than 500 jobs for a 7.4-percent increase, followed by the professional and business services sector, which added 450 jobs for a 2.8-percent increase. Most of the construction increase was due to the addition of new office and residential space, including a new Royal Caribbean International call center in Springfield and the expansion of the Symantec Corporation campus. The call center created approximately 250 jobs in 2006, contributing to the increase in professional and business services employment, and Symantec added 150 jobs in the information sector. Each facility plans to hire an additional 100 employees in 2007.

The University of Oregon is the largest employer in the metropolitan area, with more than 4,000 employees and 20,400 students. The university also has the largest economic impact on the area by a single entity, according to the Lane Council of Governments. Between July 1, 2005, and June 30, 2006, the University of Oregon generated \$653 million in expenditures within the state. The university will continue to contribute to local economic growth as enrollment expands by approximately 2 percent annually and the institution completes several physical expansions in 2007 and 2008, including new science, business, and theater complexes. Sacred Heart Medical Center is the second largest employer in the metropolitan area with more than 3,100 employees. In 2007, the hospital will open a new medical center, Sacred Heart Medical Center at RiverBend, in Springfield, which will employ approximately 2,200 people by mid-2008.

Single-family residential construction has remained stable, averaging 1,300 units annually since 2000. During the 12 months ending November 2006, building permits were issued for 1,285 new single-family homes. Demand remains highest for new construction within the city of Eugene, where more than 40 percent of the new homes were built during the past year. Growing employment opportunities and numerous entertainment and recreational amenities continue to generate demand in the city. Significant new construction is also occurring in unincorporated areas and small towns surrounding Eugene, such as Veneta and Elmira, where less expensive land enables developers to build lower priced homes. New homes in these areas are typically priced between \$175,000 and \$225,000, whereas most new homes in Eugene are priced at or above \$300,000.

The home sales market in the Eugene-Springfield metropolitan area remains relatively balanced despite a recent inventory buildup. The inventory of unsold homes, which increased to an average of 3.3 months in 2006 compared with 2.3 months in 2005, is in part due to rising interest rates. A continuation of current residential construction activity, sustained job growth, and some moderation in pricing should allow inventory levels to decline during the next 12 months. According to the Lane County Multiple Listing Service, a total of 4,700 new and existing homes were sold in 2006, an 11-percent decline compared with 2005 figures. In 2006, the median sales price for new and existing homes was $224,500, a 15-percent increase compared with 2005.

Despite increasing demand for housing due to growth in the number of households, multifamily building activity, as measured by the number of building permits issued, declined during the past 12 months because of a lack of large, developable parcels. Through November 2006, permits were issued for 560 units, slightly below the number of permits issued during the previous 12-month period but substantially higher than the annual average of 350 units that have been issued since 2000. Responding to growing rental demand from University of Oregon students, all 280 multifamily units permitted by the city of Eugene are apartments.

The condominium market has developed slowly in the Eugene-Springfield metropolitan area but is expanding. A total of 193 new and existing condominiums were sold in 2006, 26 more than in 2005. Currently, several projects are being developed. The Lincoln School, which was originally converted into apartments in the 1980s, is now being converted into approximately 60 condominiums. The Tate, which began construction in 2005, is an upscale 46-unit, six-story new construction development in downtown Eugene. At Crescent Village, a large development in Eugene, construction has begun on more than 80 townhouse condominium units. The addition of several new upscale condominium complexes to the market in 2006 caused the median sales price to increase by 30 percent to $168,000.

The rental market is currently very tight in the metropolitan area, although the addition of more than 300 units in 2006 resulted in a slight increase in vacancy. According to a report by Duncan & Brown, Inc., for the fall of 2006, the current rental vacancy rate is 2.0 percent, up from 1.2 percent a year earlier. Tight market conditions continue to support dramatic rent increases. According to Duncan & Brown, the average rent for two-bedroom units built after 1988 is currently $840, a 12-percent increase compared with last year. The average rent for two-bedroom units built in 2006 is $1,030. The market will tighten further in 2007 because the 200 units currently under construction will be insufficient to meet demand. The lack of available large parcels for multifamily residential construction will continue to constrain rental construction.

Fort Collins-Loveland, Colorado

The Fort Collins-Loveland metropolitan area consists of Larimer County in north-central Colorado. The cities of Fort Collins and Loveland, located along the eastern edge of the metropolitan area, support a strong service-based economy, and Fort Collins is home to Colorado State University (CSU). More than 50 percent of the land consists of national parks and forests, making the area a popular tourist destination. As of January 1, 2007, the population of the Fort Collins-Loveland area is estimated to be 278,000. Some leading employers in the area are CSU, Hewlett-Packard, and Agilent Technologies.

Economic conditions have strengthened in the Fort Collins-Loveland metropolitan area since the downturn that occurred in the early 2000s. From 2001 to 2003, the area lost 5,000 jobs in the computer and electronic product manufacturing industry. Despite the loss of area jobs, resident employment growth during this period remained positive because of increased numbers of workers commuting to jobs in Boulder and Greeley (outside Larimer County) and strong growth in the service-providing sectors. Nonfarm employment for the 12 months ending November 2006 averaged 133,300 jobs, an increase of approximately 1.2 percent compared with the previous 12-month period. Despite a small recovery in high-technology industry employment, the expansion of service-providing industries will continue to lead employment growth in the area. Education and health services and trade have been the strongest growing sectors during the past 12 months. The Medical Center of the Rockies, which will specialize in trauma and cardiac care, is scheduled to open in early 2007 and will bring an additional 1,000 health-care jobs to the area. During the 12 months ending November 2006, the average unemployment rate declined to 4 percent from 4.4 percent recorded during the previous 12-month period.

CSU has a significant impact on the local economy and housing markets. The university employs nearly 6,000 people and spends $350 million annually on salaries for educators, administrators, and service providers. Enrollment for the fall 2006 semester totaled 24,650 students, approximately the same as the fall 2005 enrollment. According to the CSU admissions office, enrollment is expected to increase by 2 percent a year during the next 2 years. Approximately 5,000 students live on campus in residence halls and university-owned apartments. Beginning in 2007, the off-campus rental supply will likely be impacted by a change to a city of Fort Collins land use code that will permit no more than three unrelated people to live in a rental housing unit. The new ordinance will potentially affect more than 2,000 rental units in Fort Collins that contain four or more bedrooms; many of the units are occupied by more than three unrelated people.

The market for new single-family homes is slightly soft in the Fort Collins-Loveland metropolitan area. Because of higher mortgage interest rates and a large supply of unsold homes on the market, single-family homebuilding decreased by approximately 16 percent in 2005. During the 12 months ending November 2006, building permits were issued for 1,360 single-family units, down more than 40 percent from the same period a year ago. In Fort Collins, where homebuilding decreased by 35 percent during the most recent 12-month period, the average sales price of a newly constructed single-family home increased by 10 percent to $276,972 and the average sales price of a newly constructed single-family attached home increased by more than 7 percent to $207,010, according to The Genesis Group. The volume of new home sales in the area declined by 33 percent in 2006.

The number of existing single-family homes sold in the Fort Collins-Loveland metropolitan area also declined in the 12 months ending November 2006, but the median sales price increased in cities throughout the area. According to the Colorado Association of REALTORS®, the median home sales price is $232,300 in Fort Collins and $232,050 in Loveland; these prices have remained relatively unchanged for the past 2 years. The number of existing homes listed for sale in the area increased from nearly a 4-month supply to more than a 5-month supply, which contributed to the lower rate of median sales price increases. Stimulated by the market for second homes, the town of Estes Park led the area in sales price increases with an increase of nearly 10 percent to $325,000 during the 12 months ending November 2006, while sales volume decreased by 3 percent.

The rental market in the Fort Collins-Loveland metropolitan area has been soft since 2000 but is slowly improving. The market is still recovering from a significant number of renters moving to homeownership during the recent period of low mortgage interest rates and a large volume of new apartments that entered the market at approximately the same time. The apartment vacancy rate in the area reached a decade high of 13 percent in 2003. According to a Colorado Division of Housing vacancy survey, the apartment vacancy rate was 8.1 percent in the third quarter of 2006, down from 8.9 percent in the third quarter of 2005. Because of the soft conditions in the rental market, multifamily construction has slowed since 2001, when 1,030 units were permitted. In the 12 months ending November 2006, building permits were issued for 690 multifamily units, including the only significant apartment development in recent years. A new 200-unit, mixed-use luxury apartment development in downtown Loveland is in the final stages of construction and is leasing up at rents averaging $650 for a studio, $720 for a one-bedroom unit, $902 for a two-bedroom unit, and $1,590 for a three-bedroom unit.

CSU students have a large impact on the Fort Collins-Loveland metropolitan area rental market. An estimated 8,000 student renter households account for 30 percent of all renter households in Fort Collins. The 700 off-campus, university-sponsored rental units surrounding CSU accommodate only a small portion of student households. Rents for furnished apartments in these buildings range from $375 to $530 per person. Enforcement of the three-person occupancy limit will increase the number of student renter households by as many as 300. This factor, coupled with increasing enrollment, will contribute to a tightening of the overall rental market.

Fort Worth, Texas

Located in north central Texas 30 miles west of Dallas, the Fort Worth metropolitan area comprises Tarrant, Johnson, Parker, and Wise Counties. As of November 1, 2006, the estimated population of the metropolitan area was almost 2 million, with 84 percent residing in Tarrant County. Since 2000, the population has increased by an average of 41,500, or 2.4 percent, annually because of strong economic growth and relatively affordable housing compared with other metropolitan areas. Population growth in the metropolitan area in recent years is largely a result of increases in the Hispanic population. According to data from the American Community Survey, Hispanics accounted for 52 percent of the population growth from 2002 to 2005. With a population of 661,850, the city of Fort Worth is the fifth largest city in the state.

During the 12 months ending October 2006, nonfarm employment in the Fort Worth metropolitan area averaged 829,000, an increase of 18,900 jobs, or 2.3 percent, from the previous 12-month period. Job growth resulted primarily from increases in the natural resources, mining, and construction sector and the trade sector, which added 3,800 and 3,100 jobs, respectively. Of the total number of jobs added in the natural resources, mining, and construction sector, approximately 50 percent were in construction. Large construction developments in the metropolitan area include Trinity Uptown, part of the Trinity River Vision waterfront development plan, which will add a community college campus and 1,500 residential units to downtown Fort Worth; a 34-story Omni Hotel and condominium project, which will be completed in 2008; and the $1 billion Dallas Cowboys Stadium in Arlington. The professional and business services sector added 2,900 jobs and the leisure and hospitality sector increased by 2,500 jobs, both representing about a 3 percent gain. The manufacturing sector, which is led by the aerospace and automobile industries, added 1,100 jobs.

American Airlines, headquartered in Fort Worth, is the leading private-sector employer in the metropolitan area with 28,500 employees, followed by Lockheed Martin Corporation, which employs 15,000 workers. Given an increase in the number of defense contracts with companies in the metropolitan area and continual improvement in the airline industry, employment is expected to steadily increase during the next several years. For the 12-month period ending October 2006, the unemployment rate decreased to 4.8 percent from 5.1 percent for the previous 12 months.

Single-family home construction, as measured by the number of building permits issued in the four-county metropolitan area, totaled 17,000 homes during the 12-month period ending October 2006, an increase of 2 percent compared with the previous 12-month period. The largest gain occurred in Tarrant County, where building permits were issued for 15,600 single-family homes, a 2-percent increase from the previous 12-month period. An estimated 6,500 homes currently are under construction in the metropolitan area. Sales prices start at approximately $120,000 for a new three-bedroom, two-bath home with an attached two-car garage.

The home sales market in the Fort Worth metropolitan area is balanced and remains strong, with sales increasing by more than 11 percent for the third consecutive year. For the 12-month period ending October 2006, the Real Estate Center at Texas A&M University reported approximately 11,500 residential sales compared with 10,250 sales during the previous 12-month period. The average sales price of an existing home increased 3 percent to $137,100 compared with $132,700 a year ago. During the past 12 months, the average sales price in Fort Worth was $73,000 lower than the average sales price of $210,000 in the Dallas metropolitan area.

The redevelopment of historic buildings and abandoned office space and the construction of mixed-use structures along the Trinity River have significantly altered housing in downtown Fort Worth. Currently, about 325 rental units and 425 sales units are under construction in the city and an additional 1,800 units are being planned. Before 2004, downtown Fort Worth had fewer than 1,100 rental units and 200 condominiums. Approximately 500 rental units and 700 condominiums have been added since 2004. Downtown living has attracted empty nesters, retirees, and young professionals who are drawn by the area's nightlife, nearby cultural centers, and close proximity to work.

The rental housing market in the Fort Worth metropolitan area is improving but remains soft. ALN Systems, Inc., reported an overall apartment vacancy rate of 10.5 percent for the 12-month period through October 2006, down from 12 percent a year ago. During the past year, average monthly rents increased from $640 to $655. Both existing and new apartment complexes are offering concessions that typically include 1 month's free rent. Soft rental market conditions are expected to continue through 2007 as homeownership increases and apartment construction activity remains significant. Based on building permit data, approximately 4,000 apartment units are under construction compared with an estimated 3,100 units a year ago.

Oakland, California

The Oakland, California Housing Market Area (HMA) comprises Alameda and Contra Costa Counties and is known as the East Bay of the San Francisco Bay Area. The demand for housing is strong, resulting from job growth in the HMA and larger San Francisco Bay Area. As of January 1, 2007, the HMA population is estimated to be 2,572,500, a 1.1-percent average annual gain since the 2000 Census. Between 2000 and 2006, the average annual net in-migration was 8,450 people compared with the annual gain of 12,450 from 1990 to 2000, reflecting an increase in the level of out-migration to neighboring communities where housing is less expensive. The cities with the largest population growth in 2006 include Alameda, Brentwood, and Dublin.

In 2006, nonfarm employment averaged 1,051,300 jobs, an increase of 17,000 jobs, or 1.7 percent, from 2005. The service-providing sectors increased by

11,400 jobs, and the construction sector increased by 5,700 jobs. Recent nonfarm expansion trends are significantly above the annual average increases from April 2000 to December 2005, when the number of jobs increased by 6,200 annually, or 0.6 percent. The unemployment rate was 4.5 percent in 2006, down from 5.0 percent a year ago.

The leading growth sectors in the HMA in 2006 were construction, professional and business services, financial activities, and education and health services. Approximately 870,000 square feet of retail space was under construction during the year, the largest amount since 1990. Because of strong demand for professional, technical, and administrative workers, the number of jobs in the professional and business services sector increased by 3,200. Financial institutions are building new branches and offices as mortgage lending and real estate activities expand in the HMA. Greater Bay Bancorp now has branches and offices in San Leandro and Fremont, and Wachovia Corporation is planning to make Oakland its west coast headquarters. Backed by strong educational and medical institutions, the education and health services sector increased by 2,300 jobs in 2006. The University of California, which employs 35,225 people, is the largest employer in the HMA and generates a significant number of private-sector jobs through contracts. Kaiser Permanente, which employs 25,075 people in health services, is the second largest employer. The leisure and hospitality sector increased by 2,100 jobs in 2006 due to increases in tourism.

Formerly tight conditions in the single-family home sales market have become more balanced. Because of higher interest rates and high home prices, unsold inventory increased to 2,477 new homes in the third quarter of 2006, up from 583 unsold homes a year ago, according to data from The Gregory Group. As unsold inventory increased in the past 12 months, home prices in the HMA declined relatively less than they did in some neighboring areas. In the third quarter of 2006, the median sales price for new single-family homes was $692,900, nearly 8 percent less than a year ago, compared with declines of more than 10 percent in the neighboring areas of San Jose, Sacramento, and Vallejo. Strong demand kept new home sales stable at approximately 7,475 homes sold in the past 12 months, but existing home sales fell 22 percent in the same period, from 45,200 to 35,050 homes, according to Real Estate Research Council data.

Building permits issued for single-family homes declined by 34 percent to 5,325 units during 2006 as builders delayed construction in reaction to increases in unsold inventory. Because of the greater availability of land and lower prices, approximately 20 percent more single-family homes have been built in Contra Costa County than in Alameda County since 2000. The cities of San Ramon, Brentwood, and Oakley have the largest number of projects and volume of home sales activity compared with other cities in the HMA. The number of multifamily units permitted in the area increased steadily from 1,725 in 2002 to 4,250 in 2004. After a slight dip in 2005, the number of units permitted rose to 5,279 units in 2006.

The Oakland area rental housing market is balanced. The current vacancy rate is 5 percent, up from 2.6 percent in 2000 when conditions in the market were tight. Apartments located close to job centers and public transportation are in strong demand, resulting in approximately 40 percent more rental units being built in Alameda County than in Contra Costa County since 2000. The largest planned apartment project is a 665-unit, mixed-income complex to be built in phases in Berkeley, which is expected to be completed in 2009. The rental market is expected to tighten because new developments are not keeping up with the growing demand.

Monthly apartment rents averaged $1,265 in the third quarter of 2006, increasing by more than 7 percent from a year ago but less than the 9-percent increase for the whole San Francisco Bay Area, according to M/PF YieldStar. Rents for one-bedroom, two-bedroom, and three-bedroom apartments averaged $1,115, $1,391, and $1,617, respectively. Limited rent concessions of less than a month's rent are being offered, relatively unchanged from a year ago. During the third quarter of 2006, no apartment units were converted to condominiums compared with 734 units converted a year ago, according to Reis, Inc., data. Builders have been targeting the condominium market with new construction. Most new large-scale condominium projects are located in the Oakland area, including the 367-unit, phase two Broadway Grand project that has not yet started construction; a 281-unit project at Lake Merritt; and a 202-unit project at Market Square.

Ocala, Florida

The Ocala metropolitan area, centrally located in north Florida, approximately 80 miles northwest of Orlando, consists of Marion County. As of

December 2006, the population of Marion County was estimated to be 321,600. The population has been growing steadily at a rate of 3.5 percent a year since 2000 compared with 2.4 percent a year for Florida. All the growth has resulted from net in-migration, which has averaged approximately 10,000 people a year since 2000.

In the past 10 years the area has become an attractive destination for retirees. Aside from having numerous leisure activities and a favorable climate, Ocala has lower housing costs than much of south Florida, where many moderate-income retirees have been priced out of areas such as Miami-Ft. Lauderdale and Naples. In 2005, according to the Census Bureau, more than 23 percent of the population of Marion County were at least 65 years old, compared with nearly 17 percent for Florida and 12 percent for the United States.

Because of its sizeable retiree population, Ocala has developed into a regional healthcare and retail center, with significant employment also in the leisure and hospitality and construction sectors. Of the five largest private employers in the area, two are large medical facilities (Munroe Regional Medical Center, with 2,400 employees, and Ocala Regional Medical Center, with 1,300 employees) and two are major retail chains (Wal-Mart, with 1,900 employees, and Publix Super Markets, with 1,400 employees). For the 12 months ending November 2006, average nonfarm employment in the area was 102,400 jobs, a 2.6-percent increase compared with the same period a year earlier. The nonfarm employment sector with the strongest growth rate was construction, which increased 6.9 percent, followed by leisure and hospitality, which grew 4.3 percent, and education and health services, which grew 3.2 percent. For the 12 months ending November 2006, the average unemployment rate in the area was 3.1 percent, compared with 3.7 percent for the same period a year earlier.

Despite recent job growth in the construction and health services sectors, much of the employment in the area remains in relatively low-paying service occupations, such as retail sales and accommodation and food services. According to the Census Bureau, in 2005 the median household income in Marion County was $36,100, compared with $42,400 for the state and $46,200 for the nation.

Residential construction in the area remains steady, although multifamily building has declined recently. For the 12 months ending November 2006, single-family units authorized by building permits in Marion County were up more than 3 percent compared with the same period a year earlier, increasing from 6,660 units to 6,890. On the other hand, multifamily units authorized by building permits fell by more than half in the same period, from 840 units to 390.

With the influx of retirees, the area now has more than 35 age-restricted residential communities and additional ones are under construction. The Villages, a large retirement community in north-central Florida, includes a development on the southern edge of Marion County with approximately 5,000 homes. A large retirement community called On Top of the World, currently being developed in southwest Marion County, is expected to add as many as 14,000 housing units over the next 6 to 9 years and is projected to have as many as 32,000 homes when completed. Age-restricted communities are estimated to represent at least one-third of the residential construction in the area over the next few years.

One factor favoring development in the area is the availability of large tracts of undeveloped and relatively inexpensive land. Several major home builders, facing land constraints in areas such as south Florida, are now shifting their attention to north-central Florida. A second factor favoring development in Ocala is the inland location of the area. Following a number of hurricanes in recent years, insurance has become prohibitively expensive for many homebuyers in the coastal areas of Florida. In comparison, homeowners' insurance costs remain much more affordable in Marion County.

Home sales in Ocala reached record levels in mid-2005 but have slowed in recent months. Nevertheless, the level of sales remains high. According to data from the Florida Association of REALTORS® (FAR), single-family home sales in Ocala for the 12 months ending November 2006 were down almost 9 percent compared with the same period a year earlier, falling from 6,099 units to 5,565. Sales are now at about the same level they were in mid-2004. In contrast, statewide home sales for the 12 months ending November 2006 were down 27 percent from the same period a year earlier. According to local sources, the supply of homes available for sale in Ocala was up in November 2006 compared with the same time in 2005, when brisk sales created unusually tight market conditions. The current inventory is not deemed excessive, however, and conditions in the home sales market are currently balanced.

Despite slowing sales, home prices in the area continue to increase. Median sales prices reported by FAR for single-family homes in Ocala rose 6 percent in November 2006 compared with a year earlier, increasing from $163,000 to $172,900. Statewide, median home prices fell more than 3 percent during the same period.

The rental market in Ocala was rather tight in early 2006, and rents were increasing at an annual rate of about 4 percent. Major apartment complexes were reporting vacancy rates as low as 2.5 percent, with rents increasing at double-digit rates. Most rental units in the area, however, are single-family and mobile homes, so the recent cooling of the sales market has increased the availability of homes for rent. Conditions in the rental market are now balanced, and the overall vacancy rate is estimated to be 7.5 percent. This figure is down from 8.5 percent in 2000.

Although few rental units have been constructed in the area during recent years, Heath Brook, a housing development currently being built in southwest Ocala, is expected to include more than 700 rental units when completed within the next 3 years.

Seattle-Bellevue-Everett, Washington

The Seattle-Bellevue-Everett metropolitan area is the economic center of the greater Puget Sound region and consists of King and Snohomish Counties. The population has grown by an average annual rate of 0.9 percent since 2000 to approximately 2.5 million as of January 1, 2007. Major private-sector employers in the area include The Boeing Company, Microsoft Corporation, Nordstrom, Starbucks Corporation, and Weyerhaeuser.

Nonfarm employment in the Seattle metropolitan area increased at the greatest annual rate in more than a decade, up 3.9 percent to an average of more than 1.4 million jobs during the 12 months ending November 2006 compared with the previous 12 months. Approximately 53,000 jobs were added to the local economy with the construction and manufacturing sectors leading employment gains, up by 8,900 and 8,600 jobs, respectively. Hiring in the construction sector was supported by commercial and multifamily residential development activity. Major public projects, such as the Seattle Art Museum expansion, Seattle Aquarium redevelopment, and Sound Transit's light rail line, also contributed to hiring in the construction sector. Growth in the manufacturing sector was mainly due to hiring at Boeing, where employment increased by 5,900 jobs in Washington State during 2006. The professional and business services sector increased by 8,000 jobs during the 12 months ending November 2006, in part, because of hiring in the biotechnology and information technology industries. The average unemployment rate declined from 4.9 to 4.3 percent because of the strong employment growth.

The housing sales market in the Seattle metropolitan area was tight during 2006 but has begun to move toward more balanced conditions. New and existing home sales totaled 48,770 units during 2006, 10 percent below the record level of 54,000 homes sold in 2005. The 2006 sales volume was still relatively strong, however, at 5 percent above the annual sales volume average during 2002 through 2004. Existing home sales accounted for 85 percent of total home sales during 2006 and declined 11 percent from the volume of existing homes sold during 2005. New home sales fared better, declining only 3 percent in 2006. Continuing the trend that began in 2004 of average annual prices increasing by 10 percent or more, the average sales price for existing homes increased 14 percent to $472,400 during the 12 months ending November 2006, and the average sales price for new homes rose 19 percent to $527,400. Between June and December 2006, however, monthly average sales prices were either flat or declining. Single-family building permits decreased 13 percent to 10,500 units for the 12 months ending November 2006, following a record of 12,000 homes permitted in the previous 12 months. Single-family building permits averaged 10,650 units annually from 2002 through 2004, just 2 percent above the 12-month period ending November 2006.

First-time buyers and empty nesters contributed to the continued strong demand for condominiums in the Seattle metropolitan area during 2006. New and existing condominium sales totaled 13,750 units, 3 percent below the record total sold in 2005 but 17 percent above the annual average volume of sales for 2002 through 2004. During 2006, the average sales price for existing units increased 17 percent to $285,700 and for newly constructed units increased 20 percent to $361,700 compared with 2005. Condominiums converted from rental units have been very popular with first-time buyers because the units start at approximately $145,000 and are often priced much lower than existing or new condominiums are. Based on data from Dupre+Scott Apartment Advisors, Inc., conversions totaled a record 4,900 units during the past year, up from 3,600 units in 2005. Conversions occurred throughout the metropolitan area in 2006 with notable concentrations in East King County and inner-city Seattle neighborhoods. Conversion activity is expected to continue during 2007 but at a slower pace because of rising investor prices for multifamily properties.

The loss of rental supply to condominium conversion and increased demand resulting from strong job growth created tighter rental market conditions in the Seattle metropolitan area during 2006. The apartment rental vacancy rate was approximately 4 percent as of the fourth quarter of 2006, down 1 percentage point from the fourth quarter of 2005, according to data from Dupre+Scott. The average rent increased 7 percent over the same period to approximately $900. Concessions, such as one-half off the first month's rent, were being offered in less than 10 percent of multifamily rental properties as of September 2006, and rents were projected to increase by an average of more than 4 percent between September 2006 and March 2007. According to data from Dupre+Scott, the rental inventory in the Seattle metropolitan area has declined by 6,300 units during the past 2 years as 2,200 new rental units entered the market and 8,500 units were converted to condominiums.

Multifamily building activity, as measured by the number of units permitted, increased 34 percent to 9,200 units during the 12 months ending November 2006 compared with the same period in 2005, primarily because of the tighter rental market conditions and historically high demand for condominiums. Condominiums accounted for approximately half of the multifamily activity in the metropolitan area and an estimated 60 percent in the city of Seattle, where 5,600 units were permitted, the highest 12-month total in 6 years. Multifamily development activity has been concentrated in downtown Seattle, where 2,600 condominiums and 1,600 rental units have been completed, are under construction, or have been permitted since October 2005. One-fourth of this activity is in the South Lake Union area, a growing biotechnology employment center at the north end of downtown Seattle that includes ZymoGenetics, Rosetta Inpharmatics, Fred Hutchinson Cancer Research Center, Seattle Biomedical Research Institute, and University of Washington at Seattle research labs. In one new, 260-unit complex, condominium units average 1,000 square feet and were all presold at an average price of approximately $650,000. More than 400 additional units at three other developments will presell through a lottery system in early 2007 with prices starting at $250,000.

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

HUD Region and State	2006 Through December			2005 Through December			Ratio: 2006/2005 Through December		
	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*
Connecticut	9,096	6,970	2,126	11,671	8,586	3,085	0.779	0.812	0.689
Maine	7,304	6,557	747	8,765	7,847	918	0.833	0.836	0.814
Massachusetts	19,805	11,228	8,577	23,840	14,236	9,604	0.831	0.789	0.893
New Hampshire	5,663	4,774	889	7,699	6,457	1,242	0.736	0.739	0.716
Rhode Island	2,247	1,606	641	2,791	1,765	1,026	0.805	0.910	0.625
Vermont	2,770	2,362	408	3,034	2,655	379	0.913	0.890	1.077
New England	**46,885**	**33,497**	**13,388**	**57,800**	**41,546**	**16,254**	**0.811**	**0.806**	**0.824**
New Jersey	32,566	17,018	15,548	38,481	21,892	16,589	0.846	0.777	0.937
New York	55,253	20,589	34,664	59,386	24,166	35,220	0.930	0.852	0.984
New York/New Jersey	**87,819**	**37,607**	**50,212**	**97,867**	**46,058**	**51,809**	**0.897**	**0.817**	**0.969**
Delaware	6,588	5,073	1,515	7,977	6,768	1,209	0.826	0.750	1.253
District of Columbia	2,105	126	1,979	2,294	123	2,171	0.918	1.024	0.912
Maryland	27,062	19,202	7,860	32,276	24,108	8,168	0.838	0.796	0.962
Pennsylvania	40,702	33,916	6,786	44,178	37,250	6,928	0.921	0.910	0.980
Virginia	46,649	38,797	7,852	60,956	50,054	10,902	0.765	0.775	0.720
West Virginia	4,803	4,588	215	5,399	5,111	288	0.890	0.898	0.747
Mid-Atlantic	**127,909**	**101,702**	**26,207**	**153,080**	**123,414**	**29,666**	**0.836**	**0.824**	**0.883**
Alabama	31,511	23,940	7,571	30,272	24,065	6,207	1.041	0.995	1.220
Florida	205,711	149,166	56,545	285,062	208,528	76,534	0.722	0.715	0.739
Georgia	98,843	81,529	17,314	104,659	90,250	14,409	0.944	0.903	1.202
Kentucky	15,273	12,655	2,618	19,943	17,405	2,538	0.766	0.727	1.032
Mississippi	15,618	13,628	1,990	12,988	11,372	1,616	1.202	1.198	1.231
North Carolina	101,018	82,776	18,242	100,220	86,193	14,027	1.008	0.960	1.300
South Carolina	49,900	41,111	8,789	53,755	43,599	10,156	0.928	0.943	0.865
Tennessee	45,220	38,082	7,138	46,204	39,677	6,527	0.979	0.960	1.094
Southeast/Caribbean	**563,094**	**442,887**	**120,207**	**653,103**	**521,089**	**132,014**	**0.862**	**0.850**	**0.911**
Illinois	59,121	39,485	19,636	67,852	49,084	18,768	0.871	0.804	1.046
Indiana	28,315	23,949	4,366	37,993	31,582	6,411	0.745	0.758	0.681
Michigan	31,010	26,160	4,850	46,989	40,392	6,597	0.660	0.648	0.735
Minnesota	27,038	21,537	5,501	35,877	29,276	6,601	0.754	0.736	0.833
Ohio	41,532	34,587	6,945	55,237	45,155	10,082	0.752	0.766	0.689
Wisconsin	28,113	21,112	7,001	35,843	26,847	8,996	0.784	0.786	0.778
Midwest	**215,129**	**166,830**	**48,299**	**279,791**	**222,336**	**57,455**	**0.769**	**0.750**	**0.841**
Arkansas	12,890	9,889	3,001	16,625	11,925	4,700	0.775	0.829	0.639
Louisiana	26,786	22,280	4,506	21,794	19,783	2,011	1.229	1.126	2.241
New Mexico	13,410	12,268	1,142	14,331	13,553	778	0.936	0.905	1.468
Oklahoma	15,570	13,921	1,649	18,304	15,556	2,748	0.851	0.895	0.600
Texas	216,755	162,480	54,275	208,980	165,579	43,401	1.037	0.981	1.251
Southwest	**285,411**	**220,838**	**64,573**	**280,034**	**226,396**	**53,638**	**1.019**	**0.975**	**1.204**
Iowa	12,995	10,018	2,977	16,733	12,712	4,021	0.777	0.788	0.740
Kansas	12,842	9,545	3,297	14,404	11,814	2,590	0.892	0.808	1.273
Missouri	27,841	18,317	9,524	31,278	24,732	6,546	0.890	0.741	1.455
Nebraska	8,764	7,115	1,649	10,922	9,547	1,375	0.802	0.745	1.199
Great Plains	**62,442**	**44,995**	**17,447**	**73,337**	**58,805**	**14,532**	**0.851**	**0.765**	**1.201**
Colorado	39,314	31,324	7,990	46,262	40,477	5,785	0.850	0.774	1.381
Montana	4,814	3,636	1,178	5,068	3,822	1,246	0.950	0.951	0.945
North Dakota	3,209	1,963	1,246	3,835	2,186	1,649	0.837	0.898	0.756
South Dakota	5,899	4,279	1,620	5,790	4,877	913	1.019	0.877	1.774
Utah	26,822	23,126	3,696	28,302	24,645	3,657	0.948	0.938	1.011
Wyoming	3,104	2,698	406	3,533	2,785	748	0.879	0.969	0.543
Rocky Mountain	**83,162**	**67,026**	**16,136**	**92,790**	**78,792**	**13,998**	**0.896**	**0.851**	**1.153**
Arizona	65,752	55,899	9,853	91,436	80,648	10,788	0.719	0.693	0.913
California	155,419	103,654	51,765	202,221	151,022	51,199	0.769	0.686	1.011
Hawaii	7,530	5,597	1,933	9,828	6,641	3,187	0.766	0.843	0.607
Nevada	39,429	26,689	12,740	47,038	37,438	9,600	0.838	0.713	1.327
Pacific	**268,130**	**191,839**	**76,291**	**350,523**	**275,749**	**74,774**	**0.765**	**0.696**	**1.020**
Alaska	2,731	1,602	1,129	2,877	1,682	1,195	0.949	0.952	0.945
Idaho	17,603	15,627	1,976	21,767	19,464	2,303	0.809	0.803	0.858
Oregon	26,800	20,486	6,314	31,864	24,925	6,939	0.841	0.822	0.910
Washington	50,172	35,020	15,152	52,784	40,928	11,856	0.951	0.856	1.278
Northwest	**97,306**	**72,735**	**24,571**	**109,292**	**86,999**	**22,293**	**0.890**	**0.836**	**1.102**
United States	**1,837,287**	**1,379,956**	**457,331**	**2,147,617**	**1,681,184**	**466,433**	**0.856**	**0.821**	**0.980**

*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	2006 Through December		
		Total	Single Family	Multi-family*
26420	Houston-Sugar Land-Baytown, TX	71,257	55,105	16,152
12060	Atlanta-Sandy Springs-Marietta, GA	68,240	53,944	14,296
35620	New York-Northern New Jersey-Long Island, NY-NJ-PA	60,999	16,472	44,527
19100	Dallas-Fort Worth-Arlington, TX	56,546	43,751	12,795
16980	Chicago-Naperville-Joliet, IL-IN-WI	46,672	28,619	18,053
38060	Phoenix-Mesa-Scottsdale, AZ	43,657	35,740	7,917
40140	Riverside-San Bernardino-Ontario, CA	38,149	33,508	4,641
33100	Miami-Fort Lauderdale-Miami Beach, FL	34,422	14,750	19,672
29820	Las Vegas-Paradise, NV	33,728	21,590	12,138
31100	Los Angeles-Long Beach-Santa Ana, CA	33,311	13,394	19,917
36740	Orlando-Kissimmee, FL	30,647	23,498	7,149
47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	27,708	18,457	9,251
12420	Austin-Round Rock, TX	26,900	17,753	9,147
42660	Seattle-Tacoma-Bellevue, WA	26,048	15,091	10,957
16740	Charlotte-Gastonia-Concord, NC-SC	25,180	20,281	4,899
45300	Tampa-St. Petersburg-Clearwater, FL	22,637	18,306	4,331
41700	San Antonio, TX	19,775	13,851	5,924
15980	Cape Coral-Fort Myers, FL	18,746	14,700	4,046
19740	Denver-Aurora, CO	17,850	12,903	4,947
39580	Raleigh-Cary, NC	17,551	13,471	4,080
27260	Jacksonville, FL	16,964	11,497	5,467
33460	Minneapolis-St. Paul-Bloomington, MN-WI	15,614	11,966	3,648
38900	Portland-Vancouver-Beaverton, OR-WA	15,312	10,201	5,111
34980	Nashville-Davidson--Murfreesboro, TN	15,293	13,771	1,522
37980	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	15,257	11,269	3,988
14460	Boston-Cambridge-Quincy, MA-NH	14,342	6,329	8,013
41860	San Francisco-Oakland-Fremont, CA	13,494	5,863	7,631
28140	Kansas City, MO-KS	13,170	8,657	4,513
40900	Sacramento--Arden-Arcade--Roseville, CA	12,026	8,701	3,325
41180	St. Louis, MO-IL	11,968	10,006	1,962
26900	Indianapolis, IN	11,266	9,281	1,985
34820	Myrtle Beach-Conway-North Myrtle Beach, SC	10,303	6,452	3,851
32820	Memphis, TN-MS-AR	10,245	8,488	1,757
17140	Cincinnati-Middletown, OH-KY-IN	9,440	7,525	1,915
29460	Lakeland, FL	9,388	7,661	1,727
41740	San Diego-Carlsbad-San Marcos, CA	9,194	4,746	4,448
16700	Charleston-North Charleston, SC	9,181	7,305	1,876
19820	Detroit-Warren-Livonia, MI	8,939	7,355	1,584
14260	Boise City-Nampa, ID	8,461	7,542	919
46060	Tucson, AZ	8,229	7,638	591
12580	Baltimore-Towson, MD	8,177	6,331	1,846
42260	Sarasota-Bradenton-Venice, FL	8,173	6,331	1,842
32580	McAllen-Edinburg-Mission, TX	8,048	6,868	1,180
40060	Richmond, VA	8,011	7,526	485
12940	Baton Rouge, LA	7,886	5,333	2,553
18140	Columbus, OH	7,874	5,711	2,163
13820	Birmingham-Hoover, AL	7,817	6,441	1,376
47260	Virginia Beach-Norfolk-Newport News, VA-NC	7,734	5,897	1,837
41620	Salt Lake City, UT	7,669	6,507	1,162
17900	Columbia, SC	7,456	5,959	1,497

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