



U.S. Housing Market Conditions

February 2007

SUMMARY

Housing market conditions at the end of 2006 reflected two themes. First, the year posted significant declines from 2005. Second, since these declines were from records set in 2005, the levels of housing market activity are still quite high. Another twist to these themes is that the quarterly data have been on the decline throughout the year.

2006 Annual Data

In 2006 the housing market turned away from the record-setting pace of the recent past. Even with this decline, 2006 was still one of the better years in the history of the data series, and many of the key indicators were among the best 10 values ever reported. This trend was especially true for single-family housing; building permits had their fifth best year, starts and new home sales had their fourth best year, existing home sales had their third best year, and completions set a new annual record. The mortgage interest rate was low—about 60 basis points higher than the all-time low set in 2003. Although the overall economy grew, for the first time in several years housing was not a contributor to that growth. In 2006, real gross domestic product grew by 3.4 percent, but residential fixed investment (housing) declined by 4.2 percent, subtracting 0.26 percentage point from the overall growth rate.

- Builders took out single-family and multifamily permits for 1,837,300 new housing units in 2006, the sixth highest ever but a decrease of 14.8 percent from 2005. Single-family permits in 2006 were the fifth highest ever, with 1,380,000 new home permits issued in 2006, but were down 18.0 percent from the record set in 2005.
- Housing starts totaled 1,800,700 units in 2006, down 12.9 percent from the record set in 2005. Single-family housing starts equaled 1,463,700

units in 2006, down 14.7 percent from the record set in 2005.

- In 2006, construction was completed on 1,978,200 new housing units, up 2.4 percent from 2005. This value is the third highest annual number for total completions. For the fourth consecutive year, single-family completions set a new record. In 2006, 1,654,500 single-family units were ready for occupancy, up 9.6 percent from 2005.
- Builders were considerably less optimistic in 2006 than they were in 2005. The National Association of Home Builders/Wells Fargo Housing Market Index averaged 42.1 points in 2006, down 25.1 index points from 2005. The 2006 value is the third lowest annual value in the 22-year history of this attitude survey.
- Builders sold 1,061,000 new single-family homes in 2006, down 17.3 percent from the record set in 2005. This year's value is the fourth highest ever.

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- REALTORS® sold 6,480,000 existing single-family homes in 2006, an 8.4-percent decrease from the record set in 2005. The 2006 value is the third highest annual total for existing home sales.
- The average interest rate for 30-year, fixed-rate mortgages in 2006 was the fourth lowest annual level ever reported in the 34-year history of Freddie Mac's Primary Mortgage Market Survey. The 2006 average was 6.41 percent, 54 basis points above the 2005 average and 58 basis points above the record low set in 2003.
- Affordability declined in 2006 due to rising interest rates and higher home prices. The family earning the median income had 106.0 percent of the income needed to purchase the median-priced existing home in 2006, down 5.8 percentage points from 2005 and about in the middle of the affordability indexes reported during the 34-year history of the NATIONAL ASSOCIATION OF REALTORS® affordability series.
- In 2006, the proportion of American households who owned their own homes was 68.8 percent, 0.1 percentage point below the 2005 homeownership rate. The overall minority homeownership rate of 51.3 percent tied with the record set in 2005. The homeownership rate for Hispanics in 2006 was 49.7 percent, setting a new annual record.
- Manufactured housing shipments continue to be very low and totaled 131,100 units in 2006, down 10.9 percent from 2005. The 2005 level was temporarily high due to the demand for replacement housing for units lost to the hurricanes in 2005.
- Multifamily housing (5+ units) did not fare as well in 2006 as it did the previous 4 years. The 2006 annual total for multifamily permits was 380,000, down 2.4 percent from 2005. Construction was started on 293,000 multifamily housing units in 2006, down 5.9 percent from 2005. Completions of multifamily housing units totaled 282,700 units, up 9.6 percent from 2005. The vacancy rate for rental units improved slightly in 2006 to 9.7 percent, down 0.1 percentage point from 2005 and down 0.5 percentage point from the record high of 10.2 percent in 2004. The absorption or lease-up rate for newly completed apartments declined through the third quarter of 2006, with about 60 percent of new apartments completed in the past year rented within 3 months of their completion, the lowest level in the 34-year history of the data series.

Fourth Quarter Data

The housing sector had a very poor fourth quarter in 2006, following a string of three to four quarters of decline. Permits, starts, and completions declined in the fourth quarter and the fourth quarter homeownership rate decreased. One bright spot is that new home sales increased in the fourth quarter, reversing a sequence of four quarterly declines. Existing home sales declined slightly, registering their sixth consecutive quarterly decline. The multifamily sector is somewhat mixed: permits decreased, but starts and completions increased. On the rental side, the vacancy rate decreased slightly, as did the absorption rate; however, the absorption rate is very low.

Housing Production

All housing production indicators declined in the fourth quarter of 2006 as they all did in the past three quarters. Both total and single-family permits posted decreases for the past five quarters, and total and single-family starts and completions posted three consecutive quarters of decline. Manufactured housing posted its fourth quarterly decline.

- During the fourth quarter of 2006, builders took out permits for new housing at a seasonally adjusted annual rate (SAAR) of 1,560,000, down 8.8 percent from the third quarter and down 27.2 percent from the fourth quarter of 2005. Single-family permits were issued for 1,166,000 (SAAR) housing units, a decrease of 8.6 percent from the third quarter of 2006 and a decrease of 31.1 percent from the fourth quarter of 2005.
- Builders started construction on 1,564,000 (SAAR) new housing units in the fourth quarter of 2006, down 8.8 percent from the third quarter and down 24.1 percent from the fourth quarter of 2005. Single-family housing starts totaled 1,233,000 (SAAR) housing units, down 12.0 percent from the third quarter and down 28.2 percent from the fourth quarter of 2005.
- Builders completed 1,907,000 (SAAR) new housing units in the fourth quarter, down 2.6 percent from the third quarter and down 1.9 percent from the fourth quarter of 2005. Single-family completions totaled 1,540,000 (SAAR) in the fourth quarter of 2006, down 7.7 percent



from the third quarter and down 6.0 percent from the fourth quarter of 2005.

- Manufactured housing shipments continue at very low shipment levels. In the fourth quarter, manufacturers shipped 98,000 (SAAR) housing units, down 8 percent from the third quarter and down 49 percent from the fourth quarter of 2005. Much of this decrease may be attributed to the high level of shipments in the fourth quarter of 2005 used to replace housing destroyed by hurricanes in late 2005.

Housing Marketing

Housing sales and marketing generally continued downward in the fourth quarter of 2006. Builders of new single-family homes had their first quarterly increase after four consecutive quarterly declines. REALTORS® posted the sixth consecutive quarterly decline for existing home sales. Prices for new and existing homes were somewhat mixed in the fourth quarter. The median price for existing homes decreased from the fourth quarter of 2005 while the median price for new homes increased, although the average price for new homes declined. The inventories of new and existing homes available for sale at the end of the fourth quarter decreased in absolute terms and relative to sales. The inventories of new and existing single-family homes were much higher than a year earlier in absolute terms and relative to sales. The significant drops in new home sales during the year may have led to less optimism among builders as the National Association of Home Builders/Wells Fargo Housing Market Index reported the third lowest value in the 22-year history of the index.

- In the fourth quarter, 1,061,000 (SAAR) new single-family homes were sold, up 5.4 percent from the 1,007,000 (SAAR) sold in the third quarter but down 17.1 percent from the fourth quarter of 2005.
- REALTORS® sold 6,243,000 (SAAR) existing single-family homes in the fourth quarter of 2006, down 0.6 percent from the third quarter and down 10.0 percent from the fourth quarter of 2005.
- The median price for new homes sold in the fourth quarter was \$237,700, up 0.9 percent from the third quarter but down 2.4 percent from the fourth quarter of 2005. The average price for new

homes sold in the fourth quarter was \$296,300, down 3.8 percent from the third quarter but up 0.7 percent from the fourth quarter of 2005. A constant-quality house would have sold for \$268,700 in the fourth quarter, up 1.6 percent from the third quarter and up 3.4 percent from the fourth quarter of 2005.

- The NATIONAL ASSOCIATION OF REALTORS® reported that the median price for existing homes was \$219,300 in the fourth quarter of 2006, down 2.5 percent from the third quarter and down 2.6 percent from the fourth quarter of 2005. The average price in the fourth quarter was \$266,300, down 1.5 percent from the third quarter and down 1.6 percent from the fourth quarter of 2005.
- At the end of the fourth quarter, 537,000 new homes were in the unsold inventory, down 4.1 percent from the end of the third quarter but up 5.5 percent from the end of the fourth quarter of 2005. This inventory will support 5.9 months of sales at the current sales pace, down 0.8 month from the end of the third quarter but up 1.1 months from the end of the fourth quarter of 2005. The inventory of existing homes available for sale at the end of the fourth quarter of 2006 consisted of 3,508,000 homes, down 7.3 percent from the end of the third quarter but up 23.3 percent from the end of the fourth quarter of 2005. This inventory would last for 6.8 months at the current sales rate, down 0.5 month from the end of the third quarter of 2006 but up 1.7 months from the end of the fourth quarter of 2005.
- Homebuilders were slightly less optimistic in the fourth quarter. The National Association of Home Builders/Wells Fargo composite Housing Market Index was 32.3 in the fourth quarter of 2006, down 1.7 index points from the third quarter and down 29.7 index points from the fourth quarter of 2005. This is the third lowest quarterly value in the 22-year history of the series. The index is based on three components—current sales expectations, which declined; future sales expectations, which increased; and prospective buyer traffic, which was unchanged.

Affordability and Interest Rates

Housing affordability improved according to the index published by the NATIONAL ASSOCIATION OF REALTORS®. The composite index indicates

that the family earning the median income had 109.3 percent of the income needed to purchase the median-priced existing single-family home using standard lending guidelines. This value is up 6.2 points from the third quarter of 2006 and up 2.8 points from the fourth quarter of 2005. The increase from the third quarter is attributable to the decline (2.7 percent) in the median price of an existing single-family home, the increase (0.8 percent) in median family income, and the 24-basis point decrease in the mortgage interest rate. The fourth quarter homeownership rate was 68.9, 0.1 percentage point below the third quarter rate and 0.1 percentage point below the rate of the fourth quarter of 2005.

Multifamily Housing

The multifamily (5+ units) sector posted ambiguous results for the fourth quarter. Production indicators were mixed; permits were down but starts and completions increased. The absorption of new rental units improved but continues to be historically low and the vacancy rate declined slightly.

- In the fourth quarter of 2006, builders took out permits for 325,000 new multifamily units, down 8.7 percent from the third quarter and down 11.9 percent from the fourth quarter of 2005.
- Construction was started on 290,000 new multifamily units in the fourth quarter of 2006, up 10.5 percent from the third quarter but down 5.7 percent from the fourth quarter of 2005.
- Builders completed 312,000 units in the fourth quarter, up 19.1 percent from the third quarter and up 14.0 percent from the fourth quarter of 2005.
- The rental vacancy rate in the fourth quarter of 2006 was 9.8 percent, down 0.1 percentage point from the third quarter and down 0.2 percentage point from the fourth quarter of 2005.
- Market absorption of new rental apartments has decreased with 57 percent of new apartments completed in the third quarter leased or absorbed in the first 3 months following completion. This absorption rate is near the all-time low of 56 percent experienced in the third quarters of 2001, 2002, and 2003.



NEW LOW-INCOME HOUSING TAX CREDIT PROJECT DATA AVAILABLE

The U.S. Department of Housing and Urban Development's (HUD's) Office of Policy Development and Research has just released an update of the Low-Income Housing Tax Credit (LIHTC) Database to include LIHTC-financed projects placed in service through 2004. The LIHTC Database is the only comprehensive source of information on the federal government's largest subsidy program for the construction and rehabilitation of low-income rental housing. This article provides a brief synopsis of the LIHTC Program, discusses some of the findings from the recently added data, and explains how the public can access the LIHTC Database.

Although HUD has almost no direct administrative responsibility for the LIHTC Program, the LIHTC's importance as a source of funding for low-income housing compels HUD to collect information on this program and provide it to the public. The LIHTC Database serves as a complete list of LIHTC projects and provides a set of basic data on each project within the universe of projects. The database can be used in its entirety or representative samples can be drawn for more indepth analysis. The database is available to the public and used not only by HUD but also by other federal, state, and local government agencies as well as academic and private-sector researchers.

Overview of the LIHTC

The low-income housing tax credit was created by the Tax Reform Act of 1986 as section 42 of the U.S. Internal Revenue Code. The act eliminated a variety of tax provisions that had favored rental housing and replaced them with a program of credits for the production of rental housing targeted to lower income households. Under the LIHTC Program, 58 state and local agencies are authorized, subject to an annual per capita limit, to issue federal tax credits

for the acquisition, rehabilitation, or construction of affordable rental housing. The credits can be used by property owners to reduce federal income taxes and are generally taken by outside investors who contributed initial development funds for a project. To qualify for credits a project must have a specific proportion of its units set aside for lower income households, and the rents on these units are limited to a maximum of 30 percent of qualifying income.¹ The amount of the credit that can be provided for a project is a function of the development cost (excluding land), the proportion of units that is set aside, and the credit rate (which varies based on the development method and whether other federal subsidies are used). Credits are provided for a period of 10 years.²

Congress initially authorized state agencies to allocate roughly \$9 billion in credits over 3 years: 1987, 1988, and 1989.³ Subsequent legislation modified the credit, both to make technical corrections to the original act and to make substantive changes in the program.⁴ For example, the commitment period (during which qualifying units must be rented to low-income households) was extended from 15 years to 30 years.⁵ States were also required to ensure that no more tax credit was allocated to a project than was necessary for financial viability. The LIHTC was made a permanent part of the federal tax code in 1993, and, in 2000, the per capita allocation of credit authority of the states was increased from the original \$1.25 per capita to \$1.50 in 2001, \$1.75 in 2002, and indexed to inflation thereafter.

Since 1987—the first year of the credit program—the LIHTC has become the principal federal subsidy mechanism for supporting the production of new and rehabilitated rental housing for low-income households. The number of units actually developed under the program, however, is difficult to determine. Given the decentralized nature of the program, no single federal source of information on tax credit production exists. Although the Internal Revenue Service (IRS) administers the program, the data on LIHTC projects held by the IRS are oriented toward enforcing the tax code rather than measuring a housing production program. Thus, the IRS is not a potential source for compiling this information. Through competitive application processes in which LIHTC allocation decisions are made, state and local allocation agencies collect more information on the nature of the housing that would be produced by the LIHTC applicants. Therefore, HUD collects the data from these state and local agencies.

Most of the data about the early implementation of the program was compiled by the National Council of State Housing Agencies, an association of state housing finance agencies, the entities responsible for allocating tax credits in most states. HUD and its contractor Abt Associates Inc. have been collecting and publishing the LIHTC Database since 1996. The recent update of the database makes available data on projects placed in service through 2004.

Characteristics of Tax Credit Projects

HUD's LIHTC Database contains data on 25,461 projects and 1,415,431 units placed in service between 1987 and 2004. The best data coverage is available in the 1995-through-2004 period, when data were obtained from all 58 tax credit-allocating agencies and data reporting was most complete. The LIHTC Database contains the following information:

- Project location, including address, county, state, place,⁶ census tract, and latitude and longitude geocodes.
- Contact information for project sponsors.
- Number of total units and credit-eligible units.
- Unit distribution by number of bedrooms.
- New construction or rehabilitation status.
- Credit type (30 or 70 percent of present value).
- For-profit or nonprofit sponsorship status.
- Tax-exempt bond or Rural Housing Service (RHS) Section 515 financing.
- Increased basis due to location in a Qualified Census Tract (QCT) or Difficult Development Area (DDA).
- Year placed in service and year credits were allocated.

Exhibit 1 shows the rates of missing data for the various variables in the database for projects placed in service between 1992 and 2004. The exhibit shows the percentage of projects and units missing

the indicated data elements. For comparison purposes, the exhibit breaks the data into two periods: one representing the best data from an earlier collection effort and one representing the years included in more recent updates. Thanks to the cooperation of the state and local agencies, data coverage for the 1995-through-2004 period is vastly improved over that for the 1992-through-1994 period.

Exhibit 2 presents information on the basic characteristics of LIHTC properties by year placed in service for 1995 through 2004, the period with the most complete data coverage. Placed-in-service projects are those that have received a certificate of occupancy and for which the state has submitted the IRS Form 8609 indicating the property owner is eligible to claim low-income housing tax credits.⁷

On average, almost 1,400 projects and 99,000 units were placed into service during each year of the covered period. LIHTC projects placed in service during this period contained an average of 72 units, with the average size of the properties and, thus, the average number of units increasing over the period. Tax credit properties tend to be larger than the average apartment property. Fully 44 percent of LIHTC projects are larger than 50 units, compared to only 2.2 percent of all apartment properties nationally.⁸

Of the total units produced, most were qualifying units—that is, units reserved for low-income use, with restricted rents, and for which low-income tax credits could be claimed. Overall, more than 95 percent of the total units placed in service from 1995 through 2004 were qualifying units. The distribution of qualifying ratios shows that the vast majority of projects (83 percent) are composed almost entirely of low-income units. Only a very small proportion of the properties have lower qualifying ratios, reflecting the minimum elections set by the program (that is, a minimum of 40 percent of the units at 60 percent of median income or 20 percent of the units at 50 percent of median).

Exhibit 2 also presents information on the size of the LIHTC units based on the number of bedrooms they contain. As shown in the exhibit, on average, the units had 1.93 bedrooms. More than 23 percent of LIHTC units in the study period had three or more bedrooms, compared with only 11 percent of all apartment units nationally and 17 percent of all apartments built between 1995 and 2004.⁹ Over the 10-year period, the distribution of units by bedroom count fluctuated around the average distribution for the period with no clear trends.



Exhibit 3 presents additional information on the characteristics of the LIHTC projects and units, beginning with the type of construction: new, rehabilitation, or a combination of new and rehabilitation (for multibuilding projects). As shown in the exhibit, LIHTC projects placed in service from 1995 through 2004 were predominately new construction, accounting for close to two-thirds (63.5 percent) of the projects. Rehabilitation of an existing structure was used in 34.8 percent of the projects, while a combination of new construction and rehabilitation was used in only a small fraction of LIHTC projects.¹⁰

The tax credit program requires that 10 percent of each state's LIHTC dollar allocation be set aside for projects with nonprofit sponsors. As shown in Exhibit 3, overall, 29.2 percent of LIHTC projects placed in service from 1995 through 2004 had a nonprofit sponsor.

Exhibit 3 also presents information about two common sources of additional subsidy: (1) the use of tax-exempt bonds (which generally are issued by the same agency that allocates the LIHTC) and (2) RHS¹¹ Section 515 loans (which imply a different regulatory regime and different compliance monitoring rules). Overall, RHS Section 515 loans

were used in slightly more than 12 percent of the projects placed in service during the study period, with the proportion of RHS projects dropping fairly steadily throughout the period related to the dramatic decrease in funding for the Section 515 program over the study period. At the same time, the proportion of projects with mortgages financed by tax-exempt bonds increased nearly every year, with 19 percent of projects receiving bond-financed mortgages over the 10-year period. Properties with bond-financed mortgages may be eligible for tax credits outside the annual per capita state allocation limits.

The final characteristic presented in Exhibit 3 is the credit type that was used by LIHTC projects. The 30-percent present value credit is used for acquisition and when other federal financing, such as tax-exempt bonds, is used for the rehabilitation or new construction; the 70-percent present value credit is available for nonfederally financed rehabilitation or construction. A little under two-thirds (63 percent) of the LIHTC projects placed in service during the study period have 70-percent credits, nearly 29 percent have 30-percent credits, and just over 8 percent have both types of credit.

Exhibit 1. LIHTC Database: Percent Missing Data by Variable, 1992–2004

Variable	1992–1994		1995–2004	
	Projects With Missing Data (%)	Units With Missing Data (%)	Projects With Missing Data (%)	Units With Missing Data (%)
Project address ^a	1.1	1.4	0.3	0.1
Owner contact data	14.4	13.8	4.1	3.3
Total units	0.9	—	0.4	—
Low-income units	1.9	2.9	0.9	1.2
Number of bedrooms ^b	46.7	51.5	13.6	13.6
Allocation year	8.5	9.8	0.4	0.6
Construction type (new/rehabilitation)	20.0	21.9	2.6	3.3
Credit type	41.4	42.4	8.2	8.6
Nonprofit sponsorship	27.8	25.3	12.8	12.5
Increase in basis	42.5	39.4	15.9	12.8
Use of tax-exempt bonds	21.3	23.2	7.4	8.4
Use of RHS Section 515 loans	30.7	27.4	17.4	18.0

LIHTC = low-income housing tax credit.

RHS = Rural Housing Service.

^a Indicates only that some location was provided. Address may not be a complete street address.

^b For some properties, bedroom count was provided for most but not all units, in which case data are not considered missing. The percent of units with missing bedroom count data is based on properties where no data were provided on bedroom count.

Exhibit 2. Characteristics of LIHTC Projects, 1995–2004

Characteristics	Year Placed in Service										All Projects 1995–2004
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
Number of projects	1,411	1,328	1,359	1,331	1,472	1,346	1,363	1,300	1,431	1,307	13,648
Number of units	81,179	82,716	88,533	93,298	108,160	98,640	100,210	102,835	119,532	110,457	985,560
Average project size (number of units)	57.5	62.3	65.1	70.1	73.5	73.3	73.5	79.1	83.5	84.5	72.2
Distribution (%)											
0–10 units	13.3	14.6	7.6	7.6	6.2	6.1	4.7	4.2	2.8	4.3	7.1
11–20 units	11.7	12.1	12.2	10.8	12.2	11.5	10.5	10.1	8.0	8.2	10.7
21–50 units	41.8	36.5	41.2	39.1	37.3	34.8	40.4	35.2	35.6	34.0	37.6
51–99 units	16.9	17.6	19.6	21.2	21.5	23.3	21.5	23.6	24.6	24.2	21.4
100 units or more	16.2	19.3	19.4	21.4	22.8	24.3	22.8	26.9	29.0	29.3	23.1
Average qualifying ratio (%)	97.4	96.7	96.0	95.7	94.9	94.4	94.4	92.4	94.0	94.3	95.1
Distribution (%)											
0–20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21–40	0.6	1.5	1.3	1.5	1.2	1.1	1.1	1.7	0.8	1.5	1.3
41–60	2.6	2.2	2.5	2.4	2.9	3.8	2.5	3.9	2.1	2.0	2.7
61–80	1.8	2.6	5.0	5.6	7.5	7.5	9.8	12.7	12.2	8.5	7.3
81–90	2.3	1.8	2.1	2.1	2.4	3.3	4.2	6.1	6.5	7.8	3.8
91–95	1.8	1.8	1.5	1.6	2.6	2.6	2.9	2.4	1.6	2.3	2.2
96–100	90.9	90.2	87.8	86.7	83.3	81.7	79.5	73.2	76.8	77.9	82.9
Average number of bedrooms	1.94	1.97	1.93	2.00	1.94	1.88	1.91	1.89	1.87	1.95	1.93
Distribution (%)											
0 bedrooms	3.3	3.9	4.1	3.0	4.2	3.6	2.9	2.7	5.6	4.5	3.8
1 bedroom	30.4	28.9	29.4	28.0	28.4	32.3	29.1	32.0	31.1	31.7	30.1
2 bedrooms	44.1	44.5	42.5	43.2	42.9	42.0	44.0	42.3	40.6	40.7	42.7
3 bedrooms	19.1	19.7	20.7	22.0	21.0	19.8	20.8	20.2	20.0	20.0	20.3
4 bedrooms or more	3.1	3.0	3.3	3.9	3.5	2.4	3.2	2.7	2.7	3.6	3.1

LIHTC = low-income housing tax credit.

Notes: The analysis data set includes 13,648 projects and 985,560 units placed in service between 1995 and 2004. Projects placed in service in 2004 do not include updates for Louisiana. The average number of units per property and the distribution of property size both are calculated based on the 13,600 properties with a known number of units and not on the full universe of 13,648 properties. The database contains missing data for number of units (0.4%), qualifying ratio (percentage of tax credit units) (1.2%), and bedroom



Exhibit 3. Additional Characteristics of LIHTC Projects, 1995–2004

Characteristics	Year Placed in Service										All Projects 1995–2004
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
Construction type distribution (%)											
New	65.9	62.6	62.2	63.7	64.5	59.9	60.6	62.1	68.0	66.0	63.5
Rehabilitation	32.8	36.1	35.1	34.7	33.9	39.1	37.9	35.9	30.2	32.1	34.8
Both	1.3	1.3	2.7	1.6	1.6	1.1	1.6	2.0	1.9	1.9	1.7
Nonprofit sponsor (%)	18.0	24.9	35.0	37.1	35.2	31.1	31.8	27.7	25.0	26.4	29.2
RHS Section 515 loan (%)	25.9	16.6	13.7	12.0	11.3	9.7	10.6	7.1	5.6	9.2	12.1
Tax-exempt bonds (%)	3.6	5.8	8.0	12.3	18.0	25.1	23.6	30.7	31.2	30.6	18.9
Credit type distribution (%)											
30 percent	26.1	20.9	20.6	25.6	28.4	32.0	30.3	33.8	34.3	33.3	28.5
70 percent	64.4	70.6	71.3	65.6	64.2	61.7	60.9	58.0	55.3	59.4	63.1
Both	9.5	8.6	8.1	8.8	7.4	6.3	8.8	8.3	10.4	7.3	8.4

LIHTC = low-income housing tax credit.

RHS = Rural Housing Service.

Notes: The analysis data set includes 13,648 projects and 985,560 units placed in service between 1995 and 2004. The database contains missing data for construction type (2.6%), nonprofit sponsor (12.8%), RHS Section 515 loan (17.4%), bond financing (7.4%), and credit type (8.2%). Totals may not sum to 100 percent because of rounding.

LIHTC and Housing Markets

As part of the Omnibus Reconciliation Act of 1989, Congress added provisions to the LIHTC Program designed to increase production of LIHTC units in hard-to-serve areas. Specifically, the act permits projects located in Difficult Development Areas (DDA) or Qualified Census Tracts (QCT) to claim a higher eligible basis (130 percent of the standard basis) for the purposes of calculating the amount of tax credit that can be received. Designated by HUD, DDAs are defined by statute to be metropolitan areas or nonmetropolitan areas in which construction, land, and utility costs are high relative to incomes, and QCTs are tracts in which at least 50 percent of the households have incomes less than 60 percent of the area median income (AMI) or have a poverty rate of at least 25 percent. The data are based on DDA designations for the year placed in service. For LIHTC projects placed in service from 1995 through 2002, QCT designations are from 1999,¹² based on 1990 Census tract locations. For LIHTC projects placed in service in 2003 and 2004, QCT designations are based on 2000 Census tract locations.

Exhibit 4 presents the distribution of LIHTC projects across DDAs and QCTs. As shown in the

exhibit, 20.7 percent of projects are located in DDAs and 27.9 percent are located in QCTs, with a total of 41.6 percent in designated areas.¹³ When examining units, the DDA and QCT proportions are similar.

Note: Not all projects located in a DDA or QCT actually received a higher eligible basis. The data indicate that more than one-third of properties located in a DDA and almost one-fourth of those in a QCT did not receive a higher eligible basis.¹⁴

Exhibit 5 presents information on project characteristics for properties located inside and outside designated areas. As shown in the exhibit, projects tend to be slightly larger and qualifying ratios slightly higher in nondesignated areas compared with projects in DDAs or QCTs. The exhibit also shows minimal differences in average unit size across DDAs, QCTs, and nondesignated areas. Projects in QCTs and in DDAs are considerably more likely to be rehabilitated than projects in nondesignated areas, which are more likely to be newly constructed. Projects in QCTs and to a lesser extent those in DDAs are more likely to have nonprofit sponsors than projects in nondesignated areas. Only 2.1 percent of projects in QCTs have RHS Section 515 financing compared with 15.8 percent in nondesignated areas. QCTs also have the smallest proportion of tax-

Exhibit 4. Distribution of LIHTC Projects and Units by Location in DDAs and QCTs, 1995–2004

Location	Year Placed in Service										All Projects 1995–2004
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
Number of projects	1,275	1,216	1,196	1,198	1,350	1,248	1,262	1,203	1,353	1,353	12,570
DDA (%)	14.6	12.1	20.2	22.0	24.4	23.9	23.9	22.5	22.2	21.6	20.7
QCT (%)	21.2	23.2	25.7	26.4	29.6	24.1	27.5	30.4	36.8	34.2	27.9
DDA or QCT (%)	31.0	31.3	39.2	41.4	46.1	41.0	43.2	45.7	49.5	47.5	41.6
Number of units	77,309	77,897	83,739	86,392	102,805	92,866	94,589	97,820	114,181	104,972	932,570
DDA (%)	12.7	9.7	16.1	20.4	23.5	23.2	20.3	21.5	20.6	22.9	19.1
QCT (%)	16.3	20.1	22.2	22.7	30.7	22.7	25.3	30.8	41.6	40.5	27.3
DDA or QCT (%)	25.5	26.6	33.9	39.0	48.5	40.2	39.9	46.5	52.7	56.1	40.9

DDA = Difficult Development Area.

LIHTC = low-income housing tax credit.

QCT = Qualified Census Tract.

Notes: The data set used in this analysis includes only geocoded projects. For LIHTC projects placed in service between 1995 and 2002, QCT designation is based on the 1990 Census tract location. For LIHTC projects placed in service in 2003 and 2004, QCT designation is based on the 2000 Census tract location. Totals may not sum to 100 percent because of rounding.

Exhibit 5. Characteristics of LIHTC Projects by Location in DDAs or QCTs, 1995–2004

Characteristic	In DDA	In QCT	Not in DDA or QCT	Total
Average project size (number of units)	68.4	73.0	75.3	74.4
Average qualifying ratio (%)	91.5	94.2	95.6	94.8
Average number of bedrooms	1.8	2.0	1.9	1.9
Distribution of units by size (%)				
0 bedrooms	7.1	8.0	2.0	3.9
1 bedroom	33.5	29.9	29.5	30.2
2 bedrooms	37.0	36.9	46.2	42.7
3 bedrooms	19.4	20.4	20.0	20.0
4 bedrooms or more	3.0	4.8	2.4	3.0
Construction type distribution (%)				
New construction	51.0	46.3	70.7	62.4
Rehabilitation	47.4	50.4	28.4	35.8
Both	1.6	3.4	0.9	1.7
Nonprofit sponsor (%)	33.2	38.5	24.3	29.4
RHS Section 515 loan (%)	6.0	2.1	15.8	11.0
Tax-exempt bond financing (%)	23.5	15.8	20.2	19.8
Credit type distribution (%)				
30 percent	28.2	20.8	31.5	28.6
70 percent	66.3	68.9	60.6	63.0
Both	5.4	10.4	7.9	8.4

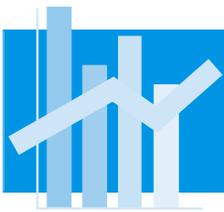
DDA = Difficult Development Area.

LIHTC = low-income housing tax credit.

QCT = Qualified Census Tract.

RHS = Rural Housing Service.

Notes: The data set used in this analysis includes only geocoded projects. For LIHTC projects placed in service between 1995 and 2002, QCT designation is based on the 1990 Census tract location. For LIHTC projects placed in service in 2003 and 2004, QCT designation is based on the 2000 Census tract location. The data set contains missing data for bedroom count (13.7%), construction type (2.4%), nonprofit sponsor (13.0%), RHS Section 515 loan (16.4%), bond financing (7.0%), and credit type (8.0%). Metropolitan areas are defined according to the metropolitan statistical area and primary metropolitan statistical area definitions published June 30, 1999. Totals may not sum to 100 percent because of rounding. Some properties are located in both a DDA and a QCT.



exempt, bond-financed projects and projects with the 30-percent credit; the latter indicates the presence of subsidized financing. Tax-exempt bond financing is most common in DDAs, accounting for 23.5 percent of projects.

As noted previously, DDAs are defined as metropolitan areas or nonmetropolitan counties in which construction, land, and utility costs are high relative to incomes. Although developers have an incentive to place tax credit properties in DDAs because they can claim a higher eligible basis, it is assumed that, all other things being equal, developers would favor locations with low development costs relative to incomes. To test this hypothesis, it would be optimal to examine development costs relative to incomes. Local development costs are not available, but, assuming that development costs are correlated with local market rents, HUD-defined fair market rents (FMRs) relative to local incomes can serve as a measure of development costs relative to incomes. The analysis uses the LIHTC maximum income limit (60 percent of AMI) as the measure of local

income.¹⁵ For the analysis, non-DDA metropolitan areas and nonmetropolitan counties in the United States were sorted based on the ratio of FMR to 30 percent of 60 percent of AMI (the maximum LIHTC rent), from lowest to highest. They were then classified into three categories, each with approximately one-third of all renter households not in DDAs; that is, low-cost areas, moderate-cost areas, and high-cost areas. The same sorting and classification procedures were done using multifamily building permits issued between 1994 and 2003.¹⁶ Exhibit 6 presents the distribution of tax credit projects and units in these categories.

As shown in Exhibit 6, LIHTC projects are disproportionately located in favorable development cost areas; that is, metropolitan areas and nonmetropolitan counties where development costs are low relative to incomes. As shown in the first panel of Exhibit 6, 40.6 percent of tax credit projects are located in areas where development costs are low, compared with 25.4 percent of all U.S. renter households. Projects in these low-cost

Exhibit 6. Distribution of LIHTC Units and Projects by Development Cost Category, 1995–2004

Development Cost Category Based on Renter Units	Ratio of FMR to Maximum LIHTC Rent	All U.S. Rental Units (%)	LIHTC Projects (%)	LIHTC Units (%)	LIHTC Projects in QCTs (%)	LIHTC Units in QCTs (%)
Low	.411 to .687	25.4	40.6	28.8	30.3	21.9
Moderate	>.687 to .782	24.8	26.9	24.8	28.7	28.5
High (non-DDA)	>.782 to 1.144	25.4	17.2	27.2	21.1	28.0
In DDAs		24.4	15.3	19.1	19.9	21.6
Total		100.0	100.0	100.0	100.0	100.0
Development Cost Category Based on Units Issued Multifamily Building Permits	Ratio of FMR to Maximum LIHTC Rent	Multifamily Building Permit Units 1994–2003 (%)	LIHTC Projects (%)	LIHTC Units (%)	LIHTC Projects in QCTs (%)	LIHTC Units in QCTs (%)
Low	.411 to .723	28.6	49.4	35.0	37.4	26.9
Moderate	>.723 to .807	28.9	21.2	25.0	25.0	31.0
High (non-DDA)	>.807 to 1.144	26.5	14.2	20.8	17.6	20.5
In DDAs		16.0	15.3	19.1	19.9	21.6
Total		100.0	100.0	100.0	100.0	100.0

DDA = Difficult Development Area.

FMR = fair market rent.

LIHTC = low-income housing tax credit.

QCT = Qualified Census Tract.

Notes: Maximum LIHTC rent equals one-twelfth of 30 percent of area median income (or one-twelfth of 30 percent of 120 percent of very-low-income limit). All U.S. rental units are from the 2000 Census. Annual building permit data for metropolitan areas and nonmetropolitan counties are from the Census Bureau. LIHTC units placed in service from 1995 through 2004 are compared to multifamily building permits issued between 1994 and 2003 because it generally takes 1 year from issuance of building permits for a multiunit residential building to be completed. The percentages for all U.S. rental units and building permit units are not exactly equal for each of the three non-DDA development cost categories because metropolitan statistical areas (or nonmetropolitan counties) lying on the cutoffs for one-third and two-thirds of units could not be split.

locations tend to be smaller than projects in high-cost areas, so that the proportion of tax credit units in low-cost areas—28.8 percent—is closer to the national total. Exhibit 6 also displays the distribution of tax credit projects and units located in QCTs by development cost category. As shown, 30.3 percent of LIHTC projects and 21.9 percent of LIHTC units in QCTs are located in the lowest development cost category, slightly lower than the distribution of all renter households.

The second panel of Exhibit 6 presents the same analysis using multifamily building permit data instead of all renter units. Using this analysis, tax credit projects and units are disproportionately located in areas where development costs are low. Nearly 50 percent (49.4 percent) of tax credit properties and 35.0 percent of tax credit units are in low-cost areas, compared with 28.6 percent of units issued multifamily building permits between 1994 and 2003.

Additional analysis of the data, including more comparisons to the earlier data and further location analysis, is available in *HUD National Low-Income Housing Tax Credit (LIHTC) Database: Projects Placed in Service Through 2004* which is available for download at <http://www.huduser.org/datasets/lihtc/tables9504.pdf>.

Accessing the LIHTC Database

The complete LIHTC Database is available for download through an interactive web-based system at <http://lihtc.huduser.org>. The interactive system allows users to:

- Select only the variables of interest.
- Retrieve data on all projects in a particular state or group of states.
- Restrict the search to projects with a particular characteristic or set of characteristics.
- Select projects only in a particular city.
- Select projects within a user-selected radius of the center of a city.

Notes

¹ Owners may elect to set aside at least 20 percent of the units for households at or below 50 percent of area median income (AMI) or at least 40 percent of the units for households with incomes below 60 percent of AMI. Annual rents in low-income units are limited to a maximum of 30 percent of the elected 50 or 60 percent of AMI.

² The credit percentages are adjusted monthly but fall in the range of 4 to 9 percent of the qualifying basis (that is, the proportion of the property devoted to low-income tenants). In general, credits are intended to provide a stream of benefits with a present value equal to either 30 percent (for the 4-percent credit) or 70 percent (for the 9-percent credit) of the property's qualifying basis. The 30-percent credit is used for the acquisition of an existing building or for federally subsidized new construction or rehabilitation. The 70-percent credit is used for rehabilitation or construction of projects without additional federal subsidies.

³ Assumes approximately \$300 million in allocation authority in each year, with annual credits taken for 10 years.

⁴ See the Technical and Miscellaneous Revenue Act of 1988, Omnibus Budget Reconciliation Act of 1989, Omnibus Reconciliation Act of 1990, and Community Renewal Tax Relief Act of 2000.

⁵ The Omnibus Reconciliation Act of 1989 extended the commitment period from 15 to 30 years. However, project owners are permitted to sell or convert the project to conventional market housing if they apply to the state tax credit allocation agency and the agency is unable to find a buyer (presumably a nonprofit) willing to maintain the property as a low-income project for the balance of the 30-year period. If no such buyer is found, tenants are protected with rental assistance for up to 3 years.

⁶ Place is defined by the Census Bureau as a concentration of population either legally bounded as an incorporated place or identified as a Census Designated Place (CDP). A CDP is a statistical entity, defined for each decennial census according to Census Bureau guidelines, comprising a densely settled concentration of population that is not within an incorporated place but is locally identified by a name.

⁷ Internal Revenue Service reporting is on a building-by-building basis. In this study, however, the Department of Housing and Urban Development uses the low-income housing tax credit project as a unit of analysis. A project could include multiple buildings and/or multiple phases that were part of a single financing package.



⁸ National Multi Housing Council, tabulation of unpublished data from the Census Bureau's 1995–1996 Property Owners and Managers Survey. Data do not include public housing projects.

⁹ Census Bureau, American Housing Survey for the United States: 2005. Data refer to renter-occupied units in buildings with two or more units and that were built through 2004. Units built in 2005 were excluded.

¹⁰ The combination of new construction and rehabilitation is possible in multibuilding properties, where one building was rehabilitated and one building was newly constructed.

¹¹ The Rural Housing Service was formerly called the Farmers Home Administration.

¹² Because Qualified Census Tract (QCT) designations are based on decennial census data, the designations are fairly static between decennial censuses. The 1999 QCTs are nearly identical to those in force throughout the 1995-to-2001 period. For 2002, about 2,000 additional 1990 Census tracts with poverty levels of 25 percent or more were designated as QCTs in accordance with the Community Renewal Tax Relief Act of 2000. For the 2002 projects, the 2002 QCT list was used to determine QCT status.

¹³ Some properties are located in both a Difficult Development Area and a Qualified Census Tract.

¹⁴ In addition, according to the allocating agency, 467 projects received a higher basis but, according to our geocoding, are located in neither a Difficult Development Area (DDA) nor a Qualified Census Tract. About half of these projects were located in areas that were designated DDAs at some point, often the year a project was allocated tax credits. These projects were probably allocated credit under the “10-percent rule,” allowing them to get the DDA-level allocation even though they were a year or more from completion and placement in service.

¹⁵ Specifically, the data used were the 2003 two-bedroom fair market rents and 60 percent of 2003 area median income.

¹⁶ Data on low-income housing tax credit units placed in service from 1995 through 2004 are compared to multifamily building permits issued between 1994 and 2003 because it generally takes 1 year from the issuance of a building permit for a multiunit residential building to be completed. According to Census Bureau data on the construction of new residential multiunit buildings between 1994 and 2003, the average length of time from permit issuance to the start of construction was 1.4 to 1.9 months, and the average length of time from the start of construction to completion was 8.9 to 10.1 months.

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National Data

HOUSING PRODUCTION



Permits[★]

Permits for construction of new housing units were down 9 percent in the fourth quarter of 2006, at a seasonally adjusted annual rate (SAAR) of 1,560,000 units, and were down 27 percent from the fourth quarter of 2005. One-unit permits, at 1,166,000 units, were down 9 percent from the level of the previous quarter and down 31 percent from a year earlier. Multifamily permits (5 or more units in structure), at 325,000 units, were 9 percent below the third quarter of 2006 and 12 percent below the fourth quarter of 2005.

In 2006, permits for 1,837,300 units were issued, 15 percent fewer than in 2005. Of these, 1,380,000 were for single-family units, a decrease of 18 percent from the previous year. Permits for multifamily units totalled 380,000, down 2 percent from 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,560	1,709	2,143	- 9	- 27
One Unit	1,166	1,276	1,692	- 9	- 31
Two to Four	68	77	82	- 12	- 17
Five Plus	325	356	369	- 9	- 12

[★]Components may not add to totals because of rounding. Units in thousands.

Source: Census Bureau, Department of Commerce



Starts*

Construction starts of new housing units in the fourth quarter of 2006 totaled 1,564,000 units at a seasonally adjusted annual rate, a statistically insignificant 9 percent below the third quarter of 2006 and 24 percent below the fourth quarter of 2005. Single-family starts, at 1,233,000 units, were 12 percent lower than the previous quarter and 28 percent lower than the fourth-quarter level of the previous year. Multifamily starts totaled 290,000 units, a statistically insignificant 11 percent above the previous quarter but a statistically insignificant 6 percent below the same quarter in 2005.

In 2006, builders started construction on 1,800,700 units, 13 percent fewer than in 2005. Single-family starts fell 15 percent to 1,463,700 units. Multifamily starts totaled 293,000 units for the year, 6 percent fewer than in 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,564	1,714	2,060	- 9**	- 24
One Unit	1,233	1,401	1,718	- 12	- 28
Five Plus	290	262	308	+11**	- 6**

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

**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Under Construction*

Housing units under construction at the end of the fourth quarter of 2006 were at a seasonally adjusted annual rate of 1,255,000 units, 5 percent below the previous quarter and 10 percent below the fourth quarter of 2005. Single-family units stood at 810,000, a statistically insignificant 6 percent below the previous quarter and 17 percent below the fourth quarter of 2005. Multifamily units were at 409,000, down a statistically insignificant 1 percent from the previous quarter but up a statistically insignificant 4 percent from the fourth quarter of 2005.

At the end of 2006, 1,210,900 housing units were under construction, 11 percent fewer than at the end of 2005. Single-family units accounted for 769,100 of this total, a decrease of 17 percent from the previous year, and multifamily units accounted for 406,500, down 4 percent from 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,255	1,320	1,401	- 5	- 10
One Unit	810	866	972	- 6**	- 17
Five Plus	409	414	394	- 1**	+ 4**

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

**This change is not statistically significant.

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



Completions*

Housing units completed in the fourth quarter of 2006, at a seasonally adjusted annual rate of 1,907,000 units, were down a statistically insignificant 3 percent from the previous quarter and down a statistically insignificant 2 percent from the same quarter of 2005. Single-family completions, at 1,540,000 units, were down a statistically insignificant 8 percent from the previous quarter and down 6 percent from the rate of a year earlier. Multifamily completions, at 312,000 units, were a statistically insignificant 19 percent above the previous quarter and 14 percent above the same quarter of 2005.

In 2006, 1,978,200 housing units were completed, an increase of 2 percent over 2005. Single-family units accounted for 1,654,500 of this total, an increase of 1 percent over 2005. Multifamily units accounted for 282,700 of the completions, up 10 percent from 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,907	1,957	1,943	- 3**	- 2**
One Unit	1,540	1,668	1,638	- 8**	- 6
Five Plus	312	262	274	+ 19**	+ 14

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

**This change is not statistically significant.

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



Manufactured (Mobile) Home Shipments*

Shipments of new manufactured (mobile) homes were at a seasonally adjusted annual rate of 98,000 units in the fourth quarter of 2006, which is 8 percent below the previous quarter and 49 percent below the rate of a year earlier.

Manufacturers shipped 131,000 units in all of 2006, 11 percent fewer than in 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Manufacturers' Shipments	98	107	192	- 8	- 49

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

Source: National Conference of States on Building Codes and Standards



HOUSING MARKETING



Home Sales*

Sales of new single-family homes totaled 1,061,000 units at a seasonally adjusted annual rate (SAAR) in the fourth quarter of 2006, up a statistically insignificant 5 percent from the previous quarter but down 17 percent from the fourth quarter of 2005. The number of new homes for sale at the end of this year's fourth quarter was 537,000 units, a statistically insignificant 4 percent below last quarter but a statistically insignificant 6 percent higher than a year earlier. At the end of December, inventories represented a 5.9 months' supply at the current sales rate, representing a decline of 12 percent from the previous quarter but a 23-percent increase over the fourth quarter of last year. For all of 2006, 1,061,000 new single-family houses were sold, a 17-percent decline from 2005.

Sales of existing homes for the fourth quarter of 2006 reported by the NATIONAL ASSOCIATION OF REALTORS® totaled 6,243,000 (SAAR), down 1 percent from last quarter and down 10 percent from the fourth quarter of 2005. The number of units for sale at the end of this year's fourth quarter was 3,508,000, down 7 percent from the previous quarter but 23 percent above the same quarter last year. At the end of December, a 6.8 months' supply of units remained, 7 percent lower than last quarter but 33 percent more than a year ago. For all of 2006, sales of existing homes fell to 6,480,000, down 8 percent from 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
New Homes Sold	1,061	1,007	1,280	+ 5**	- 17
For Sale	537	560	509	- 4**	+ 6**
Months' Supply	5.9	6.7	4.8	- 12	+ 23
Existing Homes					
Existing Homes Sold	6,243	6,280	6,943	- 1	- 10
For Sale	3,508	3,783	2,846	- 7	+ 23
Months' Supply	6.8	7.3	5.1	- 7	+ 33

*Units in thousands.

**This change is not statistically significant.

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



Home Prices

The median price of new homes sold during the fourth quarter of 2006 was \$237,700, up a statistically insignificant 1 percent from the previous quarter but down a statistically insignificant 2 percent from the fourth quarter of 2005. The average price of new homes sold during the fourth quarter of 2006 was \$296,300, a statistically insignificant 4 percent below last quarter but a statistically insignificant 1 percent above the same quarter a year ago. The price adjusted to represent a constant-quality house was \$268,700, a statistically insignificant 2 percent higher than the previous quarter and a statistically insignificant 3 percent higher than the fourth quarter of last year. The values for the set of physical characteristics used for the constant-quality house are based on 1996 sales.

For all of 2006, the median annual price of new homes increased to \$245,300, up a statistically insignificant 2 percent from 2005. The average annual price for 2006 was \$304,700, a statistically insignificant 3 percent higher than the previous year. The constant-quality house price rose a statistically insignificant 4 percent in 2006 to \$264,600.

The median price of existing homes sold in the fourth quarter of 2006 was \$219,300, down 3 percent from both last quarter and the fourth quarter of 2005, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of existing homes sold, \$266,300, was 1 percent lower than the previous quarter and 2 percent lower than the fourth quarter of last year. For all of 2006, the annual median price of existing homes increased 1 percent to \$222,000, while the average annual price rose to \$268,300, also a 1-percent gain over the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
Median	\$237,700	\$235,600	\$243,600	+ 1**	- 2**
Average	\$296,300	\$308,100	\$294,200	- 4**	+ 1**
Constant-Quality House¹	\$268,700	\$264,400	\$259,800	+ 2**	+ 3**
Existing Homes					
Median	\$219,300	\$225,000	\$225,300	- 3	- 3
Average	\$266,300	\$270,300	\$270,700	- 1	- 2

**This change is not statistically significant.

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



Housing Affordability

Housing affordability is the ratio of median family income to the income needed to purchase the median-priced home based on current interest rates and underwriting standards, expressed as an index. The NATIONAL ASSOCIATION OF REALTORS® composite index of housing affordability for the fourth quarter of 2006 shows that families earning median income have 109.3 percent of the income needed to purchase the median-priced existing single-family home. This figure is 6 percent higher than last quarter and 3 percent higher than the fourth quarter of 2005.

The increase in the fourth quarter 2006 housing affordability index reflects current changes in the marketplace. The national average home mortgage interest rate of 6.52 is 24 basis points lower than the previous quarter. The median price of existing single-family homes fell to \$219,300, 3 percent lower than both last quarter and the fourth quarter of 2005. Median family income increased 0.8 percent from the previous quarter to \$58,294, a 3.2-percent gain over last year's fourth quarter.

The fourth quarter 2006 fixed-rate index of housing affordability increased 6 percent from last quarter and was 4 percent higher than the fourth quarter of 2005. The adjustable-rate index was also 6 percent higher than the previous quarter and 1 percent above last year's fourth quarter.

For all of 2006, the composite housing affordability index averaged 106.0, a 5-percent decline from 2005. The national average home mortgage interest rate for 2006 was 6.58, 67 basis points above the same rate in 2005. The median price of existing single-family homes for 2006 was \$222,000, 1 percent higher than the previous year, and median family income in 2006 was \$57,612, a 3-percent increase over 2005. The fixed-rate affordability index for 2006 was 105.6, 4 percent below the previous year, and the adjustable-rate affordability index of 108.0 was 7 percent lower than that of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Composite Index	109.3	103.1	106.5	+ 6	+ 3
Fixed-Rate Index	109.0	102.6	105.1	+ 6	+ 4
Adjustable-Rate Index	111.2	104.9	110.1	+ 6	+ 1

Source: NATIONAL ASSOCIATION OF REALTORS®



Apartment Absorptions

In the third quarter of 2006, 32,100 new, unsubsidized, unfurnished, multifamily (five or more units in structure) rental apartments were completed, up a statistically insignificant 13 percent from the previous quarter and up a statistically insignificant 5 percent from the third quarter of 2005. Of the apartments completed in the third quarter of 2006, 57 percent were rented within 3 months. This absorption rate is a statistically insignificant 7 percent lower than last quarter and 10 percent below the same quarter of the previous year. The median asking rent for apartments completed in the third quarter was \$1,052, an increase of 7 percent from the previous quarter and a gain of 15 percent from the third quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Apartments Completed*	32.1	28.5	30.5	+ 13**	+ 5**
Percent Absorbed Next Quarter	57	61	63	- 7**	- 10
Median Rent	\$1,052	\$979	\$911	+ 7	+ 15

*Units in thousands.

**This change is not statistically significant.

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



Manufactured (Mobile) Home Placements

Manufactured homes placed on site ready for occupancy in the third quarter of 2006 totaled 111,300 at a seasonally adjusted annual rate, a statistically insignificant 5 percent below the level of the previous quarter and 9 percent below the third quarter of 2005. The number of homes for sale on dealers' lots at the end of the third quarter totaled 39,000 units, 7 percent below the previous quarter but a statistically insignificant 3 percent above the same quarter of 2005. The average sales price of the units sold in the third quarter of 2006 was \$64,800, a statistically insignificant 5 percent above the previous quarter and 5 percent above the price in the third quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Placements*	111.3	116.7	122.3	- 5**	- 9
On Dealers' Lots*	39.0	42.0	38.0	- 7	+ 3**
Average Sales Price	\$64,800	\$61,700	\$61,700	+ 5**	+ 5

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

**This change is not statistically significant.

Note: Percentage changes are based on unrounded numbers.

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



Builders' Views of Housing Market Activity

The National Association of Home Builders (NAHB)/Wells Fargo conducts a monthly survey focusing on builders' views of the level of sales activity and their expectations for the near future. NAHB uses these survey responses to construct indices of housing market activity. (The index values range from 0 to 100.) For the fourth quarter of 2006, the current market activity index for single-family detached houses stood at 33, down 4 points from last quarter and down 35 points from the fourth quarter of 2005. The index for future sales expectations, 45, was up 4 points from the third quarter of 2006 but fell 23 points below last year's fourth quarter. Prospective buyer traffic had an index value of 24, which is unchanged from the previous quarter but down 22 points from the fourth quarter of last year. NAHB combines these separate indices into a single housing market index that mirrors the three components quite closely. For the fourth quarter of 2006, this index stood at 32, which is 2 points lower than the third quarter of 2006 and 30 points below the fourth quarter of last year.

For all of 2006, the current sales index averaged 45, down 28 points from 2005. The average future sales expectations index was 51, 24 points lower than the previous year. The prospective sales index averaged 30 for the year, down 20 points from 2005. The composite index for 2006 was 42, a decrease of 25 points from the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Housing Market Index	32	34	62	- 6	- 48
Current Sales Activity—Single-Family Detached	33	37	68	- 11	- 51
Future Sales Expectations—Single-Family Detached	45	41	68	+ 10	- 34
Prospective Buyer Traffic	24	24	46	—	- 48

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

HOUSING FINANCE



Mortgage Interest Rates

The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac decreased to 6.25 percent in the fourth quarter of 2006, 31 basis points lower than in the previous quarter but 3 basis points higher than in the fourth quarter of 2005. Adjustable-rate mortgages (ARMs) in the fourth quarter of 2006 were going for 5.50 percent, 16 basis point below the previous quarter but 44 basis points above the fourth quarter of 2005. Fixed-rate, 15-year mortgages, at 5.96 percent, were down 26 basis points from the third quarter of 2006 but up 19 basis points from the fourth quarter of 2004. The 2006 annual rate for 30-year, fixed-rate, conventional mortgages was 6.41 percent, up 54 basis points from last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Conventional, Fixed-Rate, 30-Year	6.25	6.56	6.22	- 5	—
Conventional ARMs	5.50	5.66	5.06	- 3	+ 9
Conventional, Fixed-Rate, 15-Year	5.96	6.22	5.77	- 4	+ 3

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



FHA 1-4 Family Mortgage Insurance*

Applications for FHA mortgage insurance on 1-4 family homes were received for 152,400 (not seasonally adjusted) properties in the fourth quarter of 2006, down 2 percent from the previous quarter but up 13 percent from the fourth quarter of 2005. Total endorsements or insurance policies issued totaled 120,400, down 7 percent from the third quarter of 2006 but unchanged from the fourth quarter of 2005. Purchase endorsements, at 67,500, were down 18 percent from the previous quarter and were down 14 percent from the fourth quarter 2005. Endorsements for refinancing increased to 53,000, a 13-percent increase from the third quarter and were up 27 percent from the fourth quarter a year ago.

The total number of FHA applications received in 2006 was 653,900, a 3-percent decline from 2005. Total endorsements were 465,400, a decline of 11 percent from last year. Purchase endorsements, at 264,100, declined 21 percent from 2005 and the 201,300 refinancings were 6 percent above that of the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Applications Received	152.4	154.9	134.2	- 2	+ 13
Total Endorsements	120.4	129.5	120.6	- 7	—
Purchase Endorsements	67.5	82.4	78.8	- 18	- 14
Refinancing Endorsements	53.0	47.1	41.8	+ 13	+ 27

*Units in thousands of properties.

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



PMI and VA Activity*

Private mortgage insurers issued 382,100 policies or certificates of insurance on conventional mortgage loans during the fourth quarter of 2006, up 3 percent from the third quarter of 2006 and up 1 percent from the fourth quarter of 2005; these numbers are not seasonally adjusted. The U.S. Department of Veterans Affairs (VA) reported the issuance of mortgage loan guaranties on 31,900 single-family properties in the fourth quarter of 2006, down 18 percent from the previous quarter and down 13 percent from the fourth quarter of 2005.

In 2006, private insurers issued 1,444,330 certificates of insurance, a decrease of 9 percent from 2005. Total VA mortgage loan guaranties decreased 14 percent to 137,874 from 2005 to 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total PMI Certificates	382.1	372.3	379.7	+ 3	+ 1
Total VA Guaranties	31.9	39.0	36.8	- 18	- 13

*Units in thousands of properties.

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



Delinquencies and Foreclosures

Total delinquencies for all past due loans were at 4.67 percent in the third quarter of 2006, up 6 percent from the second quarter of 2006 and up 5 percent from the third quarter of 2005. Delinquencies for subprime past due loans were at 12.56 percent, up 7 percent from the second quarter of 2006 and up 17 percent from the third quarter of the previous year. Ninety-day delinquencies for all loans were at 0.94 percent, up 3 percent from the second quarter of 2006 and up 13 percent from the third quarter a year ago. Subprime loans that were 90 days past due stood at 2.96 percent in the third quarter of 2006, up 12 percent from second quarter of 2006 and up 30 percent from the third quarter 2005. During the third quarter of 2006, 0.46 percent of all loans entered foreclosure, up 7 percent from the second quarter of 2006 and up 12 percent from the third quarter of the previous year. In the subprime category, 1.82 percent began foreclosure in the third quarter of 2006, an increase of 2 percent over the second quarter of 2006 and up 31 percent from the third quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total Past Due (%)					
All Loans	4.67	4.39	4.44	+ 6	+ 5
Subprime Loans	12.56	11.70	10.76	+ 7	+ 17
90 Days Past Due (%)					
All Loans	0.94	0.91	0.83	+ 3	+ 13
Subprime Loans	2.96	2.65	2.28	+ 12	+ 30
Foreclosures Started (%)					
All Loans	0.46	0.43	0.41	+ 7	+ 12
Subprime Loans	1.82	1.79	1.39	+ 2	+ 31

Source: National Delinquency Survey, Mortgage Bankers Association



HOUSING INVESTMENT



Residential Fixed Investment and Gross Domestic Product*

Residential Fixed Investment (RFI) for the fourth quarter of 2006 was at a seasonally adjusted annual rate of \$718.8 billion, 4 percent below the value from the third quarter of 2006 and 10 percent below the fourth quarter of 2005. As a percentage of the Gross Domestic Product (GDP), RFI for the fourth quarter of 2006 was 5.3 percent, 0.3 percentage point below the previous quarter and 1.0 percentage point below the same quarter a year ago.

RFI for all of 2006 was \$767.1 billion, unchanged from 2005. Annual RFI was 5.8 percent of annual GDP, a decline of 0.4 percentage point from the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
GDP	13,487.2	13,322.6	12,730.5	+ 1	+ 6
RFI	\$718.8	\$750.5	\$801.5	- 4	- 10
RFI/GDP (%)	5.3	5.6	6.3	- 5	- 16

*Billions of dollars.

Source: Bureau of Economic Analysis, Department of Commerce

HOUSING INVENTORY



Housing Stock*

At the end of the fourth quarter of 2006 the estimate of the total housing stock, 126,651,000 units, was up a statistically insignificant 0.3 percent from the third quarter of 2006 and up a statistically insignificant 1.7 percent from the fourth quarter for 2005. The number of occupied units was up a statistically insignificant 0.3 percent from the third quarter of 2006 and rose a statistically insignificant 1.0 percent above the fourth quarter of 2005. Owner-occupied homes increased a statistically insignificant 0.2 percent from the third quarter of 2005 and were up a statistically insignificant 0.8 percent above last year's fourth quarter. Rentals increased a statistically insignificant 0.5 percent from the previous quarter and increased a statistically insignificant 1.3 percent from the fourth quarter of 2005. Vacant units were up a statistically insignificant 0.7 percent from last quarter and increased 7.0 percent from the fourth quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Housing Units	126,651	126,225	124,509	+ 0.3**	+ 1.7**
Occupied Units	109,932	109,630	108,888	+ 0.3**	+ 1.0**
Owner Occupied	75,763	75,646	75,163	+ 0.2**	+ 0.8**
Renter Occupied	34,169	33,984	33,725	+ 0.5**	+ 1.3**
Vacant Units	16,719	16,595	15,621	+ 0.7**	+ 7.0

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

**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Vacancy Rates

The national homeowner vacancy rate for the fourth quarter of 2006, at 2.7 percent, increased 0.2 percentage point from the third quarter of 2006 and increased 0.7 percentage point from the fourth quarter of 2005.

The national rental vacancy rate for the fourth quarter of 2006, at 9.8 percent, decreased a statistically insignificant 0.1 percentage point from the previous quarter but was up a statistically insignificant 0.2 percentage point from the same quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Homeowner Rate	2.7	2.5	2.0	+ 8	+ 35
Rental Rate	9.8	9.9	9.6	- 1**	+ 2**

**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



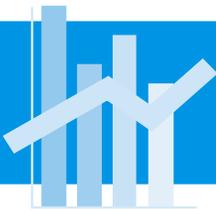
Homeownership Rates

The national homeownership rate was 68.9 percent in the fourth quarter of 2006, down a statistically insignificant 0.1 percentage point from both the previous quarter and the fourth quarter of 2005. The homeownership rate for minority households, at 51.4 percent, decreased a statistically insignificant 0.3 percentage point from the third quarter of 2006 and decreased a statistically insignificant 0.1 percentage point from the fourth quarter of 2005. The 62.9-percent homeownership rate for young married-couple households was down 0.8 percentage point from the third quarter of 2006 and was down 1.0 percentage point from the fourth quarter of 2005.

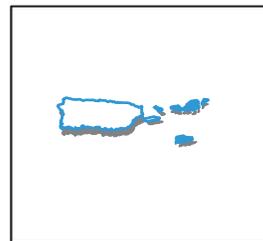
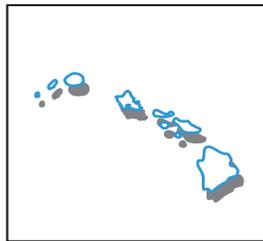
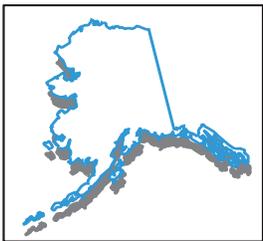
	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Households	68.9	69.0	69.0	- 0.1**	- 0.1**
Minority Households	51.4	51.7	51.5	- 0.6**	- 0.2**
Young Married-Couple Households	62.9	63.7	63.9	- 1.3	- 1.6

**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Regional Activity



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



Regional Reports

NEW ENGLAND



Nonfarm employment in the New England region 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 than 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.

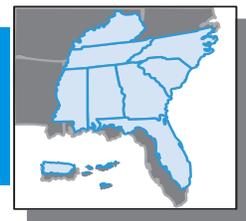
During 2006, conditions varied among the three largest rental markets in the Mid-Atlantic region. The vacancy rate for Class A rental units in the Baltimore metropolitan area declined from 8 percent in December 2005 to 5.8 percent currently, according to Delta Associates. Vacancy rates in four of the 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.

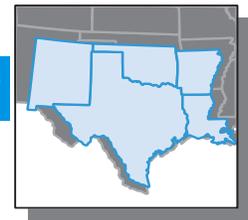
Rental market conditions improved in most areas of Illinois in 2006. In the Peoria area, the apartment vacancy rate was approximately 4.5 percent in the fourth quarter of 2006, down from 6.5 percent in the fourth quarter of 2005. The increased demand for apartment units in the Rockford area boosted rents 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



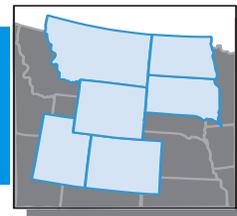
10 percent, the unsold inventory was up 2 percent to 2,050 homes, and the average sales price was up 2 percent to \$160,070. In Des Moines, sales declined slightly to 11,040 units, the unsold inventory increased 12 percent to 6,400 units, and the average sales price increased 3 percent to \$169,600.

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 to 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 immigration. 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. State-wide, 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

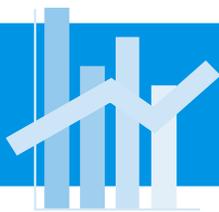
Units Authorized by Building Permits, Year to Date: 50 Most Active Core Based Statistical Areas** (Listed by Total Building Permits)

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



Historical Data



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

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1967	1,141.0	650.6	42.5	30.5	417.5	918.0	223.0	222.6	309.8	390.8	217.8
1968	1,353.4	694.7	45.1	39.2	574.4	1,104.6	248.8	234.8	350.1	477.3	291.1
1969	1,323.7	625.9	44.7	40.5	612.7	1,074.1	249.6	215.8	317.0	470.5	320.4
1970	1,351.5	646.8	43.0	45.1	616.7	1,067.6	284.0	218.3	287.4	502.9	342.9
1971	1,924.6	906.1	61.8	71.1	885.7	1,597.6	327.0	303.6	421.1	725.4	474.6
1972	2,218.9	1,033.1	68.1	80.5	1,037.2	1,798.0	420.9	333.3	440.8	905.4	539.3
1973	1,819.5	882.1	53.8	63.2	820.5	1,483.5	336.0	271.9	361.4	763.2	423.1
1974	1,074.4	643.8	32.6	31.7	366.2	835.0	239.4	165.4	241.3	390.1	277.6
1975	939.2	675.5	34.1	29.8	199.8	704.1	235.1	129.5	241.5	292.7	275.5
1976	1,296.2	893.6	47.5	45.6	309.5	1,001.9	294.2	152.4	326.1	401.7	416.0
1977	1,690.0	1,126.1	62.1	59.2	442.7	1,326.3	363.7	181.9	402.4	561.1	544.6
1978	1,800.5	1,182.6	64.5	66.1	487.3	1,398.6	401.9	194.4	388.0	667.6	550.5
1979	1,551.8	981.5	59.5	65.9	444.8	1,210.6	341.2	166.9	289.1	628.0	467.7
1980	1,190.6	710.4	53.8	60.7	365.7	911.0	279.6	117.9	192.0	561.9	318.9
1981	985.5	564.3	44.6	57.2	319.4	765.2	220.4	109.8	133.3	491.1	251.3
1982	1,000.5	546.4	38.4	49.9	365.8	812.6	187.9	106.7	126.3	543.5	224.1
1983	1,605.2	901.5	57.5	76.1	570.1	1,359.7	245.5	164.1	187.8	862.9	390.4
1984	1,681.8	922.4	61.9	80.7	616.8	1,456.2	225.7	200.8	211.7	812.1	457.3
1985	1,733.3	956.6	54.0	66.1	656.6	1,507.6	225.6	259.7	237.0	752.6	483.9
1986	1,769.4	1,077.6	50.4	58.0	583.5	1,551.3	218.1	283.3	290.0	686.5	509.7
1987	1,534.8	1,024.4	40.8	48.5	421.1	1,319.5	215.2	271.8	282.3	574.7	406.0
1988	1,455.6	993.8	35.0	40.7	386.1	1,239.7	215.9	230.2	266.3	543.5	415.6
1989	1,338.4	931.7	31.7	35.3	339.8	1,127.6	210.8	179.0	252.1	505.3	402.1
1990	1,110.8	793.9	26.7	27.6	262.6	910.9	199.9	125.8	233.8	426.2	324.9
1991	948.8	753.5	22.0	21.1	152.1	766.8	182.0	109.8	215.4	375.7	247.9
1992	1,094.9	910.7	23.3	22.5	138.4	888.5	206.5	124.8	259.0	442.5	268.6
1993	1,199.1	986.5	26.7	25.6	160.2	1,009.0	190.1	133.5	276.6	500.7	288.2
1994	1,371.6	1,068.5	31.4	30.8	241.0	1,144.1	227.5	138.5	305.2	585.5	342.4
1995	1,332.5	997.3	32.2	31.5	271.5	1,116.8	215.8	124.2	296.6	583.2	328.5
1996	1,425.6	1,069.5	33.6	32.2	290.3	1,200.0	225.6	136.9	317.8	623.4	347.4
1997	1,441.1	1,062.4	34.9	33.6	310.3	1,220.2	220.9	141.9	299.8	635.9	363.5
1998	1,612.3	1,187.6	33.2	36.0	355.5	1,377.9	234.4	159.4	327.2	724.5	401.2
1999	1,663.5	1,246.7	32.5	33.3	351.1	1,427.4	236.1	164.9	345.4	748.9	404.3
2000	1,592.3	1,198.1	30.6	34.3	329.3	1,364.9	227.3	165.1	323.8	701.9	401.5
2001	1,636.7	1,235.6	31.8	34.2	335.2	1,410.4	226.3	159.8	333.6	730.3	413.0
2002	1,747.7	1,332.6	37.2	36.5	341.4	1,501.5	246.1	173.7	352.4	790.7	430.9
2003	1,889.2	1,460.9	40.9	41.6	345.8	1,670.4	218.8	182.4	371.0	849.3	486.5
2004	2,070.1	1,613.4	43.0	47.4	366.2	1,814.8	255.3	197.0	370.5	960.8	541.9
2005	2,147.6	1,681.2	39.3	44.7	382.5	1,884.7	270.7	199.8	362.8	1,027.7	557.3
2006	1,837.3	1,380.0	39.7	44.3	380.0	1,885.5	270.3	175.4	286.7	922.3	452.9
Monthly Data (Seasonally Adjusted Annual Rates)											
2005											
Oct	2,131	1,717	81		333		NA	198	353	1,041	539
Nov	2,191	1,716	81		394		NA	210	351	1,065	565
Dec	2,107	1,642	84		381		NA	209	319	1,062	517
2006											
Jan	2,195	1,664	103		428		NA	210	384	1,071	530
Feb	2,147	1,624	87		436		NA	205	358	1,019	565
Mar	2,085	1,555	83		447		NA	208	335	1,039	503
Apr	1,973	1,497	72		404		NA	186	293	993	501
May	1,946	1,488	84		374		NA	163	312	969	502
Jun	1,869	1,404	67		398		NA	175	308	918	468
Jul	1,763	1,325	85		353		NA	163	295	890	415
Aug	1,727	1,284	74		369		NA	169	277	883	398
Sep	1,638	1,219	72		347		NA	164	259	816	397
Oct	1,553	1,181	67		305		NA	161	242	790	360
Nov	1,513	1,150	62		301		NA	145	236	795	337
Dec	1,613	1,168	75		370		NA	176	236	819	382

*Authorized in permit-issuing places.

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

Source: Census Bureau, Department of Commerce

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



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

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1967	1,291.6	843.9	41.4	30.2	376.1	902.9	388.7	214.9	337.1	519.5	220.1
1968	1,507.6	899.4	46.0	34.9	527.3	1,096.4	411.2	226.8	368.6	618.5	293.7
1969	1,466.8	810.6	43.0	42.0	571.2	1,078.7	388.0	206.1	348.7	588.4	323.5
1970	1,433.6	812.9	42.4	42.4	535.9	1,017.9	415.7	217.9	293.5	611.6	310.5
1971	2,052.2	1,151.0	55.1	65.2	780.9	1,501.8	550.4	263.8	434.1	868.7	485.6
1972	2,356.6	1,309.2	67.1	74.2	906.2	1,720.4	636.2	329.5	442.8	1,057.0	527.4
1973	2,045.3	1,132.0	54.2	64.1	795.0	1,495.4	549.9	277.3	439.7	899.4	428.8
1974	1,337.7	888.1	33.2	34.9	381.6	922.5	415.3	183.2	317.3	552.8	284.5
1975	1,160.4	892.2	34.5	29.5	204.3	760.3	400.1	149.2	294.0	442.1	275.1
1976	1,537.5	1,162.4	44.0	41.9	289.2	1,043.5	494.1	169.2	400.1	568.5	399.6
1977	1,987.1	1,450.9	60.7	61.0	414.4	1,377.3	609.8	201.6	464.6	783.1	537.9
1978	2,020.3	1,433.3	62.2	62.8	462.0	1,432.1	588.2	200.3	451.2	823.7	545.2
1979	1,745.1	1,194.1	56.1	65.9	429.0	1,240.6	504.6	177.9	349.2	747.5	470.5
1980	1,292.2	852.2	48.8	60.7	330.5	913.6	378.7	125.4	218.1	642.7	306.0
1981	1,084.2	705.4	38.2	52.9	287.7	759.8	324.3	117.3	165.2	561.6	240.0
1982	1,062.2	662.6	31.9	48.1	319.6	784.8	277.4	116.7	149.1	591.0	205.4
1983	1,703.0	1,067.6	41.8	71.7	522.0	1,351.1	351.9	167.6	217.9	935.2	382.3
1984	1,749.5	1,084.2	38.6	82.8	544.0	1,414.6	334.9	204.1	243.4	866.0	436.0
1985	1,741.8	1,072.4	37.0	56.4	576.1	1,493.9	247.9	251.7	239.7	782.3	468.2
1986	1,805.4	1,179.4	36.1	47.9	542.0	1,546.3	259.1	293.5	295.8	733.1	483.0
1987	1,620.5	1,146.4	27.8	37.5	408.7	1,372.2	248.2	269.0	297.9	633.9	419.8
1988	1,488.1	1,081.3	23.4	35.4	348.0	1,243.0	245.1	235.3	274.0	574.9	403.9
1989	1,376.1	1,003.3	19.9	35.3	317.6	1,128.1	248.0	178.5	265.8	536.2	395.7
1990	1,192.7	894.8	16.1	21.4	260.4	946.9	245.7	131.3	253.2	479.3	328.9
1991	1,013.9	840.4	15.5	20.1	137.9	789.2	224.7	112.9	233.0	414.1	254.0
1992	1,199.7	1,029.9	12.4	18.3	139.0	931.5	268.2	126.7	287.8	496.9	288.3
1993	1,287.6	1,125.7	11.1	18.3	132.6	1,031.9	255.8	126.5	297.7	561.8	301.7
1994	1,457.0	1,198.4	14.8	20.2	223.5	1,183.1	273.9	138.2	328.9	639.1	350.8
1995	1,354.1	1,076.2	14.3	19.4	244.1	1,106.4	247.6	117.7	290.1	615.0	331.3
1996	1,476.8	1,160.9	16.4	28.8	270.8	1,211.4	265.5	132.1	321.5	661.9	361.4
1997	1,474.0	1,133.7	18.1	26.4	295.8	1,221.3	252.7	136.8	303.6	670.3	363.3
1998	1,616.9	1,271.4	15.7	26.9	302.9	1,349.9	267.0	148.5	330.5	743.0	394.9
1999	1,640.9	1,302.4	15.0	16.9	306.6	1,367.7	273.2	155.7	347.3	746.0	391.9
2000	1,568.7	1,230.9	15.2	23.5	299.1	1,297.3	271.4	154.5	317.5	713.6	383.1
2001	1,602.7	1,273.3	17.2	19.3	292.8	1,329.4	273.3	149.2	330.4	732.0	391.1
2002	1,704.9	1,358.6	14.0	24.4	307.9	1,398.1	306.8	158.7	349.6	781.5	415.5
2003	1,847.7	1,499.0	15.7	17.8	315.2	1,517.5	330.3	163.9	372.5	838.4	473.6
2004	1,955.8	1,610.5	17.7	24.6	303.0	1,592.6	363.3	175.4	355.7	908.5	516.2
2005	2,068.3	1,715.8	15.3	25.8	311.4	1,829.2	239.1	189.7	357.4	996.1	525.1
2006	1,800.7	1,463.7	15.9	28.0	293.0	1,598.0	202.7	169.2	279.2	912.4	439.9
Monthly Data (Seasonally Adjusted Annual Rates)											
2005											
Oct	2,046	1,726	NA		287	NA		170	336	1,029	511
Nov	2,131	1,795	NA		298	NA		197	385	995	554
Dec	2,002	1,633	NA		338	NA		167	295	1,104	436
2006											
Jan	2,265	1,814	NA		424	NA		241	369	1,136	519
Feb	2,132	1,812	NA		285	NA		186	326	1,038	582
Mar	1,972	1,615	NA		321	NA		166	294	1,023	489
Apr	1,832	1,524	NA		252	NA		178	338	881	435
May	1,953	1,587	NA		315	NA		198	294	950	511
Jun	1,833	1,478	NA		311	NA		168	298	910	457
Jul	1,760	1,445	NA		232	NA		148	293	889	430
Aug	1,659	1,365	NA		253	NA		160	255	846	398
Sep	1,724	1,393	NA		302	NA		137	269	938	380
Oct	1,478	1,187	NA		252	NA		147	235	715	381
Nov	1,572	1,282	NA		268	NA		156	225	844	347
Dec	1,642	1,230	NA		350	NA		196	229	827	390

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

Source: Census Bureau, Department of Commerce

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



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

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1970	922.0	381.1	22.8	27.3	490.8	NA	NA	197.1	189.3	359.2	176.4
1971	1,254.0	504.9	26.7	37.8	684.6	NA	NA	236.6	278.5	494.4	244.4
1972	1,542.1	612.5	36.4	46.4	846.8	NA	NA	264.4	306.8	669.1	301.8
1973	1,454.4	521.7	31.0	48.0	853.6	NA	NA	239.4	293.1	650.2	271.7
1974	1,000.8	441.1	19.4	29.1	511.3	NA	NA	178.0	218.8	418.9	185.1
1975	794.3	447.5	20.1	27.4	299.4	563.2	231.1	130.2	195.1	298.1	171.0
1976	922.0	562.6	22.7	31.8	304.9	658.5	263.5	125.4	232.1	333.3	231.2
1977	1,208.0	729.8	34.0	44.9	399.3	862.5	345.5	145.5	284.6	457.3	320.6
1978	1,310.2	764.5	36.1	47.3	462.2	968.0	342.2	158.3	309.2	497.6	345.2
1979	1,140.1	638.7	31.3	46.7	423.4	820.1	320.0	146.7	232.5	449.3	311.6
1980	896.1	514.5	28.3	40.3	313.1	620.9	275.2	120.1	171.4	376.7	227.9
1981	682.4	381.7	16.5	29.0	255.3	458.9	223.5	103.2	109.7	299.7	169.8
1982	720.0	399.7	16.5	24.9	278.9	511.7	208.3	98.6	112.4	344.0	165.0
1983	1,002.8	523.9	19.0	39.1	420.8	757.8	245.0	120.8	122.6	520.6	238.8
1984	1,050.5	556.0	20.9	42.5	431.0	814.1	236.4	152.5	137.3	488.9	271.7
1985	1,062.5	538.6	20.6	34.9	468.4	885.1	177.4	186.6	143.8	437.5	294.7
1986	1,073.5	583.1	19.3	28.4	442.7	899.7	173.8	218.9	165.7	387.3	301.5
1987	987.3	590.6	17.3	22.5	356.9	820.6	166.7	221.7	158.7	342.5	264.4
1988	919.4	569.6	16.1	24.1	309.5	757.5	161.9	201.6	148.1	308.2	261.6
1989	850.3	535.1	11.9	25.1	278.1	686.7	163.6	158.8	145.5	282.1	263.9
1990	711.4	449.1	10.9	15.1	236.3	553.9	157.5	121.6	133.4	242.3	214.1
1991	606.3	433.5	9.1	14.5	149.2	458.4	147.9	103.9	122.4	208.5	171.6
1992	612.4	472.7	5.6	11.3	122.8	453.1	159.4	81.4	137.8	228.4	164.8
1993	680.1	543.0	6.5	12.4	118.2	521.0	159.1	89.3	154.4	265.4	170.9
1994	762.2	557.8	9.1	12.9	182.5	597.6	164.5	96.3	173.5	312.1	180.3
1995	775.9	547.2	8.4	12.7	207.7	620.1	155.8	86.3	172.0	331.4	186.3
1996	792.3	550.0	9.0	19.1	214.3	629.9	162.4	85.2	178.0	337.6	191.4
1997	846.7	554.6	11.2	20.7	260.2	684.4	163.2	87.1	181.9	364.8	213.0
1998	970.8	659.1	8.3	20.5	282.9	794.8	176.0	98.5	201.2	428.5	242.6
1999	952.8	647.6	9.0	12.1	284.1	786.1	166.6	103.5	202.5	422.3	224.5
2000	933.8	623.4	10.2	19.5	280.7	759.8	173.9	110.0	186.6	397.6	239.5
2001	959.4	638.3	11.8	16.7	292.6	790.6	168.7	116.1	195.9	396.5	250.9
2002	1,001.2	668.8	10.9	15.5	306.0	817.7	183.4	125.0	207.1	413.0	256.0
2003	1,141.4	772.9	10.4	13.9	344.2	940.4	201.0	128.1	234.7	482.6	296.1
2004	1,237.1	850.3	14.0	24.1	348.7	1,011.8	225.3	146.8	222.4	536.4	331.6
2005	1,355.9	929.1	14.7	20.3	391.8	1,194.3	161.6	171.9	221.4	604.2	358.4
2006	1,210.9	769.1	12.5	22.8	406.5	1,066.8	144.1	163.2	184.5	541.4	321.9
Monthly Data (Seasonally Adjusted Annual Rates)											
2005											
Oct	1,373	952	NA		384	NA		172	221	613	367
Nov	1,393	969	NA		386	NA		174	226	619	374
Dec	1,401	972	NA		394	NA		173	225	631	372
2006											
Jan	1,418	986	NA		399	NA		176	226	645	371
Feb	1,424	991	NA		402	NA		178	224	647	375
Mar	1,420	983	NA		408	NA		176	223	643	378
Apr	1,397	960	NA		405	NA		173	222	630	372
May	1,405	959	NA		413	NA		174	223	635	373
Jun	1,385	936	NA		415	NA		174	219	627	365
Jul	1,364	914	NA		411	NA		170	214	618	362
Aug	1,344	888	NA		416	NA		169	209	612	354
Sep	1,320	866	NA		414	NA		165	203	608	344
Oct	1,285	836	NA		409	NA		163	198	587	337
Nov	1,266	822	NA		408	NA		163	193	577	333
Dec	1,255	810	NA		409	NA		164	189	567	335

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

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



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

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1970	1,418.4	801.8	42.9	42.2	531.5	1,013.2	405.2	184.9	323.4	594.6	315.5
1971	1,706.1	1,014.0	50.9	55.2	586.1	1,192.5	513.6	225.8	348.1	727.0	405.2
1972	2,003.9	1,160.2	54.0	64.9	724.7	1,430.9	573.0	281.1	411.8	848.5	462.4
1973	2,100.5	1,197.2	59.9	63.6	779.8	1,541.0	559.5	294.0	441.7	906.3	458.6
1974	1,728.5	940.3	43.5	51.8	692.9	1,266.1	462.4	231.7	377.4	755.8	363.6
1975	1,317.2	874.8	31.5	29.1	381.8	922.6	394.5	185.8	313.2	531.3	286.8
1976	1,377.2	1,034.2	40.8	36.5	265.8	950.1	427.2	170.2	355.6	513.2	338.3
1977	1,657.1	1,258.4	48.9	46.1	303.7	1,161.9	495.2	176.8	400.0	636.1	444.2
1978	1,867.5	1,369.0	59.0	57.2	382.2	1,313.6	553.9	181.9	416.5	752.0	517.1
1979	1,870.8	1,301.0	60.5	64.4	444.9	1,332.0	538.8	188.4	414.7	761.7	506.0
1980	1,501.6	956.7	51.4	67.2	426.3	1,078.9	422.7	146.0	273.5	696.1	386.0
1981	1,265.7	818.5	49.2	62.4	335.7	888.4	377.4	127.3	217.7	626.4	294.3
1982	1,005.5	631.5	29.8	51.1	293.1	708.2	297.3	120.5	143.0	538.8	203.2
1983	1,390.3	923.7	37.0	55.2	374.4	1,073.9	316.5	138.9	200.8	746.0	304.6
1984	1,652.2	1,025.1	35.0	77.3	514.8	1,316.7	335.6	168.2	221.1	866.6	396.4
1985	1,703.3	1,072.5	36.4	60.7	533.6	1,422.2	281.0	213.8	230.5	812.2	446.8
1986	1,756.4	1,120.2	35.0	51.0	550.1	1,502.1	254.3	254.0	269.8	763.8	468.8
1987	1,668.8	1,122.8	29.0	42.4	474.6	1,420.4	248.4	257.4	302.3	660.4	448.7
1988	1,529.8	1,084.6	23.5	33.2	388.6	1,286.1	243.7	250.2	280.3	594.8	404.6
1989	1,422.8	1,026.3	24.1	34.6	337.9	1,181.2	241.7	218.8	267.1	549.4	387.5
1990	1,308.0	966.0	16.5	28.2	297.3	1,060.2	247.7	157.7	263.3	510.7	376.3
1991	1,090.8	837.6	16.9	19.7	216.6	862.1	228.7	120.1	240.4	438.9	291.3
1992	1,157.5	963.6	15.1	20.8	158.0	909.5	248.0	136.4	268.4	462.4	290.3
1993	1,192.7	1,039.4	9.5	16.7	127.1	943.0	249.8	117.6	273.3	512.0	290.0
1994	1,346.9	1,160.3	12.1	19.5	154.9	1,086.3	260.6	123.4	307.1	580.9	335.5
1995	1,312.6	1,065.5	14.8	19.8	212.4	1,065.0	247.6	126.9	287.9	581.1	316.7
1996	1,412.9	1,128.5	13.6	19.5	251.3	1,163.4	249.4	125.1	304.5	637.1	346.2
1997	1,400.5	1,116.4	13.6	23.4	247.1	1,152.8	247.7	134.0	295.9	634.1	336.4
1998	1,474.2	1,159.7	16.2	24.4	273.9	1,228.5	245.7	137.3	305.1	671.6	360.2
1999	1,604.9	1,270.4	12.5	22.6	299.3	1,336.8	268.0	142.7	334.7	732.7	394.8
2000	1,573.7	1,241.8	12.6	14.7	304.7	1,313.7	260.0	146.1	334.4	729.3	363.9
2001	1,570.8	1,255.9	14.3	19.6	281.0	1,305.1	265.7	144.8	316.4	726.3	383.3
2002	1,648.4	1,325.1	13.1	21.9	288.2	1,367.4	281.0	147.9	329.8	757.8	412.8
2003	1,678.7	1,386.3	13.9	17.7	260.8	1,381.5	297.1	154.6	332.2	755.6	436.2
2004	1,841.9	1,531.5	11.2	12.2	286.9	1,514.5	327.4	155.9	362.4	840.4	483.3
2005	1,931.4	1,635.9	13.1	24.4	258.0	1,702.0	229.5	170.7	351.9	903.7	505.1
2006	1,978.2	1,654.5	16.6	24.4	282.7	1,759.9	218.3	181.1	323.8	985.3	488.1
Monthly Data (Seasonally Adjusted Annual Rates)											
2005											
Oct	1,967	1,615	NA		325	NA		153	344	958	512
Nov	1,909	1,630	NA		254	NA		158	338	911	502
Dec	1,953	1,668	NA		243	NA		178	327	936	512
2006											
Jan	2,044	1,652	NA		345	NA		184	354	995	511
Feb	2,038	1,728	NA		239	NA		206	319	971	542
Mar	2,203	1,869	NA		286	NA		189	364	1,112	538
Apr	2,043	1,716	NA		295	NA		231	338	978	496
May	1,905	1,618	NA		253	NA		173	306	926	500
Jun	2,043	1,748	NA		267	NA		168	349	985	541
Jul	1,946	1,672	NA		251	NA		178	321	1,009	438
Aug	1,888	1,630	NA		233	NA		171	325	920	472
Sep	2,038	1,701	NA		303	NA		201	330	987	520
Oct	1,928	1,569	NA		317	NA		156	316	1,003	453
Nov	1,893	1,527	NA		300	NA		171	296	988	438
Dec	1,900	1,523	NA		320	NA		174	299	980	447

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

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

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



Period	Shipments*	Placed for Residential Use*					Average Price (\$)	For Sale*
	U.S.	U.S.	Northeast	Midwest	South	West		
Annual Data								
1977	266	258	17	51	113	78	14,200	70
1978	276	280	17	50	135	78	15,900	74
1979	277	280	17	47	145	71	17,600	76
1980	222	234	12	32	140	49	19,800	56
1981	241	229	12	30	144	44	19,900	58
1982	240	234	12	26	161	35	19,700	58
1983	296	278	16	34	186	41	21,000	73
1984	295	288	20	35	193	39	21,500	82
1985	284	283	20	39	188	37	21,800	78
1986	244	256	21	37	162	35	22,400	67
1987	233	239	24	40	146	30	23,700	61
1988	218	224	23	39	131	32	25,100	58
1989	198	203	20	39	113	31	27,200	56
1990	188	195	19	38	108	31	27,800	49
1991	171	174	14	35	98	27	27,700	49
1992	211	212	15	42	124	30	28,400	51
1993	254	243	15	45	147	36	30,500	61
1994	304	291	16	53	178	44	32,800	70
1995	340	319	15	58	203	44	35,300	83
1996	363	338	16	59	218	44	37,200	89
1997	354	336	14	55	219	47	39,800	91
1998	373	374	15	58	250	50	41,600	83
1999	348	338	14	54	227	44	43,300	88
2000	251	281	15	50	177	39	46,400	59
2001	193	196	12	38	116	30	48,900	56
2002	169	174	12	34	101	27	51,300	47
2003	131	140	11	25	77	26	54,900	36
2004	131	124	11	21	67	26	58,200	35
2005	147	123	9	17	68	28	62,300	36
2006	131	NA	NA	NA	NA	NA	NA	NA
Monthly Data (Seasonally Adjusted Annual Rates)								
2005								
Aug	125	129	8	19	69	32	62,900	36
Sep	137	114	9	17	62	26	63,400	38
Oct	192	119	10	16	65	28	61,900	37
Nov	208	132	11	15	79	27	62,600	36
Dec	182	115	11	17	55	32	67,500	37
2006								
Jan	163	125	8	21	68	29	63,200	39
Feb	144	109	8	16	63	22	66,600	41
Mar	135	117	9	16	67	26	63,000	40
Apr	124	110	6	12	64	27	61,400	43
May	123	121	5	15	69	31	61,300	42
Jun	118	119	7	18	69	25	62,400	42
Jul	111	113	8	12	69	23	62,400	40
Aug	108	109	8	13	63	25	66,400	41
Sep	102	112	8	12	64	27	65,500	39
Oct	98	97	7	12	61	18	63,200	40
Nov	96	104	11	14	62	17	64,000	40
Dec	98	NA	NA	NA	NA	NA	NA	NA

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

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

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



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

Period	Sold During Period					For Sale at End of Period					Months' Supply at Current U.S. Sales Rate	
	U.S.	North-east	Mid-west	South	West	U.S.	North-east	Mid-west	South	West		U.S.
Annual Data												
1970	485	61	100	203	121	227	38	47	91	51	NA	NA
1971	656	82	127	270	176	294	45	55	131	63	NA	NA
1972	718	96	130	305	187	416	53	69	199	95	NA	NA
1973	634	95	120	257	161	422	59	81	181	102	NA	NA
1974	519	69	103	207	139	350	50	68	150	82	NA	NA
1975	549	71	106	222	150	316	43	66	133	74	NA	NA
1976	646	72	128	247	199	358	45	68	154	91	NA	NA
1977	819	86	162	317	255	408	44	73	168	123	NA	NA
1978	817	78	145	331	262	419	45	80	170	124	NA	NA
1979	709	67	112	304	225	402	42	74	172	114	NA	NA
1980	545	50	81	267	145	342	40	55	149	97	NA	NA
1981	436	46	60	219	112	278	41	34	127	76	NA	NA
1982	412	47	48	219	99	255	39	27	129	60	NA	NA
1983	623	76	71	323	152	304	42	33	149	79	NA	NA
1984	639	94	76	309	160	358	55	41	177	85	NA	NA
1985	688	112	82	323	171	350	66	34	172	79	NA	NA
1986	750	136	96	322	196	361	88	32	153	87	NA	NA
1987	671	117	97	271	186	370	103	39	149	79	NA	NA
1988	676	101	97	276	202	371	112	43	133	82	NA	NA
1989	650	86	102	260	202	366	108	41	123	93	NA	NA
1990	534	71	89	225	149	321	77	42	105	97	NA	NA
1991	509	57	93	215	144	284	62	41	97	83	NA	NA
1992	610	65	116	259	170	267	48	41	104	74	NA	NA
1993	666	60	123	295	188	295	53	48	121	73	NA	NA
1994	670	61	123	295	191	340	55	63	140	82	NA	NA
1995	667	55	125	300	187	374	62	69	158	86	NA	NA
1996	757	74	137	337	209	326	38	67	146	74	NA	NA
1997	804	78	140	363	223	287	26	65	127	69	NA	NA
1998	886	81	164	398	243	300	28	63	142	68	NA	NA
1999	880	76	168	395	242	315	28	64	153	70	NA	NA
2000	877	71	155	406	244	301	28	65	146	62	NA	NA
2001	908	66	164	439	239	310	28	70	142	69	NA	NA
2002	973	65	185	450	273	344	36	77	161	70	NA	NA
2003	1,086	79	189	511	307	377	29	97	172	79	NA	NA
2004	1,203	83	210	562	348	431	30	111	200	91	NA	NA
2005	1,283	81	205	638	358	515	47	109	249	109	NA	NA
2006	1,061	64	163	567	267	539	52	96	274	117	NA	NA
Monthly Data												
	(Seasonally Adjusted Annual Rates)					(Not Seasonally Adjusted)					(Seasonally Adjusted)	
2005												
Oct	1,346	76	185	677	408	492	44	107	242	99	490	4.5
Nov	1,236	85	173	655	323	508	45	111	248	104	500	4.9
Dec	1,259	71	205	655	328	515	47	109	249	109	509	4.8
2006												
Jan	1,173	62	180	596	335	525	49	110	257	109	522	5.3
Feb	1,038	65	183	543	247	533	50	108	263	112	538	6.4
Mar	1,121	61	166	587	307	550	53	106	277	114	553	6.1
Apr	1,121	58	165	604	294	558	53	108	282	115	565	6.2
May	1,101	69	179	588	265	563	54	107	281	121	564	6.2
Jun	1,078	62	170	570	276	570	54	105	288	124	566	6.5
Jul	979	59	138	516	266	568	54	104	289	121	573	7.2
Aug	1,021	85	154	568	214	570	53	103	291	123	568	6.8
Sep	1,022	62	140	565	255	561	51	103	286	121	560	6.7
Oct	995	40	142	567	246	558	54	103	282	119	553	7.0
Nov	1,069	66	158	595	250	549	54	101	278	116	542	6.1
Dec	1,120	84	200	597	239	539	52	96	274	117	537	5.9

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

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



Table 7. Existing Home Sales: 1969–Present*

Period	U.S.	Northeast	Midwest	South	West	For Sale	Months' Supply
Annual Data							
1969	1,594	240	508	538	308	NA	NA
1970	1,612	251	501	568	292	NA	NA
1971	2,018	311	583	735	389	NA	NA
1972	2,252	361	630	788	473	NA	NA
1973	2,334	367	674	847	446	NA	NA
1974	2,272	354	645	839	434	NA	NA
1975	2,476	370	701	862	543	NA	NA
1976	3,064	439	881	1,033	712	NA	NA
1977	3,650	515	1,101	1,231	803	NA	NA
1978	3,986	516	1,144	1,416	911	NA	NA
1979	3,827	526	1,061	1,353	887	NA	NA
1980	2,973	403	806	1,092	672	NA	NA
1981	2,419	353	632	917	516	NA	NA
1982	1,990	354	490	780	366	1,910	NA
1983	2,719	493	709	1,035	481	1,980	NA
1984	2,868	511	755	1,073	529	2,260	NA
1985	3,214	622	866	1,172	554	2,200	NA
1986	3,565	703	991	1,261	610	1,970	NA
1987	3,526	685	959	1,282	600	2,160	NA
1988	3,594	673	929	1,350	642	2,160	NA
1989	3,290	635	886	1,075	694	1,870	NA
1990	3,186	583	861	1,090	651	2,100	NA
1991	3,145	591	863	1,067	624	2,130	NA
1992	3,432	666	967	1,126	674	1,760	NA
1993	3,739	709	1,027	1,262	740	1,520	NA
1994	3,886	723	1,031	1,321	812	1,380	NA
1995	3,852	717	1,010	1,315	810	1,470	NA
1996	4,167	772	1,060	1,394	941	1,910	NA
1997	4,371	812	1,088	1,474	997	1,840	NA
1998	4,966	898	1,228	1,724	1,115	1,910	NA
1999	5,183	910	1,246	1,850	1,177	1,894	NA
2000	5,174	911	1,222	1,866	1,174	2,048	NA
2001	5,335	912	1,271	1,967	1,184	2,068	NA
2002	5,632	952	1,346	2,064	1,269	2,118	NA
2003	6,175	1,019	1,468	2,283	1,405	2,270	NA
2004	6,779	1,113	1,550	2,542	1,574	2,224	NA
2005	7,075	1,170	1,587	2,703	1,615	2,846	NA
2006	6,480	1,086	1,482	2,566	1,346	3,508	NA
Monthly Data (Seasonally Adjusted Annual Rates)							
2005							
Oct	7,050	1,120	1,570	2,730	1,640	2,868	4.9
Nov	7,030	1,110	1,570	2,750	1,600	2,924	5.0
Dec	6,750	1,100	1,560	2,680	1,420	2,846	5.1
2006							
Jan	6,570	990	1,440	2,760	1,370	2,883	5.3
Feb	6,900	1,170	1,610	2,690	1,440	2,985	5.2
Mar	6,900	1,190	1,630	2,660	1,430	3,198	5.6
Apr	6,750	1,180	1,570	2,610	1,400	3,415	6.1
May	6,710	1,150	1,520	2,630	1,410	3,589	6.4
Jun	6,600	1,110	1,520	2,560	1,410	3,738	6.8
Jul	6,330	1,050	1,430	2,530	1,320	3,861	7.3
Aug	6,300	1,070	1,430	2,510	1,290	3,844	7.3
Sep	6,210	1,040	1,410	2,520	1,250	3,783	7.3
Oct	6,240	1,000	1,420	2,510	1,310	3,860	7.4
Nov	6,270	1,070	1,410	2,470	1,320	3,810	7.3
Dec	6,220	1,040	1,470	2,490	1,200	3,508	6.8

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

Source: NATIONAL ASSOCIATION OF REALTORS®

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



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

Period	Median					U.S. Average	
	U.S.	Northeast	Midwest	South	West	Houses Actually Sold	Constant-Quality House ^{1,2}
Annual Data							
1964	18,900	20,300	19,400	16,700	20,400	20,500	NA
1965	20,000	21,500	21,600	17,500	21,600	21,500	NA
1966	21,400	23,500	23,200	18,200	23,200	23,300	NA
1967	22,700	25,400	25,100	19,400	24,100	24,600	NA
1968	24,700	27,700	27,400	21,500	25,100	26,600	NA
1969	25,600	31,600	27,600	22,800	25,300	27,900	NA
1970	23,400	30,300	24,400	20,300	24,000	26,600	NA
1971	25,200	30,600	27,200	22,500	25,500	28,300	NA
1972	27,600	31,400	29,300	25,800	27,500	30,500	NA
1973	32,500	37,100	32,900	30,900	32,400	35,500	NA
1974	35,900	40,100	36,100	34,500	35,800	38,900	NA
1975	39,300	44,000	39,600	37,300	40,600	42,600	NA
1976	44,200	47,300	44,800	40,500	47,200	48,000	NA
1977	48,800	51,600	51,500	44,100	53,500	54,200	67,400
1978	55,700	58,100	59,200	50,300	61,300	62,500	77,400
1979	62,900	65,500	63,900	57,300	69,600	71,800	89,100
1980	64,600	69,500	63,400	59,600	72,300	76,400	98,100
1981	68,900	76,000	65,900	64,400	77,800	83,000	105,900
1982	69,300	78,200	68,900	66,100	75,000	83,900	108,400
1983	75,300	82,200	79,500	70,900	80,100	89,800	110,700
1984	79,900	88,600	85,400	72,000	87,300	97,600	115,100
1985	84,300	103,300	80,300	75,000	92,600	100,800	116,600
1986	92,000	125,000	88,300	80,200	95,700	111,900	121,200
1987	104,500	140,000	95,000	88,000	111,000	127,200	127,700
1988	112,500	149,000	101,600	92,000	126,500	138,300	132,400
1989	120,000	159,600	108,800	96,400	139,000	148,800	137,800
1990	122,900	159,000	107,900	99,000	147,500	149,800	140,400
1991	120,000	155,900	110,000	100,000	141,100	147,200	142,200
1992	121,500	169,000	115,600	105,500	130,400	144,100	144,100
1993	126,500	162,600	125,000	115,000	135,000	147,700	150,300
1994	130,000	169,000	132,900	116,900	140,400	154,500	157,500
1995	133,900	180,000	134,000	124,500	141,000	158,700	161,900
1996	140,000	186,000	138,000	126,200	153,900	166,400	166,400
1997	146,000	190,000	149,900	129,600	160,000	176,200	171,200
1998	152,500	200,000	157,500	135,800	163,500	181,900	175,600
1999	161,000	210,500	164,000	145,900	173,700	195,600	184,200
2000	169,000	227,400	169,700	148,000	196,400	207,000	192,000
2001	175,200	246,400	172,600	155,400	213,600	213,200	198,800
2002	187,600	264,300	178,000	163,400	238,500	228,700	207,700
2003	195,000	264,500	184,300	168,100	260,900	246,300	219,500
2004	221,000	315,800	205,000	181,100	283,100	274,500	236,100
2005	240,900	343,800	216,900	197,300	332,600	297,000	254,800
2006	245,300	350,100	209,900	205,100	335,300	304,700	264,600
Quarterly Data							
2005							
Q4	243,600	370,300	224,200	200,000	332,000	294,200	259,800
2006							
Q1	247,700	334,600	210,700	205,900	330,000	305,300	262,200
Q2	246,300	344,600	203,100	206,700	329,800	302,600	265,600
Q3	235,600	380,500	216,800	195,100	342,200	308,100	264,400
Q4	237,700	375,600	210,200	198,400	358,900	296,300	268,700

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

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

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



Table 9. Existing Home Prices: 1969–Present

Period	Median					Average
	U.S.	Northeast	Midwest	South	West	U.S.
Annual Data						
1969	21,800	23,700	19,000	20,300	23,900	23,700
1970	23,000	25,200	20,100	22,200	24,300	25,700
1971	24,800	27,100	22,100	24,300	26,500	28,000
1972	26,700	29,800	23,900	26,400	28,400	30,100
1973	28,900	32,800	25,300	29,000	31,000	32,900
1974	32,000	35,800	27,700	32,300	34,800	35,800
1975	35,300	39,300	30,100	34,800	39,600	39,000
1976	38,100	41,800	32,900	36,500	46,100	42,200
1977	42,900	44,000	36,700	39,800	57,300	47,900
1978	48,700	47,900	42,200	45,100	66,700	55,500
1979	55,700	53,600	47,800	51,300	77,400	64,200
1980	62,200	60,800	51,900	58,300	89,300	72,800
1981	66,400	63,700	54,300	64,400	96,200	78,300
1982	67,800	63,500	55,100	67,100	98,900	80,500
1983	70,300	72,200	56,600	69,200	94,900	83,100
1984	72,400	78,700	57,100	71,300	95,800	86,000
1985	75,500	88,900	58,900	75,200	95,400	90,800
1986	80,300	104,800	63,500	78,200	100,900	98,500
1987	85,600	133,300	66,000	80,400	113,200	106,300
1988	89,300	143,000	68,400	82,200	124,900	112,800
1989*	94,000	142,100	72,600	84,300	137,600	118,100
1990	96,400	141,400	76,300	84,700	138,600	118,600
1991	101,400	143,600	80,500	88,100	144,500	128,400
1992	104,000	142,600	84,200	91,100	141,100	130,900
1993	107,200	142,000	87,000	93,700	141,800	133,500
1994	111,300	141,500	90,600	94,900	149,200	136,800
1995	114,600	138,400	96,100	96,900	150,600	139,100
1996	119,900	139,600	102,300	102,400	157,100	141,800
1997	126,000	143,500	108,200	108,400	165,700	150,500
1998	132,800	147,300	115,600	115,000	175,900	159,100
1999	138,000	150,500	121,000	118,900	185,300	171,000
2000	143,600	149,800	125,300	126,300	194,600	178,500
2001	153,100	158,700	132,500	135,500	207,000	188,300
2002	165,000	179,300	139,300	146,000	230,100	206,100
2003	178,800	209,900	145,600	156,700	251,800	222,200
2004	195,400	243,800	154,600	170,400	286,400	244,400
2005	219,600	271,300	170,600	181,700	335,300	266,600
2006	222,000	271,000	167,900	183,800	343,300	268,300
Monthly Data						
2005						
Oct	229,000	268,000	172,000	199,000	342,000	273,000
Nov	225,000	275,000	171,000	185,000	354,000	271,000
Dec	222,000	273,000	172,000	182,000	344,000	268,000
2006						
Jan	220,000	270,000	167,000	179,000	339,000	268,000
Feb	218,000	281,000	160,000	182,000	332,000	264,000
Mar	218,000	270,000	161,000	180,000	341,000	265,000
Apr	222,000	283,000	164,000	181,000	347,000	269,000
May	229,000	279,000	172,000	191,000	344,000	274,000
Jun	229,000	289,000	175,000	189,000	340,000	276,000
Jul	230,000	276,000	177,000	193,000	347,000	275,000
Aug	224,000	271,000	172,000	184,000	345,000	270,000
Sep	221,000	261,000	168,000	185,000	339,000	266,000
Oct	219,000	256,000	166,000	184,000	342,000	265,000
Nov	217,000	267,000	164,000	179,000	350,000	265,000
Dec	222,000	283,000	167,000	182,000	349,000	269,000

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

Source: NATIONAL ASSOCIATION OF REALTORS®

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



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

Period	U.S.	New England	Middle Atlantic	South Atlantic	East South Central	West South Central	West North Central	East North Central	Mountain	Pacific
Annual Average										
1975	62.6	69.4	69.5	69.1	68.3	59.2	65.1	64.2	55.4	45.8
1976	66.5	72.0	70.9	70.8	70.9	63.7	69.0	68.7	60.5	53.7
1977	73.7	77.3	75.1	75.6	77.3	70.9	76.4	76.6	69.1	66.4
1978	83.7	87.8	80.8	84.0	85.9	81.4	87.4	87.3	81.0	79.2
1979	94.8	100.6	94.7	93.1	94.3	93.9	96.8	97.8	94.7	91.3
1980	102.5	104.7	104.2	102.0	98.8	103.1	102.9	101.1	102.4	104.1
1981	108.1	112.4	108.3	109.4	102.0	112.2	101.7	103.9	110.8	112.2
1982	111.4	117.5	112.8	114.8	104.3	122.8	102.5	100.3	117.2	114.2
1983	115.5	131.3	119.4	118.3	109.0	125.9	107.2	103.0	119.9	115.9
1984	120.7	154.9	134.1	123.2	112.3	125.3	110.9	105.4	119.8	120.4
1985	127.8	187.6	152.2	129.1	117.4	124.8	115.7	109.6	122.6	125.8
1986	137.6	229.1	176.8	137.1	123.6	125.8	120.4	116.2	126.5	133.6
1987	148.2	269.5	209.1	146.5	130.2	118.5	125.1	125.2	126.4	145.7
1988	157.5	288.2	230.1	156.9	134.4	112.1	127.6	134.4	124.4	166.2
1989	166.5	290.0	236.0	165.5	137.5	112.6	130.9	142.7	125.7	198.7
1990	170.9	278.5	234.8	169.3	140.0	114.0	133.2	149.6	128.6	216.4
1991	173.1	264.4	233.1	171.9	143.5	116.6	136.4	155.4	133.3	219.2
1992	177.0	261.0	237.7	176.5	148.7	120.8	140.8	161.8	140.0	218.7
1993	180.1	259.9	240.4	179.6	154.1	125.0	145.6	167.6	149.3	213.9
1994	183.5	256.7	238.2	181.7	161.7	129.0	153.4	176.1	163.7	209.2
1995	188.5	259.3	238.6	185.9	169.6	132.3	160.8	185.3	175.6	209.8
1996	195.2	266.3	243.3	192.3	177.7	136.7	168.3	195.4	185.1	213.4
1997	202.0	274.8	247.1	198.7	185.0	140.4	175.7	205.2	192.9	220.4
1998	212.3	291.3	257.4	208.3	194.3	147.3	184.3	214.7	201.9	235.8
1999	222.8	315.8	268.6	217.2	201.0	154.0	195.3	224.9	209.8	249.6
2000	238.1	353.7	288.1	229.6	207.2	161.6	208.7	237.4	222.3	274.3
2001	256.9	393.4	313.0	247.8	218.1	171.6	224.0	250.7	238.1	303.7
2002	274.7	438.6	343.4	265.1	224.9	177.8	238.2	262.0	248.4	331.7
2003	293.6	479.9	375.2	283.9	233.0	184.4	250.8	272.3	259.2	366.2
2004	325.1	538.1	423.0	317.8	243.2	191.8	268.5	287.8	283.5	434.9
2005	368.1	599.4	483.1	373.0	259.8	203.2	287.9	306.3	330.4	525.1
Quarterly Data										
2005										
Q3	374.4	606.9	491.7	382.0	262.5	204.9	290.8	309.0	338.5	536.6
Q4	385.9	619.3	507.7	397.2	267.6	209.2	295.2	312.9	353.3	561.3
2006										
Q1	394.8	626.7	521.0	409.5	272.2	213.3	297.7	315.6	362.8	580.1
Q2	399.9	628.1	528.6	415.2	277.9	217.5	299.5	316.4	370.0	590.0
Q3	403.3	628.6	531.3	418.3	281.9	220.7	302.1	317.7	376.4	597.3

Base: First quarter 1980 equals 100.

Source: Office of Federal Housing Enterprise Oversight (OFHEO)

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



Table 11. Housing Affordability Index: 1973–Present

Period	U.S.				Affordability Indexes*		
	Median Price Existing Single-Family (\$)	Mortgage Rate ¹	Median Family Income (\$)	Income To Qualify (\$)	Composite	Fixed	ARM
Annual Data							
1973	28,900	8.01	12,051	8,151	147.9	147.9	147.9
1974	32,000	9.02	12,902	9,905	130.3	130.3	130.3
1975	35,300	9.21	13,719	11,112	123.5	123.5	123.5
1976	38,100	9.11	14,958	11,888	125.8	125.8	125.8
1977	42,900	9.02	16,010	13,279	120.6	120.6	120.6
1978	48,700	9.58	17,640	15,834	111.4	111.4	111.4
1979	55,700	10.92	19,680	20,240	97.2	97.2	97.2
1980	62,200	12.95	21,023	26,328	79.9	79.9	79.9
1981	66,400	15.12	22,388	32,485	68.9	68.9	68.9
1982	67,800	15.38	23,433	33,713	69.5	69.4	69.7
1983	70,300	12.85	24,580	29,546	83.2	81.7	85.2
1984	72,400	12.49	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	29,458	27,047	108.9	105.7	116.3
1987	85,600	9.28	30,970	27,113	114.2	107.6	122.4
1988	89,300	9.31	32,191	28,360	113.5	103.6	122.0
1989	94,600	10.11	34,218	30,432	112.4	105.9	116.8
1990	97,300	10.04	35,353	31,104	113.7	110.6	122.8
1991	102,700	9.30	35,940	30,816	116.6	113.5	128.3
1992	105,500	8.11	36,573	28,368	128.9	124.9	150.8
1993	109,100	7.16	36,959	26,784	138.0	133.0	160.4
1994	113,500	7.47	38,790	28,704	135.1	125.2	153.3
1995	117,000	7.85	40,612	30,672	132.4	126.6	143.3
1996	122,600	7.71	42,305	31,728	133.3	129.6	142.9
1997	129,000	7.68	44,573	35,232	126.5	123.6	137.2
1998	136,000	7.10	46,740	35,088	133.2	131.9	142.6
1999	141,200	7.33	48,955	37,296	131.3	128.8	142.0
2000	147,300	8.03	50,733	41,616	121.9	120.5	133.3
2001	156,600	7.03	51,407	40,128	128.1	128.1	137.3
2002	167,600	6.55	51,680	40,896	126.4	124.2	138.7
2003	180,200	5.74	52,680	40,320	130.7	128.2	141.8
2004	195,200	5.73	54,061	43,632	123.9	120.3	132.2
2005	219,000	5.91	55,823	49,920	111.8	110.1	115.6
2006	222,000	6.58	57,612	54,336	106.0	105.6	108.0
Monthly Data							
2005							
Oct	229,200	6.03	56,338	52,944	106.4	105.2	110.2
Nov	225,200	6.26	56,486	53,280	106.0	104.5	109.2
Dec	221,600	6.33	56,635	52,848	107.2	105.5	111.0
2006							
Jan	219,700	6.35	56,784	52,512	108.1	107.2	111.0
Feb	216,800	6.36	56,933	51,840	109.8	108.7	112.6
Mar	217,200	6.47	57,083	52,560	108.6	108.2	109.9
Apr	222,600	6.55	57,233	54,288	105.4	105.0	106.8
May	228,500	6.65	57,383	56,352	101.8	101.3	103.5
Jun	230,100	6.69	57,534	56,976	101.0	100.3	102.8
Jul	230,900	6.82	57,685	57,936	99.6	99.0	101.6
Aug	224,000	6.81	57,837	56,112	103.1	102.8	104.0
Sep	221,100	6.64	57,989	54,432	106.5	106.1	109.2
Oct	219,600	6.60	58,141	53,856	108.0	107.5	110.8
Nov	216,700	6.51	58,294	52,656	110.7	110.5	112.4
Dec	221,600	6.45	58,447	53,520	109.2	109.1	110.3

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

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

Source: NATIONAL ASSOCIATION OF REALTORS®

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



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

Period	Unfurnished Rental Apartment Completions	Percent Rented in 3 Months	Median Asking Rent
Annual Data			
1970	328,400	73	\$188
1971	334,400	68	\$187
1972	497,900	68	\$191
1973	531,700	70	\$191
1974	405,500	68	\$197
1975	223,100	70	\$211
1976	157,000	80	\$219
1977	195,600	80	\$232
1978	228,700	82	\$251
1979	241,200	82	\$272
1980	196,100	75	\$308
1981	135,400	80	\$347
1982	117,000	72	\$385
1983	191,500	69	\$386
1984	313,200	67	\$393
1985	364,500	65	\$432
1986	407,600	66	\$457
1987	345,600	63	\$517
1988	284,500	66	\$550
1989	246,200	70	\$590
1990	214,300	67	\$600
1991	165,300	70	\$614
1992	110,200	74	\$586
1993	77,200	75	\$573
1994	104,000	81	\$576
1995	155,000	72	\$655
1996	191,300	72	\$672
1997	189,200	74	\$724
1998	209,900	73	\$734
1999	225,900	72	\$791
2000	226,200	72	\$841
2001	193,100	63	\$881
2002	204,100	59	\$918
2003	166,500	61	\$931
2004	153,800	62	\$976
2005	113,100	63	\$942
Quarterly Data			
2005			
Q3	30,500	63	\$911
Q4	25,600	63	\$984
2006*			
Q1	21,600	62	\$1,013
Q2	28,500	61	\$979
Q3	32,100	57	\$1,052

* At the beginning of 2006, the Census Bureau began using the Core Based Statistical Area definitions for metropolitan areas and introduced new sample cases from the Survey of Construction. This may cause some inconsistency with previous data in the series.

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



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

Period	Housing Market Index	Sales of Single-Family Detached Homes		Prospective Buyer Traffic
		Current Activity	Future Expectations	
Annual Data				
1979	NA	48	37	32
1980	NA	19	26	17
1981	NA	8	16	14
1982	NA	15	28	18
1983	NA	52	60	48
1984	NA	52	52	41
1985	55	58	62	47
1986	60	62	67	53
1987	56	60	60	45
1988	53	57	59	43
1989	48	50	58	37
1990	34	36	42	27
1991	36	36	49	29
1992	48	50	59	39
1993	59	62	68	49
1994	56	61	62	44
1995	47	50	56	35
1996	57	61	64	46
1997	57	60	66	45
1998	70	76	78	54
1999	73	80	80	54
2000	62	69	69	45
2001	56	61	63	41
2002	61	66	69	46
2003	64	70	72	47
2004	68	75	76	51
2005	67	73	75	50
2006	42	45	51	30
Monthly Data (Seasonally Adjusted)				
2005				
Oct	68	74	73	51
Nov	61	67	65	46
Dec	57	64	65	40
2006				
Jan	57	62	66	41
Feb	56	61	64	40
Mar	54	59	62	40
Apr	51	55	59	39
May	46	50	55	33
Jun	42	47	51	29
Jul	39	43	46	27
Aug	33	37	41	22
Sep	30	32	37	22
Oct	31	32	42	23
Nov	33	33	45	26
Dec	33	33	49	23
2007				
Jan	35	36	49	26

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



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



Period	Conventional					
	30-Year Fixed Rate		15-Year Fixed Rate		1-Year ARMs	
	Rate	Points	Rate	Points	Rate	Points
Annual Data						
1973	8.04	1.0	NA	NA	NA	NA
1974	9.19	1.2	NA	NA	NA	NA
1975	9.04	1.1	NA	NA	NA	NA
1976	8.88	1.2	NA	NA	NA	NA
1977	8.84	1.1	NA	NA	NA	NA
1978	9.63	1.3	NA	NA	NA	NA
1979	11.19	1.6	NA	NA	NA	NA
1980	13.77	1.8	NA	NA	NA	NA
1981	16.63	2.1	NA	NA	NA	NA
1982	16.09	2.2	NA	NA	NA	NA
1983	13.23	2.1	NA	NA	NA	NA
1984	13.87	2.5	NA	NA	11.49	2.5
1985	12.42	2.5	NA	NA	10.04	2.5
1986	10.18	2.2	NA	NA	8.42	2.3
1987	10.20	2.2	NA	NA	7.82	2.2
1988	10.33	2.1	NA	NA	7.90	2.3
1989	10.32	2.1	NA	NA	8.80	2.3
1990	10.13	2.1	NA	NA	8.36	2.1
1991	9.25	2.0	NA	NA	7.10	1.9
1992	8.40	1.7	7.96	1.7	5.63	1.7
1993	7.33	1.6	6.83	1.6	4.59	1.5
1994	8.35	1.8	7.86	1.8	5.33	1.5
1995	7.95	1.8	7.49	1.8	6.07	1.5
1996	7.81	1.7	7.32	1.7	5.67	1.4
1997	7.59	1.7	7.13	1.7	5.60	1.4
1998	6.95	1.1	6.59	1.1	5.59	1.1
1999	7.44	1.0	7.06	1.0	5.98	1.0
2000	8.05	1.0	7.72	1.0	7.04	1.0
2001	6.97	0.9	6.50	0.9	5.82	0.9
2002	6.54	0.6	5.98	0.6	4.62	0.7
2003	5.83	0.6	5.17	0.6	3.76	0.6
2004	5.84	0.7	5.21	0.6	3.90	0.7
2005	5.87	0.6	5.42	0.6	4.49	0.7
2006	6.41	0.5	6.07	0.5	5.54	0.7
Monthly Data						
2005						
Oct	6.07	0.5	5.63	0.6	4.86	0.7
Nov	6.33	0.6	5.86	0.6	5.14	0.6
Dec	6.27	0.5	5.82	0.6	5.17	0.7
2006						
Jan	6.15	0.5	5.71	0.5	5.17	0.6
Feb	6.25	0.6	5.86	0.6	5.34	0.7
Mar	6.32	0.6	5.97	0.6	5.42	0.8
Apr	6.51	0.6	6.16	0.5	5.62	0.8
May	6.60	0.5	6.21	0.5	5.63	0.7
Jun	6.68	0.5	6.31	0.5	5.71	0.7
Jul	6.76	0.5	6.39	0.4	5.79	0.7
Aug	6.52	0.4	6.20	0.4	5.64	0.7
Sep	6.40	0.5	6.08	0.4	5.56	0.7
Oct	6.36	0.4	6.05	0.5	5.55	0.7
Nov	6.24	0.5	5.96	0.5	5.51	0.6
Dec	6.14	0.4	5.88	0.5	5.45	0.7

Source: Federal Home Loan Mortgage Corporation
<http://www.freddiemac.com/pmms/pmms30.htm>

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



Period	Fixed Rate				Adjustable Rate			
	Rate	Points	Effective Rate	Term to Maturity	Rate	Points	Effective Rate	Term to Maturity
Annual Data								
1982	14.72	2.51	15.26	25.4	14.74	2.86	15.37	26.0
1983	12.51	2.41	12.98	25.5	11.88	2.37	12.33	26.7
1984	12.67	2.59	13.18	24.8	11.57	2.57	12.05	28.0
1985	11.93	2.56	12.43	24.1	10.44	2.47	10.87	27.7
1986	10.09	2.31	10.50	24.9	9.10	1.97	9.42	27.3
1987	9.52	2.18	9.90	25.5	8.20	1.95	8.51	28.6
1988	10.04	2.07	10.41	26.0	8.21	1.88	8.51	28.9
1989	10.21	1.92	10.54	27.0	9.15	1.79	9.44	28.9
1990	10.06	1.87	10.39	26.1	8.90	1.56	9.15	29.3
1991	9.38	1.63	9.66	25.8	8.03	1.43	8.26	28.7
1992	8.21	1.61	8.50	24.4	6.37	1.44	6.59	29.1
1993	7.27	1.21	7.48	24.7	5.56	1.20	5.74	28.8
1994	7.98	1.14	8.17	25.8	6.27	1.05	6.42	29.2
1995	8.01	1.01	8.18	26.5	7.00	0.88	7.13	29.3
1996	7.81	1.03	7.98	26.1	6.94	0.81	7.06	29.0
1997	7.73	1.01	7.89	26.9	6.76	0.87	6.90	29.4
1998	7.05	0.86	7.19	27.5	6.35	0.75	6.46	29.6
1999	7.32	0.78	7.44	27.8	6.45	0.57	6.53	29.7
2000	8.14	0.75	8.25	28.3	6.99	0.42	7.05	29.8
2001	7.03	0.56	7.11	27.3	6.34	0.33	6.39	29.8
2002	6.62	0.48	6.69	26.8	5.60	0.39	5.66	29.7
2003	5.87	0.38	5.92	26.3	4.98	0.39	5.03	29.8
2004	5.95	0.43	6.01	26.9	5.15	0.36	5.20	29.8
2005	6.02	0.42	6.08	27.9	5.50	0.27	5.54	30.0
2006	6.58	0.43	6.65	28.7	6.32	0.33	6.37	30.0
Monthly Data								
2005								
Oct	6.10	0.40	6.16	28.0	5.63	0.22	5.66	30.0
Nov	6.33	0.47	6.40	28.1	5.84	0.24	5.88	30.0
Dec	6.46	0.47	6.53	28.3	5.86	0.27	5.90	30.1
2006								
Jan	6.40	0.40	6.46	28.1	5.97	0.27	6.01	30.0
Feb	6.43	0.41	6.49	28.2	6.01	0.24	6.04	30.1
Mar	6.51	0.40	6.57	28.7	6.23	0.26	6.26	30.1
Apr	6.57	0.41	6.63	28.6	6.34	0.26	6.37	30.0
May	6.67	0.41	6.73	28.5	6.42	0.26	6.46	30.1
Jun	6.72	0.45	6.79	28.6	6.48	0.24	6.52	30.0
Jul	6.83	0.42	6.90	28.6	6.53	0.31	6.58	30.1
Aug	6.78	0.47	6.85	28.9	6.66	0.32	6.70	30.0
Sep	6.64	0.47	6.71	28.9	6.30	0.47	6.37	30.2
Oct	6.59	0.47	6.67	29.0	6.30	0.45	6.36	29.8
Nov	6.47	0.47	6.54	29.3	6.31	0.46	6.37	29.9
Dec	6.38	0.43	6.44	29.0	6.29	0.44	6.35	30.1

Source: Federal Housing Finance Board

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



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

Period	FHA*			VA Guaranties	PMI Certificates
	Applications	Total Endorsements	Purchase Endorsements		
Annual Data					
1971	998,365	565,417	NA	284,358	NA
1972	655,747	427,858	NA	375,485	NA
1973	359,941	240,004	NA	321,522	NA
1974	383,993	195,850	NA	313,156	NA
1975	445,350	255,061	NA	301,443	NA
1976	491,981	250,808	NA	330,442	NA
1977	550,168	321,118	NA	392,557	NA
1978	627,971	334,108	NA	368,648	NA
1979	652,435	457,054	NA	364,656	NA
1980	516,938	381,169	359,151	274,193	392,808
1981	299,889	224,829	204,376	151,811	334,565
1982	461,129	166,734	143,931	103,354	315,868
1983	776,893	503,425	455,189	300,568	652,214
1984	476,888	267,831	235,847	210,366	946,408
1985	900,119	409,547	328,639	201,313	729,597
1986	1,907,316	921,370	634,491	351,242	585,987
1987	1,210,257	1,319,987	866,962	455,616	511,058
1988	949,353	698,990	622,873	212,671	423,470
1989	989,724	726,359	649,596	183,209	365,497
1990	957,302	780,329	726,028	192,992	367,120
1991	898,859	685,905	620,050	186,561	494,259
1992	1,090,392	680,278	522,738	290,003	907,511
1993	1,740,504	1,065,832	591,243	457,596	1,198,307
1994	961,466	1,217,685	686,487	536,867	1,148,696
1995	857,364	568,399	516,380	243,719	960,756
1996	1,064,324	849,861	719,517	326,458	1,068,707
1997	1,115,434	839,712	745,524	254,670	974,698
1998	1,563,394	1,110,530	796,779	384,605	1,473,344
1999	1,407,014	1,246,433	949,516	441,606	1,455,403
2000	1,154,622	891,874	826,708	186,671	1,236,214
2001	1,760,278	1,182,368	818,035	281,505	1,987,717
2002	1,521,730	1,246,561	805,198	328,506	2,305,709
2003	1,634,166	1,382,570	677,507	513,259	2,493,435
2004	945,565	826,611	502,302	262,781	1,708,972
2005	673,855	523,243	332,912	160,294	1,579,593
2006	653,910	465,379	264,074	137,874	1,444,330
Monthly Data					
2005					
Oct	49,153	42,720	28,194	13,928	107,089
Nov	46,308	40,214	26,155	11,578	111,459
Dec	38,782	37,674	24,434	11,284	161,172
2006					
Jan	46,169	39,986	25,327	11,259	90,330
Feb	54,936	31,616	18,247	8,659	104,146
Mar	67,555	43,595	25,434	11,777	135,348
Apr	57,484	41,058	24,674	11,161	95,631
May	62,901	30,070	10,882	10,734	121,013
Jun	57,619	29,176	9,652	13,342	143,501
Jul	49,241	41,146	26,543	12,011	112,019
Aug	56,531	46,989	30,153	14,532	129,415
Sep	49,122	41,321	25,696	12,458	130,830
Oct	55,700	44,783	26,230	11,925	123,626
Nov	55,122	40,239	22,853	10,587	103,934
Dec	41,530	35,400	18,383	9,429	154,537

*These operational numbers differ slightly from adjusted accounting numbers.

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



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

Period	Construction of New Rental Units ¹			Purchase or Refinance of Existing Rental Units ²			Congregate Housing, Nursing Homes, and Assisted Living, Board and Care Facilities ³		
	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount
Annual Data									
1980	79	14,671	560.8	32	6,459	89.1	25	3,187	78.1
1981	94	14,232	415.1	12	2,974	43.0	35	4,590	130.0
1982	98	14,303	460.4	28	7,431	95.2	50	7,096	200.0
1983	74	14,353	543.9	94	22,118	363.0	65	9,231	295.8
1984	96	14,158	566.2	88	21,655	428.2	45	5,697	175.2
1985	144	23,253	954.1	135	34,730	764.3	41	5,201	179.1
1986	154	22,006	1,117.5	245	32,554	1,550.1	22	3,123	111.2
1987	171	28,300	1,379.4	306	68,000	1,618.0	45	6,243	225.7
1988	140	21,180	922.2	234	49,443	1,402.3	47	5,537	197.1
1989	101	15,240	750.9	144	32,995	864.6	41	5,183	207.9
1990	61	9,910	411.4	69	13,848	295.3	53	6,166	263.2
1991	72	13,098	590.2	185	40,640	1,015.1	81	10,150	437.2
1992	54	7,823	358.5	119	24,960	547.1	66	8,229	367.4
1993	56	9,321	428.6	262	50,140	1,209.4	77	9,036	428.6
1994	84	12,988	658.5	321	61,416	1,587.0	94	13,688	701.7
1995	89	17,113	785.0	192	32,383	822.3	103	12,888	707.2
1996	128	23,554	1,178.8	268	51,760	1,391.1	152	20,069	927.5
1997	147	23,880	1,362.2	186	31,538	1,098.5	143	16,819	820.0
1998	149	25,237	1,420.7	158	19,271	576.3	89	7,965	541.0
1999	185	30,863	1,886.8	182	22,596	688.7	130	14,592	899.2
2000	193	35,271	2,171.7	165	20,446	572.6	178	18,618	891.7
2001	163	29,744	1,905.6	303	35,198	831.9	172	20,633	1,135.2
2002	167	31,187	2,042.7	439	52,434	1,284.5	287	33,086	1,780.6
2003	180	30,871	2,224.5	701	87,193	2,273.5	253	31,126	1,502.2
2004	166	27,891	1,802.6	672	70,740	2,203.1	228	26,094	1,344.3
2005	148	24,847	1,596.3	472	49,238	1,724.9	184	20,625	1,080.4
2006 (12 mos.)	90	13,367	809.0	584	56,045	2,127.7	211	24,831	1,306.7

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

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

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

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

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



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

Period	Delinquency Rates												Foreclosures Started					
	Total Past Due						90 Days Past Due						Foreclosures Started					
	All Loans	Conventional Loans			FHA Loans	VA Loans	All Loans	Conventional Loans			FHA Loans	VA Loans	All Loans	Conventional Loans			FHA Loans	VA Loans
All Conv.		Prime Only	Sub-prime Only	All Conv.				Prime Only	Sub-prime Only	All Conv.				Prime Only	Sub-prime Only			
Annual Averages																		
1986	5.56	3.80	NA	NA	7.16	6.58	1.01	0.67	NA	NA	1.29	1.24	0.26	0.19	NA	NA	0.32	0.30
1987	4.97	3.15	NA	NA	6.56	6.21	0.93	0.61	NA	NA	1.19	1.17	0.26	0.18	NA	NA	0.34	0.32
1988	4.79	2.94	NA	NA	6.56	6.22	0.85	0.54	NA	NA	1.14	1.14	0.27	0.17	NA	NA	0.37	0.32
1989	4.81	3.03	NA	NA	6.74	6.45	0.79	0.50	NA	NA	1.09	1.09	0.29	0.18	NA	NA	0.41	0.37
1990	4.66	2.99	NA	NA	6.68	6.35	0.71	0.39	NA	NA	1.10	1.04	0.31	0.21	NA	NA	0.43	0.40
1991	5.03	3.26	NA	NA	7.31	6.77	0.80	0.46	NA	NA	1.25	1.11	0.34	0.27	NA	NA	0.43	0.42
1992	4.57	2.95	NA	NA	7.57	6.46	0.81	0.47	NA	NA	1.35	1.15	0.33	0.26	NA	NA	0.45	0.40
1993	4.22	2.66	NA	NA	7.14	6.30	0.77	0.45	NA	NA	1.40	1.16	0.32	0.24	NA	NA	0.48	0.42
1994	4.10	2.60	NA	NA	7.26	6.26	0.76	0.45	NA	NA	1.44	1.19	0.33	0.23	NA	NA	0.56	0.48
1995	4.24	2.77	NA	NA	7.55	6.44	0.74	0.43	NA	NA	1.46	1.17	0.33	0.23	NA	NA	0.53	0.50
1996	4.33	2.78	NA	NA	8.05	6.75	0.63	0.32	NA	NA	1.40	1.10	0.34	0.25	NA	NA	0.58	0.46
1997	4.31	2.82	NA	NA	8.13	6.94	0.58	0.32	NA	NA	1.22	1.15	0.36	0.26	NA	NA	0.62	0.51
1998	4.74	3.41	2.59	10.87	8.57	7.55	0.66	0.39	0.28	1.31	1.50	1.23	0.42	0.34	0.22	1.46	0.59	0.44
1999	4.48	3.17	2.26	11.43	8.57	7.55	0.63	0.34	0.24	1.23	1.50	1.23	0.38	0.33	0.17	1.75	0.59	0.44
2000	4.54	3.23	2.28	11.90	9.07	6.84	0.62	0.32	0.22	1.21	1.61	1.22	0.41	0.37	0.16	2.31	0.56	0.38
2001	5.26	3.79	2.67	14.03	10.78	7.67	0.80	0.44	0.27	2.04	2.12	1.47	0.46	0.41	0.20	2.34	0.71	0.42
2002	5.23	3.79	2.63	14.31	11.53	7.86	0.91	0.57	0.29	3.16	2.36	1.61	0.46	0.39	0.20	2.14	0.85	0.46
2003	4.74	3.51	2.51	12.17	12.21	8.00	0.90	0.59	0.30	3.25	2.66	1.77	0.42	0.34	0.20	1.61	0.90	0.48
2004	4.49	NA	2.30	10.80	12.18	7.31	0.87	NA	0.29	2.72	2.75	1.60	0.43	NA	0.19	1.50	0.98	0.49
2005	4.45	NA	2.30	10.84	12.51	7.00	0.89	NA	0.32	2.59	3.08	1.60	0.41	NA	0.18	1.42	0.85	0.38
Quarterly Data (Seasonally Adjusted)																		
2005																		
Q3	4.44	NA	2.34	10.76	12.75	7.12	0.83	NA	0.30	2.28	3.04	1.56	0.41	NA	0.18	1.39	0.88	0.39
Q4	4.70	NA	2.47	11.63	13.18	6.81	1.02	NA	0.41	2.94	3.55	1.67	0.42	NA	0.18	1.47	0.91	0.34
2006																		
Q1	4.41	NA	2.25	11.50	12.23	6.93	1.01	NA	0.39	2.82	3.59	1.78	0.41	NA	0.16	1.62	0.83	0.39
Q2	4.39	NA	2.29	11.70	12.45	6.35	0.91	NA	0.36	2.65	3.34	1.45	0.43	NA	0.18	1.79	0.75	0.35
Q3	4.67	NA	2.44	12.56	12.80	6.58	0.94	NA	0.34	2.96	3.28	1.48	0.46	NA	0.19	1.82	0.79	0.32

*All data are seasonally adjusted.

NA = not applicable.

Source: National Delinquency Survey, Mortgage Bankers Association

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



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

Period	Total Expenditures	Maintenance and Repairs ¹	Improvements					Major Replacements ⁵
			Total	Additions and Alterations ²			To Property Outside the Structure	
				Total	Additions ³	Improvements		
Annual Data (Millions of Dollars)								
1977	31,280	11,344	19,936	14,237	2,655	8,505	3,077	5,699
1978	37,461	12,909	24,552	16,458	3,713	8,443	4,302	8,094
1979	42,231	14,950	27,281	18,285	3,280	9,642	5,363	8,996
1980	46,338	15,187	31,151	21,336	4,183	11,193	5,960	9,816
1981	46,351	16,022	30,329	20,414	3,164	11,947	5,303	9,915
1982	45,291	16,810	28,481	18,774	2,641	10,711	5,423	9,707
1983	49,295	18,128	31,167	20,271	4,739	11,673	3,859	10,895
1984	70,597	29,307	41,291	28,023	6,044	14,604	7,375	13,268
1985	82,127	36,349	45,778	29,259	4,027	17,922	7,309	16,519
1986	94,329	37,394	56,936	39,616	7,552	21,774	10,292	17,319
1987	98,413	40,227	58,186	41,484	9,893	22,503	9,088	16,701
1988	106,864	43,580	63,284	45,371	11,868	23,789	9,715	17,912
1989	108,054	46,089	61,966	42,176	7,191	24,593	10,391	19,788
1990	115,432	55,800	59,629	39,929	9,160	23,510	7,261	19,700
1991	107,692	55,505	52,187	33,662	8,609	17,486	7,567	18,526
1992	115,569	50,821	64,748	44,041	7,401	24,870	11,771	20,705
1993	121,899	45,785	76,114	53,512	16,381	27,657	9,472	22,604
1994	130,625	47,185	83,439	56,835	12,906	30,395	13,534	26,606
1995	124,971	47,032	77,940	51,011	11,197	29,288	10,526	26,928
1996	131,362	40,108	91,253	64,513	17,388	32,889	14,235	26,738
1997	133,577	41,145	92,432	65,222	14,575	37,126	13,523	27,210
1998	133,693	41,980	91,712	62,971	11,897	38,787	12,287	28,741
1999	142,900	42,352	100,549	72,056	16,164	42,058	13,833	28,493
2000	152,975	42,236	110,739	77,979	18,189	40,384	19,407	32,760
2001	157,765	47,492	110,273	77,560	14,133	47,208	16,218	32,714
2002	173,324	47,349	125,946	88,708	20,624	49,566	18,518	37,238
2003	176,899	44,094	132,805	93,458	20,994	55,028	17,435	39,347
Period	Total Expenditures	Maintenance and Repairs ¹	Total	Improvements				Major Replacements ⁵
				Additions and Alterations ²			Other Property Improvements	
				Total	Additions ³	Alterations ⁴		
2003	176,899	44,094	132,805		20,994	91,759	20,051	
2004	198,557	50,612	147,945		17,889	103,835	26,219	
2005	215,030	53,293	161,737		20,719	112,721	28,297	
Quarterly Data (Seasonally Adjusted Annual Rates)								
2005								
Q2	192,800	50,700	142,100		NA	NA	NA	
Q3	220,900	55,500	165,400		NA	NA	NA	
Q4	233,500	54,700	178,800		NA	NA	NA	
2006								
Q1	232,200	53,900	178,300		NA	NA	NA	
Q2	225,000	54,500	170,500		NA	NA	NA	

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

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

³Additions refer to actual enlargements of the structure.

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

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

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

Source: Census Bureau, Department of Commerce

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



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

Period	Total	New Residential Construction			Improvements
		Total	Single-Family Structures	Multifamily Structures	
Annual Data (Current Dollars in Millions)					
1974	55,967	43,420	29,700	13,720	12,547
1975	51,581	36,317	29,639	6,679	15,264
1976	68,273	50,771	43,860	6,910	17,502
1977	92,004	72,231	62,214	10,017	19,773
1978	109,838	85,601	72,769	12,832	24,237
1979	116,444	89,272	72,257	17,015	27,172
1980	100,381	69,629	52,921	16,708	30,752
1981	99,241	69,424	51,965	17,460	29,817
1982	84,676	57,001	41,462	15,838	27,675
1983	125,833	94,961	72,514	22,447	30,872
1984	155,015	114,616	86,395	28,221	40,399
1985	160,520	115,888	87,350	28,539	44,632
1986	190,677	135,169	104,131	31,038	55,508
1987	199,652	142,668	117,216	25,452	56,984
1988	204,496	142,391	120,093	22,298	62,105
1989	204,255	143,232	120,929	22,304	61,023
1990	191,103	132,137	112,886	19,250	58,966
1991	166,251	114,575	99,427	15,148	51,676
1992	199,393	135,070	121,976	13,094	64,323
1993	225,067	150,911	140,123	10,788	74,156
1994	258,561	176,389	162,309	14,081	82,172
1995	247,351	171,404	153,515	17,889	75,947
1996	281,115	191,113	170,790	20,324	90,002
1997	289,014	198,063	175,179	22,883	90,951
1998	314,607	223,983	199,409	24,574	90,624
1999	350,562	251,272	223,837	27,434	99,290
2000	374,457	265,047	236,788	28,259	109,410
2001	388,324	279,391	249,086	30,305	108,933
2002	421,912	298,841	265,889	32,952	123,071
2003	475,941	345,691	310,575	35,116	130,250
2004	564,827	417,501	377,557	39,944	147,326
2005	642,276	481,738	433,510	48,228	160,538
2006	630,298	469,347	413,152	56,195	160,951
Monthly Data (Seasonally Adjusted Annual Rates)					
2005					
Oct	659,259	502,013	450,887	51,126	NA
Nov	663,103	506,921	455,186	51,735	NA
Dec	665,615	509,138	456,278	52,860	NA
2006					
Jan	661,423	510,477	455,778	54,699	NA
Feb	662,557	513,015	457,457	55,558	NA
Mar	647,205	490,536	457,300	56,352	NA
Apr	657,807	502,637	446,517	56,120	NA
May	647,205	490,536	435,521	55,015	NA
Jun	639,426	478,888	424,210	54,678	NA
Jul	627,305	466,703	411,342	55,361	NA
Aug	617,457	454,255	398,670	55,585	NA
Sep	609,648	445,959	388,657	57,302	NA
Oct	600,751	434,095	375,142	58,953	NA
Nov	592,057	423,050	363,903	59,147	NA
Dec	582,290	413,612	355,847	57,765	NA

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



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

Period	Gross Domestic Product	Residential Fixed Investment	Residential Fixed Investment Percent of GDP
Annual Data (Current Dollars in Billions)			
1960	526.4	26.3	5.0
1961	544.7	26.4	4.8
1962	585.6	29.0	5.0
1963	617.7	32.1	5.2
1964	663.6	34.3	5.2
1965	719.1	34.2	4.8
1966	787.8	32.3	4.1
1967	832.6	32.4	3.9
1968	910.0	38.7	4.3
1969	984.6	42.6	4.3
1970	1,038.5	41.4	4.0
1971	1,127.1	55.8	5.0
1972	1,238.3	69.7	5.6
1973	1,382.7	75.3	5.4
1974	1,500.0	66.0	4.4
1975	1,638.3	62.7	3.8
1976	1,825.3	82.5	4.5
1977	2,030.9	110.3	5.4
1978	2,294.7	131.6	5.7
1979	2,563.3	141.0	5.5
1980	2,789.5	123.2	4.4
1981	3,128.4	122.6	3.9
1982	3,255.0	105.7	3.2
1983	3,536.7	152.9	4.3
1984	3,933.2	180.6	4.6
1985	4,220.3	188.2	4.5
1986	4,462.8	220.1	4.9
1987	4,739.5	233.7	4.9
1988	5,103.8	239.3	4.7
1989	5,484.4	239.5	4.4
1990	5,803.1	224.0	3.9
1991	5,995.9	205.1	3.4
1992	6,337.7	236.3	3.7
1993	6,657.4	266.0	4.0
1994	7,072.2	301.9	4.3
1995	7,397.7	302.8	4.1
1996	7,816.9	334.1	4.3
1997	8,304.3	349.1	4.2
1998	8,747.0	385.8	4.4
1999	9,268.4	424.9	4.6
2000	9,817.0	446.9	4.6
2001	10,128.0	469.3	4.6
2002	10,469.6	503.9	4.8
2003	10,960.8	572.4	5.2
2004	11,712.5	675.3	5.8
2005	12,455.8	770.4	6.2
2006	13,253.9	767.1	5.8
Quarterly Data (Seasonally Adjusted Annual Rates)			
2005			
Q4	12,730.5	801.5	6.3
2006			
Q1	13,008.4	808.5	6.2
Q2	13,197.3	790.6	6.0
Q3	13,322.6	750.5	5.6
Q4	13,487.2	718.8	5.3

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



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

Period	Total	Less Than 25 Years	25 to 29 Years	30 to 34 Years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Older
Annual Data								
1971 ¹	848	NA	NA	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA	NA	NA
1974 ^r	1,554	NA	NA	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA	NA	NA
1977	1,275	114	87	570	255	85	149	14
1978	1,888	229	213	451	487	(303)	403	409
1979	1,300	122	81	84	359	(17)	101	570
1980 ²	3,446	228	573	935	652	69	241	749
1981	1,592	(127)	262	387	482	40	179	368
1982	1,159	(333)	11	163	864	(189)	243	400
1983	391	(415)	(60)	(163)	694	(151)	127	359
1984 ^r	1,372	(237)	332	350	549	169	54	156
1985	1,499	(20)	(160)	388	912	105	(55)	328
1986	1,669	65	144	252	516	471	(221)	441
1987	1,021	(306)	(129)	221	706	112	16	402
1988 ^r	1,645	109	(44)	163	624	389	(10)	414
1989	1,706	109	16	287	625	418	(53)	304
1990	517	(294)	(201)	(251)	602	496	(276)	440
1991	965	(239)	(177)	28	750	237	(5)	371
1992	1,364	(23)	(433)	120	474	796	36	394
1993 ³	750	398	46	1	84	866	(406)	(239)
1994	681	8	(387)	47	431	424	34	124
1995	1,883	179	(72)	(193)	621	753	36	559
1996	637	(162)	(46)	(181)	312	418	177	121
1997	1,391	(122)	293	(204)	597	835	68	(78)
1998	1,510	275	(184)	(97)	120	704	603	89
1999	1,346	335	56	(270)	25	611	499	92
2000	831	90	1	(193)	(13)	769	21	156
2001	1,712	532	(213)	140	(51)	870	351	83
2002 ⁴	2,880	(1)	105	329	127	411	1,260	648
2003	595	69	(18)	(92)	(237)	208	643	22
2004	1,028	98	278	(219)	(320)	365	714	112
2005	1,643	(3)	298	(283)	42	476	802	311
Quarterly Data								
2005								
Q4	456	81	(5)	46	(275)	148	294	168
2006								
Q1	401	11	135	(19)	2	4	52	216
Q2	161	(88)	65	(116)	(112)	283	154	(26)
Q3	179	149	(41)	2	(38)	79	114	(85)
Q4	303	(32)	53	117	(206)	(47)	390	28

*Units in thousands.

^rImplementation of new March CPS processing system.

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

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

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

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

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



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

Period	Total	Families ⁵				Non-Family Households		One-Person Households	
		Husband-Wife		Other Male Headed	Other Female Headed	Male Headed	Female Headed	Males	Females
		With Children	Without Children						
Annual Data									
1971 ¹	848	NA	NA	NA	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA	NA	NA	NA
1974 ^r	1,554	NA	NA	NA	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA	NA	NA	NA
1977	1,275	(191)	366	36	206	199	109	223	326
1978	1,888	(228)	114	103	497	126	93	713	470
1979	1,300	(91)	396	53	182	143	131	112	375
1980 ²	3,446	426	1,024	115	485	240	60	502	592
1981	1,592	56	126	201	377	184	9	287	353
1982	1,159	(393)	730	53	322	(50)	81	229	189
1983	391	(2)	278	31	65	87	33	(31)	(73)
1984 ^r	1,372	(60)	234	21	427	142	14	35	562
1985	1,499	(178)	447	189	233	(12)	62	436	319
1986	1,669	458	125	187	81	171	71	363	213
1987	1,021	75	529	96	235	43	95	(39)	(12)
1988 ^r	1,645	(107)	244	344	243	62	51	557	249
1989	1,706	135	290	0	196	213	99	390	385
1990	517	(123)	341	30	5	(124)	97	(144)	435
1991	965	(66)	(104)	28	373	143	(1)	401	191
1992	1,364	(53)	363	114	430	115	12	163	220
1993 ³	750	550	83	44	364	37	87	(169)	(247)
1994	681	207	(128)	(145)	340	170	185	(4)	57
1995	1,883	250	439	308	(182)	28	(80)	700	421
1996	637	(333)	43	286	295	11	169	148	20
1997	1,391	153	(117)	340	270	204	37	154	349
1998	1,510	246	467	61	(136)	(143)	89	568	356
1999	1,346	(211)	663	63	139	280	132	(44)	323
2000	831	149	392	48	(98)	58	165	215	(97)
2001	1,712	189	99	231	(168)	221	42	356	743
2002 ⁴	2,880	371	778	195	608	(106)	81	467	485
2003	595	(38)	277	47	83	29	27	135	36
2004	1,028	(136)	341	283	175	39	(18)	167	176
2005	1,643	(111)	299	189	456	77	56	431	248
Quarterly Data									
2005									
Q4	456	411	(256)	(98)	190	45	52	208	(96)
2006									
Q1	401	259	(168)	98	(99)	67	(55)	84	216
Q2	161	(211)	136	8	(47)	(5)	59	126	93
Q3	179	(414)	335	75	363	(47)	4	52	(188)
Q4	303	50	(26)	(241)	(134)	234	(64)	233	249

*Units in thousands.

¹Implementation of new March CPS processing system.

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

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

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

⁵Beginning in 2002, CPS data weighted based on the 2000 decennial census data and housing unit controls.

⁶Primary families only.

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



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

Period	Total	Non-Hispanic				Hispanic
		White Alone	Black Alone	Other Race Alone	Two or More Races ⁵	
Annual Data						
1971 ¹	848	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA
1974 ^r	1,554	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA
1977	1,275	832	288	22	NA	133
1978	1,888	1,356	190	119	NA	223
1979	1,300	1,115	96	102	NA	(13)
1980 ²	3,446	2,367	488	198	NA	393
1981	1,592	903	244	223	NA	222
1982	1,159	890	129	66	NA	74
1983	391	218	(37)	105	NA	105
1984 ^r	1,372	434	299	58	NA	581
1985	1,499	938	250	94	NA	217
1986	1,669	954	283	102	NA	330
1987	1,021	527	116	173	NA	205
1988 ^r	1,645	1,053	255	113	NA	224
1989	1,706	947	382	109	NA	268
1990	517	428	(49)	115	NA	23
1991	965	540	156	(18)	NA	287
1992	1,364	590	397	218	NA	159
1993 ³	750	(518)	183	312	NA	774
1994	681	590	(6)	(114)	NA	209
1995	1,883	1,307	387	(182)	NA	373
1996	637	(72)	(156)	660	NA	204
1997	1,391	308	509	288	NA	286
1998	1,510	696	363	87	NA	365
1999	1,346	641	89	145	NA	470
2000	831	242	245	85	NA	259
2001	1,712	557	483	328	NA	344
2002 ⁴	2,880	1,442	(100)	702	NA	836
2003	595	(666)	(5)	(443)	1,109	600
2004	1,028	417	208	164	39	201
2005	1,643	710	257	166	50	461
Quarterly Data						
2005						
Q4	456	213	45	92	(15)	120
2006						
Q1	401	189	46	(51)	16	202
Q2	161	(207)	155	74	25	114
Q3	179	151	(76)	13	29	62
Q4	303	109	51	55	(33)	121

*Units in thousands.

¹Implementation of new March CPS processing system.

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

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

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

⁵Beginning in 2002, CPS data weighted based on the 2000 decennial census data and housing unit controls.

⁶Beginning in 2003, the CPS respondents were able to select more than one race.

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



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

Period	Total ³	Seasonal	Total Year Round	Total Vacant Year Round	For Rent	For Sale Only	Other Vacant	Total Occupied	Owner	Renter
Annual and Biannual Data										
1970 ¹	68,672	973	67,699	4,207	1,655	477	2,075	63,445	39,886	23,560
1971	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1972	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1973	75,969	676	75,293	5,956	1,545	502	3,909	69,337	44,653	24,684
1974	77,601	1,715	75,886	5,056	1,630	547	2,879	70,830	45,784	25,046
1975	79,087	1,534	77,553	5,030	1,489	577	2,964	72,523	46,867	25,656
1976	80,881	1,565	79,316	5,311	1,544	617	3,150	74,005	47,904	26,101
1977	82,420	1,704	80,716	5,436	1,532	596	3,308	75,280	48,765	26,515
1978	84,618	1,785	82,833	5,667	1,545	624	3,498	77,167	50,283	26,884
1979	86,374	1,788	84,586	6,014	1,600	677	3,737	78,572	51,411	27,160
1980	88,207	2,183	86,024	5,953	1,497	755	3,701	80,072	52,516	27,556
1980 ¹	88,411	1,718	86,693	NA	NA	NA	NA	80,390	51,795	28,595
1981 ²	91,561	1,950	89,610	6,435	1,634	812	3,989	83,175	54,342	28,833
1983	93,519	1,845	91,675	7,037	1,906	955	4,176	84,638	54,724	29,914
1985	99,931	3,182	96,749	8,324	2,518	1,128	4,678	88,425	56,145	32,280
1987	102,652	2,837	99,818	8,927	2,895	1,116	4,916	90,888	58,164	32,724
1989	105,661	2,881	102,780	9,097	2,644	1,115	5,338	93,683	59,916	33,767
1990 ¹	102,264	NA	NA	NA	NA	NA	NA	91,947	59,025	32,923
1991	104,592	2,728	101,864	8,717	2,684	1,026	5,007	93,147	59,796	33,351
1993	106,611	3,088	103,522	8,799	2,651	889	5,258	94,724	61,252	33,472
1995	109,457	3,054	106,403	8,710	2,666	917	5,128	97,693	63,544	34,150
1997	112,357	3,166	109,191	9,704	2,884	1,043	5,777	99,487	65,487	34,000
1999	115,253	2,961	112,292	9,489	2,719	971	5,799	102,803	68,796	34,007
2000 ¹	119,628	NA	NA	NA	NA	NA	NA	105,719	71,249	34,470
2001	119,116	3,078	116,038	9,777	2,916	1,243	5,618	106,261	72,265	33,996
2003	120,777	3,566	117,211	11,369	3,597	1,284	6,488	105,842	72,238	33,604
Quarterly Data										
2005										
Q4	124,509	3,764	120,745	11,857	3,626	1,566	6,665	108,888	75,163	33,725
2006										
Q1	125,373	3,908	121,465	12,176	3,685	1,580	6,911	109,289	74,883	34,406
Q2	125,800	3,974	121,826	12,376	3,676	1,729	6,971	109,450	75,227	34,223
Q3	126,225	3,989	122,236	12,606	3,808	1,935	6,863	109,630	75,646	33,984
Q4	126,651	4,044	122,607	12,675	3,779	2,100	6,798	109,932	75,763	34,169

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

¹Decennial Census of Housing.

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

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

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

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



Table 26. Rental Vacancy Rates: 1979–Present

Period	All Rental Units	Metropolitan Status ¹				Regions				Units in Structure		
		Inside Metro Area	In Central Cities	Suburbs	Outside Metro Area	North-east	Mid-west	South	West	One	Two or More	Five or More
Annual Data												
1979	5.4	5.4	5.7	5.1	5.4	4.5	5.7	6.1	5.3	3.2	6.6	7.6
1980	5.4	5.2	5.4	4.8	6.1	4.2	6.0	6.0	5.2	3.4	6.4	7.1
1981	5.0	4.8	5.0	4.6	5.7	3.7	5.9	5.4	5.1	3.3	6.0	6.4
1982	5.3	5.0	5.3	4.6	6.2	3.7	6.3	5.8	5.4	3.6	6.2	6.5
1983	5.7	5.5	6.0	4.8	6.3	4.0	6.1	6.9	5.2	3.7	6.7	7.1
1984	5.9	5.7	6.2	5.1	6.4	3.7	5.9	7.9	5.2	3.8	7.0	7.5
1985	6.5	6.3	6.6	6.0	7.1	3.5	5.9	9.1	6.2	3.8	7.9	8.8
1986	7.3	7.2	7.6	6.6	8.2	3.9	6.9	10.1	7.1	3.9	9.2	10.4
1987	7.7	7.7	8.3	6.9	7.8	4.1	6.8	10.9	7.3	4.0	9.7	11.2
1988	7.7	7.8	8.4	7.0	7.3	4.8	6.9	10.1	7.7	3.6	9.8	11.4
1989	7.4	7.4	7.9	6.6	7.7	4.7	6.8	9.7	7.1	4.2	9.2	10.1
1990	7.2	7.1	7.8	6.3	7.6	6.1	6.4	8.8	6.6	4.0	9.0	9.5
1991	7.4	7.5	8.0	6.8	7.3	6.9	6.7	8.9	6.5	3.9	9.4	10.4
1992	7.4	7.4	8.3	6.4	7.0	6.9	6.7	8.2	7.1	3.9	9.3	10.1
1993	7.3	7.5	8.2	6.6	6.5	7.0	6.6	7.9	7.4	3.8	9.5	10.3
1994	7.4	7.3	8.1	6.4	7.7	7.1	6.8	8.0	7.1	5.2	9.0	9.8
1995	7.6	7.6	8.4	6.6	7.9	7.2	7.2	8.3	7.5	5.4	9.0	9.5
1996	7.8	7.7	8.2	7.0	8.7	7.4	7.9	8.6	7.2	5.5	9.3	9.6
1997	7.7	7.5	8.1	6.9	8.8	6.7	8.0	9.1	6.6	5.8	9.0	9.1
1998	7.9	7.7	8.2	7.1	9.2	6.7	7.9	9.6	6.7	6.3	9.0	9.4
1999	8.1	7.8	8.4	7.2	9.6	6.3	8.6	10.3	6.2	7.3	8.7	8.7
2000	8.0	7.7	8.2	7.2	9.5	5.6	8.8	10.5	5.8	7.0	8.7	9.2
2001	8.4	8.0	8.6	7.4	10.4	5.3	9.7	11.1	6.2	7.9	8.9	9.6
2002	8.9	8.7	9.2	8.2	10.2	5.8	10.1	11.6	6.9	8.0	9.7	10.4
2003	9.8	9.6	10.0	9.2	10.6	6.6	10.8	12.5	7.7	8.4	10.7	11.4
2004	10.2	10.2	10.8	9.5	10.2	7.3	12.2	12.6	7.5	9.3	10.9	11.5
2005	9.8	9.7	10.0	9.4	10.5	6.5	12.6	11.8	7.3	9.9	10.0	10.4
Quarterly Data												
2005¹												
Q4	9.6	9.4	9.4	9.3	10.9	6.7	12.3	11.4	7.0	10.2	9.4	9.5
2006												
Q1	9.5	9.4	10.0	8.7	10.4	7.3	12.6	10.9	6.7	9.9	9.6	10.0
Q2	9.6	9.5	9.6	9.3	10.0	6.9	12.6	11.1	6.8	9.3	9.9	10.4
Q3	9.9	10.0	10.3	9.6	9.7	7.7	12.6	11.9	6.5	10.0	10.1	10.4
Q4	9.8	9.9	10.1	9.5	9.7	6.5	11.9	12.4	7.0	10.1	9.9	10.1

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

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



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

Period	Total	Less Than 25 Years	25 to 29 Years	30 to 34 Years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Over
Annual Data								
1982	64.8	19.3	38.6	57.1	70.0	77.4	80.0	74.4
1983	64.6	18.8	38.3	55.4	69.3	77.0	79.9	75.0
1984	64.5	17.9	38.6	54.8	68.9	76.5	80.0	75.1
1985	63.9	17.2	37.7	54.0	68.1	75.9	79.5	74.8
1986	63.8	17.2	36.7	53.6	67.3	76.0	79.9	75.0
1987	64.0	16.0	36.4	53.5	67.2	76.1	80.2	75.5
1988	63.8	15.8	35.9	53.2	66.9	75.6	79.5	75.6
1989	63.9	16.6	35.3	53.2	66.6	75.5	79.6	75.8
1990	63.9	15.7	35.2	51.8	66.3	75.2	79.3	76.3
1991	64.1	15.3	33.8	51.2	65.8	74.8	80.0	77.2
1992	64.1	14.9	33.6	50.5	65.1	75.1	80.2	77.1
1993	64.5	15.0	34.0	51.0	65.4	75.4	79.8	77.3
1993 ¹	64.0	14.8	33.6	50.8	65.1	75.3	79.9	77.3
1994	64.0	14.9	34.1	50.6	64.5	75.2	79.3	77.4
1995	64.7	15.9	34.4	53.1	65.2	75.2	79.5	78.1
1996	65.4	18.0	34.7	53.0	65.5	75.6	80.0	78.9
1997	65.7	17.7	35.0	52.6	66.1	75.8	80.1	79.1
1998	66.3	18.2	36.2	53.6	66.9	75.7	80.9	79.3
1999	66.8	19.9	36.5	53.8	67.2	76.0	81.0	80.1
2000	67.4	21.7	38.1	54.6	67.9	76.5	80.3	80.4
2001	67.8	22.5	38.9	54.8	68.2	76.7	81.3	80.3
2002 ²	67.9	22.9	38.8	54.9	68.6	76.3	81.1	80.6
2003	68.3	22.8	39.8	56.5	68.3	76.6	81.4	80.5
2004	69.0	25.2	40.2	57.4	69.2	77.2	81.7	81.1
2005	68.9	25.7	40.9	56.8	69.3	76.6	81.2	80.6
Quarterly Data								
2005								
Q4	69.0	24.8	41.6	57.1	69.7	76.7	80.6	80.6
2006								
Q1	68.5	23.6	41.0	56.5	68.9	75.8	81.2	80.3
Q2	68.7	24.5	41.4	55.6	68.9	76.3	81.0	80.6
Q3	69.0	25.3	42.8	55.8	68.8	76.4	80.7	81.5
Q4	68.9	25.7	41.8	55.8	68.9	76.4	80.7	81.2

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

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

Source: Census Bureau, Department of Commerce

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



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

Period	Total	Region				Metropolitan Status ^{3,5}		
		Northeast	Midwest	South	West	Inside Metropolitan Areas		Outside Metro Area
						Central City	Outside Central City	
March Supplemental Data								
1983 ¹	64.9	61.4	70.0	67.1	58.7	48.9	70.2	73.5
1984	64.5	60.7	69.0	67.2	58.5	49.2	69.8	72.6
1985	64.3	61.1	67.7	66.7	59.4	NA	NA	NA
1986	63.8	61.1	66.9	66.7	57.8	48.3	71.2	72.0
1987	64.0	61.4	67.1	66.9	57.9	48.7	70.9	72.5
1988	64.0	61.9	67.0	65.9	59.0	48.7	71.1	72.1
1989	64.0	61.6	67.6	66.3	58.5	48.7	70.4	73.1
1990	64.1	62.3	67.3	66.5	58.0	48.9	70.1	73.5
1991	64.0	61.9	67.3	66.1	58.8	48.3	70.4	73.2
1992	64.1	62.7	67.0	65.8	59.2	49.0	70.2	73.0
1993 ²	64.1	62.4	67.0	65.5	60.0	48.9	70.2	72.9
Annual Averages of Monthly Data								
1994	64.0	61.5	67.7	65.6	59.4	48.5	70.3	72.0
1995	64.7	62.0	69.2	66.7	59.2	49.5	71.2	72.7
1996	65.4	62.2	70.6	67.5	59.2	49.7	72.2	73.5
1997	65.7	62.4	70.5	68.0	59.6	49.9	72.5	73.7
1998	66.3	62.6	71.1	68.6	60.5	50.0	73.2	74.7
1999	66.8	63.1	71.7	69.1	60.9	50.4	73.6	75.4
2000	67.4	63.4	72.6	69.6	61.7	51.4	74.0	75.2
2001	67.8	63.7	73.1	69.8	62.6	51.9	74.6	75.0
2002 ⁴	67.9	64.3	73.1	69.7	62.5	51.7	74.7	75.4
2003	68.3	64.4	73.2	70.1	63.4	52.3	75.0	75.6
2004	69.0	65.0	73.8	70.9	64.2	53.1	75.7	76.3
2005	68.9	65.2	73.1	70.8	64.4	54.2	76.4	76.3
2006	68.8	65.2	72.7	70.5	64.7	54.3	76.1	75.9
Quarterly Averages of Monthly Data								
2005⁵								
Q3	68.8	65.1	73.3	70.6	64.2	54.0	76.3	76.0
Q4	69.0	65.4	72.8	71.1	64.6	54.3	76.5	76.2
2006								
Q1	68.5	64.7	72.5	70.4	64.4	53.9	75.6	76.4
Q2	68.7	65.4	72.5	70.4	64.7	54.2	76.0	75.9
Q3	69.0	65.5	72.8	70.6	65.3	54.6	76.2	75.8
Q4	68.9	65.3	73.0	70.8	64.5	54.4	76.4	75.7

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

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

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

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

⁵The Census Bureau has changed to OMB's new designation of metropolitan areas as Core Based Statistical Areas effective January 2005. The new statistical area definitions and data are not comparable with the previous ones.

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

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



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

Period	Non-Hispanic				Hispanic
	White Alone	Black Alone	Other Race Alone	Two or More Races ¹	
March Supplemental Data					
1983 ¹	69.1	45.6	53.3	NA	41.2
1984 ²	69.0	46.0	50.9	NA	40.1
1985	69.0	44.4	50.7	NA	41.1
1986	68.4	44.8	49.7	NA	40.6
1987	68.7	45.8	48.7	NA	40.6
1988 ²	69.1	42.9	49.7	NA	40.6
1989	69.3	42.1	50.6	NA	41.6
1990	69.4	42.6	49.2	NA	41.2
1991	69.5	42.7	51.3	NA	39.0
1992	69.6	42.6	52.5	NA	39.9
1993 ²	70.2	42.0	50.6	NA	39.4
Annual Averages of Monthly Data					
1994	70.0	42.5	50.8	NA	41.2
1995	70.9	42.9	51.5	NA	42.0
1996	71.7	44.5	51.5	NA	42.8
1997	72.0	45.4	53.3	NA	43.3
1998	72.6	46.1	53.7	NA	44.7
1999	73.2	46.7	54.1	NA	45.5
2000	73.8	47.6	53.9	NA	46.3
2001	74.3	48.4	54.7	NA	47.3
2002 ³	74.7	48.2	55.0	NA	47.0
2003	75.4	48.8	56.7	58.0	46.7
2004	76.0	49.7	59.6	60.4	48.1
2005	75.8	48.8	60.4	59.8	49.5
2006	75.8	48.4	61.1	59.9	49.7
Quarterly Averages of Monthly Data					
2005					
Q4	76.0	48.6	60.9	61.1	50.0
2006					
Q1	75.5	48.0	61.0	60.0	49.4
Q2	75.9	47.6	60.9	57.9	50.0
Q3	76.0	49.0	61.6	60.7	49.7
Q4	76.0	48.9	60.8	61.1	49.5

¹Implementation of new March CPS processing system.

²CPS data from 1983 to 1992 weighted based on the 1980 decennial census.

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

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

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

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



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

Period	Married Couples		Other Families		Other
	With Children	Without Children	With Children	Without Children	
March Supplemental Data					
1983 ¹	75.0	80.8	38.3	67.5	44.5
1984 ¹	74.2	80.9	39.1	66.4	44.6
1985	74.0	81.1	38.6	65.4	45.0
1986	73.4	81.4	38.0	65.7	43.9
1987	73.8	81.6	37.6	66.3	43.9
1988 ²	73.9	81.7	38.0	64.9	44.6
1989	74.3	82.0	35.8	64.4	45.6
1990	73.5	82.2	36.0	64.3	46.6
1991	73.0	83.0	35.6	65.6	46.8
1992	73.4	83.0	35.1	64.9	47.3
1993 ²	73.7	82.9	35.5	63.9	47.1
Annual Averages of Monthly Data					
1994	74.3	83.2	36.1	65.3	47.0
1995	74.9	84.0	37.7	66.2	47.7
1996	75.8	84.4	38.6	67.4	48.6
1997	76.5	84.9	38.5	66.4	49.2
1998	77.3	85.4	40.4	66.0	49.7
1999	77.6	85.7	41.9	65.8	50.3
2000	78.3	86.1	43.2	65.8	50.9
2001	78.8	86.6	44.2	66.1	51.7
2002 ³	78.6	86.8	43.5	66.3	52.3
2003	79.1	87.0	43.8	66.5	52.7
2004	79.7	87.7	45.3	67.8	53.5
2005	80.3	87.5	45.2	67.4	53.3
2006	79.9	87.6	45.2	67.7	53.4
Quarterly Averages of Monthly Data					
2005					
Q4	80.7	87.5	45.1	67.0	53.5
2006					
Q1	79.5	87.5	44.4	66.6	53.2
Q2	79.8	87.9	44.8	68.3	53.2
Q3	80.3	87.5	45.9	67.7	53.7
Q4	80.2	87.6	45.6	68.0	53.5

¹Implementation of new March CPS processing system.

²CPS data from 1983 to 1992 weighted based on the 1980 decennial census.

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

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

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

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