



U.S. Housing Market Conditions

November 2007

SUMMARY

Economic growth in the third quarter of 2007 continued at the same pace as in the second quarter of 2007. The labor situation in the third quarter saw continued job growth and low unemployment. Housing affordability worsened as mortgage interest rates increased. Housing market performance was weak in the third quarter of 2007, with generally falling production levels and weak new home sales. The exception is an increase in existing home sales. Inventories of new and existing homes available for sale continue at very high levels, with enough houses available to last 8 to 10 months. The homeownership rate remained steady at 68.2 percent in the third quarter of 2007.

Housing Production

All housing production indicators were negative or unchanged in the third quarter of 2007, especially when compared with the third quarter of 2006. Single-family building permits, starts, and completions were down 7 to 14 percent from the second quarter of 2007 and down 26 to 29 percent from the third quarter of 2006. The only piece of positive news was that multifamily completions increased 20 percent. The numbers of permits, starts, and completions have declined for six or more consecutive quarters. Shipments of manufactured homes decreased in the third quarter.

- In the third quarter of 2007, builders took out permits for 1,324,000 new housing units at a seasonally adjusted annual rate (SAAR), down 10 percent from the second quarter of 2007 and down 23 percent from the third quarter of 2006. Single-family building permits were issued for 940,000 (SAAR) housing units in the third quarter of 2007, down 11 percent from the second quarter of 2007 and down 26 percent from the third quarter of 2006. Both total permits and single-family permits have declined for eight consecutive quarters.

- Construction was started on 1,296,000 (SAAR) new housing units in the third quarter of 2007, down 11 percent from the second quarter of 2007 and down 24 percent from the third quarter of 2006. Single-family housing starts equaled 1,000,000 (SAAR) units in the third quarter of 2007, down 14 percent from the second quarter of 2007 and down 28 percent from the third quarter of 2006. Both total starts and single-family starts have declined for six consecutive quarters.
- In the third quarter of 2007, construction was completed on 1,476,000 (SAAR) new homes, down 3 percent from the second quarter of 2007 and down 24 percent from the third quarter of 2006. Single-family housing completions were 1,182,000 in the third quarter of 2007, down 7 percent from the second quarter of 2007 and down 29 percent from the third quarter of 2006. These are the sixth consecutive quarterly declines for both total completions and single-family completions.
- Manufacturers shipped 96,000 (SAAR) new manufactured homes in the third quarter of 2007, down 3 percent from the second quarter of 2007 and down 11 percent from the third quarter of 2006.

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Housing Marketing

Sales of new homes decreased in the third quarter of 2007, although inventories of new homes available for sale stabilized. Prices of new homes were unchanged, but those of existing homes decreased. Inventories of existing homes available for sale at the end of the third quarter of 2007 increased to more than 10 months of sales. Builders were pessimistic in the third quarter regarding current sales expectations, future sales expectations, and prospective buyer traffic.

- During the third quarter of 2007, builders sold 768,000 (SAAR) new single-family homes, down 10 percent from the second quarter of 2007 and down 23 percent from the third quarter of 2006.
- REALTORS® sold 5,423,000 (SAAR) existing homes in the third quarter of 2007, down 8 percent from the second quarter of 2007 and down 14 percent from the third quarter of 2006.
- The median sales price for new homes sold in the third quarter of 2007 was \$241,700, unchanged from the second quarter of 2007 but up 3 percent from the third quarter of 2006. The average sales price decreased 4 percent from the second quarter of 2007 and decreased 3 percent from the third quarter of 2006 to \$298,500. The price of a constant-quality new home was estimated to be \$262,200 in the third quarter of 2007, down 2 percent from the second quarter of 2007 and down 1 percent from the third quarter of 2006.
- Existing homes sold during the third quarter of 2007 had a median price of \$221,000, down 1 percent from the second quarter of 2007 and down 2 percent from the third quarter of 2006. The average price was \$267,700, down 1 percent from the second quarter of 2007 and down 1 percent from the third quarter of 2006.
- At the end of the third quarter of 2007, the inventory of new homes available for sale was 523,000, down 3 percent from the second quarter of 2007 and down 7 percent from the third quarter of 2006. This inventory would support 8.3 months of sales at the current sales pace, unchanged from the end of the second quarter of 2007 but up 1.5 months from the end of the third quarter

of 2006. The inventory of existing homes available for sale was 4,399,000 at the end of the third quarter of 2007, up 1 percent from the second quarter of 2007 and up 16 percent from the third quarter of 2006. This inventory would support 10.5 months of sales at the current sales pace, up 0.6 months from the second quarter of 2007 and up 3.2 months from the third quarter of 2006.

- Home builders were considerably less optimistic in the third quarter of 2007 than they were in the second quarter of 2007 or than they were a year earlier, according to the National Association of Home Builders/Wells Fargo composite Housing Market Index. The index was 22 in the third quarter of 2007, down 8 index points from the second quarter of 2007 and down 12 index points from the third quarter of 2006. All three components of the composite index declined—current sales expectations declined 9 points, future sales expectations declined 11 points, and prospective buyer traffic declined 7 points.

Affordability and Interest Rates

In the third quarter of 2007, the interest rate for 30-year, fixed-rate mortgages averaged 6.55 percent, up 18 basis points from the second quarter of 2007 but down 1 basis point from the third quarter of 2006. Housing affordability worsened from the past quarter but improved from the third quarter of 2006, according to the index published by the NATIONAL ASSOCIATION OF REALTORS®. The composite index indicates that, in the third quarter of 2007, the family earning the median income (\$59,427) had 108.2 percent of the income needed to purchase the median-priced (\$220,800) existing home, using standard lending guidelines. This value is down 1.0 point from the second quarter of 2007 but up 5.1 points from the third quarter of 2006. This decline in the third quarter is attributable to a 28-basis point increase in the interest rate, more than offsetting a 1-percent decrease in the median home price and a 0.7-percent increase in median family income. The national homeownership rate in the third quarter of 2007 was 68.2 percent, unchanged from the second quarter of 2007 but down 0.8 percentage point from the third quarter of 2006.



Multifamily Housing

The multifamily (5+ units) sector was mixed in the third quarter of 2007. The issuance of building permits declined, starts were unchanged, and completions increased. The absorption of new rental units set a record low, and the vacancy rate increased.

- In the third quarter of 2007, builders took out building permits for 331,000 (SAAR) new multifamily units, down 6 percent from the second quarter of 2007 and down 10 percent from the third quarter of 2006.
- Builders started construction on 263,000 (SAAR) new multifamily units in the third quarter of 2007, unchanged from the second quarter of 2007 but up 1 percent from the third quarter of 2006.
- Builders completed 265,000 (SAAR) new multifamily units in the third quarter of 2007, up 20 percent from the second quarter of 2007 and up 1 percent from the third quarter of 2006.
- The rental vacancy rate in the third quarter of 2007 was 9.8 percent, up 0.3 percentage point from the second quarter of 2007 but down 0.1 percentage point from the third quarter of 2006.
- Market absorption of new rental apartments slowed in the third quarter of 2007. Of the 26,900 new apartments completed in the second quarter of 2007, only 54 percent were leased or absorbed by the end of the 3 months following completion. This absorption rate is a record low. The previous record was 56 percent.

HUD's HOME PURCHASE GOALS FOR FANNIE MAE AND FREDDIE MAC

Homeownership has long been considered part of the American dream for most families, and June has been declared National Homeownership Month for a number of years. As President Bush remarked in his 2007 proclamation, "Owning a home provides a source of security and stability for many of our citizens."¹ The U.S. Department of Housing and Urban Development (HUD) has been charged with the responsibility of promoting homeownership for those ready to take part, and numerous HUD programs have been established to this end.

HUD's Government-Sponsored Enterprise Regulatory Responsibilities

The Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (FHEFSSA) established HUD as the "mission regulator" for Fannie Mae and Freddie Mac, the two housing government-sponsored enterprises (GSEs) whose public purposes are to establish and operate secondary mortgage market facilities for residential mortgages. Among other responsibilities, FHEFSSA mandated that HUD set, monitor, and enforce three affordable housing goals set forth in the statute. FHEFSSA also granted the HUD Secretary general regulatory authority over both GSEs, with responsibility to ensure that their activities are consistent with their charter authorities and public purposes. Other mission regulation responsibilities include reviewing GSE new program requests for approval or disapproval, ensuring that the GSEs' activities comply with the Fair Housing Act, and issuing a public use database on the GSEs' mortgage purchase activities.² FHEFSSA established the Office of Federal Housing Enterprise Oversight (OFHEO), an independent office within HUD, as the financial safety and soundness regulator for Fannie Mae and Freddie Mac.

The Housing Goals

FHEFSSA established three broad categories for the GSEs' housing goals; two are based on the borrower's income (or rent, for rental units) and one is based on the location of the mortgaged property. Specifically, the low- and moderate-income goal is targeted to families with incomes no greater than the area median income (AMI), and the special affordable housing goal is targeted to very-low-income families (those with incomes no greater than 60 percent of AMI) and low-income families (those with incomes no greater than 80 percent of AMI) living in low-income areas. The geographic goal is targeted to underserved areas. These areas are low-income and high-minority census tracts, which studies by HUD and outside researchers have found to have high mortgage denial rates and low mortgage origination rates.

HUD established the first goal levels in October 1993 for the 1993-through-1994 period. (These interim goals were subsequently extended through 1995.) HUD has since published regulations in 1995, 2000, and 2004 that set goal performance targets for 1996 through 2008. The housing goals are based on the GSEs' purchases of conventional mortgages for single-family owner-occupied housing, rental housing, and multifamily housing. Eligible purchases also include second mortgages, and, most recently, Home Equity Conversion Mortgages, sometimes referred to as "reverse mortgages." Each goal is expressed as a minimum targeted share of all dwelling units financed by a GSE in a calendar year.³ Thus, for example, each unit in a 200-unit multifamily apartment building is given the same weight toward achieving a goal as each one-unit, single-family dwelling.

GSE Home Purchase Subgoals

In light of the national emphasis on homeownership, in 2004 HUD also established home purchase subgoals under each of the housing goals. The home purchase subgoals set performance targets for the GSEs' acquisitions of home purchase mortgages for each of the categories listed previously. HUD set the subgoal targets to increase incrementally during the 2005-through-2008 period, culminating in 2008 at a level that would cause the GSEs to lead the market in financing home purchase mortgages qualifying under each subgoal.



Specifically, HUD established a low- and moderate-income home purchase subgoal for GSE acquisitions of qualifying mortgages financing purchases of single-family properties located in metropolitan areas.⁴ Similarly, HUD established an underserved areas home purchase subgoal and a special affordable home purchase subgoal. Because lower proportions of single-family mortgages generally meet the criteria for the three housing goals than do the respective proportions of all dwelling units, the home purchase subgoals are set at lower levels than the overall goals.

Rationale for GSE Home Purchase Subgoals

HUD established home purchase subgoals for the GSEs in 2004 for a variety of reasons. First, the subgoals supported the administration's emphasis on increasing homeownership opportunities for American families, including first-time homebuyers and minority borrowers. HUD did not explicitly link the home purchase subgoals to the President's goal of creating 5.5 million new minority homeowners by the end of the decade, but HUD believed that the GSEs were essential to the success of that effort. Although minority homeownership had grown, HUD recognized that the homeownership rate for African-American and Hispanic families was still approximately 25 percentage points below that for non-Hispanic White families. In addition, HUD found that, in 2002, the mortgage denial rate for African-American borrowers was more than twice that for White borrowers, even after controlling for borrowers' income.

Second, HUD cited growing evidence that inner-city neighborhoods were not always adequately served by mainstream lenders. Some researchers had concluded that a dual mortgage market had developed in our nation, with conventional mainstream lenders serving mainly White families living in the suburbs and the Federal Housing Administration and subprime lenders serving minority families concentrated in inner-city neighborhoods.

Third, HUD stated that the low homeownership rate of minorities and others living in inner cities suggested that considerable growth would occur in the origination of Community Reinvestment Act (CRA) loans in urban areas. CRA was enacted by Congress in 1977 to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income

neighborhoods, consistent with safe and sound banking operations. For banks and thrifts, selling their CRA originations would free up capital to make new CRA loans. As a result, the CRA market segment provided an opportunity for the GSEs to expand their affordable lending programs. HUD found that Fannie Mae and Freddie Mac had already started developing programs to purchase CRA-type loans on a flow basis as well as after they had seasoned.

Fourth, HUD found evidence of a significant population of potential homebuyers who would likely respond well to increased homeownership opportunities created by the GSEs' response to the home purchase subgoals. Immigrants and minorities, in particular, were expected to be a major source of future homebuyers, accounting for almost two-thirds of the growth in the number of new households over the next 10 years. Furthermore, studies indicated the existence of a large, untapped pool of potential homeowners among the rental population. Indeed, the GSEs' experience with new outreach and affordable housing initiatives confirmed that potential.

Fifth, HUD believed that the GSEs had the ability to lead the primary market for single-family, owner-occupied home purchase mortgages, which is their core business. Both GSEs have had long experience in the home purchase market and, were, therefore, well positioned to further penetrate the market. In addition, potentially large year-to-year changes in refinance mortgage volumes (such as in the heavy refinance years of 1998 and 2001 through 2003) affect the GSEs' performance under the overall housing goals but would not have the same effects on the achievement of the home purchase subgoals because the subgoals are measured as the ratio of goal-qualifying home purchase mortgages in metropolitan areas to all home purchase mortgages in metropolitan areas.

Specifics of the Home Purchase Subgoals

In accordance with the idea that the GSEs should provide a leadership role in support of the home purchase mortgage market, HUD set the low- and moderate-income home purchase subgoal at 45 percent of home purchase mortgages purchased by the GSE in metropolitan areas for 2005, with the target rising to 46 percent in 2006 and 47 percent in both 2007 and 2008. The underserved areas home purchase subgoal was set at 32 percent for 2005, with this

share rising to 33 percent in both 2006 and 2007 and to 34 percent in 2008. Finally, the special affordable home purchase subgoal was set at 17 percent of home purchase mortgages purchased by each GSE in metropolitan areas for both 2005 and 2006 and at 18 percent for 2007 and 2008. These subgoals were set to be in the upper range of HUD's estimate of the market such that the full performance levels in 2008 would indicate the GSEs' were leading the market for such purchases.

Performance on the Home Purchase Subgoals in 2005 and 2006

GSE performance on the home purchase subgoals in 2005 and 2006 is presented in Exhibit 1. As indicated, both enterprises exceeded the underserved areas home purchase subgoals of 32 and 33 percent for both years. Freddie Mac surpassed the special affordable home purchase

Exhibit 1. Shares of GSEs' Single-Family Home Purchase Mortgages in Metropolitan Areas Qualifying for GSE Housing Goals, 2001 Through 2006

Goal ^a	2001	2002	2003	2004	2005 Home Purchase Subgoal		2006 Home Purchase Subgoal		Ratio 2006 to 2001
					Required	Actual	Required	Actual	
Low and Moderate Income									
Fannie Mae	42.9%	45.3%	47.0%	47.0%	45%	44.6%	46%	46.9%	1.09
Freddie Mac	41.3%	44.0%	43.8%	43.3%	45%	46.8%	46%	47.0%	1.14
Ratio ^b	0.96	0.97	0.93	0.92		1.05		1.00	
Underserved Areas ^c									
Fannie Mae	24.4%	26.7%	26.8%	28.4%	32%	32.6%	33%	34.5%	1.41
Freddie Mac	22.3%	25.8%	24.0%	26.7%	32%	35.5%	33%	33.6%	1.51
Ratio ^b	0.91	0.97	0.90	0.94		1.09		0.97	
Special Affordable									
Fannie Mae	14.9%	16.3%	17.1%	16.8%	17%	17.0%	17%	17.9%	1.20
Freddie Mac	14.4%	15.8%	15.6%	15.2%	17%	17.7%	17%	17.0%	1.18
Ratio ^b	0.97	0.97	0.91	0.90		1.04		0.95	

GSE = government-sponsored enterprise.

^a Abbreviated definitions of goals:

Low and Moderate Income: Households with income less than or equal to area median income (AMI).

Underserved Areas: Dwelling units in metropolitan census tracts with (1) tract median family income less than or equal to 90 percent of AMI or (2) minority concentration of at least 30 percent and tract median family income less than or equal to 120 percent of AMI; dwelling units in nonmetropolitan counties with (1) median family income less than or equal to 95 percent of the greater of state or national nonmetropolitan median income or (2) minority concentration of at least 30 percent and county 120 percent of the greater of state or national nonmetropolitan median income.

Special Affordable: Households with income (1) less than or equal to 60 percent of AMI or (2) less than or equal to 80 percent of AMI and located in low-income areas.

For the Low and Moderate Income and Special Affordable goals, AMI is median income for the metropolitan statistical area for borrowers in metropolitan areas and the greater of county or state nonmetropolitan median income for borrowers outside metropolitan areas.

^b Ratio of Freddie Mac share to Fannie Mae share.

^c Data for 2001 through 2004 are based on the 1990 Census; subgoal and performance for 2005 through 2006 are based on the 2000 Census.

Note: Home purchase subgoals first took effect in 2005.

Sources: Data for 2001 through 2003 reported in Table A.11, *Federal Register* (November 2, 2004): 63698; data for 2004 through 2006 from U.S. Department of Housing and Urban Development analysis of data submitted by the government-sponsored enterprises



subgoal of 17 percent in 2005 but just met this subgoal last year. The opposite pattern prevailed for Fannie Mae, which just met this subgoal in 2005 but exceeded it last year. Freddie Mac also surpassed the low- and moderate-income goal of 45 and 46 percent for both years, while Fannie Mae fell short in 2005.

The home purchase subgoals did not take effect until 2005, but estimates of what the GSEs' performance would have been if these subgoals had been in effect for 2001 through 2004 are also presented in Exhibit 1. As indicated, the qualifying shares of the mortgages purchased by the GSEs have generally risen over time.

Overall Goals: Levels and Performance in 2001 Through 2006

This article has focused on the home purchase subgoals that HUD established for the GSEs in November 2004. As mentioned in "Fannie Mae and Freddie Mac: Enhanced Public Data and Recent Housing Goal Performance," an article published in the February 2006 issue of *U.S. Housing Market Conditions*, HUD has also established overall goals for these categories since the early 1990s. The previous article included data on the GSEs' performance on the overall goals through 2004; the corresponding results are shown for 2005 through 2006 in Exhibit 2.⁵

Exhibit 2. Overview of the GSEs' Housing Goals and Performance, 2001 Through 2006^a

Goal ^b	2001	2002	2003	2004	2005	2006	Ratio 2006 to 2001	2001–2004 Goals	2005 Goals	2006 Goals
Low and Moderate Income										
Fannie Mae	51.5%	51.8%	52.3%	53.4%	55.1%	56.9%	1.10	50%	52%	53%
Freddie Mac	53.2%	50.5%	51.2%	51.6%	54.0%	55.9%	1.05			
Ratio ^c	1.03	0.97	0.98	0.97	0.98	0.98	0.95			
Underserved Areas										
Fannie Mae	32.6%	32.8%	32.1%	33.5%	41.4%	43.6%	1.34	31%	37%	38%
Freddie Mac	31.7%	31.0%	32.7%	32.3%	42.3%	42.7%	1.35			
Ratio ^c	0.97	0.95	1.02	0.96	1.02	0.98	1.01			
Special Affordable										
Fannie Mae	21.6%	21.4%	21.2%	23.6%	26.3%	27.8%	1.29	20%	22%	23%
Freddie Mac	22.6%	20.4%	21.4%	22.7%	24.3%	26.4%	1.17			
Ratio ^c	1.05	0.95	1.01	0.96	0.92	0.95	0.91			
Special Affordable Multifamily ^d										
Fannie Mae	\$7.36	\$7.57	\$12.23	\$7.32	\$10.39	\$13.31	1.81	\$2.85	\$5.49	\$5.49
Freddie Mac	\$4.65	\$5.22	\$8.79	\$7.77	\$12.35	\$13.58	2.92	\$2.11	\$3.92	\$3.92

GSE = government-sponsored enterprise.

^a Percentages of dwelling units in properties whose mortgages were purchased by the GSEs that qualified for each goal in 2001 through 2006, based on the U.S. Department of Housing and Urban Development's November 2004 rule and goals for 2001 through 2006. Goal for Underserved Areas for 2001 through 2004 is based on 1990 Census data; goal for 2005 through 2006 is based on 2000 Census data.

^b Goal categories are defined in footnote a of Exhibit 1.

^c Ratio of Freddie Mac goal performance to Fannie Mae goal performance.

^d Performance and goals in billions of dollars. Goals for the 2001-through-2004 period were 1.0 percent of each GSE's average mortgage purchases during the 1997-through-1999 period, and goals for 2005 through 2006 were 1.0 percent of each GSE's average total mortgage purchases in 2000 through 2002.

Source: U.S. Department of Housing and Urban Development analysis of data submitted by the GSEs; some results differ from performance reported by the GSEs in their Annual Housing Activities Reports

Conclusions About the Home Purchase Subgoals

As indicated in Exhibit 1, the special affordable shares for both GSEs increased between 2004 and 2006; this scenario was also the case for Freddie Mac on the low- and moderate-income home purchase subgoal, while Fannie Mae's performance in the latter area was essentially unchanged. Comparisons between performance on the underserved areas home purchase subgoal between 2004 and 2006 cannot be made as readily, due to the change from the use of 1990 Census data to 2000 Census data in 2005, but it seems apparent that performance rose for Freddie Mac over this period and probably also for Fannie Mae.

It is important to note that the gains in home purchase subgoal performance that have occurred in the past 2 years were made during a period of considerable retrenchment in the primary mortgage market. For example, a study that HUD released earlier this year concluded that the low- and moderate-income share of the primary home purchase mortgage market decreased from 45.5 percent in 2004 to 42.4 percent in 2005, and the corresponding share for special affordable mortgages fell from 16.4 percent in 2004 to 15.0 percent in 2005.⁶ Thus, the GSEs faced increasing challenges in attaining these goals in 2005, and, although HUD has not published market estimates for 2006 as yet, it appears that the challenges increased further last year.⁷

Notes

¹ White House press release, June 1, 2007.

² The public use database was addressed in "Fannie Mae and Freddie Mac: Enhanced Public Data and Recent Housing Goal Performance," *U.S. Housing Market Conditions* (February 2006): 6-16.

³ A small portion of the GSEs' mortgage acquisitions are excluded altogether from housing goal calculations, including most of their purchases of government-backed mortgages (including those insured by the Federal Housing Administration and those guaranteed by the Veterans Administration), in accordance with the provisions of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.

⁴ The home purchase subgoals apply only to metropolitan areas to maintain comparability with primary mortgage market data released in accordance with the Home Mortgage Disclosure Act (HMDA); HMDA data provide a better picture of mortgage originations in metropolitan areas than of originations in general, because some small nonmetropolitan lenders do not report under HMDA.

⁵ For a more detailed analysis of overall housing goal performance, see "Goal Performance and Characteristics of Mortgages Purchased by Fannie Mae and Freddie Mac, 2001-05," *Housing Finance Working Paper No. HF-017* (May 2007), Paul B. Manchester.

⁶ "The GSEs' Funding of Affordable Loans: A 2004-05 Update," *Housing Finance Working Paper No. HF-018* (June 2007), Harold L. Bunce. The figures cited in the text are the "Base Case" estimates contained in Table 3a of this study. The study found that the underserved areas share of the primary home purchase market did increase, from 34.6 percent in 2004 to 35.9 percent in 2005.

⁷ Specifically, the U.S. Department of Housing and Urban Development's preliminary estimates are that the low- and moderate-income share of the primary home purchase subgoal mortgage market fell from 42.4 percent in 2005 to 39.5 percent in 2006, and the special affordable share fell from 15.0 percent in 2005 to 14.1 percent in 2006.



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Great Plains: Gabriel A. Labovitz	Chicago
Rocky Mountain: George H. Antoine	Denver
Pacific: Robert E. Jolda	San Francisco
Northwest: Sarah E. Bland	Seattle

Housing Market Profiles

Casper, Wyoming: Effie L. Russell	Denver
Charleston, West Virginia: Emilio Abarca	Philadelphia
Chicago, Illinois: Joseph P. McDonnell	Chicago
Lake Charles, Louisiana: Nancy S. Chung	New Orleans
Laredo, Texas: L. David Vertz	Fort Worth
Los Angeles County, California: Ikuo J. Nakano	Los Angeles
Philadelphia, Pennsylvania: Patricia C. Moroz	Philadelphia
Raleigh, North Carolina: Tammy Fayed	Atlanta
Salt Lake City-Ogden-Clearfield, Utah: George H. Antoine	Denver
Tulsa, Oklahoma: Carol A. Covington	Fort Worth
West Palm Beach-Boca Raton-Boynton Beach, Florida: Peter L. Chestney	Jacksonville
Wichita, Kansas: Gabriel A. Labovitz	Chicago




National Data

HOUSING PRODUCTION



Permits[★]

Permits for construction of new housing units were down 10 percent in the third quarter of 2007, at a SAAR of 1,324,000 units, and were down 23 percent from the third quarter of 2006. One-unit permits, at 940,000 units, were down 11 percent from the level of the previous quarter and down 26 percent from a year earlier. Multifamily permits (5 or more units in structure), at 331,000 units, were 6 percent below the second quarter of 2007 and 10 percent below the third quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,324	1,463	1,720	– 10	– 23
One Unit	940	1,052	1,273	– 11	– 26
Two to Four	53	58	78	– 8 ^{★★}	– 31
Five Plus	331	353	369	– 6	– 10

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


**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Starts★

Construction starts of new housing units in the third quarter of 2007 totaled 1,296,000 units at a SAAR, 11 percent below the second quarter of 2007 and 24 percent below the third quarter of 2006. Single-family starts, at 1,000,000 units, were 14 percent lower than the previous quarter and 28 percent lower than the third quarter level of the previous year. Multifamily starts totaled 263,000 units, unchanged from the previous quarter but a statistically insignificant 1 percent above the same quarter in 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,296	1,464	1,704	– 11	– 24
One Unit	1,000	1,166	1,393	– 14	– 28
Five Plus	263	263	261	—	+ 1**

*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 third quarter of 2007 were at a SAAR of 1,114,000 units, a statistically insignificant 4 percent below the previous quarter and 16 percent below the third quarter of 2006. Single-family units stood at 675,000, 7 percent below the previous quarter and 22 percent below the third quarter of 2006. Multifamily units were at 407,000, unchanged from the previous quarter but down a statistically insignificant 1 percent from the third quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,114	1,163	1,319	– 4**	– 16
One Unit	675	724	866	– 7	– 22
Five Plus	407	408	413	—	– 1**

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


**This change is not statistically significant.

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



Completions[★]

Housing units completed in the third quarter of 2007, at a SAAR of 1,476,000 units, were down a statistically insignificant 3 percent from the previous quarter and down 24 percent from the same quarter of 2006. Single-family completions, at 1,182,000 units, were down a statistically insignificant 7 percent from the previous quarter and down 29 percent from the rate of a year earlier. Multifamily completions, at 265,000 units, were a statistically insignificant 20 percent above the previous quarter and a statistically insignificant 1 percent above the same quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,476	1,524	1,948	– 3**	– 24
One Unit	1,182	1,265	1,656	– 7**	– 29
Five Plus	265	221	264	+ 20**	+ 1**

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


**This change is not statistically significant.

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



Manufactured (Mobile) Home Shipments[★]

Shipments of new manufactured (mobile) homes were at a SAAR of 96,000 units in the third quarter of 2007, which is 3 percent below the previous quarter and 11 percent below the rate of a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Manufacturers' Shipments	96	99	107	– 3	– 11

*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 768,000 units at a SAAR in the third quarter of 2007, down a statistically insignificant 10 percent from the previous quarter and down 23 percent from the third quarter of 2006. The number of new homes for sale at the end of the third quarter of 2007 was 523,000 units, a statistically insignificant 3 percent below the previous quarter and 7 percent lower than a year ago. At the end of September 2007, inventories represented an 8.3 months' supply at the current sales rate, the same as the previous quarter but 22 percent higher than the third quarter of last year.

Sales of existing homes for the third quarter of 2007 reported by the NATIONAL ASSOCIATION OF REALTORS® totaled 5,423,000 (SAAR), down 8 percent from the previous quarter and down 14 percent from the third quarter of 2006. The number of units for sale at the end of the third quarter of 2007 was 4,399,000, 1 percent higher than the previous quarter and 16 percent higher than the same quarter a year ago. At the end of September 2007, a 10.5 months' supply of units remained, which is 15 percent higher than the previous quarter and 44 percent higher than a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
New Homes Sold	768	855	994	– 10**	– 23
For Sale	523	541	560	– 3**	– 7
Months' Supply	8.3	8.3	6.8	—	+ 22
Existing Homes					
Existing Homes Sold	5,423	5,917	6,287	– 8	– 14
For Sale	4,399	4,368	3,783	+ 1	+ 16
Months' Supply	10.5	9.1	7.3	+ 15	+ 44

*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 third quarter of 2007 was \$241,700, just slightly lower than the previous quarter and a statistically insignificant 3 percent higher than the third quarter of 2006. The average price of new homes sold during the third quarter of 2007 was \$298,500, a statistically insignificant 4 percent lower than last quarter and a statistically insignificant 3 percent lower than the same quarter of 2006. The price adjusted to represent a constant-quality house was \$262,200, a statistically insignificant 2 percent lower than the previous quarter and a statistically insignificant 1 percent lower than the third quarter of 2006. The values for the set of physical characteristics used for the constant-quality house are based on 1996 sales.

The median price of existing homes sold in the third quarter of 2007 was \$221,600, down 1 percent from the previous quarter and down 2 percent from the third quarter of 2006, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of existing homes sold, \$267,700, was 1 percent lower than both the previous quarter and the third quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
Median	\$241,700	\$242,200	\$235,600	0**	+ 3**
Average	\$298,500	\$310,100	\$308,100	- 4**	- 3**
Constant-Quality House ¹	\$262,200	\$267,100	\$264,400	- 2**	- 1**
Existing Homes					
Median	\$221,600	\$223,900	\$225,000	- 1	- 2
Average	\$267,700	\$271,700	\$270,600	- 1	- 1

**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 third quarter of 2007 shows that families earning the median income have 108.2 percent of the income needed to purchase the median-priced existing single-family home. This figure is 1 percent lower than the previous quarter but 5 percent higher than the third quarter of 2006.

The decrease in the third quarter 2007 housing affordability index reflects current changes in the marketplace. The national average home mortgage interest rate of 6.75 percent is 28 basis points above the previous quarter. The median sales price of existing single-family homes decreased to \$220,800, 1 percent below the previous quarter and 2 percent below the third quarter of 2006. Median family income increased 0.7 percent from the previous quarter to \$59,427, a 2.7-percent gain over the third quarter of 2006.

The third quarter 2007 fixed-rate index of housing affordability decreased 1 percent from the previous quarter but rose 5 percent from the third quarter of 2006. The adjustable-rate index was also 1 percent below the previous quarter but 5 percent above the third quarter of 2006.


	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Composite Index	108.2	109.2	103.1	- 1	+ 5
Fixed-Rate Index	107.9	109.0	102.6	- 1	+ 5
Adjustable-Rate Index	110.3	111.4	104.9	- 1	+ 5

Source: NATIONAL ASSOCIATION OF REALTORS®



Apartment Absorptions

In the second quarter of 2007, 26,900 new, unsubsidized, unfurnished, multifamily (five or more units in structure) rental apartments were completed, down a statistically insignificant 6 percent from both the previous quarter and the second quarter of 2006. Of the apartments completed in the second quarter of 2007, 54 percent were rented within 3 months. This absorption rate is a statistically insignificant 2 percent lower than the previous quarter and 11 percent lower than the same quarter of 2006. The median asking rent for apartments completed in the second quarter of 2007 was \$1,013, 7 percent above the previous quarter and a statistically insignificant increase of 3 percent from the second quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Apartments Completed*	26.9	28.5	28.6	- 6**	- 6**
Percent Absorbed Next Quarter	54	55	61	- 2**	- 11
Median Asking Rent	\$1,013	\$950	\$985	+ 7	+ 3**

*Units in thousands.


**This change is not statistically significant.

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



Manufactured (Mobile) Home Placements

Manufactured homes placed on site ready for occupancy in the second quarter of 2007 totaled 99,000 units at a SAAR, a statistically insignificant 5 percent above the level of the previous quarter but 14 percent below the second quarter of 2006. The number of homes for sale on dealers' lots at the end of the second quarter totaled 38,000 units, a statistically insignificant 3 percent below the previous quarter and 7 percent below the same quarter of 2006. The average sales price of the units sold in the second quarter was \$63,500, a statistically insignificant 1 percent below the previous quarter but a statistically insignificant 2 percent above the price in the second quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Placements*	99.0	94.0	115.3	+ 5**	- 14
On Dealers' Lots*	38.0	39.0	41.0	- 3**	- 7
Average Sales Price	\$63,500	\$64,400	\$62,200	- 1**	+ 2**

*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 third quarter of 2007, the current market activity index for single-family detached houses stood at 22, down 9 points from the previous quarter and down 15 points from the third quarter of 2006. The index for future sales expectations, at 30, declined 11 points from both the second quarter of 2007 and the third quarter of 2006. Prospective buyer traffic had an index value of 17, which is down 7 points from both the previous quarter and the third quarter of 2006. NAHB combines these separate indices into a single housing market index that mirrors the three components quite closely. For the third quarter of 2007, this index stood at 22, which is 8 points lower than the second quarter of 2007 and 12 points lower than the third quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Housing Market Index	22	30	34	– 26	– 35
Current Sales Activity—Single-Family Detached	22	31	37	– 29	– 40
Future Sales Expectations—Single-Family Detached	30	41	41	– 27	– 27
Prospective Buyer Traffic	17	24	24	– 30	– 30


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 6.55 percent in the third quarter of 2007, 18 basis points higher than in the previous quarter but 1 basis point lower than in the third quarter of 2006. Adjustable-rate mortgages (ARMs) in the third quarter of 2007 were going for 5.68 percent, 13 basis points above the previous quarter and 2 basis points above the third quarter of 2006. Fixed-rate, 15-year mortgages, at 6.21 percent, were up 15 basis points from the second quarter of this year but down 1 basis point from the third quarter of 2006.


	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Conventional, Fixed-Rate, 30-Year	6.55	6.37	6.56	+ 3	—
Conventional ARMs	5.68	5.55	5.66	+ 2	+ 0
Conventional, Fixed-Rate, 15-Year	6.21	6.06	6.22	+ 2	—

Source: Federal Mac



FHA 1-4 Family Mortgage Insurance*

Applications for FHA mortgage insurance on 1-4 family homes were received for 240,500 (not seasonally adjusted) properties in the third quarter of 2007, up 13 percent from the previous quarter and up 55 percent from the third quarter of 2006. Total endorsements or insurance policies issued totaled 153,300, up 11 percent from the second quarter of 2007 and up 18 percent from the third quarter of 2006. Purchase endorsements, at 81,400, were up 14 percent from the previous quarter but down 1 percent from the third quarter 2006. Endorsements for refinancing increased to 71,900, an 8-percent increase from the second quarter of 2007 and a 53-percent increase from the third quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Applications Received	240.5	213.7	154.9	+ 13	+ 55
Total Endorsements	153.3	138.0	129.5	+ 11	+ 18
Purchase Endorsements	81.4	71.5	82.4	+ 14	- 1
Refinancing Endorsements	71.9	66.5	47.1	+ 8	+ 53


*Units in thousands of properties.

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



PMI and VA Activity*

Private mortgage insurers issued 528,700 policies or certificates of insurance on conventional mortgage loans during the third quarter of 2007, down 5 percent from the second quarter of 2007 but up 42 percent from the third quarter of 2006; these numbers are not seasonally adjusted. The Department of Veterans Affairs (VA) reported the issuance of mortgage loan guaranties on 36,500 single-family properties in the third quarter of 2007, up 7 percent from the previous quarter but down 6 percent from the third quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total PMI Certificates	528.7	558.3	372.3	- 5	+ 42
Total VA Guaranties	36.5	34.0	39.0	+ 7	- 6


*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 loans past due were 5.12 percent at the end of the second quarter of 2007, up 6 percent from the first quarter of 2007 and up 17 percent from the second quarter of 2006. Delinquencies for subprime loans past due were at 14.82 percent, up 8 percent from the first quarter of 2007 and up 27 percent from the second quarter of 2006. Ninety-day delinquencies for all loans were at 1.11 percent, up 13 percent from the first quarter of 2007 and up 22 percent from the second quarter a year ago. Subprime loans that were 90 days past due stood at 3.85 percent at the end of the second quarter of 2007, up 15 percent from the first quarter of 2007 and up 45 percent from the second quarter of 2006. During the second quarter of 2007, 0.65 percent of all loans entered foreclosure, an increase of 12 percent from the first quarter of 2007 and an increase of 51 percent from the second quarter of 2006. In the subprime loan category, 2.72 percent began foreclosure in the second quarter of 2007, an increase of 12 percent over the first quarter of 2007 and a 52-percent increase from the second quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total Past Due (%)					
All Loans	5.12	4.84	4.39	+ 6	+ 17
Subprime Loans	14.82	13.77	11.70	+ 8	+ 27
90 Days Past Due (%)					
All Loans	1.11	0.98	0.91	+ 13	+ 22
Subprime Loans	3.85	3.35	2.65	+ 15	+ 45
Foreclosures Started (%)					
All Loans	0.65	0.58	0.43	+ 12	+ 51
Subprime Loans	2.72	2.43	1.79	+ 12	+ 52

Source: National Delinquency Survey, Mortgage Bankers Association




HOUSING INVESTMENT



Residential Fixed Investment and Gross Domestic Product*

Residential Fixed Investment (RFI) for the third quarter of 2007 was at a SAAR of \$627.4 billion, 6 percent below the value from the second quarter of 2007 and 16 percent below the third quarter of 2006. As a percentage of the Gross Domestic Product (GDP), RFI for the third quarter of 2007 was 4.5 percent, 0.3 percentage point below the previous quarter and 1.1 percentage point below the same quarter a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
GDP	13,926.7	13,768.8	13,266.9	+ 1	+ 5
RFI	\$627.4	\$664.8	\$746.1	- 6	- 16
RFI/GDP (%)	4.5	4.8	5.6	- 6	- 20

*Billions of dollars.


Source: Bureau of Economic Analysis, Department of Commerce

HOUSING INVENTORY



Housing Stock^{*}

At the end of the third quarter of 2007, the estimate of the total housing stock, 128,189,000 units, was up a statistically insignificant 0.4 percent from the second quarter of 2007 and up a statistically insignificant 1.6 percent from the third quarter of 2006. The number of all occupied units was unchanged from the second quarter of 2007 but increased a statistically insignificant 0.6 percent from the third quarter of 2006. The number of owner-occupied units decreased a statistically insignificant 0.1 percent from the second quarter of 2007 and was down a statistically insignificant 0.6 percent from the third quarter of 2006. The number of renter-occupied units increased a statistically insignificant 0.2 percent from the previous quarter and increased 3.3 percent from the third quarter of 2006. The number of vacant units was up 2.9 percent from the previous quarter and increased 7.8 percent from the third quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Housing Units	128,189	127,728	126,225	+ 0.4 ^{**}	+ 1.6 ^{**}
Occupied Units	110,299	110,341	109,630	—	+ 0.6 ^{**}
Owner Occupied	75,181	75,283	75,646	– 0.1 ^{**}	– 0.6 ^{**}
Renter Occupied	35,118	35,058	33,984	+ 0.2 ^{**}	+ 3.3
Vacant Units	17,892	17,387	16,595	+ 2.9	+ 7.8

^{*}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 third quarter of 2007, at 2.7 percent, was up a statistically insignificant 0.1 percentage point from the second quarter of 2007 and up 0.2 percentage point from the third quarter of 2006.

The 2007 third quarter national rental vacancy rate, at 9.8 percent, was up a statistically insignificant 0.3 percentage point from the previous quarter but was down a statistically insignificant 0.1 percentage point from the third quarter of the past year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Homeowner Rate	2.7	2.6	2.5	+ 4**	+ 8
Rental Rate	9.8	9.5	9.9	+ 3**	- 1**


**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Homeownership Rates

The national homeownership rate for all households was 68.2 percent in the third quarter of 2007, unchanged from the previous quarter but down 0.8 percentage point from the third quarter of 2006. The homeownership rate for minority households, at 51.0 percent, increased a statistically insignificant 0.2 percentage point from the second quarter of 2007 but decreased 0.7 percentage point from the third quarter of 2006. The 64.1-percent homeownership rate for young married-couple households was up 1.6 percentage point from the second quarter of 2007 and was up a statistically insignificant 0.4 percentage point from the third quarter of 2006.

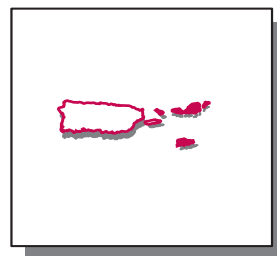
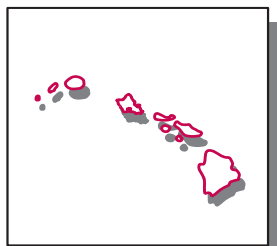
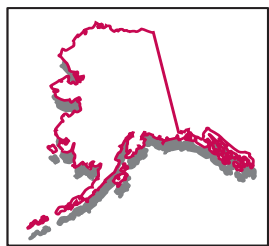
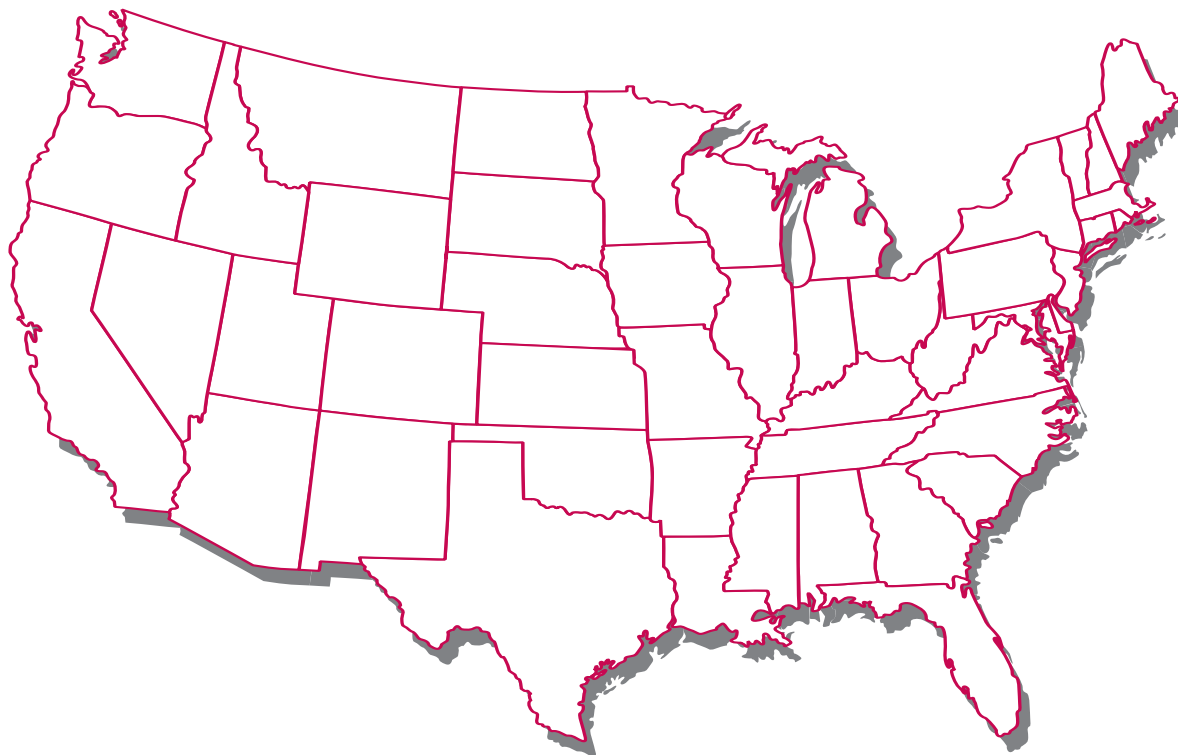
	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Households	68.2	68.2	69.0	—	- 1.2
Minority Households	51.0	50.8	51.7	+ 0.4**	- 1.4
Young Married-Couple Households	64.1	62.5	63.7	+ 2.6	+ 0.6**

**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Regional Activity

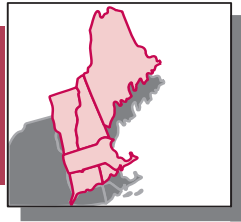


he following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends within each region of HUD management. Also included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



Regional Reports

NEW ENGLAND



Nonfarm employment in the New England region averaged slightly more than 7 million jobs, a net increase of 69,700 jobs, or 1 percent, during the 12 months ending September 2007 compared with the previous 12 months, continuing a moderately increasing rate of growth since 2003. Nonfarm employment in the southern New England states of Massachusetts, Connecticut, and Rhode Island increased by 59,200 jobs, or 1.1 percent, a higher rate than the increase in the region, accounting for 85 percent of the total gain. Nonfarm employment in Maine and Vermont increased by 2,700 and 1,600 jobs, respectively, reflecting a growth rate of 0.5 percent in both states.

Since 2003, the service-providing sectors in the region have shown a significant rate of job growth. These sectors continued this trend in job growth, accounting for a gain of nearly 80,000 jobs, or 1.3 percent, during the 12 months ending September 2007, bringing the total to more than 6 million jobs in the region. New Hampshire, Massachusetts, and Rhode Island had job growth rates of 1.8, 1.5, and 1.4 percent, respectively, in the service-providing sectors, accounting for 56,400 jobs, or 70 percent of the total gain in the region. Job growth in the service-providing sectors in Maine and Vermont has been weak during the third quarter of 2007, totaling only 5,300 new jobs, or 0.6 and 0.7 percent, respectively. Growth in the professional and business services and the education and health services sectors in the region accounted for more than 50,000 new jobs, or a 64-percent increase, even though those sectors represent only 36 percent of the total service-providing employment in the region. Goods-producing sectors lost nearly 10,000 jobs, or 1 percent, with 90 percent of the loss occurring in New Hampshire and Massachusetts. Only Connecticut gained goods-producing jobs, with an increase of 1,500 construction jobs; this gain, however, was partially offset by a 900-job loss in manufacturing. During the 12 months ending September 2007, the average unemployment rate in the region was 4.6 percent, unchanged from the previous 12-month period. The most notable changes occurred in Vermont and Rhode

Island. In the past year, the average unemployment rate increased from 3.6 to 3.9 percent in Vermont but decreased from 5.2 to 4.8 percent in Rhode Island.

The single-family sales market in the New England region remains moderately soft; however, year-over-year declines in sales are moderating, and some markets are experiencing stable pricing with some small increases. According to the Massachusetts Association of REALTORS® (MAR), single-family sales for the 12 months ending September 2007 totaled about 42,600 homes, down only 3 percent from the previous 12 months. The inventory of single-family homes for sale was 37,740, down 13 percent from September 2006 and representing about a 12-month supply. The average number of days on the market was 129 in September 2007, up only slightly from 124 days in September 2006. The median home sales price in Massachusetts for the 12-month period ending September 2007 was estimated at \$348,250, relatively unchanged from the price for the previous 12-month period.

The Rhode Island Association of REALTORS® (RIAR) reported that the number of single-family sales in the state totaled about 7,900 for the 12 months ending September 2007, down 8 percent compared with the previous 12 months. The average number of days on the market increased from 74 to 84 during the same period. The median sales price was \$277,000, down 3 percent compared with the median price from the previous year. According to the Maine Real Estate Information System, Inc., single-family sales in the state totaled about 12,500 homes for the 12 months ending September 2007, down 10 percent from the number sold for the previous 12 months. The median price of \$193,400 was relatively unchanged from the previous 12-month period. The Connecticut Association of REALTORS® reported that the number of existing homes and condominiums sold during the 12 months ending June 2007 was 71,100, down 9 percent from the number sold during the previous 12 months. The median sales price for single-family homes was estimated at \$322,750, up 2 percent from the previous year's median price. The median prices for the first two quarters of 2007 were up 3 percent and 11 percent, respectively, from the corresponding quarters in 2006.

Recently condominium markets generally have been experiencing more price stability and smaller declines in sales compared with single-family markets. MAR reported sales of 20,540 condominium units in Massachusetts during the 12-month period ending September 2007, down only 2 percent from the number sold the previous year; however, sales for the first 9 months of 2007 were 1 percent higher than sales for

the same period in 2006. The median sales price for the 12-month period ending September 2007 was estimated at \$280,400, up 2 percent from the previous 12-month period. Continued demand from empty-nesters and high-income buyers has kept the downtown Boston market strong. According to Listing Information Network, sales of condominium units increased by 5 percent to 1,023 units in the third quarter of 2007 compared with the third quarter of 2006, and the median sales price increased 5 percent to \$439,000. According to RIAR, sales of condominium units in Rhode Island were down only 4 percent to about 1,830 units for the 12 months ending September 2007 compared with the previous 12 months, and the median sales price was down 4 percent to an estimated \$219,850. The number of days on the market for condominium units increased nearly 30 percent to more than 100 days from a year earlier.

In the New England region, according to the Office of Federal Housing Enterprise Oversight (OFHEO), rates of appreciation for home prices continued to decline, posting only a 0.5-percent gain for the second quarter of 2007 compared with the second quarter of 2006, resulting in a last place ranking among the nine census regions. The highest ranking states in the region were Vermont and Maine, at nearly 4 percent, and the lowest ranking states were Rhode Island and Massachusetts, at 1 percent.

With sales in existing home markets continuing to slow and lending standards continuing to tighten, new construction activity, as measured by the number of building permits issued, has declined substantially. Single-family homebuilding activity in the region declined more than 22 percent to 27,750 units during the 12 months ending September 2007 compared with the 12 months ending September 2006. The only two states with less than a 20-percent decline in single-family construction were Maine and Rhode Island, whose major metropolitan markets, Portland and Providence, respectively, are adjacent to the Boston metropolitan area on the north and south, respectively. The number of single-family building permits issued in the Boston metropolitan area was down 25 percent to 5,160 during the 12-month period ending September 2007 compared with the 12-month period ending September 2006.

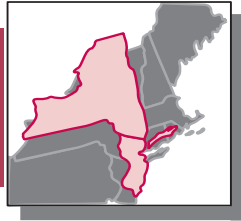
The recent decline in the number of multifamily units permitted is also continuing after the peak growth years of 2005 and 2006. During the 12 months ending September 2007, the number of multifamily units permitted declined by 27 percent to about 11,400 units. The number permitted in Massachusetts declined by 25 percent to 7,000 units, but that number still represents 60 percent of the multifamily building activity in the region. Rhode Island and New Hampshire had the steepest declines in permits issued, 61 percent and 41 percent, respectively, because recently completed units are being absorbed in Providence and southern New Hampshire. Only Maine had virtually no change in the number of multifamily units permitted during the past year, remaining stable at about 700 units.

Conditions in most rental markets in the New England region generally are balanced; vacancy rates are in the 4-to-7-percent range, limited additions have been made to the inventory, and relatively modest pressures have been placed on rent increases. Conditions in the Boston metropolitan area market, however, are far different than those in the Fairfield County, Connecticut market. According to Reis, Inc., the Boston apartment rental market continues to expand with more than 6,300 new rental units added to the inventory during the past 12 months and another 4,650 rental units scheduled for completion by the end of 2008. The apartment rental vacancy rate is 5.8 percent, up from 4.8 percent a year ago, and concessions, mostly in the form of 1 or 2 months of free rent, are becoming more common. For the 12 months ending September 2007, the effective rent is \$1,590, up 3 percent from the rent for the 12 months ending September 2006. The significant new inventory additions are expected to result in higher vacancy rates and limited rent increases during at least the next 2 years.

In the Fairfield County, Connecticut area, adjacent to New York City, the apartment rental market is very tight and getting tighter. With virtually no rental unit completions added to the market during 2006 and only 369 completed in 2007, the rental vacancy rate has fallen to 3.0 percent from 3.2 percent a year ago. The tight market has put upward pressure on rents; the current effective rent is \$1,736, up 6 percent from the previous year. With more than 800 units currently under construction, the market should become more balanced and some of the rent pressure should be alleviated in the next year.



NEW YORK/ NEW JERSEY



Moderate employment growth occurred in the New York/New Jersey region during the 12 months ending September 2007. When compared with the number of jobs recorded in the 12 months ending September 2006, total nonfarm employment in the region increased by 113,500 jobs, up 0.9 percent, to 12.8 million, primarily due to hiring in service-providing industries. New York led the regional increase with 88,200 new jobs, up 1 percent to 8.7 million. In New Jersey, nonfarm employment averaged 4.1 million, up 25,300 jobs, or 0.6 percent.

Employment growth in New York City accounted for more than 60 percent of total statewide job gains during the 12 months ending September 2007. Nonfarm employment in the city increased by 55,300 jobs, or 1.5 percent, to 3.7 million jobs compared with the number of jobs for the same 12 months a year earlier. Job growth was concentrated in the financial activities, professional and business services, and leisure and hospitality sectors, with a combined increase of 35,000 jobs, up almost 3 percent for the year. According to the Federal Reserve Bank's Beige Book, the tourism industry in New York City has improved. Hotel occupancy rates in the city are near full capacity with room rates priced 10 to 15 percent higher than the rates were a year ago; attendance at Broadway theaters was also reported to be 10 percent above the attendance rates for the past year.

Nonfarm employment in most Downstate New York metropolitan areas increased between 1 and 2 percent during the past 12 months. In the Nassau-Suffolk metropolitan area, one of the larger labor markets, employment increased by 10,900 jobs, or 0.9 percent. Growth rates were below 0.5 percent in most Upstate New York areas, including the Albany-Schenectady-Troy metropolitan area, which was up 0.4 percent, or 1,700 jobs. In western New York, both the Buffalo-Niagara Falls and Rochester metropolitan areas registered employment gains, up 1,800 and 1,100 jobs, respectively; the Syracuse metropolitan area recorded 1,400 new jobs for a 0.4-percent increase.

In New Jersey, during the 12-month period ending September 2007, service-providing employment increased by 33,700 jobs, up almost 1 percent compared with the number of jobs a year earlier. The most significant

increases occurred in the financial activities, professional and business services, and education and health services sectors, which added a total of 23,300 new jobs. Gains in these sectors were partially offset by the loss of 7,300 manufacturing jobs, resulting in a 2.2-percent decline.

In the New York/New Jersey region, a decline in the number of unemployed people and the contraction in the size of the civilian labor force resulted in a decrease in the average annual unemployment rate, from 4.7 to 4.3 percent in the 12 months ending September 2007 compared with the rate of a year ago. In New York, the unemployment rate decreased from 4.7 to 4.4 percent; in New Jersey, it declined from 4.7 to 4.3 percent.

Sales housing market conditions in much of the New York/New Jersey region continued to slow during the past 12 months due to increased foreclosures and tighter credit conditions. During the 12-month period ending September 2007, the New York State Association of REALTORS®, Inc., reported that the number of single-family sales in New York State (excluding parts of New York City) decreased by almost 10 percent to 94,700 units compared with the number recorded during the same period a year ago. During this same period, the median price of a single-family home decreased by 4 percent to \$245,500. Similarly, the New Jersey Association of REALTORS® indicated that the number of single-family sales in the 12 months ending June 2007 declined 15 percent to 147,400 units. Although sales activity in Northern New Jersey, the largest market area in the state, increased 15 percent during this period, a 19-percent decline in sales in both Central and Southern New Jersey offset this increase. Despite fewer sales, the median price of an existing single-family home in New Jersey increased to \$371,500 in the 12 months ending June 2007, a 2-percent gain from the price recorded a year ago. In Northern New Jersey, the most expensive housing market in the state, the median price of a home increased 2 percent to \$454,300. In Central and Southern New Jersey, the median price of a single-family home remained stable at \$365,100 and \$236,300, respectively, compared with the price recorded a year earlier.

One notable exception to the slow sales market conditions in the region was New York City, where market conditions were tight due to steady employment growth generating demand for sales housing. According to Prudential Douglas Elliman Real Estate, the median price of a Manhattan co-op/condominium unit increased 2.3 percent to \$864,400 in the third quarter of 2007 compared with the price in the third quarter of 2006. Total sales increased 65 percent to 3,500 units, with strong demand for three- and

four-bedroom units. Due to sales increases, listing inventory declined 32 percent to 5,200 units; at the current sales rate, this inventory represents less than a 2-month supply. The number of days on the market also decreased 18 percent to 123 days. If the economy remains strong, the tight sales market conditions are expected to continue in Manhattan.

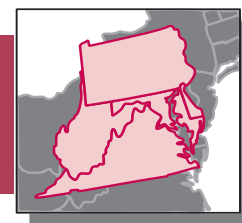
Sales volumes in most Upstate New York housing markets declined, and housing prices either decreased or increased only slightly from the prices recorded a year ago. According to the Greater Capital Area Association of REALTORS®, single-family housing sales in the Albany-Schenectady-Troy metropolitan area in the 12 months ending September 2007 declined to approximately 9,600 units, down 3 percent compared with the number of sales in the same period a year ago. Despite this decrease, the median price of an existing single-family home in the area increased 2 percent to \$191,600. According to the Buffalo Niagara Association of REALTORS®, existing home sales increased 3 percent to 8,400 units compared with the number of units sold a year earlier; the median price increased 2 percent to \$103,500. In the Rochester metropolitan area, sales activity remained stable at 5,936 units, and the median sales price increased 5 percent to \$115,400.

Employment growth, combined with higher mortgage interest rates and tighter lending standards, has created demand for rental apartments in much of the region. Extremely tight rental market conditions exist in New York City due to steady employment growth. Reis, Inc., statistics in September 2007 indicated a decline in the apartment vacancy rate to 2.2 percent compared with 2.5 percent a year earlier. Average monthly apartment asking rents in the city are up 9.4 percent from the asking rents a year ago to approximately \$2,759. In Central and Northern New Jersey, apartment vacancy rates in the third quarter of 2007 increased to 3.2 and 3.5 percent, respectively, and rent increases averaged between 4 and 5 percent annually. During this period, monthly apartment rents in Central New Jersey increased to \$1,125, up 4 percent, while in Northern New Jersey average monthly rents increased 4.8 percent to \$1,476. As of September 2007, Reis, Inc., data indicated balanced rental market conditions in the Buffalo, Syracuse, and Rochester areas, with apartment vacancy rates between 4 and 5 percent. Average monthly apartment asking rents in these metropolitan areas increased between 3 and 4 percent during the year, with monthly rents ranging from \$654 in Syracuse to \$728 in the Rochester area.

Fewer sales and an increased housing inventory have resulted in reduced residential construction activity, as measured by the number of units permitted, in the New York/New Jersey region. In the 12-month period

ending September 2007, 9,700 fewer housing units were permitted in the region, an 11-percent reduction to 79,600 units compared with the number permitted in the same period a year ago. Reduced single-family building activity accounted for most of the decline in the region, down 8,600 units, or 21 percent, to 31,500 units; multifamily housing decreased by 1,100 units, or 2 percent, to 48,000 units. In New Jersey, almost 7,000 fewer units were permitted, a 22-percent decline from the number permitted a year ago. In New York, 54,100 units were permitted, a 5-percent overall decline from the number of units a year earlier. Single-family housing construction in New York, as measured by the number of building permits issued, decreased by 3,600 units, or 17 percent, but the number of multifamily units permitted increased 3 percent to 36,100 units.

MID-ATLANTIC



The economy of the Mid-Atlantic region experienced moderate, but slower, employment growth during the 12 months ending September 2007 compared with the previous 2 years. Average nonfarm employment increased to 14,060,350, a gain of 149,775 jobs, or 1 percent, compared with increases of 1.3 and 1.6 percent, respectively, during comparable 12-month periods ending in 2006 and 2005. The leading growth sectors, professional and business services and education and health services, both had strong but slowing gains in new jobs. The professional and business services sector added 49,800 jobs, or 2.5 percent, compared with an increase of 53,450 jobs in the 12 months ending September 2006; the education and health services sector increased by 2.3 percent, adding 46,350 jobs compared with the growth of 2.5 percent a year ago. Job gains in these sectors were more than sufficient to offset the loss of 18,700 jobs in the manufacturing sector during the year. Except in Pennsylvania, where conditions remained relatively stable compared with a year ago, the pace of employment growth in the remaining Mid-Atlantic states slowed during the past year. In Pennsylvania, 27,600 new jobs were added in the education and health services sector, accounting for 54 percent of the new jobs in the state and almost 60 percent of growth in the sector in the region. During the 12 months ending September 2007, the regional unemployment rate was 3.9 percent, down from 4.1 percent a year ago.



Slower economic growth, tighter lending practices, and buyers waiting for lower prices all contributed to weakness in existing home sales markets in the Mid-Atlantic region. The Maryland Association of REALTORS® reported that the average monthly inventory of homes for sale in the state increased 32 percent, to 42,100, during the 12 months ending September 2007. Approximately 66,700 existing homes were sold in Maryland during the 12-month period, a decrease of 20 percent compared with the 83,900 homes sold during the comparable period ending in 2006. The average home sales price rose by only 2 percent, to \$361,900, down from the 9-percent increase in price recorded during the previous year as sellers reduced asking prices and accepted lower offers. In the Baltimore metropolitan area, which accounts for almost one-half the number of existing home sales in the state, 32,400 homes were sold at an average price of \$315,850, reflecting a 14-percent decrease in the number of sales but a 2-percent increase in the sales price during the 12 months ending September 2007. The number of homes sold in the Maryland suburbs that surround the city of Washington, D.C., declined by almost 28 percent to 19,825 homes, and the average price increased 5 percent to \$451,750 compared with the 12 months ending September 2006.

Sales volume declined throughout Virginia as the average number of days on the market increased. According to the Virginia Association of REALTORS®, 103,000 existing homes were sold in the state during the 12 months ending August 2007, a decline of 15 percent from the number sold during the 12 months ending August 2006. The average home price for the year was \$280,150, relatively unchanged from a year ago, and the number of days on the market increased from 97 to 125. A total of 24,850 homes were sold in Northern Virginia through August 2007, a decline of 14 percent from the 28,900 sold during the comparable 12-month period in 2006. Average home prices remain the highest in the state, at \$524,550, but are down 3 percent from the average of \$540,900 reported for the 12 months ending August 2006. The average number of days on the market doubled during the year, currently ranging from approximately 85 days for close-in suburbs to 115 days in the outlying parts of the metropolitan area. The 12-month volume of sales in the Richmond, Virginia metropolitan area, at 15,050 homes, was more than 7 percent below the 16,250 homes reported sold during the 12-month period ending August 2006. The average price of an existing home in the Richmond area rose by 6 percent to \$276,350.

Existing home sales activity declined in all other states in the region during the 12 months ending June 2007

(the most recent data available). During that period in Pennsylvania, according to the NATIONAL ASSOCIATION OF REALTORS®, 230,600 homes were sold, a decrease of almost 5 percent from the number sold during the 12-month period ending June 2006. In the same period, the number of homes sold in Delaware fell by more than 10 percent, to 16,800 homes. In West Virginia, 30,400 homes were sold, almost 14 percent fewer than during the 12 months ending June 2006.

Declining sales of existing homes affected the new construction market as well. Buyers hoping to trade up have been unable to sell existing property in a timely manner, resulting in delays or cancellations of purchase contracts. Builders have responded by reducing the volume of new home construction. In total, approximately 85,100 single-family homes were permitted in the region during the 12 months ending September 2007, a 22-percent decline from the number of new homes permitted in the previous year. Virginia accounted for most of the decrease in homebuilding; the number of permits issued in the state declined 25 percent, to 31,430 homes, during the past 12 months. Pennsylvania and Maryland issued permits for 30,100 and 15,440 new homes, respectively, or 15 and 29 percent fewer, respectively, than during the 12 months ending September 2006. New home construction also declined in Delaware, down almost 29 percent to 4,390 homes, and in West Virginia, where permits were issued for 3,720 homes, 27 percent fewer permits than a year ago. Only Washington, D.C., reported increased construction, with the 605 homes permitted exceeding the previous year's 77 permits. Much of the new development is occurring in affordable housing developments in the Northeast and Southeast quadrants of the city.

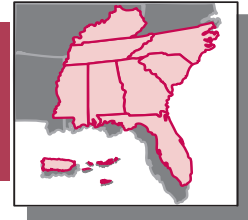
Multifamily construction in the region, as measured by the number of units permitted, declined by 5,750 units, or 22 percent, to 20,640 units during the 12 months ending September 2007. Only Maryland reported an increase in multifamily construction, with units permitted increasing 10 percent to 6,950 units. Nearly 60 percent of the increase occurred in Prince George's County, where much of the rental development is occurring around the Metrorail stations that connect the county to Washington, D.C. Multifamily building activity declined in all of the largest metropolitan areas in the region. The Washington, D.C. metropolitan area permitted the largest number of new multifamily units, approximately 7,100, but it was a decrease of 30 percent from a year ago. In the Philadelphia metropolitan area, the second leading area in the region for multifamily development, the number declined by 23 percent to 3,525 multifamily units permitted.

Conditions varied in the largest rental markets in the Mid-Atlantic region during the 12 months ending September 2007. The market softened but remained balanced in the Washington, D.C. metropolitan area. According to Delta Associates, 4,950 new units are being marketed in apartment projects. In addition, approximately 1,950 units in 10 developments originally planned as condominiums have changed to rental apartments. The vacancy rate for Class A garden apartments in the Washington, D.C. metropolitan area increased to 6 percent, compared with approximately 4 percent a year ago. In Northern Virginia, the apartment vacancy rate for highrise Class A units increased substantially from 6 percent in September 2006 to 14 percent in September 2007. Highrise Class A vacancy rates increased slightly from 1 to 3 percent in suburban Maryland and declined from nearly 7 to 4 percent in Washington, D.C., comparing September 2007 with a year ago.

In the Baltimore metropolitan area, the rental market has softened. According to Delta Associates, the vacancy rate for Class A apartments in the northern and western suburbs increased from 2 percent in September 2006 to approximately 7 percent in September 2007 due to the active marketing of 300 units in two projects. In the southern suburbs, the vacancy rate rose to nearly 9 percent, compared with nearly 3 percent a year ago. Most of the increase in vacancy in the southern suburbs occurred in Anne Arundel County, where approximately 1,000 units were in lease-up. Market conditions remain soft in the city of Baltimore, where the vacancy rate increased from 9 percent to more than 15 percent with 450 units in lease-up.

The rental market in the Philadelphia metropolitan area tightened slightly during the past 12 months. Delta Associates reported the apartment vacancy rate was almost 8 percent in September 2007, compared with 9 percent in September 2006. In the suburban Pennsylvania counties, the vacancy rate was less than 5 percent, down nearly 7 percent from a year ago, because of good absorption and the addition to the inventory of only 130 new units. Vacancy rates for highrise apartments in Center City Philadelphia more than doubled to almost 14 percent in September 2007 as two new projects marketed approximately 400 units.

SOUTHEAST/ CARIBBEAN



The economy of the Southeast/Caribbean region continued to expand during the third quarter of 2007 but at a slower pace compared with the expansion rate during the third quarter of 2006. Average nonfarm employment increased to 27,092,900 jobs during the 12 months ending September 2007, a gain of 389,300 jobs compared with an increase of 581,800 jobs during the 12 months ending September 2006. Employment in the service-providing sectors increased by 416,200 jobs during the past 12 months, offsetting a decrease of 27,000 jobs in the goods-producing sectors. The education and health services and leisure and hospitality sectors led the growth in the service-providing sectors, with gains of 99,800 and 78,700 jobs, respectively. During the 12 months ending September 2007, 61,100 manufacturing jobs were lost in the goods-producing sector, while employment in the construction sector increased by 35,200 jobs. The number of manufacturing jobs lost, primarily the result of job losses in nondurable goods production, was more than double the 26,700 manufacturing jobs lost during the previous 12 months. The 35,200 construction jobs added during the 12 months ending September 2007 amounted to less than one-third of the 108,300 construction jobs added during the previous 12 months.

Although every state in the Southeast/Caribbean region posted employment gains during the past year, only Mississippi recorded a faster pace of growth compared with the rate of growth during the previous year. In Mississippi, nonfarm employment increased by 22,400 jobs, or 2 percent, during the 12 months ending September 2007 compared with the number of jobs during the same 12 months a year earlier. Employment in the state's leisure and hospitality and construction sectors gained 5 percent each, which resulted in a total of 9,000 new jobs. In Florida, nonfarm employment increased by 136,700 to 8,104,000 jobs during the past 12 months compared with the increase of 239,700 jobs recorded during the previous 12 months. In North Carolina, strong growth in the Charlotte and Raleigh metropolitan areas contributed 39,000 of the state's 88,800 nonfarm jobs created during the past 12 months. The unemployment rate for the region improved to an average of 4.7 percent during the 12 months ending September 2007 compared with the 4.9-percent rate recorded during the previous 12 months.



Existing home sales decreased in most markets in the region during the past 12 months. The largest declines were reported in Florida, where 139,900 homes were sold during the 12 months ending September 2007, a decrease of 55,200 units, or 28 percent, compared with the number sold during the 12 months ending September 2006. According to the Florida Association of REALTORS®, the median sales price for homes sold in the state during the first 9 months of 2007 was \$237,400, a decrease of 4.5 percent from the median price of \$248,700 reported during the same period of 2006.

The South Carolina Association of REALTORS® reported that 64,200 homes were sold statewide during the 12 months ending September 2007, a 9-percent decline from the 70,800 homes sold during the 12 months ending September 2006. Ten of South Carolina's 15 local boards of REALTORS® reported sales declines; the largest decreases occurred in the Myrtle Beach and Charleston areas, where 3,200 and 2,775 fewer units, respectively, were sold. The median price of homes sold in the state during the first 9 months of 2007 was \$160,000, unchanged from the price recorded during the same period of 2006. In North Carolina, existing home sales decreased and average prices increased in the state during the 12 months ending September 2007. According to data from the North Carolina Association of REALTORS®, Inc., in 20 reporting areas, the number of home sales decreased to 130,900, a 7-percent reduction compared with the number of sales recorded during the 12-month period ending September 2006. The average price increased by 2 percent to \$221,300 during the period. Mirroring the statewide figures, existing home sales declined and average prices increased in each of the state's three largest metropolitan areas. In Charlotte, existing home sales declined by 6 percent to 40,750 while the average price increased by 5 percent to \$231,000. In Raleigh, sales of new and existing homes declined by 4 percent to 35,350 while the average price increased by 5 percent to \$237,400. In Greensboro, home sales declined by 5 percent to 16,925 while the average price increased by 1 percent to \$178,800.

In Tennessee, single-family home prices in the Knoxville, Memphis, and Nashville metropolitan areas continued to increase during the past year despite slowing sales and rising inventories of unsold homes in all three areas. During the 12 months ending September 2007, the average price in Knoxville increased by 4 percent to \$195,000 while sales declined by 9 percent to 14,050 homes and the average monthly inventory grew by 30 percent to 10,100 homes. During the same period, the average price in Memphis increased by 1 percent to \$177,000 while sales dropped by 13 percent to 15,550 homes and the average monthly inventory

increased by 25 percent to 11,550 homes. In Nashville, the median price increased by 2 percent, from \$178,900 in September 2006 to \$182,300 in September 2007. During the past 12 months, single-family home sales in Nashville declined by 11 percent to 28,800 and the average monthly inventory grew by 28 percent to 13,250 homes.

According to the Alabama Real Estate Research and Education Center, 58,200 homes were sold statewide during the 12 months ending September 2007, a 3-percent decrease compared with the 60,000 homes sold during the same period a year ago. During the past 12 months, with sales slowing, the supply of homes on the market was up significantly, averaging 39,400 units, a 27-percent increase compared with the 31,100 unsold units recorded during the previous 12 months. The average price of a home sold in Alabama during the 12 months ending September 2007 was \$159,800, a 2.8-percent increase from the price recorded during the same period a year earlier. In contrast, during the 12 months ending September 2006, the average price increased by 7.3 percent

Single-family homebuilding in the Southeast/Caribbean region, as measured by the number of building permits issued, reached a record level of 521,600 units during the 12-month period ending March 2006. Since that time, new home production has declined rapidly throughout the region as developers cut production in response to declining demand and excessive inventories of new and existing unsold homes. During the 12-month period ending September 2007, building permits were issued for 325,000 single-family homes in the region, a decrease of 151,100 units, or 32 percent, compared with the number permitted during the 12-month period ending September 2006. New home production in Florida fell 50 percent to 84,800 units during the past 12 months. All Florida metropolitan areas recorded declines, led by Tampa, where the decrease was 13,000 units, or almost 60 percent. In the remainder of the region, decreases ranged from 14 percent in North Carolina to 30 percent in Georgia. In the Atlanta metropolitan area, single-family building permits fell by 21,900, or 37 percent.

Apartment market conditions in the region were mixed during the third quarter of 2007. According to surveys conducted by Reis, Inc., apartment vacancy rates increased in 10 of the 19 market areas surveyed compared with the vacancy rates during the third quarter of 2006. All five of the Florida markets surveyed recorded vacancy rate increases, because apartment properties faced increased competition from a growing supply of unsold single-family homes and condominium units made available for rent. Vacancy rate increases of more than

2 percentage points from last year were recorded in the Jacksonville and Orlando markets, both of which posted an apartment vacancy rate of 6.8 percent during the third quarter of 2007. The Miami apartment market remained tight with a vacancy rate of 3.7 percent during the third quarter of 2007 compared with 3.3 percent during the same period of 2006. Vacancy rates decreased to approximately 7 percent in both Lexington and Louisville, the two Kentucky markets surveyed. In North Carolina, the apartment vacancy rate in the Charlotte market decreased to 6.3 percent, because strong employment growth produced sufficient demand to absorb a significant increase in the apartment inventory.

Multifamily construction, as measured by the number of units permitted, decreased in the region during the past 12 months. Although activity in local markets varied considerably, the number of multifamily units permitted in the region declined by 20 percent to 97,250 units during the 12 months ending September 2007. In Florida, the number of multifamily units permitted decreased by 24,000 units, or 40 percent, because apartment and condominium builders reacted to softer rental markets and larger inventories of unsold condominiums. During the past year, of all states in the region, Mississippi recorded the largest increase in the number of multifamily units permitted, increasing 174 percent from 1,750 units in the 12 months ending September 2006 to 4,800 units in the 12 months ending September 2007. Most of the increase occurred in the Gulfport-Biloxi metropolitan area along the coast, where Hurricane Katrina rebuilding activity produced an almost fivefold increase in multifamily building permits to 2,400 units. In North Carolina, Charlotte continued to record significant condominium and apartment activity in response to a growing population attracted by a rapidly expanding local economy. During the past 12 months in the Charlotte area, 5,601 multifamily units were permitted, an increase of 1,753 units, or 46 percent, compared with the number permitted during the previous 12 months.

MIDWEST



Economic conditions in the Midwest region continued to improve slowly during the third quarter of 2007. In the 12 months ending September 2007, average nonfarm

employment in the region increased by 61,000 jobs to 24.4 million jobs. Hiring in the education and health services, professional and business services, and leisure and hospitality sectors added 60,000, 55,000, and 26,000 jobs, respectively, offsetting losses in the manufacturing and construction sectors of 64,000 and 25,000 jobs, respectively. Economic performance varied in the individual states and major metropolitan areas during the past 12 months. Illinois registered a 1-percent increase, or a gain of 57,000 jobs, while Michigan suffered a 1-percent decrease, or a loss of 36,000 jobs. Indiana, Minnesota, and Wisconsin recorded employment gains ranging from 10,000 to 20,000 jobs, offsetting Ohio's loss of 4,000 jobs. The manufacturing sectors in Cincinnati and Cleveland continued to show signs of slowing in the third quarter of 2007, with new orders and production down in the 12 months ending September 2007 compared with the previous 12-month period. In contrast, Milwaukee's manufacturing sector continued to strengthen, with production and employment up during the past 12 months. The average unemployment rate in the region was 5.3 percent for the 12 months ending September 2007, unchanged from the previous 12-month period.

Sales of existing homes and home price appreciation in the Midwest region slowed during the second quarter of 2007. According to the NATIONAL ASSOCIATION OF REALTORS®, the annual rate of sales of existing homes in the region was reported at 1 million during the quarter, a decrease of 9 percent compared with the second quarter of 2006. Home price appreciation in the region also slowed during the second quarter of 2007, according to the Office of Federal Housing Enterprise Oversight (OFHEO). All states in the region recorded annual appreciation rates below the rates recorded in the second quarter of 2006, except Indiana where the rate was unchanged at 3 percent. Home price appreciation rates in Illinois and Wisconsin were 4 and 3.5 percent, respectively, exceeding the national rate of 3 percent. Indexes in Michigan, Minnesota, and Ohio were below the national rate. Contributing to the relatively softer home sales market in the region has been the higher rate of home foreclosures compared with other regions in the country. During the second quarter of 2007, the 2.6-percent foreclosure rate recorded in the region ranked first in the country, well above the national rate of 1.4 percent, according to the Mortgage Bankers Association®.

Existing homes sales in the third quarter of 2007 continued to decline in most areas of the region. In Michigan, the slow economy continued to affect home sales markets throughout the state. Sales of existing homes were down 7 percent in the 12 months ending September 2007 compared with same period a year earlier. Slower economic growth also dampened existing



home sales in Ohio. According to the Ohio Association of REALTORS®, sales were down 6 percent to 133,400 homes during the 12 months ending September 2007. In the Cleveland and Columbus metropolitan areas, sales activity was down 6 to 7 percent, and the average sales price decreased 1 to 2 percent to \$164,800 and \$171,700, respectively. In the Cincinnati area, existing home sales and the average price fell by 10 and 3 percent, respectively.

Despite strengthening economies in most states of the region, sales of existing homes slowed primarily because of higher interest rates and tighter lending practices. In Illinois, the 150,000 homes sold in the state during the 12 months ending September 2007 were 15 percent below the number of sales in the previous 12-month period and 12 percent below the average 172,000 homes sold annually in the past 5 years. The statewide decline in sales activity was led by a 19-percent decrease in the Chicago metropolitan area. According to the Chicago Association of REALTORS®, in the past year the average monthly inventory of homes for sale rose to approximately 95,000, 23 percent more than the average monthly inventory a year earlier. In Wisconsin, sales of existing homes in major market areas continued to ease in the third quarter of 2007 compared with the third quarter of 2006. According to multiple listing services in Madison and Milwaukee, home sales activity in the metropolitan areas decreased 7 and 10 percent, respectively, during the 12 months ending September 2007. In the Minneapolis-St. Paul metropolitan area, sales of existing homes were down 17 percent in the past 12 months, but the average price of existing homes increased 1 percent to \$276,300.

In response to declining sales demand and the increased inventory of unsold new homes, single-family construction in the region, as measured by the number of building permits issued, declined by 31 percent in the 12 months ending September 2007 to 126,100 homes, the lowest level in 10 years. All states in the region showed declines in single-family construction activity, with Illinois and Michigan accounting for approximately one-half of the decrease. During the past 12 months, home builders in Chicago cut back construction of single-family homes to 17,000 units in the metropolitan area, the lowest number of new homes in 15 years. The Building Industry Association of Southeast Michigan reported that residential construction in the Detroit area continued to decline in the third quarter of 2007 due to the slow local economy. During the 12 months ending September 2007, building permits were issued for approximately 4,300 single-family homes in the metropolitan area, well below the annual average of 13,000 single-family permits issued during the past 5 years.

Multifamily building permit activity in the Midwest region also declined—by 24 percent to 41,600 units for the 12-month period ending September 2007. Multifamily construction activity was down in all states in the region, ranging from a 14-percent decline in Indiana to a 47-percent decline in Michigan. Illinois accounted for 18,300 of the units permitted in the region, down 16 percent from 21,800 units in the 12 months ending September 2006, led by a 20-percent decline in the Chicago metropolitan area. Although multifamily building permit activity slowed in Chicago in the 12 months ending September 2007, the 15,200 units authorized were 8 percent more than the annual average of 14,000 units during the past 5 years. Much of the strength in multifamily building activity in the metropolitan area came from the development of condominium units in the city of Chicago, where construction remains strong. In Ohio and Wisconsin, multifamily building permit activity was down 25 percent in both states, and activity in Minnesota declined by 38 percent.

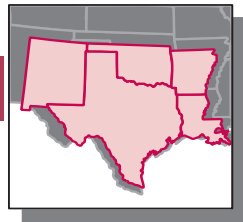
During the third quarter of 2007, most apartment markets in the region continued to tighten because of the increased demand for rental units, modest employment growth, and small number of new apartments entering the market. Major rental markets in Wisconsin are tight. In Madison, the apartment vacancy rate declined to 4.6 percent by the third quarter of 2007 compared with 5.7 percent a year earlier. The rental market in the Milwaukee metropolitan area also is tight because of the strengthening local economy. The 4-percent vacancy rate as of the third quarter of 2007 was down from 5.2 percent in the third quarter of 2006. In Minneapolis, GVA Marquette Advisors reported similar tightening in the Twin Cities apartment market. The vacancy rate in the metropolitan area was 3.6 percent in the third quarter of 2007 compared with 4.0 percent in the third quarter of 2006. According to Terzo & Bologna, Inc.'s 2007 Detroit Apartment Market Study, only 300 new units are anticipated to enter the metropolitan area this year compared with 1,100 new apartment units that have entered the market annually since 2000. With a 10-percent vacancy rate as of the third quarter of 2007, the apartment market in the Detroit metropolitan area is expected to remain soft for the next 12 months because of the slow economy.

In Illinois, rental market conditions in the third quarter of 2007 continued to improve as employment increased in most areas of the state. The apartment vacancy rate in the Rockford metropolitan area was approximately 8 percent in the third quarter of 2007, down from 9 percent in the third quarter of 2006. Rental property managers in Peoria reported absorption of new apartments in the metropolitan area was strong for the past 12 months

and the vacancy rate in new units was 5 percent or lower. Chicago's apartment rental market, with a vacancy rate below 5 percent, is expected to remain tight during the next 12 months due to increased demand for rental housing and the small number of new apartment units entering the market.

Despite the slowdown in Ohio's economy, apartment vacancy rates in major markets declined and rents increased modestly. In the Columbus metropolitan area, the vacancy rate was approximately 6.5 percent in the third quarter of 2007, down from 8 percent in the third quarter of 2006. Apartment vacancy rates in Cincinnati and Cleveland eased to 7.5 and 5.5 percent, respectively, by the third quarter of 2007. The increased demand for apartment units boosted rents in the three metropolitan areas by 3 percent or more during the past 12 months.

SOUTHWEST



A 4-year economic expansion continued in the Southwest region during the third quarter of 2007. During the 12 months ending September 2007, average nonfarm employment increased by 373,000 jobs, or 2.4 percent, to 15.8 million. The professional and business services sector, with a gain of 79,000 jobs, led all sectors in employment growth. Gains of more than 50,000 jobs each were also recorded in the leisure and hospitality and the education and health services sectors. The construction sector added 40,000 jobs because of the start of several large nonresidential projects. With high demand for area oil and gas resources, the natural resources sector added 30,000 jobs, up 10 percent from a year ago.

Texas employers added 250,000 jobs, or 2.4 percent, during the past 12 months. All job sectors increased, except the information sector, which declined slightly. Louisiana gained 74,000 jobs, or 3.9 percent, during the 12 months ending September 2007 and is nearing pre-Hurricane Katrina employment levels. Strong growth in the natural resources and mining sector led to an increase in the number of jobs in Oklahoma, which rose by 24,000, or 1.6 percent. New Mexico employment increased by 16,600 jobs, or 2 percent. In Arkansas, the number of jobs increased by 14,000, or 1.2 percent.

The average unemployment rate in the Southwest region has continued to decrease because of the expanding economy. For the 12 months ending September 2007, the rate declined to 4.3 percent from 5 percent during the previous 12 months. In Arkansas and Oklahoma, the unemployment rate remained relatively unchanged at 5.2 and 4.2 percent, respectively. In Texas, the unemployment rate of 4.4 percent was at its lowest level since 2001. Strong employment growth during the past 12 months in Louisiana contributed to a decrease in the unemployment rate from 5.4 to 4.1 percent. New Mexico recorded a 3.7 percent rate, the lowest in the region.

Existing home sales continued at high levels in Texas as the strong economy and moderate home price appreciation sustained balanced markets in most areas. According to data from the Real Estate Center at Texas A&M University, approximately 280,400 homes were sold during the 12 months ending September 2007, down 2 percent from the record-setting level during the previous 12 months. The average home sales price for the state increased 5 percent to \$191,300. Home sales in the larger metropolitan areas were flat or down slightly, while average home prices increased modestly. During the past 12 months, the average home price increased 4 percent to \$218,100 in Dallas, 7 percent to \$179,300 in San Antonio, and 4 percent to \$201,200 in Houston. The highest price recorded in Texas was \$243,300 in Austin, up 7 percent compared with the previous 12 months. In El Paso, the average price increased by 6 percent to \$156,000. In Fort Worth, the \$138,700 average, an increase of only 3 percent during the past 12 months, was the lowest of the large metropolitan areas.

Existing home sales markets were balanced to soft throughout Oklahoma. According to the Oklahoma Association of REALTORS®, the number of existing homes sold in the state remained relatively unchanged at 53,300 during the 12 months ending September 2007 compared with the previous 12 months. For the state, the average home sales price was \$120,700. In the Tulsa and Oklahoma City areas, home sales were relatively unchanged at 15,500 units and 19,500 units, respectively. The average price increased slightly in both cities to approximately \$150,000.

Conditions in home sales markets in other states in the region are down from record highs in the past 24 months, but basically they are equivalent to sales levels from 2003 to 2005. According to the Arkansas REALTORS® Association, home sales for the state decreased by 10 percent to 30,000 during the 12 months ending August 2007. The level of sales was approximately the same as the average level of sales from 2003 to 2004.



The number of homes sold in Little Rock decreased by 7 percent to 10,300 homes, while the average price of \$168,000 was relatively unchanged. In the Fayetteville area, sales declined by 17 percent to 6,500, and the average price increased 2 percent to \$203,000. In Albuquerque, the largest market in New Mexico, sales were down by 15 percent to 10,400, but the average price increased by 9 percent to \$239,000. In Louisiana, the average price in Baton Rouge was \$196,100, up 9 percent, with a total of 9,900 homes sold during the past 12 months. The sales level in Baton Rouge represented a decrease of 16 percent compared with the 12 months following Hurricane Katrina, but it was still about 9 percent higher than the level for the 12 months before the hurricane. In New Orleans, 11,100 homes were sold, down 20 percent compared with the previous 12 months, and the average price was \$207,000, down 5 percent. Data for Albuquerque, Baton Rouge, and New Orleans came from the respective local REALTORS® associations.

In the Southwest region, an overall slowdown in sales and tighter lending standards resulted in decreased single-family construction activity, as measured by building permits. The total number of single-family homes permitted in the region during the 12 months ending September 2007 was 173,500 units, a decline of 41,900, or 24 percent, compared with the 12 months ending September 2006. The present construction level reflects the current levels of household and economic growth when compared with the record levels during 2005 and 2006.

In the Southwest region, during the 12 months ending September 2007, Texas accounted for most of the decrease in single-family homebuilding activity. The number of units permitted declined to 126,400, or by 25 percent. Elsewhere in the region, the number of units permitted in Arkansas and New Mexico was 7,800 and 9,000, respectively, down 27 percent in both states. In Oklahoma, the number of permits declined by 20 percent to 11,900. The number of permits in Louisiana was lower by 10 percent to 18,400 units.

Multifamily construction activity in the Southwest region, as measured by the number of units permitted, was at a record 68,200 units during the 12 months ending September 2007. Approximately 12 percent of the units permitted were condominiums. The absorption of rental units during the third quarter of 2007 was higher than in any quarter since Hurricane Katrina. More than 6,000 rental units were absorbed in both Houston and Dallas-Fort Worth, 4,000 units in Austin, and 3,300 in San Antonio, according to MP/F YieldStar. The number of units permitted in Louisiana was 5,800,

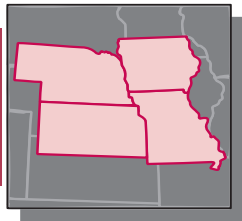
up 4,700 units. The large increase was due to the low number of permits issued during a period of uncertainty in the year following Hurricane Katrina. This situation was especially apparent in New Orleans, where building permits were issued for only 300 units in the 12 months after Hurricane Katrina. More than 2,900 multifamily units were permitted in New Orleans during the past 12 months. In the same period in Baton Rouge, the number of units permitted was 2,750, a gain of 2,200 when compared with the previous 12 months.

The number of multifamily units permitted in Texas during the 12 months ending September 2007 was up 8,500, or 18 percent, to 55,000 units. The 5,900-unit gain in Houston was the largest of all metropolitan areas in the region as builders anticipated continued strong growth. In El Paso, multifamily permits were up by 1,600 units due in part to continuing expansion at Fort Bliss Army Base. The permit level in Oklahoma was relatively unchanged at 2,100 units. Building activity in Oklahoma City slowed in response to soft rental market conditions, but it was offset by construction in other areas of the state. Slower employment growth and soft rental markets in Arkansas resulted in a decrease in multifamily units permitted. The state recorded 2,900 units, down 1,300 units, or 32 percent, compared with the previous 12 months.

Rental market conditions continue to be somewhat soft in large metropolitan areas in Texas, except in Austin. According to ALN Systems, Inc., the average apartment vacancy rate in Austin was 6.6 percent for the past 12 months, down from 6.9 percent for the previous 12 months. The average rent in Austin increased 6 percent to \$795. A significant volume of apartment completions in Dallas caused a slight softening of the market. The apartment vacancy rate increased to 9.7 percent for the past 12 months, up from 9.3 percent during the previous 12 months. The average rent in Dallas increased 5 percent to \$772 because of the completion of new higher-rent units. The vacancy rate in Houston increased to 10.4 percent, up from 8.6 percent recorded for the previous 12-month period. High construction levels and increased numbers of single-family homes made available for rent affected the apartment market, especially for projects constructed before 2000. The average rent in Houston was \$720, relatively unchanged from a year ago. The rental market in Fort Worth is still very soft; the average apartment vacancy rate was unchanged at 11 percent. In San Antonio, the apartment vacancy rate increased from 8.8 to 9.4 percent, while the average rent was up 4 percent to \$691.

Rental market conditions are mixed in other large metropolitan areas throughout the Southwest region. Conditions in Albuquerque are balanced. Reis, Inc., reported an apartment vacancy rate of 5.1 percent for the third quarter of 2007, down from 6.3 percent a year ago; the average rent increased 4 percent to \$669. In New Orleans, the apartment rental market is still tight, but vacancy rates increased from 1.3 percent for the third quarter of 2006 to 3.4 percent for the third quarter of 2007. The average rent increased 5 percent to \$854. Markets are expected to become more balanced in response to the increased levels of construction, and about 8,000 low-income housing tax credit units in the final planning stages are expected to be completed by 2010. In Little Rock, the vacancy rate was 7.6 percent, up from 6.4 percent a year ago, and the average third quarter rent was relatively unchanged at \$610. In Oklahoma City and Tulsa, apartment vacancy rates were relatively unchanged at 8.5 and 9 percent, respectively. Average third quarter rents were up 3 percent to \$513 in Oklahoma City and up 4 percent to \$548 in Tulsa.

GREAT PLAINS



The economy of the Great Plains region continued to grow moderately for the third straight year. Nonfarm employment increased by 97,000 jobs, or 1.5 percent, to 6,650,000 in the 12 months ending September 2007. The professional and business services sector led employment growth in the region, increasing by 3 percent to 702,000 jobs. Employment in the transportation and utilities sector was up 2.6 percent to 278,000 jobs. The leisure and hospitality sector increased 2.5 percent to 618,700 jobs. Government remained the leading employment sector in the region, with a total of 1.1 million jobs, accounting for 17 percent of all nonfarm employment in the Great Plains region.

Kansas and Missouri led in nonfarm employment growth in the region with increases of 32,000 and 30,600 jobs, or 2.4 and 1.1 percent, respectively. Employment growth in Kansas was led by the professional and business services sector, which added 5,900 jobs, and the government sector, which added 5,600 jobs. Employment in the construction industry grew by 1,900 jobs because gains in nonresidential construction employment more

than offset losses resulting from a reduction in residential building. In Missouri, the education and health services and the leisure and hospitality sectors grew by 8,400 and 8,000 jobs, respectively. Missouri's economy lost 6,800 jobs in the manufacturing sector during the 12-month period ending September 2007.

Iowa and Nebraska added 18,600 and 15,900 nonfarm jobs, respectively. In Iowa, job growth was primarily in the education and health services and professional and business services sectors, which added 4,100 and 3,000 jobs, respectively. Job growth in Nebraska was highest in the professional and business services and education and health services sectors, increasing 4,600 and 3,400 jobs, respectively. The regional unemployment rate remained relatively unchanged at 4.2 percent for the 12 months ending September 2007.

Home sales markets are soft in the larger metropolitan areas of the region, primarily because of tighter lending standards. According to data from local REALTORS® associations, new and existing home sales and average sales prices were down in four of the five major metropolitan areas in the region during the 12 months ending September 2007. In St. Louis, sales declined 8 percent to 18,800 homes, while the average price decreased 3 percent to \$202,800 in the 12 months ending September 2006. Home sales were down to 32,100, almost 10 percent, in Kansas City, while the average price declined 6 percent to \$170,500. The inventory of homes for sale increased 5 percent to 21,300.

In Des Moines, total home sales decreased 4 percent to 10,350 in the 12-month period ending September 2007 compared with a year ago. The average price in Des Moines increased more than 3 percent to \$171,200. The number of active listings in Des Moines increased 21 percent to 7,000 units. In Lincoln, the number of home sales was 4,080, approximately the same as a year ago, and the average price declined by 9 percent to \$150,000. Active listings increased 4 percent to 2,370. In Wichita, sales totaled 12,100 homes, relatively unchanged from a year ago. The average price declined 4 percent to \$126,000, and the number of unsold homes on the market increased 3 percent to approximately 4,500 units.

In response to the slower home sales market, single-family home construction, as measured by the number of building permits issued, decreased during the third quarter of 2007. During the 12-month period ending September 2007, building permits were issued for approximately 32,700 single-family homes, down 10,400 units, or 24 percent, compared with the previous 12-month period. Single-family construction activity

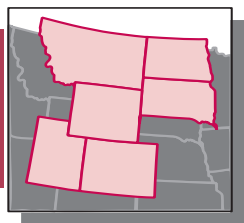


was down across the region. Missouri, where building permits decreased by 5,200 units, or 28 percent, from a year ago, accounted for half of the regional decline. Kansas recorded the largest percentage decrease of the four states, at 29 percent, or approximately 2,700 units. In Iowa and Nebraska, the number of homes permitted declined 18 and 13 percent, respectively.

According to data provided by Reis, Inc., apartment markets were generally balanced in Kansas City, Omaha, and St. Louis and somewhat soft in Wichita. Increased demand and fewer new rental units have contributed to the improvement in the apartment markets. Apartment vacancy rates declined from 7.2 to 6.6 percent in Kansas City and from 6.3 to 5.6 percent in Omaha. In St. Louis, the apartment vacancy rate declined from 7.6 to 6.8 percent. Average rent increased by nearly 3 percent in Omaha and Kansas City and by nearly 2 percent in St. Louis to \$660, \$680, and \$710, respectively. In Wichita, the apartment vacancy rate remained unchanged at 8.7 percent while the average rent increased more than 3 percent to \$490.

Multifamily construction, as measured by the number of units permitted, declined in each state for the 12 months ending September 2007. For the region, the number of units permitted decreased by 4,300 to 11,400 units, or 28 percent, compared with the number permitted in the previous 12 months. Approximately 50 percent of the multifamily building permits issued were for condominiums. The decline primarily was due to a decrease in multifamily construction in Missouri, which was down 42 percent, or 3,800 units. In Kansas, multifamily building activity declined 16 percent, or 450 units. The level of multifamily construction in Iowa and Nebraska was relatively unchanged.

ROCKY MOUNTAIN



The economy of the Rocky Mountain region continued a 3-year expansion during the third quarter of 2007. For the 12 months ending September 2007, average nonfarm employment increased by 139,400 jobs, or 2.8 percent, to 4,908,100 jobs. In Utah, the fastest growing state in the nation, employment gains totaled 53,800 jobs, or 4.5 percent. The 46,200 jobs gained in Colorado represent the second-highest level of growth in the region. The

strong expansion of jobs in both Utah and Colorado occurred primarily in the trade, education and health services, and professional and business services sectors. Benefiting from rising energy prices and increased employment in the natural resources and mining sector, employment grew by 11,100 jobs in Montana and by 10,400 jobs in Wyoming. Steady gains occurred in North Dakota and South Dakota, where employment increased by 11,100 and 9,900 jobs, respectively. The annual average unemployment rate in the region declined from 3.9 to 3.3 percent for the 12 months ending September 2007 compared with the same period a year ago. The unemployment rates in all states in the region were lower than the rates last year. Utah registered the greatest decline, decreasing to 2.5 percent from 3.2 percent a year ago.

The robust economic performance in Utah is a result of strong population growth, lower business costs, and a weaker U.S. dollar that promoted exports and international tourism. As of July 1, 2007, the population of Utah is estimated at 2,680,000, which is an annual average increase of 2.6 percent since 2000. Approximately 60 percent of the population growth was due to net natural increase (resident births minus resident deaths), which, in turn, created demand for residential housing, retail, and services. The rapidly expanding population and the area's relatively lower business costs have attracted new manufacturers while allowing existing firms to increase exports. As a result, the manufacturing sector added 4,600 jobs in the 12-month period ending September 2007, which is a 4-percent increase from the same period a year ago. Employment in the manufacturing sector was 126,400, the highest level in 10 years. According to the Utah Technology Council, during 2006, the state also gained more than 400 technology firms that have added approximately 3,000 new jobs to the 60,000 jobs already in the information sector. Because of the strong economy and weaker dollar, tourism has improved significantly. The 2006-07 ski season was the second highest on record, and visits to national parks and hotel occupancy are up considerably from last year.

Tighter lending standards and higher home prices have slowed home construction in the region despite strong employment growth. During the 12-month period ending September 2007, the number of single-family homes permitted in the region declined by approximately 16,700 homes to 54,200, a 24-percent decrease compared with the previous 12-month period. Colorado and Utah continue to dominate single-family building activity for the region, accounting for 80 percent of the units permitted. In most states in the region, during the period the number of single-family homes permitted fell from the relatively high levels recorded a year ago. The number of units permitted in North Dakota and

Wyoming, however, was relatively unchanged from a year ago.

Sales of existing homes and home price appreciation in the Rocky Mountain region eased during the second quarter of 2007. According to the NATIONAL ASSOCIATION OF REALTORS®, the annual rate of existing home sales in the region was reported at 250,400 units, a decrease of 4 percent compared with the rate a year earlier. Except for North Dakota, South Dakota, and Wyoming, all states reported decreases in the volume of existing home sales. According to the Office of Federal Housing Enterprise Oversight (OFHEO) Housing Price Index, home price appreciation in the region was down 50 basis points to 10 percent for the 12 months ending June 2007. All states in the region recorded annual appreciation rates above or at the average national rate of 3 percent. Home price appreciation rates were the highest in Utah, Wyoming, and Montana, at 17, 13, and 11 percent, respectively. Indexes in North Dakota and South Dakota were 7 and 6 percent, respectively, while the 3-percent rate in Colorado was the lowest in the region.

During the 12 months ending September 2007, sales activity in Utah markets has slowed from earlier record levels and inventories of unsold homes have significantly increased. The Utah County Association of REALTORS® for the Provo-Orem area reported sales of existing single-family homes that were 17 percent below the level recorded for the same period a year ago. The average home sales price increased by 14 percent during the period to \$286,700, but the inventory of homes for sale increased by 55 percent from a year ago. The increase in inventory from the very low level of 12 months ago is expected to result in a moderation of home sales price increases. In the higher priced resort areas of Park City and St. George, home sales declined by 20 percent as buyers reacted to rapid price increases of the past few years. The average sales price of a single-family home in Park City and St. George increased by 5 percent each to \$961,500 and \$332,400, respectively, during the past 12 months. Park City is the most expensive housing market in Utah because of limited developable land and the area's proximity to Park City Mountain Resort.

In Colorado, sales market conditions were improving but remain somewhat soft for the 12 months ending September 2007. According to the Denver Board of REALTORS®, sales of single-family homes were relatively unchanged compared with the same period in 2006. The average price of an existing single-family home in the metropolitan area decreased slightly to \$314,700, but the inventory of unsold single-family homes was down 3 percent to 23,000 units. The Boulder Area REALTOR® Association reported that sales of single-

family homes declined by 3 percent, and the average price increased by 6 percent to \$458,600. The inventory of single-family homes for sale decreased by 13 percent to 2,630 units. Homes in the eastern Boulder County cities of Erie, Longmont, and Lafayette take longer to sell because of competition with the large inventory of unsold new homes in the area.

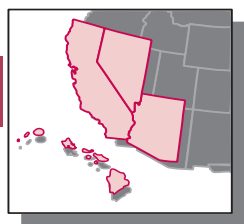
In the third quarter of 2007, rental markets continued to tighten throughout much of the Rocky Mountain region. During the 12 months ending September 2007, the average rental vacancy rate in the Denver metropolitan area declined from 7.6 to 6.8 percent, according to *APARTMENT INSIGHTS* surveys, published by RealData, Inc. Average monthly apartment rents were relatively unchanged at \$858, with an average of \$730 for one-bedroom units, \$820 for two-bedroom/one-bath units, \$1,000 for two-bedroom/two-bath units, and \$1,240 for three-bedroom units. The value of concessions fell 4 percentage points to 6 percent of contract rent in Denver, the lowest level in 4 years. In the areas of Provo-Orem, Utah, and Fargo-Morehead, North Dakota-Minnesota, strong job growth and limited new apartment construction contributed to tight market conditions. According to EquiMark Properties, Inc., the rental vacancy rate in Provo-Orem declined from 5.3 to 3.5 percent and the average rent increased by 4 percent to \$670, the fastest rate of increase in 4 years. An Appraisal Services, Inc., third quarter 2007 survey for the Fargo-Morehead area indicates that the average vacancy rate of 6.5 percent was an improvement from the 7.1-percent rate recorded in the previous 12 months. Rental markets throughout the region are expected to continue to tighten because of strong employment growth, the relatively low number of rental units entering the market, and the higher cost of owning a home.

Multifamily building activity, as measured by the number of units permitted, fell 9 percent to 16,000 units during the 12 months ending September 2007. Approximately 70 percent of the multifamily building permits are intended for owner condominium units. Construction activity was the highest in Colorado, where permits were issued for 7,600 units, relatively unchanged from the previous 12-month period. Demand for both rentals and condominiums, especially transit-oriented development located near light-rail stations in Denver, maintained construction levels. In Utah, multifamily building permit activity decreased slightly to 3,220 units, or 5 percent, compared with the previous 12 months. Of the 9,820 units permitted in Colorado and Utah, approximately 3,000 units were permitted for apartments, offering little new supply to reverse the trend of tightening rental markets throughout the region. North Dakota, South Dakota, and Wyoming all showed declines in multifamily building activity of approximately 30 percent



during the past year. The building permit level in Montana was relatively unchanged during the past 12 months.

PACIFIC



Economic activity in the Pacific region grew at a moderate pace through the third quarter of 2007. In the 12 months ending September 2007, employers added 371,300 nonfarm jobs, a 1.9-percent increase over the number of nonfarm jobs reported in the 12 months ending September 2006, for an average of 19.9 million jobs. Employment growth has slowed from the previous 12-month gain of 500,400 jobs. The professional and business services sector and the government sector led new job growth, adding 94,000 and 65,000 jobs, respectively. The construction industry added only 4,000 jobs in the past 12 months, down substantially from the 92,000 jobs gained in the previous 12 months.

Employment in California rose 1.5 percent, by 225,000 jobs, in the 12 months ending September 2007. The pace of growth is significantly below the 2-percent increase recorded in the previous 12-month period. The professional and business services, government, and education and health services sectors together added nearly 150,000 jobs, while the decline in homebuilding and mortgage lending resulted in a combined loss of 5,600 jobs in the construction and financial activities sectors. In the past 12 months, the San Francisco Bay Area gained more than 68,000 new jobs, a 2.1-percent increase, led by expansion in the information and leisure and hospitality sectors. Southern California accounted for 115,300 new jobs, a 1.3-percent increase.

In Arizona, nonfarm employment rose by 98,100 jobs, or 4 percent, in the 12 months ending September 2007, well below the 135,000 jobs added in the 12 months ending September 2006. Strong growth in most of the service-providing sectors offset a decline in construction employment. The professional and business services sector and trade sector contributed approximately 26,400 and 18,000 jobs, respectively. Contributing to the 4-percent rise in Phoenix employment in the past 12 months, Intel Corporation just opened a \$3 billion semiconductor chip plant with 1,000 positions.

Nevada added 34,300 jobs in the past 12 months. The 3-percent gain was the lowest since 2002 and sharply below the 63,000 jobs added in the previous 12 months. The government sector, primarily at the local level, and the professional and business services sector added 7,000 and 5,600 jobs, respectively. The leisure and hospitality sector gained just 5,000 jobs due to slow growth of visitor volume and a relative lull in the openings of major new casinos and hotels in Las Vegas this year. Construction jobs in the state declined by 2,000 positions due to reduced residential and commercial building activity. In Hawaii, the job base rose by 13,600 in the 12 months ending September 2007, a 2-percent gain. Job growth was broadly based, led by gains in a still-strong construction sector and in defense-related government jobs and tourism. The unemployment rate in the Pacific region averaged 4.8 percent in the 12 months ending September 2007, unchanged from the 12 months ending September 2006. Hawaii and Arizona registered the lowest unemployment rates in the region at 2.4 and 3.8 percent, respectively. Nevada averaged an unemployment rate of 4.5 percent, the same as the national average, while California averaged 5.0 percent in the same period.

Home sales declined throughout the Pacific region in the third quarter of 2007 due to lower demand, much tighter lending standards, and higher interest rates. In California, sales of existing single-family homes fell by 23 percent to 393,400 homes in the 12 months ending September 2007 compared with the 12 months ending September 2006, according to the California Association of REALTORS®. The median sales price rose just 3 percent to \$572,500, slowing from a 10-percent gain the previous 12 months. Move-up transactions have become much more difficult because the terms and availability of mortgage loans tightened significantly during the quarter. The unsold inventory for existing homes increased to a 13-month supply, double the level of supply for the same quarter a year ago and the highest level of supply since 1991. Total sales of both new and existing homes declined 30 percent in Southern California and 21 percent in the San Francisco Bay Area.

Sales market conditions weakened in Phoenix and Las Vegas during the third quarter of 2007. According to the *Phoenix Housing Market Letter*, sales of new and existing homes declined by 20 and 34 percent, respectively, in the 12 months ending September 2007. The inventory of unsold existing homes rose 11,000 between the third quarters of 2006 and 2007, to a new record of more than 53,000 homes. The median price of existing homes held relatively steady at approximately \$249,000 in the past 12 months. In Las Vegas, new and existing home sales each declined 38 percent in the 12 months

ending September 2007, according to the *Las Vegas Housing Market Letter*. The sales price of existing homes dropped 2 percent to \$281,000 in the past 12 months. The unsold inventory of 30,400 existing homes on the local market in the third quarter of 2007 was nearly 5,000 higher than a year ago. The Honolulu Board of REALTORS® reported 9,460 existing single-family and condominium sales in the 12-month period ending September 2007, 15 percent below the level of the previous 12-month period. The median prices of single family homes and condominiums rose 1 and 5 percent, respectively, in the past 12 months.

Single-family homebuilding activity in the Pacific region, as measured by the number of building permits issued, dropped 37 percent to 136,400 in the 12 months ending September 2007, because builders reacted to slower demand and increased unsold new inventory. In California, builders pulled permits for 73,000 new homes in the past 12 months, a 37-percent reduction from the previous 12 months. Homebuilding permits in Arizona fell 32 percent to approximately 41,000 homes, the lowest level since 1996, while Nevada home construction declined 45 percent to 17,400 homes in the past 12 months. The smallest decline in single-family building permits, just 12 percent, to 5,000 units in the past 12 months, occurred in Hawaii where favorable exchange rates continued to make Hawaiian homes more affordable to overseas buyers.

Rental market conditions throughout most of the Pacific region remained tight or relatively balanced in the third quarter of 2007. Vacancy rates have increased somewhat due to increased completions or the placement of investor-owned condominiums into the rental markets in many areas. The rental market was tight in the San Francisco and Oakland areas of the Bay Area, with the RealFacts apartment survey reporting a vacancy rate of 4 percent in the third quarter of 2007, up slightly from a year earlier. When compared with the rent in the third quarter of 2006, the average rent increased almost 8 percent, one of the largest rates of increase in the country. In San Jose, the return of strong job growth to Silicon Valley produced a 3.6-percent apartment vacancy rate in the third quarter, little changed from a year earlier. The Sacramento market stayed balanced at an approximately 6-percent vacancy rate, unchanged from a year ago, and rents rose less than 2 percent in the past year. The Fresno market remained tight, with an apartment vacancy rate of less than 4 percent; the average rent increased 4 percent in the past four quarters.

The rental market in the coastal Southern California counties of Los Angeles, Orange, and Ventura remained tight with overall vacancy rates of approximately

4.5 percent during the third quarter of 2007. The rental vacancy rate increased approximately 0.5 percent compared with the rate during the third quarter of 2006 due to additional apartment completions, condominium completions, and competition from the increasing number of single-family homes available for rent. The rental vacancy rate in San Diego County remained at 5 percent, approximately 1 percent higher than the rate in the same quarter of 2006. Southern Santa Barbara County continues to have the lowest rental vacancy rate in the region, less than 4 percent. Fewer than 90 new apartment units were completed in the area during the 12-month period ending September 2007. Rental conditions in the inland counties of Riverside and San Bernardino remain balanced. The vacancy rate declined to 7 percent in Riverside County while remaining at 6.5 percent in San Bernardino County. The two counties continue to absorb the 5,000 rental units completed during the 12-month period ending September 2007. According to the Consumer Price Index for Southern California, rents increased 6 percent during the 12 months ending September 2007, the same rate of increase as during the previous 12-month period.

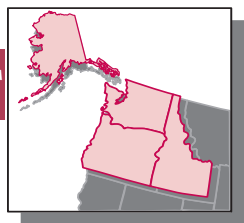
According to Reis, Inc., the apartment rental vacancy rate in Las Vegas rose to approximately 5.5 percent in the third quarter of 2007, up 1.5 percent compared with the rate in the same quarter a year earlier, while the average rent rose 3 percent. In the Phoenix area, the rental market vacancy rate increased to nearly 8 percent in the third quarter from the unusually tight 5-percent level of a year earlier and just 4 percent in early 2006. In the past year, the average rent in Phoenix rose 4 percent. In both areas, the higher vacancy levels resulted mainly from the increased number of apartment completions, the return of many condominium conversion properties back to the rental market, and the increased number of investor-owned single-family homes for rent. In Honolulu, the rental vacancy rate is estimated at 4.5 percent, and, according to the Consumer Price Index, the average rent increased 9 percent in the past year.

Multifamily construction activity, as measured by the number of building permits issued, declined 14 percent to 63,850 units in the 12 months ending September 2007. Most of the regional drop was attributable to the reduction in multifamily construction activity in California to 43,650 units, or 14 percent, in the past 12 months. Multifamily construction in Arizona declined 10 percent to 10,100 units in the past 12 months, approximating the 2002-to-2006 average level. In Nevada, builders recorded permits for 7,550 units, a 23-percent decline from the previous year. Hawaii was the only state in the region to record increased multifamily construction activity; the 2,500 units permitted represented a 21-percent



increase from the previous 12-month period due to the building of new condominiums in Honolulu, largely marketed to overseas buyers. According to Reis, Inc., data, many of the multifamily properties currently under construction in the largest markets in the region are condominiums for the sales market.

NORTHWEST



The pace of employment growth in the Northwest region slowed slightly during the 12 months ending September 2007, measuring 2 percent compared with 3.1 percent in the same period a year earlier. An estimated 110,800 jobs were added to the region during the recent 12 months, bringing nonfarm employment to an average of 5.6 million jobs. Idaho had the fastest rate of employment growth in the region, with an increase of 3.2 percent to 652,900 jobs; Washington was second with an increase of 2.1 percent to 2,904,900 jobs. Nonfarm employment grew by 1.6 percent to 1,719,600 jobs in Oregon and by 1.4 percent to 318,100 jobs in Alaska. Employment growth slowed in the region due to reduced levels of hiring in industries related to single-family housing, but job gains occurred throughout many industries. The retail trade, education and health services, and leisure and hospitality sectors contributed much of the employment growth in Idaho. In Washington, industries related to aerospace production, commercial and multifamily construction, and software publishing led job growth. Industries in Oregon that added jobs included architectural and engineering services and software publishing. In Alaska, hiring in the oil and gas industry accounted for the largest share of employment growth, at approximately 30 percent. The regional unemployment rate declined to 4.8 percent for the 12-month period ending September 2007 compared with 5.2 percent during the previous 12-month period.

Home sales market conditions in much of the Northwest region were balanced during the 12 months ending September 2007. Sales volumes and price increases continued the moderating trend that began in late 2006 compared with the record levels that occurred in most areas during the previous 2 years. In Washington, according to Northwest Multiple Listing Service data, the Puget Sound metropolitan areas of Seattle, Tacoma,

Bremerton, and Olympia recorded 67,360 new and existing home sales during the 12-month period ending September 2007, a 16-percent decline compared with the number sold during the previous 12-month period. The average price for new and existing homes sold was \$453,870, an 11-percent increase compared with the price a year ago. The average sales price for newly constructed homes was \$485,720, while existing homes sold for an average \$447,800. Sales of existing homes declined in all four Puget Sound communities during the 12-month period, resulting in an average decrease of 17 percent compared with sales during the same period a year ago. Sales of newly constructed homes were down an average of 12 percent in the Puget Sound metropolitan areas, with the Olympia metropolitan area off only 4 percent due to the relatively affordable average price of \$309,800.

According to the *Market Action Report of RMLS™*, sales of new and existing homes for major markets in Oregon totaled 60,125 for the 12-month period ending September 2007, an 18-percent decline compared with the 12-month period ending September 2006. The average price was \$311,050, up 7 percent from a year ago. In central and southwest Oregon markets, where extremely strong demand from California retirees and second-home buyers in 2005 and early 2006 pushed sales to record levels, sales fell 42 percent during the 12 months ending September 2007 compared with sales during the previous 12 months. In the Portland-Vancouver-Beaverton housing market, sales of new and existing homes were down 14 percent to 36,620 units. The average price was \$331,900, an increase of 7 percent, less than half the annual increase of 16 percent in the same period a year ago. Despite the decline in home sales, the current pace is relatively high and, if maintained, 2007 will be the third highest year for home sales on record in the Portland metropolitan area.

According to the Intermountain Multiple Listing Service, sales of new and existing homes in the Boise metropolitan area declined 37 percent to 11,100 homes for the 12 months ending September 2007 compared with sales for the previous 12 months. The average home price increased 6 percent to \$240,800 during the period. In south-central Idaho market areas, home sales were down 34 percent, and the average price increased 6 percent to \$226,400.

Alaska Multiple Listing Service data showed an 8-percent decline in new and existing home sales in Anchorage during the 12-month period ending September 2007. The average home price increased 6 percent from \$307,440 to \$324,700 during the period. The pace of sales activity slowed during the past year, with homes

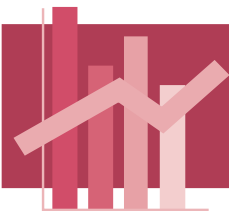
staying on the market an average of 84 days as of September 2007 compared with approximately 33 days a year earlier.

The slower pace of home sales in the region contributed to a decline in construction activity, as measured by the number of building permits issued. Single-family permits totaled 59,729 for the 12-month period ending September 2007, down 22 percent from the number of permits issued for the same period a year ago. The rate of decline in building activity was greatest in Alaska, where single-family permits issued fell 37 percent, followed by a 33-percent drop in Idaho and a 22-percent decline in Oregon. Single-family permits issued totaled 1,060 in Alaska, 11,375 in Idaho, and 17,085 in Oregon. Single-family construction activity in Washington totaled 30,210 homes during the 12-month period ending September 2007, down 17 percent from the number of homes built during the same period a year ago.

Rental market conditions are tight in the major metropolitan areas of the Northwest region. Steady population growth due to strong labor market conditions combined with rising home prices and higher mortgage interest rates have strengthened the demand for rental units during the past year. According to the Dupre+Scott Apartment Advisors, Inc., *Apartment Vacancy Report*, the Seattle metropolitan area apartment vacancy rate was 3.9 percent as of September 2007 compared with 4.1 percent a year earlier, and rents rose by an average of 10 percent to \$974. Concessions were being offered in just 10 percent of the Seattle area apartment communities, down from nearly 75 percent 2 years ago. In the Tacoma

metropolitan area, the apartment vacancy rate declined from 7.4 to 3.6 percent, and the average rent increased by 5 percent to \$771. The Portland metropolitan area rental vacancy rate for the third quarter of 2007 was 3.5 percent compared with 4.5 percent a year earlier, based on surveys from Hendricks & Partners, Inc., and the Metro Multifamily Housing Association. The average rent in the Portland area was \$838, up nearly 7 percent from the average rent for the third quarter of 2006, according to RealFacts. In Boise, the apartment vacancy rate was 6.5 percent in the third quarter of 2007, relatively unchanged compared with a year earlier. According to RealFacts, the third quarter of 2007 average rent in Boise increased nearly 4 percent to \$730 compared with the average rent for the same quarter a year earlier.

Multifamily building activity in the Northwest region, as measured by the number of units permitted, totaled 24,980 units for the 12-month period ending September 2007, down 4 percent from a year ago. Construction of multifamily dwellings increased by 21 percent in Idaho to 2,230 units due to permits for a new nursing home, condominiums, and a senior housing complex in Post Falls and a 250-unit subdivision of four-plex rental units in Caldwell. Construction of multifamily dwellings increased by 1 percent in Washington to 15,860 units. In Alaska and Oregon, multifamily building activity declined 47 and 13 percent, respectively, during the past year, due to a slowdown in condominium development. Total units permitted equaled 765 in Alaska and 6,125 in Oregon.



Housing Market Profiles

Casper, Wyoming

The Casper metropolitan area, defined as Natrona County, is located in central Wyoming along the North Platte River. The current population of the county is estimated at 71,400, with more than 70 percent residing in Casper, the second largest city in the state and the primary location for trade and services in central Wyoming. Casper is the operational center for energy development throughout the state. The leading employers in the area are Wyoming Medical Center, Key Energy Services, Inc., and TIC—The Industrial Company Wyoming, Inc., each with more than 500 local employees.

The metropolitan area has been in a 4-year period of relatively strong employment growth after 20 years of economic decline following the downturn in the oil and gas industries in the early 1980s. Nonfarm employment averaged 39,700 jobs during the 12-month period ending July 2007, a 3.5-percent increase compared with the number of jobs recorded during the same period a year ago. The economy of the Casper metropolitan area remains highly dependent on energy-related industries. A resurgence of oil and gas exploration in the region that began in 2003 has resulted in significant employment growth. Employment in the natural resources and mining sector grew by 7.4 percent, with the addition of 300 jobs during the past 12 months. Employment in the sector has doubled since 2003, with the addition of 2,000 jobs, which accounts for 37 percent of the job growth that has occurred in the area during the past 4 years. The unemployment rate averaged 2.9 percent during the 12 months ending July 2007, down from 3.2 percent a year ago.

Residential construction in the area historically has consisted of single-family development. Building permits were issued for 347 single-family homes during the 12 months ending August 2007, relatively unchanged from the number of permits issued during the same period a year ago. The construction of multifamily units, as measured by the number of units permitted, has been virtually nonexistent in the area since 1980. Fewer than 100 multifamily units have been permitted since 2000; all are low-income housing tax credit units.

The area sales housing market in the Casper metropolitan area is extremely tight. Rapid employment

growth and net in-migration have resulted in an increased demand for housing since 2003. Despite nearly doubling in 2003, the level of single-family construction has not kept pace with the growing demand because of tight labor market conditions and increasing construction costs. During the years between the economic downturn of the 1980s and the 2000 Census, the housing stock in the Casper area suffered from deterioration due to deferred maintenance. According to the city of Casper's housing conditions report, as many as 1,500 housing units are considered unsuitable for living. Another 3,000 homes require considerable rehabilitation. These 4,500 units account for approximately 10 percent of the area housing stock.

According to the Wyoming Multiple Listing Service, the average sales price for an existing home was \$208,300 during the 12-month period ending August 2007, a 14-percent increase compared with the average price recorded during the same period last year. New housing developments are under construction south of the city of Casper along the Laramie Mountain foothills and the North Platte River. The homes on the south edge of the city feature models targeting move-up homebuyers and start at approximately \$250,000. High-end homes with upgraded amenities are priced above \$400,000. Approximately 100 new affordable homes are expected to be completed throughout the metropolitan area in the next year. These units will be priced between \$160,000 and \$237,000 so homebuyers can qualify for the Wyoming Community Development Authority's homeownership programs.

The rental housing market is also extremely tight, with a vacancy rate of less than 1 percent, according to the Wyoming Housing Database Partnership Rental Vacancy Survey. The survey covers single-family and multifamily rentals. The primary supply of available vacant rentals consists of older and typically functionally obsolete manufactured homes. According to the Wyoming Cost of Living Index, which is published by the state, the average rent for an apartment in Natrona County was \$532 in 2006, a 13-percent increase compared with the average rent recorded in 2005. The average rent for a single-family home was \$815 in 2006, up 9 percent from the average rent recorded in 2005. Local sources indicate that rents for all structure types have increased by approximately 10 percent in 2007. Renter households relocating to the area have to wait several months before rental units become available.

At the time of the 2000 Census, the Casper metropolitan area had approximately 3,000 single-family homes serving as rental units, but data from the

2006 American Community Survey indicates that the number of single-family rental units has fallen to approximately 2,400, reducing the level of available rental housing. Slightly more than 30 percent of the area rental stock consists of single-family homes, down from 37 percent in 2000.

Charleston, West Virginia

The Charleston metropolitan area, located in southwestern West Virginia, comprises the counties of Boone, Clay, Kanawha, Lincoln, and Putnam. The area is the transportation, retail, cultural, and telecommunications center of West Virginia. The city of Charleston, located in Kanawha County, is the state capital and home of the Charleston Area Medical Center (CAMC), the leading private sector employer in the metropolitan area, with approximately 5,000 employees.

The economy of the area has been growing at a moderate pace since 2004. During the 12 months ending August 2007, average nonfarm employment was 150,600 jobs, up 1 percent from the previous 12-month average. The natural resources, mining, and construction sector led with a gain of 700 jobs, followed by the professional and business services sector with the addition of 500 jobs. The government sector, which added 200 jobs during the period, is the leading employment sector in the metropolitan area, accounting for nearly 19 percent of all nonfarm jobs. The education and health services sector also added 200 jobs during the same period; in addition, CAMC plans to hire 180 new employees during the next 3 years. The unemployment rate fell from 4.5 to 4.3 percent during the recent 12 months.

Modest employment growth is expected to continue during the next 24 months. Kanawha County residents voted in June to allow the Tri-State Racetrack & Gaming Center, a 90,000-square-foot gaming and entertainment facility, to expand into table gambling. The Tri-State Racetrack will build a 250-room luxury hotel and spa and expand gaming space. Construction is expected to begin in early 2008 and be completed within 20 months. More than 1,000 new jobs are expected as a result of the \$250 million expansions. In mid-2008, NGK Spark Plugs USA, Inc., plans to open a new \$15 million plant in Sissonville, which is expected to create 80 jobs.

As of October 1, 2007, the estimated population of the metropolitan area is 306,700, with approximately 128,300 households. Since 2000, the total population has decreased slightly by 390 annually, or 0.1 percent,

due to out-migration. Out-migration is expected to decrease during the next year, however, due to recent employment growth. During the past 2 years, the labor force and resident employment increased by an average 1,325 and 1,750 workers, respectively, each year.

Single-family construction, as measured by the number of building permits issued, remained relatively unchanged at 547 units during 2006 compared with 2005. During the 12 months ending August 2007, local sources report that single-family construction continued at a similar pace. Complete and current monthly listings are not available because most permitting jurisdictions report building permit data only annually. Currently, approximately 110 single-family homes are under construction in the metropolitan area.

The existing home sales market is balanced. According to the Kanawha Valley Multiple Listing Service database, sales for the 12-month period ending September 2007 totaled approximately 2,350 homes, down 5 percent from the same period last year, in part due to industrywide tightening of credit standards and rising interest rates. The median sales price of a single-family home increased 3 percent to \$120,700 from \$117,500 for the same period a year ago. Most of the sales activity is focused in downtown Charleston and Saint Albans in Kanawha County and in the town of Hurricane in Putnam County. According to the house-pricing index of the Office of Federal Housing Enterprise Oversight (OFHEO), for the 12 months ending June 2007, homes in the metropolitan area appreciated by 3.8 percent, not as high as the 5.4-percent rate for the state, but higher than the 3.2-percent national average.

Multifamily development since 2004 has occurred primarily in the counties of Kanawha and Putnam. Multifamily construction, as measured by the number of units permitted, was approximately 160 units in 2006, relatively unchanged from the previous year. According to local sources, multifamily construction has continued on a similar pace since 2006. Within the next 3 years, The Charleston-Kanawha Housing Authority plans to construct a 76-unit facility for the elderly in Charleston. The public housing and tax credit units are part of a redevelopment plan that will add 391 units of income-assisted housing in the city's West Side during the next 5 years.

Current conditions in the rental housing market are soft. The rental vacancy rate, as reported by the American Community Survey, increased from 7.4 to 8.0 percent between 2005 and 2006. During the same period, the median rent decreased from \$543 to \$514, or by more than 5 percent.



Chicago, Illinois

The Chicago Housing Market Area (HMA) consists of nine counties in northeast Illinois with a combined population estimated at 8.7 million as of August 2007. Since 2000, the population of the HMA has increased by 68,000, or less than 1 percent, annually. Approximately three-fourths of the population growth has occurred in suburban Kane, Lake, and Will Counties.

The HMA continued a 3-year economic expansion during 2007. Nonfarm employment increased by 47,000 jobs, or 1.1 percent, to approximately 4.3 million jobs during the 12-month period ending August 2007 compared with the number of jobs recorded during the previous 12-month period. Hiring in the professional and business services sector, education and health services sector, and leisure and hospitality sector added 17,000, 13,000, and 6,000 jobs, respectively, which offset the loss of 4,000 jobs in the manufacturing sector. Hospitals and medical centers have been expanding throughout the metropolitan area; in the past 4 years, approximately \$2 billion was spent on the construction of nine new hospitals and medical centers. Advocate Health Care is one of the leading employers in the area, with 25,000 workers. The average unemployment rate for the past 12 months was 4.6 percent, down from 4.8 percent a year earlier.

Continued employment growth in the HMA is expected during the next 12 months. Contributing to this growth are the strengthening trade sector and transportation and utilities sector. In Will County, a southern suburb of Chicago, a \$1 billion warehouse and freight-distribution center will add 4,000 jobs by 2008. In the suburbs west and north of Chicago, Wal-Mart Stores, Inc., will open five new stores that together will employ approximately 1,800 people in the next 12 months; the corporation expects to construct three additional superstores in the city of Chicago in 2008. In South Side Chicago, the \$600 million University Technology Park is under construction on the campus of the Illinois Institute of Technology. The technology park is the largest commercial development in Chicago's South Side and is expected to add approximately 2,500 jobs to the HMA by 2010.

Despite a growing economy, single-family home construction in the HMA, as measured by the number of building permits issued, declined during the 12-month period ending August 2007. Single-family building permits fell by 39 percent to approximately 18,000 homes after averaging nearly 30,000 homes annually since 2000. Rising interest rates and a buildup of unsold new home inventory, which reached a record 48,000 single-family homes in suburban Chicago, were the primary reasons for the decline.

The median sales price of new single-family homes in suburban Chicago, which increased 8 percent annually during the past 3 years, decreased by 1 percent in the first 6 months of 2007 to \$300,000 compared with the median price recorded in the first half of 2006. In contrast, condominium construction in the city of Chicago remains strong. Approximately 4,500 new condominiums are expected to enter the downtown market in 2007, slightly less than the 4,600 units that entered the market annually during the past 3 years.

Since 2005, when a record 33,200 new homes were sold in the HMA, sales of new homes have slowed throughout the Chicago area. Approximately 25,500 new homes were sold in 2006, down 23 percent from the number sold in 2005 and 15 percent below the average annual sales of 30,200 new homes recorded during the past 3 years. Sales of new homes continued to decline in the 6 months of 2007 compared with the number sold in the first 6 months of 2006. During the first half of 2007, new condominium and single-family home sales both were down 35 percent to 5,700 and 3,900 units, respectively. New home sales in suburban Chicago and the central city declined by 33 and 37 percent, respectively. The 2,500 new condominium units sold in downtown Chicago were well below the record 5,000 units sold in the first 6 months of 2005. Higher interest rates, tighter lending standards, and lower expectations for price appreciation contributed to the decline in new home sales.

Affordable housing development continues in the city of Chicago. Since 2004, Chicago has spent more than \$1.3 billion on constructing and preserving 28,000 units of affordable housing, including 16,000 rental units and 12,000 for-sale units. In 2007, the city of Chicago plans to allocate another \$550 million to support an estimated 11,000 affordable homes and apartments, up 4 percent from \$525 million in 2006. Neighborhood revitalization in Chicago continues to benefit from the city's strong commitment to affordable housing. In the Near North Side neighborhood, the success of Parkside of Old Town's 400 units of mixed-income housing spurred the development of another mixed-income project in the Near South Side neighborhood. When completed in 2008, Park Boulevard will include 200 affordable and market-rate homes for sale and 100 replacement public housing units for former residents of Stateway Gardens, which was demolished with HOPE VI funds as part of the city's \$1 billion plan to revitalize public housing in Chicago.

The American Seniors Housing Association's *Seniors Housing Construction Trends Report 2006* ranked

Chicago first among the 75 largest metropolitan areas in the country for the construction of seniors housing. As of March 2006, approximately 3,100 units for seniors were under construction in the Chicago area, which represented 40 percent of the 7,600 seniors housing units under construction in the Midwest region. These developments included 2,400 apartment units, 2,200 independent-living units, 1,600 nursing home beds, and 1,400 assisted-living units.

Multifamily construction, as measured by the number of units permitted, also slowed during the past 12 months, but activity has remained relatively strong. In the 12 months ending August 2007, the number of multifamily units permitted was down 19 percent to 15,100 compared with a record 18,800 units in the previous 12 months but was 14 percent above the annual average of 13,200 units permitted since 2000. Approximately 80 percent of the multifamily units constructed in the HMA since 2000 have been condominiums.

Apartment market conditions in the HMA continued to tighten in the first 6 months of 2007 due to the low number of new apartment units entering the market. According to M/PF YieldStar, the overall apartment vacancy rate in the HMA has steadily declined since peaking at 8.5 percent in December 2003. As of June 2007, the rate was 3.4 percent compared with 5 percent in June 2005. The strengthening local economy and fewer renters purchasing homes contributed to the tight rental market. Vacancy rates are particularly low for the submarkets located in northern Lake and western DuPage Counties, with vacancy rates of 2 and 3 percent, respectively. Responding to improving market conditions, apartment property owners increased rents by 2 to 3 percent in the first half of 2007 compared with rent increases of 1 to 2 percent in the first 6 months of 2006. The average monthly rents for one-, two-, and three-bedroom units are \$957, \$1,129, and \$1,368, respectively. The apartment market in the HMA is expected to remain tight during the next 12 months due to increased demand for rental housing and the small number of new apartment units expected to enter the market.

In recent years, condominium conversions had a significant impact on the Chicago apartment market, and the demand for condominiums was high. In the past 3 years, more than 16,000 apartment units were converted into condominiums, including 11,200 units in suburban Chicago and 5,000 units in the downtown market. As sales of new and existing homes continued to decline in the first 6 months of 2007, the conversion of apartment units to condominiums slowed dramatically. Only 400 apartments were converted

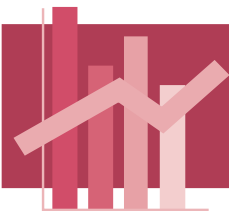
to condominium units in the first half of 2007 compared with 5,300 units converted in the first half of 2006.

Lake Charles, Louisiana

The Lake Charles metropolitan area, which is located in southwestern Louisiana, comprises Calcasieu and Cameron Parishes. The city of Lake Charles is in Calcasieu Parish, which is home to about 96 percent of the metropolitan area population. According to Census Bureau estimates, between 2000 and July 1, 2005, the population of the metropolitan area grew by 140 a year to 194,300. According to the Federal Emergency Management Agency, when Hurricane Rita affected the area in September 2005, about 20,000 people were displaced. Approximately 8,950 units, or 1 percent of the housing stock in the metropolitan area, received major or severe damage. This figure included 2,575 units, or 48 percent of the housing stock in Cameron Parish. By July 1, 2006, many units had been repaired and the population of the area was down by only about 2,000 compared with the population recorded in July 1, 2005. As of September 1, 2007, the population of the Lake Charles metropolitan area is estimated to be 192,850, an increase of 550 since July 1, 2006. About half of the housing units in Cameron Parish that received major damage have been repaired. In Calcasieu Parish, 90 percent of the 6,380 units that were severely damaged have been repaired.

Following a slump in 2003, economic conditions in the metropolitan area improved steadily in 2004 and 2005, with nonfarm employment increasing at an average annual rate of 1.4 percent. For the 12 months ending August 2005, nonfarm employment averaged 89,700 jobs. Following Hurricane Rita, 2,000 jobs were lost in the leisure and hospitality sector due to the destruction of two riverboat casinos, and 800 jobs were lost in the manufacturing sector, including 280 due to the permanent closing of Lyondell Chemical Company. Total nonfarm employment during the 12-month period ending August 2006 averaged 89,600 jobs.

During the 12-month period ending August 2007, nonfarm employment averaged 91,700 jobs, an increase of 2,100 jobs, or 2.3 percent, from the number recorded during the previous 12-month period. Insurance companies and the federal government provided more than \$1.5 billion for rebuilding, resulting in 700 additional jobs in the construction sector, a 7.4-percent increase compared with the number of jobs recorded in the sector during the



previous 12-month period. Some of the largest construction projects include two liquefied natural gas plants, totaling \$1.3 billion, currently under construction; the newly completed \$57-million Delta Downs Racetrack Casino and Hotel; and the widening of Interstate 10 and U.S. Highway 165. The unemployment rate was 3.7 percent during the 12-month period ending August 2007, down from 6 percent a year ago.

Employment is expected to increase steadily during the next 3 years. Northrop Grumman Corporation announced that, beginning October 2007, it will expand its Lake Charles facility, ultimately adding 350 new full-time jobs. The construction of a \$1.3 billion Leucadia National Corporation gas plant will begin in late 2008 and is expected to be completed in 2011. The project will create approximately 3,000 construction jobs and 250 permanent onsite jobs. The new \$350 million Sugarcane Bay Resort, scheduled for completion by 2009, is expected to add 1,500 permanent jobs. A \$45 million expansion at L'Auberge de Lac Casino Resort will create an additional 500 permanent jobs.

Due to low interest rates and affordable home sales prices, conditions in the Lake Charles metropolitan area sales housing market were balanced to tight between 2000 and 2005. Immediately after Hurricane Rita, the housing market tightened significantly with an estimated 18,000 displaced persons looking for temporary housing in the area. As a result of the rehabilitation of residential units, the sales market is currently balanced.

According to local REALTORS®, 1,780 new and existing homes were sold during the 12 months ending July 2007, an increase of 8 percent compared with the number sold during the same period a year ago. New and existing home sales averaged 1,430 units annually between 2000 and 2005. The average sales price for a single-family home increased 4 percent to \$152,000 during the 12 months ending July 2007 compared with \$146,670 a year ago.

Single-family home construction, as measured by the number of building permits issued, has slowed in the metropolitan area during the past 2 years because resources primarily have been focused on redeveloping areas affected by Hurricane Rita. The number of homes permitted declined from 935 annually during the 2000-through-2004 period to about 365 units a year during the past 2 years. New home construction has increased recently now that much of the needed rehabilitation and reconstruction have been completed. For the 12-month period ending August 2007, the number of single-family building permits issued totaled 433, a 37-percent increase compared

with the number permitted during the previous 12-month period.

Currently, about 200 homes are under construction in the metropolitan area. Most of the new homes are located in southwest Lake Charles or the southern part of the Calcasieu Parish unincorporated area. Graywood, the largest master-planned community in the area, is a 2,000-acre development with 150 luxury single-family homes completed and 60 additional homes and townhomes under construction. When completed in 2021, the community will have about 1,900 housing units. The average price for a single-family home in Graywood is \$300,000 and for a townhome is \$250,000. The Lakes of Clearfield subdivision has 700 lots located in the Holmwood area, southeast of Lake Charles. To date, 78 homes have been built and construction of the subdivision is expected to be completed in 2009. The average price of homes in this community is \$175,000.

According to the Southwest Louisiana Apartment Association, the vacancy rate in the metropolitan area was stable at 5 percent in 2004 and through August 2005. After Hurricane Rita occurred, the rental market tightened to full occupancy and remained in that state for about 1 year. Since August 2006, the market has remained tight and the vacancy rate has increased to 2 percent. Average rents increased by about 3 to 4 percent annually from 2003 to August 2005. Currently, the average rent is about \$625, which represents an 8-percent annual increase in the average rent level since Hurricane Rita occurred. Recent rent increases have been affected by significantly higher insurance premiums.

During the 12-month period ending August 2007, building permits were issued for 476 multifamily units; during the previous 12-month period, building permits were issued for 68 multifamily units. Two recently completed Class A apartment projects with a total of 432 units and another 256-unit project that is currently under construction are all located near the Graywood master-planned development. A total of 840 low-income housing tax credit (LIHTC) units are currently in the development stage in the Lake Charles metropolitan area and are scheduled to be completed by 2010. If all the approved LIHTC units proceed as expected, a softening of the rental market will likely occur.

Laredo, Texas

The Laredo metropolitan area consists of Webb County and is located in southwest Texas along the

United States-Mexico border. The metropolitan area is the economic and healthcare center of southwest Texas. Large increases in employment during the past decade have resulted in significant population growth. According to the Texas Workforce Commission, during the past 10 years, the Laredo metropolitan area was the third fastest growing area in the state in nonfarm job growth, with an average annual increase of 3.9 percent. The local economy benefits from the 600,000 residents of Nuevo Laredo in Tamaulipas, Mexico; the city is located south of Laredo across the Rio Grande.

Since 2000, Laredo has been one of the 25 fastest growing metropolitan areas in the United States in terms of population, with an average annual increase of 2.8 percent, or 6,100, according to the Census Bureau. As of August 1, 2007, the population of the metropolitan area is estimated to be 237,700. During the past 5 years, nearly 85 percent of the population growth has resulted from net natural increase (resident births minus resident deaths); during the previous 5-year period, the portion of population growth attributed to net natural increase was approximately 10 percent lower. Net in-migration has accounted for 15 percent of total population growth, or approximately 1,000 people, annually since 2002.

The economy of the metropolitan area is strong. During the 12-month period ending July 2007, nonfarm employment growth totaled 3,100 jobs, an increase of 3.7 percent compared with the number of jobs recorded during the previous 12-month period. Increases were reported in every employment sector except the manufacturing sector, which remained relatively unchanged. McDonald's restaurants and the Laredo Medical Center are the top two private-sector employers in the area, with 1,500 and 1,406 employees, respectively. During the past 12 months, the education and health services sector recorded the highest rate of job growth, at 6 percent, adding more than 700 jobs. Hiring at the Laredo Medical Center and the continued formation of small clinics and outpatient surgical centers accounted for most of the job growth recorded in the sector. Approximately 500 new positions were added in the wholesale trade and retail trade subsectors combined and 600 jobs were created in the government sector, primarily in the local government subsector. The government sector accounts for approximately 25 percent of the 86,100 nonfarm jobs in the metropolitan area as a result of a strong border patrol presence and employment in two school districts in the city of Laredo.

International trade is the main economic driver in the metropolitan area. The Port of Laredo, which is the busiest inland port along the United States-

Mexico border, accounted for \$94 billion in exports and imports in 2005. That year, nearly 3 million trucks crossed the border; today, hundreds of trucking and shipping companies are headquartered in Laredo. It is estimated that goods shipped through Laredo travel to more than 60 countries.

The market for existing single-family homes in the metropolitan area is tight as a result of strong growth in population and employment. According to the Laredo Board of REALTORS®, during the 12 months ending July 2007, sales of existing homes totaled 925 units, an increase of more than 7 percent compared with the number sold during the previous 12 months, and the average sales price increased to \$175,100, up 14 percent compared with the average price during the previous period.

During the 12 months ending July 2007, new home construction, as measured by the number of building permits issued, decreased. The number of single-family building permits was down 28 percent to 1,430 compared with the record number of permits issued during the 12-month period ending July 2006. An average of 1,500 units were permitted annually from 2000 to 2004.

The rental housing market in the metropolitan area is currently balanced and has been for several years; the vacancy rate has remained virtually unchanged at 6 percent since 2000. Rental units account for approximately 18 percent of total housing units in the area. Nearly 10 percent of the rental supply consists of single-family and mobile homes. As of September 1, 2007, the apartment vacancy rate was an estimated 4 percent. Apartment rents in the area average \$660 for a one-bedroom unit, \$780 for a two-bedroom unit, and \$975 for a three-bedroom unit. Rents for many of the single-family homes and mobile homes in the rental market are even lower than those for apartments.

Apartment construction, as measured by the number of multifamily units permitted, increased during the 12 months ending July 2007. During that period, the number increased by 100 to 470 units compared with the number permitted during the previous 12-month period. Since 2000, an average of 360 multifamily units have been permitted annually; during the 1990s, an average of 480 units were permitted annually.

Los Angeles County, California

Los Angeles County is located on the Pacific coast in southwest California. As of October 1, 2007, the



county has an estimated population of more than 10 million people and is the most populous county in the nation. The population of Los Angeles County grew by 72,200, or 0.7 percent, during the 12-month period ending September 2007. The population increase consisted solely of net natural increase (resident births minus resident deaths). According to Census Bureau estimates, net migration has been negative for the past 2 years because domestic out-migration has averaged more than 80,000 people a year. The out-migration is primarily due to people moving out of the area for employment and lower housing costs.

After declining from 2000 to 2005, the number of nonfarm jobs in the county is currently growing at a moderate rate. During the 12 months ending August 2007, nonfarm employment increased by 46,700 jobs, or 1.1 percent, to 4,129,100 jobs. Employment increased in several of the service-providing sectors. The education and health services sector increased by 15,700 jobs, or 3.3 percent, and the professional and business services sector increased by 13,350 jobs, or 2.3 percent. Construction, a major employment growth sector for most of the 2000s, remained flat during the past 12 months because of a decline in specialty trade construction. During the same period, employment in the government sector increased by 6,600 jobs, or 1.1 percent, for a total of 593,200 jobs. Government is one of the leading employment sectors in the county, particularly at the local level, and accounts for more than 14 percent of all nonfarm jobs. Kaiser Permanente, the leading private-sector employer in the county, employs 32,200 workers. Other major private-sector employers include Northrop Grumman Corporation and The Boeing Company. Unemployment averaged 4.7 percent during the 12-month period ending August 2007, down from 4.9 percent during the previous 12-month period.

Overall, sales housing market conditions are currently balanced in Los Angeles County. Although home sales have dropped significantly since August 2005, the median sales prices for single-family homes and condominiums have continued to increase. Stricter mortgage qualification standards, which have resulted in fewer potential homebuyers qualifying for loans, have contributed to the weakening sales. Existing home sales averaged 111,700 annually between 2003 and 2005. According to DataQuick®, the 76,800 existing home sales recorded during the 12 months ending August 2007 was down 17 percent, or 16,200 homes, from the number of sales recorded during the same period ending August 2006. More than 20 percent of the existing homes sold in the recent 12-month period were condominiums, unchanged from the proportion sold in the previous 12-month period. During the

12-month period ending August 2007, the median price for an existing home was \$534,600, up \$27,400, or 5 percent, from the price during the previous 12-month period. The median price for an existing condominium increased to \$426,400 from \$409,300.

The average number of days required to sell an existing home has increased in all price ranges compared with the number of days on the market when tight market conditions existed in Los Angeles County in July 2005. From 2003 through the first half of 2005, existing homes in all price ranges usually sold in less than 30 days at a price 5 percent or higher than the listing price and with multiple offers. Currently, homes remain on the market an estimated average of 75 days but the number varies significantly throughout the county. Current selling prices are typically 5 to 10 percent below listing prices.

The same pattern of declining sales and increased median prices in the existing home market also exists in the new home sales market. The August 2007 median price of a new home, including single-family homes and condominiums, was \$507,000, an increase of \$32,000, or almost 7 percent, from the price recorded in the same period of 2006. Sales of new homes declined by 36 percent, or 1,600 units, to 4,500 units during the 12-month period ending August 2007 compared with the number sold during the previous 12-month period. New homes in Los Angeles County are no longer selling out before construction is completed. According to the Real Estate Research Council of Southern California, the number of unsold homes under construction in June 2007 increased to 2,550. This inventory is significantly higher than that recorded during the 2003-to-2005 period, when the average number of unsold homes under construction in June was 280. Of the total 4,100 available new homes, more than 26 percent are located in the San Fernando Valley submarket and approximately 24 percent are located in the North Los Angeles County submarket. Both submarkets are located north of downtown Los Angeles. Condominiums currently account for 67 percent of the inventory of available new homes and most are located outside the North Los Angeles County submarket, where approximately 90 percent of available new homes are single-family detached units.

Developers responded to slowing sales of both new and existing homes by reducing single-family construction activity, as measured by the number of building permits issued, to only 7,800 homes from September 2006 through August 2007. This level of construction was 33 percent below the level recorded during the previous 12-month period, when 11,550 single-family homes were permitted, and 34 percent

below the level recorded from 2003 through 2005, when an average of 11,85 single-family homes were permitted annually.

Overall, rental housing market conditions are tight throughout the county. The average rental vacancy rate was 4 percent for the 12-month period ending August 2007, unchanged from the rate recorded during the previous 12-month period. Although the overall rental vacancy rate remained the same, the apartment vacancy rate increased by at least 0.5 percent in every submarket in the county as investors made more condominiums and single-family detached homes available for rent. About 4 percent, or 62,000 units, of the total apartment stock has been built since 2000. The post-2000 units have a higher vacancy rate, at 7 percent, primarily because the median rent of \$2,100 for these units is more than \$400 higher than the median rent for pre-2000 units.

Multifamily construction activity, as measured by the number of units permitted, totaled 14,100 units for the 12-month period ending August 2007, up 600 units, or nearly 5 percent, from the number of units permitted during the previous 12-month period. Between 2003 and 2005, multifamily development averaged 11,800 units annually. Of the multifamily units currently under construction, condominiums account for nearly 60 percent of the units compared with 50 percent during the previous 12-month period.

Rents increased more than 4 percent across the county during the 12 months ending August 2007 compared with the previous 12 months. The highest average rent increase, more than 10 percent, occurred in the Hollywood submarket. Since 2001, the redevelopment of the Hollywood area has increased the interest of middle- and upper-income households in moving into this area. During the past 12 months, downtown Los Angeles, which has been one of the most active rental areas in the county for the past 3 years, experienced no change in rents because the additional supply of rental units exceeded current demand. The median rent for a newly completed two-bedroom Class A apartment in Los Angeles County is currently \$2,000.

Philadelphia, Pennsylvania

The Philadelphia Housing Market Area (HMA) comprises the city of Philadelphia and the suburban counties of Bucks, Chester, Delaware, and Montgomery. The HMA, with an estimated population of 3.9 million as of September 2007, accounts for 70 percent of the population in the 11-county Philadelphia-Camden-

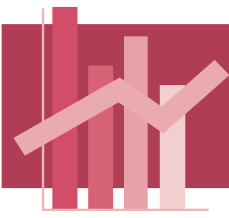
Wilmington, PA-NJ-DE-MD Metropolitan Statistical Areas. During the past 12 months, the population of the HMA increased by approximately 0.2 percent, or nearly 10,000, while the population of the city of Philadelphia declined slightly to 1.5 million.

Economic growth continued in the HMA during the past year but at a slower pace than the levels recorded in 2005 and 2006, when gains averaged 0.9 percent a year. During the 12 months ending July 2007, nonfarm employment increased by 12,400 jobs, or 0.7 percent, to 1.9 million. Approximately 5,000 fewer jobs were added during the most recent 12-month period than during the 12-month period ending July 2006. The fastest growing employment sectors were education and health services and professional and business services. The unemployment rate declined to 4.4 percent during the 12 months ending July 2007 compared with 4.8 percent a year ago.

Education and health services, the largest employment sector in the HMA, with 396,600 jobs, increased by 6,500 jobs, or 1.7 percent, during the 12 months ending July 2007. Four out of five jobs added were in the healthcare and social assistance industry, including 2,700 new positions in hospitals. Several hospitals have construction projects under way, including a \$2 billion expansion at The Children's Hospital of Philadelphia, one of the leading employers in the HMA, with 7,875 employees. Employment in the ambulatory health services industry also increased, adding 1,200 jobs. The educational services sector expanded as employment at colleges and universities increased by 1,900 jobs, or 2.8 percent, during the 12 months ending July 2007 compared with 500 jobs added during the 12 months ending July 2006.

Job growth remained strong in professional and business services, the second largest employment sector in the HMA, with 293,100 jobs. During the 12-month period ending July 2007, the sector grew by 6,600 jobs, or 2.3 percent, 1,100 fewer jobs than were added during the previous year. During this same period, the employment services industry expanded rapidly by 2,300 jobs, or 8.2 percent, following an increase of 1,700 jobs during the previous 12-month period.

The leisure and hospitality sector, which employs more than 150,000 people, increased by 2,000 jobs, or 1.3 percent, during the 12-month period ending July 2007. The \$700 million expansion of the Pennsylvania Convention Center began in August 2007 and is expected to be completed in 2010. According to the Philadelphia Convention & Visitor's Bureau, the expansion will create 2,000 hospitality-related jobs with an economic impact on the HMA



of more than \$150 million. Conventions accounted for more than 41 percent of hotel reservations in downtown Philadelphia in 2006, unchanged from 2005, and generated an annual economic impact of \$8 billion in the region, including \$3 billion in the city of Philadelphia.

Increases in employment in the service-providing sectors offset job losses in the goods-producing sectors. During the 12-month period ending July 2007, employment in the manufacturing sector declined more slowly than it did in previous years, decreasing by 3,200 jobs, or 2 percent, and accounted for nearly all job losses in the goods-producing sector. The decrease in manufacturing employment includes a decline in housing-related industries.

Slower economic growth, rising interest rates, and stricter lending requirements have reduced the demand for sales housing. As a result, builders have cut back on production. The rate of homebuilding, as measured by the number of single-family building permits issued in the HMA, declined by 27 percent to 5,625 homes during the 12-month period ending July 2007 compared with a year earlier. The current production level is approximately 2,500 homes below the average annual level of construction activity that occurred from 2000 to 2006. The suburban counties of Bucks, Chester, and Montgomery, where approximately 80 percent of recent construction has occurred, reported substantial declines in the number of single-family building permits issued during the recent 12-month period. Decreases amounted to 37 percent in Bucks County, 35 percent in Chester County, and 21 percent in Montgomery County as developers slowed construction to allow existing inventories to be absorbed. As of July 2007, an estimated 2,150 single-family homes were under construction in the HMA; approximately half are located in Montgomery County.

The sales housing market in the HMA is currently slightly soft. According to TREND MLS, new and existing home sales totaled 143,000 during the 12 months ending June 2007, a 9-percent decline, or 11,900 fewer sales, compared with the number of sales recorded a year earlier. The most notable decreases occurred in Bucks County, where sales declined by 19 percent, and Montgomery County, where sales were down by 10 percent. Despite the decline in sales, home sales prices continued to rise moderately by 2 percent to an average of \$281,200 during the 12-month period ending June 2007. In comparison, the average price increased by 7 percent during the previous 12-month period. During the most recent 12-month period, Delaware County and the city of Philadelphia registered price increases of

4 percent, slightly higher than the increases recorded in the HMA overall.

Multifamily construction, as measured by the number of units permitted, has declined from a peak of 4,300 units in 2004. Building permits were issued for 2,630 multifamily units during the 12 months ending July 2007, down 27 percent from a year ago. Despite the decline, the current level of multifamily construction remains nearly 20 percent above the average level of multifamily construction from 1996 to 2003. The entire decline in the number of multifamily units permitted during the most recent year occurred in the city of Philadelphia, where the number of units permitted decreased by 50 percent to 1,250 units to allow time for the absorption of recently constructed apartment and condominium units. According to Reis, Inc., as of June 2007, an estimated 2,625 condominium units and 1,250 rental apartments were under construction in the HMA.

Condominium developers have reduced the number of units under construction, allowing time for the absorption of nearly 5,000 new units being marketed for sale throughout the HMA as of June 2007. According to Reis, Inc., on average, 1,275 apartment units a year were converted to condominiums between 2004 and 2006. During the past few months, plans for nearly 1,300 new condominium units were cancelled, according to Delta Associates. Most of the units were located at three properties in Philadelphia that will now be developed as apartments. Plans for two condominium towers with a total of 450 units in Chester County were also withdrawn. Sales of existing condominiums increased steadily during the past 5 years, rising by 14 percent during the past year to a total of more than 3,350 units as of December 2006, the most recent annual data available. According to Delta Associates, as of May 2007, the median price of existing condominiums ranged from \$137,500 in Delaware County to \$275,000 in the city of Philadelphia. Prices rose throughout most of the HMA during the 12 months ending May 2007; the highest annual increase of nearly 6 percent occurred in the city of Philadelphia.

The rental market is balanced throughout the HMA. According to Delta Associates, the number of available apartments at actively marketing projects declined by more than 25 percent to 1,825 units as of June 2007 compared with the number marketed in the previous year. In recent years, the absorption of new units was strong in the suburban counties, particularly in Montgomery County, where absorption increased from an average of 13 units a month in 2004 to 19 units a month this year. The suburban vacancy rate decreased from 4 percent in June 2006

to 2 percent in June 2007. During that period, rent concessions declined from 5 to 3 percent, amounting to a \$40 increase in effective rents. In Center City Philadelphia, the overall Class A apartment rental vacancy rate, which includes actively marketing projects, increased from 6 to 13 percent. Although the number of new apartments on the market increased by approximately 200 units above the number a year ago, the units are being absorbed quickly. The absorption of new apartments increased in Center City highrises to an average of 29 units a month at each project compared with 10 units a month during the previous year. The demand for apartments in Center City is expected to remain strong during the next year. Despite the demand, the conversion of former condominium units to rental units will likely cause the vacancy rate to remain above 6 percent. During the past year, Class A apartment gross rent levels increased by \$160 to an average of \$1,900 in Center City and remained unchanged at \$1,350 in the suburban counties.

Raleigh, North Carolina

The Raleigh metropolitan area consists of Franklin, Johnston, and Wake Counties. Located in Wake County, Raleigh is the capital of North Carolina and the second largest city in the state. Although the area has a large number of high-technology employers and research facilities, Raleigh maintains a small-town atmosphere. The metropolitan area is known as a center for education and for research and development. Raleigh is home to North Carolina State University, which enrolls 31,000 students and employs nearly 8,000 faculty and staff. In fiscal year 2006, the university had an annual operating budget of nearly \$960 million. Raleigh also benefits from its proximity to the cities of Durham and Chapel Hill, which are home to Duke University and The University of North Carolina at Chapel Hill, respectively.

The population of the metropolitan area, which is currently estimated to be just over 1 million, has increased by an average of 32,350, or 3.6 percent, annually since 2000. Nearly 80 percent of the population in the metropolitan area resides in Wake County. Strong employment growth, relatively affordable housing, and high wages compared with other areas of the state have resulted in strong immigration that has accounted for 70 percent of the population growth since 2000. As employment continues to increase during the next 2 to 3 years, population growth is expected to remain strong.

During the past 3 years, nonfarm employment growth in the Raleigh metropolitan area has accelerated from an average of less than 2 percent annually during the early 2000s to 3.3 percent during the 12-month period ending August 2007. Nonfarm employment reached 494,400 jobs, an increase of 15,600 jobs from the previous 12-month period. During the past 12 months, job growth in the metropolitan area was concentrated in the education and health services sector and professional and business services sector, where employment increased by 2,400 and 4,300 jobs, respectively. New jobs in healthcare services accounted for nearly all the growth in the education and health services sector. Approximately 60 percent of new jobs in the professional and business services sector were in scientific and technical fields.

Because Raleigh is the capital of North Carolina and home to North Carolina State University (NC State), state government represents 8 percent of nonfarm employment and contributes to overall employment stability. Located in both the Raleigh and Durham metropolitan areas, Research Triangle Park is a leading employer in Raleigh and is a magnet for high-technology jobs. Currently, 39,000 people are employed at the park and receive more than \$2.7 billion in annual salaries. During the next 2 to 3 years, new employers in the park are expected to add 5,000 jobs to the Raleigh and Durham employment base. During the 12 months ending August 2007, the unemployment rate averaged 3.6 percent, down from an average of 3.8 percent during the previous 12-month period.

Strong population and employment growth in Raleigh during the past year have helped maintain a high level of new home construction, although builders have begun to cut back production in response to declining sales. During the 12 months ending August 2007, building permits were issued for 12,950 single-family homes, a 6-percent decline from the previous 12-month period. Because of strong demand for new sales housing, building permits issued for single-family homes have remained above the average of 11,550 homes permitted each year from 2000 to 2006. Since reaching a record high in 2005, the number of permits issued for single-family homes has slowly declined in 2006 and 2007 and is expected to continue to decline in 2008 due to a slowdown in the number of homes sold.

The sales housing market in Raleigh is currently balanced but softening. According to data from Triangle Multiple Listing Service, Inc., sales of new and existing homes in the metropolitan area declined by 890 homes, or 3.6 percent, during the 12 months ending August 2007 following a record-setting



24,300 sales in 2006. Although home purchases have declined, sales activity remains near record levels. In Wake County, home sales declined by 750 homes, or 4 percent, to 20,500 homes. Sales in Johnston County also fell by 4 percent, or a total of 136 homes, to 3,325 homes. Despite declines in sales, home sales prices continued to increase, primarily due to an increase in sales of larger homes. The average price of homes increased by 6 percent to \$261,300 in Wake County and by 8 percent to \$176,500 in Johnston County.

Beginning in 2002, builders cut back production of multifamily units, as measured by the number of units permitted, in response to softer rental market conditions. Reduced levels of production continued through 2005, when only 650 multifamily units were permitted. A return to balanced conditions in the rental market and continued condominium development in downtown Raleigh resulted in an increase in multifamily building activity in 2006, when nearly 4,200 units were permitted. Of the multifamily units permitted that year, approximately 20 percent were condominium units. During the 12 months ending August 2007, multifamily construction activity remained virtually unchanged at 3,300 units compared with the construction activity during the previous 12-month period.

Residential development in downtown Raleigh remains strong. According to Downtown Raleigh Alliance, \$2 billion in residential, commercial, and public-sector development are in the pipeline for downtown Raleigh, including a 400-room Marriott City Center hotel and 33-story RBC Plaza, the new headquarters for RBC Centura Bank, a subsidiary of Royal Bank of Canada. More than 2,600 residential units, including apartments, condominiums, townhouses, and single-family homes, are under construction or in the pipeline. If all units are completed, the housing inventory in downtown Raleigh will double.

The rental housing market in Raleigh is currently balanced. According to RealData, Inc., the apartment vacancy rate declined to 7.9 percent in July 2006, the first time in more than 6 years that the vacancy rate fell below 8 percent. The vacancy rate continued to decline to 7.1 percent in July 2007 because completions remained low at 640 units. Since 2004, the apartment vacancy rate in Raleigh has steadily declined because of sharp cutbacks in apartment construction in 2002 and 2003 and strong household growth. Development remained below average in 2004 and 2005 but increased dramatically in 2006. More than 4,000 apartments were under construction in July 2007 compared with 2,900 units that were under construction a year earlier. Approximately

950 units are under construction in the RealData submarket that includes NC State. The vacancy rate in the submarket was 6.8 percent in July 2007, but, because of the large number of units under construction, the vacancy rate in the submarket is expected to increase in 2008. RealData, Inc., reports that the average rent for apartments in Raleigh was \$758 in July 2007, a 4-percent increase from a year earlier. When the estimated 3,000 apartments currently under construction in Raleigh are delivered to the market in 2008, the vacancy rate and lease-up specials in the metropolitan area are expected to increase.

Salt Lake City-Ogden-Clearfield, Utah

The Salt Lake City-Ogden-Clearfield Housing Market Area (HMA) encompasses Davis, Salt Lake, Tooele, and Weber Counties in north-central Utah. The HMA extends from Salt Lake City to the south along the west side of the Wasatch Mountain range and 40 miles north to Ogden. Salt Lake City is the state capital and the hub of government activities and financial services. The University of Utah, located in Salt Lake City, has an enrollment of more than 28,000 students and an annual economic impact on the HMA of approximately \$2 billion. Located near Ogden and Clearfield, Hill Air Force Base, with 17,000 military and civilian personnel, provides logistics support to many U.S. operational missions worldwide.

The population of the HMA is estimated at 1.7 million as of October 1, 2007, an increase of 30,000, or 2 percent, annually since the 2000 Census. The population gain has been a result of a growing economy that continues to attract workers to the area. Economic conditions in the HMA have been strong during the past 3 years, following a downturn in the early part of the decade. During the 12 months ending August 2007, nonfarm employment averaged 823,800 jobs, up 4.3 percent compared with the number recorded during the previous 12-month period. The strong employment growth was a result of a resurgence in the area's high-technology industry, increased defense spending, and strong population growth that stimulated jobs in the construction, trade, and services industries. During this period, nearly half of the 33,800 new jobs were in the construction sector and professional and business services sector. Construction sector employment grew because of the start of several large nonresidential projects. All sectors registered

job increases or were relatively unchanged. Among the leading private-sector employers in the area are Intermountain Healthcare, Delta Air Lines, and Discover Financial Services. The average unemployment rate declined from 3.4 to 2.8 percent during the past 12 months.

Local home builders have curtailed single-family home construction, as measured by the number of building permits issued, in response to an overall slowdown in home sales and an inventory buildup of unsold homes. Housing demand has declined as a result of the rising cost of purchasing a home and tighter credit standards. During the 12 months ending August 2007, the number of single-family homes permitted totaled 7,500, a 30-percent decline compared with the number permitted during the same period last year. Production was at its lowest level since 2000. Most of the 3,500 homes currently under construction are on the western fringes of the cities of Riverton, Draper, and South Jordan in southwest Salt Lake County.

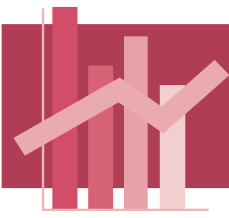
According to NewReach, Inc., during the 12 months ending August 2007, new home sales totaled 8,370, down 6 percent from the number sold during the same period a year ago, and active listings more than doubled. Despite the slowdown, the average sales prices for new detached and attached homes increased by 13 and 30 percent, respectively, to \$362,500 and \$239,600. The large increase in the average price for attached homes can be attributed to an increase in the sale of new higher priced condominiums. The unsold inventory of both new single-family and new attached homes is 1,400 units, the highest level in 10 years. Despite the increase in inventory, strong demand remains for homes in certain market segments, particularly homes priced under \$400,000 with easy access to employment centers and light rail stations. Strong demand also exists for detached homes in the \$250,000-to-\$350,000 price range in the more affordable subdivisions in Tooele and Weber Counties.

The market for existing homes was considered balanced to soft during the past 12 months, but current conditions favor buyers because of an increase in inventory. According to NewReach, Inc., during the 12-month period ending August 2007, sales of existing single-family homes were down by 8 percent from the number sold during the same period a year ago. At the same time, the average home price increased by 13 percent to \$254,900. During the past year, sales of existing attached homes were down by more than 6 percent and the average price of these homes increased by 3 percent to \$163,900.

The inventory of unsold existing single-family and attached homes increased by 25 percent in the past 12 months to 16,200 units as of August 2007. A decline in home price affordability contributed to the inventory increase because wage increases have not kept pace with home prices. During the 12-month period ending August 2007, the average price of a home sold in the HMA increased by approximately 50 percent compared with the average price recorded during a similar period 4 years ago, but wages increased by only an estimated 20 percent during the same period. With the decline in affordability and the uncertain direction of future home prices, buyers take a longer time than they once did to purchase a home and sellers act more quickly to list their homes.

The strong economy and infrastructure improvements in the HMA have been the impetus for large commercial and residential development projects in downtown Salt Lake City and Ogden. In downtown Salt Lake City, more than \$1.5 billion in office, residential, and retail developments are slated to be completed over the next 3 years. Ground has been broken for the mixed-use City Creek Center, the largest of the 50 downtown developments in the planning stages. City Creek Center will include 430 condominium units in 5 residential towers. Another development, The Metro Condominiums, with 117 units, is slated for completion in early 2008. The Utah Transit Authority will complete \$300 million in light rail and commuter rail extensions that will link downtown Salt Lake City with downtown Ogden. In downtown Ogden, ground has broken on The Junction, a \$182 million mixed-use project that is scheduled for completion in 2010. Development plans for this project include 300 condominium and apartment units. Two Class A office projects are already under construction and two apartment projects, with a total of 150 units, are expected to break ground in 2008.

During the 12 months ending August 2007, multifamily construction in the HMA, as measured by the number of units permitted, increased by 16 percent to 2,030 units. The increase is due to builders shifting from single-family production to relatively lower priced condominiums. This level of multifamily construction is consistent with the annual average level of multifamily construction that has occurred since 2000. According to The University of Utah construction reports, apartments accounted for 30 percent of the multifamily units permitted in the HMA during the recent 12-month period. In contrast, apartments accounted for 75 percent of the total number of multifamily units permitted in 2000. The reduction in apartment construction was due to overbuilding in the early part of the decade and



historically low mortgage interest rates that enabled many renters to become homeowners. As a result of reduced rental demand, apartment rent increases did not keep pace with escalating construction costs, and builders shifted production to condominiums. According to local housing officials, rents must increase by 15 to 20 percent before large-scale apartment construction can be feasible.

The rental housing market in the HMA is tight. According to a survey published by Hendricks & Partners, Inc., the July 2007 average apartment rental vacancy rate was 3.7 percent, down from the 5.3-percent rate recorded in July 2006, and was the lowest in 10 years. Over the past year, the average monthly rent has increased by 7 percent to \$718 and concessions have disappeared. Strong job growth and a limited supply of new apartments have contributed to the tight market. A total of 700 apartment units currently are under construction and another 1,700 units are in the planning stages. This level of production is well below the 2,500 rental units that will be needed annually during the next 3 years to meet forecast demand. As a result, renters can expect tight conditions with continued rent increases over the next 3 years.

Tulsa, Oklahoma

The Tulsa Housing Market Area (HMA), which includes seven counties in the northeast portion of Oklahoma, is the second largest metropolitan area in the state. Tulsa was heavily dependent on the oil industry until the late 1980s. Since that time, the economic base has become more diversified, with employment growth throughout several major sectors. The aviation industry in the HMA has grown to include more than 300 aviation-related companies providing approximately 35,000 jobs. One of these companies, American Airlines, operates a maintenance base, one of the largest in the world.

The current population of the HMA is estimated at 911,400 as of September 2007, an average annual increase of 7,150, or about 1 percent, since 2000. During the past 7¹/₂ years, net natural increase (resident births minus resident deaths) has averaged 5,500 annually and accounted for 78 percent of the population gain. During the past 24 months, job growth, together with an affordable housing stock, has resulted in a net in-migration of 4,000 people annually.

Nonfarm employment averaged 428,700 jobs during the 12 months ending August 2007, an increase of

8,300 jobs, or 2 percent, compared with the number recorded during the same period a year earlier. Job growth occurred in all sectors, except the information sector; a loss of 1,100 jobs was primarily due to a contraction in the telecommunication subsector. In the past 12 months, the largest job gain occurred in the manufacturing sector, which added 1,900 new jobs, a 3.9-percent increase, including 1,000 new jobs at aviation-related firms. A Boeing Company plant that assembles wing parts for the new 7E7 jetliner is one of five assembly plants in the nation and has added more than 800 jobs since 2004. The natural resources and mining sector had the largest rate of increase, at 10.5 percent, or 600 jobs, due to recent gas explorations. The HMA is home to the inland Tulsa Port of Catoosa on the Arkansas River; the port, a foreign trade zone, has an estimated annual impact of \$1 billion on the local economy. In 2006, barge tonnage totaled more than 2.3 million tons, an increase of 28 percent from the tonnage recorded in the previous year.

Conditions in the existing home sales market remain balanced. Existing home sales decreased slightly during the 12 months ending August 2007 from record sales levels recorded during the previous 12-month period. According to the Oklahoma Association of REALTORS®, 15,700 existing homes were sold during the 12 months ending August 2007, down nearly 4 percent compared with the record 16,300 sales in the previous 12 months. The average sales price rose to \$151,700, an increase of nearly 5 percent compared with the price recorded during the previous 12 months. The sales vacancy rate in August 2007 was estimated to be 2.2 percent compared with 1.8 percent in April 2000.

In response to the decline in home sales, single-family developers reduced home construction activity, as measured by the number of building permits issued, beginning in mid-2006. During the 12 months ending August 2007, single-family home construction totaled 4,481 homes, a 16-percent decrease from the 5,206 homes permitted a year earlier. The level of construction was still above the annual average of 4,100 homes built from 2000 to 2005.

Rental housing market conditions in the HMA are moderately soft with a vacancy rate of 9.6 percent. Apartments account for approximately 54 percent of all rental units; the remainder of the rental stock consists of single-family homes and mobile homes. According to CB Richard Ellis/Oklahoma, the apartment rental vacancy rate for the HMA was 8.5 percent as of June 2007 and was estimated at 6 percent in properties built since 2000. Concessions equal about 2 percent of asking rent and consist primarily

of \$99 move-in specials and a \$100 discount on the first month's rent. Average effective rents in units built since 2000 are \$647 for a one-bedroom unit, \$775 for a two-bedroom unit, and \$985 for a three-bedroom unit. These rents have remained relatively unchanged compared with average rents recorded a year ago. The newer units are located primarily in the eastern and the southern portions of the HMA.

Apartment construction activity, as measured by the number of multifamily units permitted, slowed to 465 units during the 12 months ending August 2007 compared with 670 units permitted during the previous 12 months. Since 2000, an average of 470 multifamily units have been permitted each year. Overall, rental housing market conditions are expected to become balanced in the HMA during 2008, mainly due to the reduced construction of new apartments.

West Palm Beach-Boca Raton-Boynton Beach, Florida

Located on the southeast coast of Florida, the West Palm Beach-Boca Raton-Boynton Beach Housing Market Area (HMA) is defined as Palm Beach County. The HMA is bounded by Broward County to the south, Hendry County to the west, and Martin County to the north. Tourism, both domestic and international, has a significant effect on the economy of the area. Between October 2005 and September 2006, an estimated 4.5 million people visited Palm Beach County, generating an annual economic impact of \$3.3 billion.

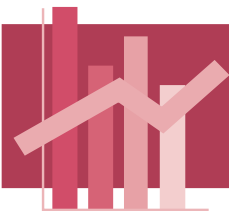
As of October 1, 2007, the estimated population of the HMA is 1,325,800, an increase of more than 25,900, or 2.3 percent, annually since April 1, 2000. Population growth has slowed somewhat during the past 2 years as a result of a reduction in the rate of employment growth. The population of the HMA has increased at an average annual rate of about 23,800 since the beginning of 2006 compared with nearly 26,900 between 2000 and 2005. About 36 percent of the population growth that has occurred since 2000 is the result of international in-migration, primarily from Central and South America and the Caribbean. West Palm Beach is the largest city in the HMA, with a Census Bureau-estimated population of 98,800 as of July 1, 2006.

The three major multibillion-dollar industries in Palm Beach County are tourism, agriculture, and construction. Tourism accounts for more than 40,000 jobs in Palm Beach County; nearly 7 percent

of the HMA workforce earns a living from tourism-related businesses such as hotels, restaurants, stores, and transportation services. Passenger traffic at Palm Beach International Airport totaled 6.9 million in 2005, a 400,000-passenger increase compared with the amount of passenger traffic recorded in 2004. Palm Beach County ranks first in the state in cash receipts from the sale of agricultural products at more than \$2 billion annually. The western portion of the county produces about 10 percent of both the sugar supply and winter crops, such as peppers and lettuce, for the United States. During the 12 months ending September 2007, employment in the construction sector increased by 600 jobs, or 1.3 percent, to 47,000 positions compared with the number of jobs recorded during the previous 12 months.

Total nonfarm employment averaged 593,900 jobs during the 12 months ending September 2007, an increase of 1.8 percent, or 10,700 jobs, compared with the number of jobs recorded during the previous 12 months. The three leading employment sectors, which together account for 42 percent of nonfarm employment, are wholesale and retail trade, education and health services, and leisure and hospitality. The leisure and hospitality sector had the largest percentage gain of any sector, increasing by 2,500 jobs, or 4 percent, during the 12-month period ending September 2007. During the same period, employment in the trade sector increased by 2,400 jobs, or 3 percent, and employment in the education and health services sector increased by 1,300 jobs, or 1.7 percent. Tenet Healthcare Corporation, with 5,000 employees, and Columbia Palm Beach Healthcare System, Inc., with approximately 3,750 employees, are the two leading private-sector employers in the HMA. In the past 12 months, the average unemployment rate decreased from 3.9 to 3.7 percent, the lowest rate in 20 years.

Building permits were issued for more than 43,950 single-family homes in Palm Beach County from 2002 to 2006 compared with 33,300 single-family homes permitted from 1996 to 2001. Single-family construction, as measured by the number of building permits issued, totaled 2,500 units for the 12-month period ending August 2007, 61 percent lower than the number permitted during the same period a year ago, when single-family building permits were issued for more than 6,425 units. Builders have curtailed production as sales have declined and inventories of unsold homes have increased. Condominiums have become an important element of the sales housing market as a result of increased land costs, increased construction costs, and double-digit single-family home sales price appreciation; all three factors began impacting the sales housing market in 2002. From 2002 through 2006, the number of multifamily



units authorized by building permits averaged 4,050 units a year compared with an average of 3,400 units permitted annually from 1997 through 2001. According to data from Reis, Inc., of the more than 20,200 multifamily units permitted in the past 5 years, about 12,200, or 60 percent, were owner units. During the 12 months ending August 2007, the number of multifamily units authorized by building permits in the HMA totaled about 1,650; this figure is 66 percent lower than the number permitted during the 12 months ending August 2006 and reflects builders' response to softer conditions in the condominium and apartment markets.

Conditions in the Palm Beach County home sales market are currently soft. Data available in the third quarter report from local real estate analysis firm Reinhold P. Wolff Economic Research, Inc., indicate that sales of new single-family homes totaled 4,925 for the 12 months ending June 2007 compared with 9,650 units sold for the same period a year ago, a decrease of 49 percent. Sales of new single-family homes have been declining since 2003, when they peaked at more than 12,200 units. Steep increases in the cost of homeowners insurance and difficulty in finding insurers willing to write new policies have added to buyers' uncertainties. Wolff data indicate that the median price in the second quarter was \$528,000, 13 percent higher than the price recorded a year ago but down slightly from the first quarter of 2007, when it was \$532,400. This price decline is the first in several years. The three areas with the most new home sales activity are Boynton Beach, Jupiter-Tequesta-Juno Beach, and Central Lake Worth-Lantana. During the past 12 months, Central Lake Worth-Lantana and Jupiter-Tequesta-Juno Beach posted the largest declines in sales, 75 and 49 percent, respectively.

Based on data from the Florida Association of REALTORS®, sales of existing single-family homes in the HMA totaled approximately 7,400 for the 12 months ending August 2007, a decrease of 25 percent compared with the 9,900 units sold during the same period a year ago. The median price of an existing home decreased by 6 percent to \$374,000 from \$398,600 a year ago.

After 3 years of significant activity, the condominium market has softened. Based on Wolff data, sales of new condominiums totaled 5,500 units in the 12 months ending June 2007, a 25-percent decrease compared with the number sold during the previous 12 months. The median price of a new condominium in the HMA increased by 7 percent from \$255,500 to \$272,800 during the 12-month period ending June 2007. The rate of increase is less than the 9-percent

price gain recorded a year ago. The most active areas in terms of condominium sales were Boynton Beach and the Jupiter-Juno Beach-Singer Island area. The areas with the largest declines in sales were South Palm Beach, Boynton Beach, and Delray Beach. Based on data from the Florida Association of REALTORS®, 6,000 existing condominiums were sold in the HMA during the 12 months ending August 2007, a decline of more than 6 percent compared with the number sold during the same period a year ago. The median price of an existing condominium decreased by nearly 2 percent to \$211,700 during the past 12 months.

According to data from Reis, Inc., 15,300 apartment units have been completed in the HMA since 2000; however, only about 1,100 of these units have been completed since January 2005. Between 2003 and 2006, nearly 15,000 apartments were converted to condominiums, resulting in a decline in the rental inventory from 64,800 units in 2003 to 51,300 units by July 2006. During that same period, the apartment vacancy rate fell from 10.2 to 4.2 percent. During the past 12 months, 850 new rental units were completed and another 1,250 units were "reverted" from condominiums. As a result, the apartment vacancy rate has increased to a current rate of 7 percent. Effective rent increased by a little more than 1 percent to \$1,049 from \$1,036 a year ago compared with an increase of more than 7 percent during the previous year. According to M/PF YieldStar, currently 425 apartment units are under construction, all of which are expected to be completed during the next 12 months. It is anticipated that condominium reversions will continue to occur, causing further weakening of the already softening rental market.

Wichita, Kansas

The Wichita Housing Market Area (HMA), located in south-central Kansas, consists of Butler, Harvey, Sedgwick, and Sumner Counties. As of September 1, 2007, the population of the Wichita HMA is estimated at 599,400, an average annual gain of 3,800, or 0.7 percent, since the 2000 Census. The economy of the HMA depends heavily on the manufacturing sector, which accounts for 22 percent of nonfarm jobs in the area; the sector accounts for just 10 percent of nonfarm jobs in the country. The top three employers in the HMA are Cessna Aircraft Company, Spirit AeroSystems Holdings, Inc., and Raytheon Aircraft Company. Area aircraft manufacturing firms produce complete aircraft and parts for private, commercial, and military customers.

The economy of the HMA strengthened during the past 3 years after declining in 2003 and 2004. In the 12-month period ending August 2007, the HMA added 11,700 jobs, or 4 percent, compared with 4,100 jobs added in the previous 12-month period. Employment increased in most sectors, led by the natural resources, mining, and construction sector, which grew by 8 percent, or 1,200 jobs. The manufacturing sector grew by 5 percent, or 2,800 jobs. Aerospace manufacturing accounted for much of the increase in the sector, adding 2,500 jobs, or 7 percent, between September 2006 and August 2007. Cessna Aircraft Company, the leading employer in the HMA, reported more jet orders in the first 8 months of 2007 than during all of 2006. Aircraft and parts manufacturers indicate they will expand employment during 2008 to meet increased orders. Employment in the service-providing sectors expanded by 7,700 jobs, including 1,600 jobs added in the professional and business services sector. The average unemployment rate in the HMA during the 12-month period ending August 2007 was 4.4 percent, down from 5.0 percent during the previous 12-month period.

The home sales market in the HMA has benefited from the strong local economy and continued affordability of homes. Conditions in the sales market are currently balanced to slightly soft. According to the 2007 Coldwell Banker® Home Price Comparison Index, Wichita is ranked as the 10th most affordable housing market in the United States, with an average price of \$156,500 for a 2,200-square-foot home with four bedrooms, two and one-half baths, and a two-car garage. According to data provided by the Wichita Area Association of REALTORS®, the number of new and existing single-family home sales totaled 11,712 during the 12-month period ending August 2007, down nearly 3 percent compared with the number sold during the previous 12-month period. This decrease is a result of a 350-unit decline in new home sales; during the period, existing home sales increased by 1 percent and the average sales price increased by 4 percent, from approximately \$127,000 to \$132,000.

The number of single-family homes permitted in the HMA totaled 2,073 during the 12-month period ending August 2007, down from 2,699 permitted during the previous 12-month period and down from an annual average of 2,713 permitted between 2000 and 2005. The decrease reflects home builders' response to declining sales and increasing inventory. Single-family developments are under construction throughout the area, particularly in the communities immediately adjacent to the city of Wichita. In the western region of the HMA, the Auburn Hills devel-

opment will include 800 homes with prices starting at \$140,000. In the eastern region of the HMA, construction continues at Equestrian Estates, a new development with 111 proposed single-family homes with prices starting at in the upper \$200,000s. Approximately 70 lots have already been sold in the development, and the third phase is scheduled to begin in the spring of 2008.

In recent years, steady demand for condominiums has existed in the HMA as empty nesters return to the city for cultural amenities and young professionals seek an urban lifestyle. Condominium sales have remained nearly constant during the past year. According to data provided by the Wichita Area Association of REALTORS®, 660 units were sold during the 12 months ending August 2007 and 662 units were sold during the 12 months ending August 2006. During this time, the 12-month average sales price declined by 5 percent, from \$145,600 to \$138,100. Condominiums, which are predominately located in the city of Wichita, account for only 5 percent of all housing sales in the HMA. New developments under construction include WaterWalk Place Residences, which includes 48 loft units, approximately 30 percent of which are presold, and rental units, office space, retail space, and restaurants. Another development under way is Parkstone at College Hill, located west of the city's Old Town neighborhood and the downtown business district, which will include approximately 134 condominium units.

The rental housing market in the HMA remains slightly soft. Data from Reis, Inc., indicate an apartment vacancy rate of 9.3 percent for the second quarter of 2007, relatively unchanged from the 9.4-percent rate recorded for the second quarter of 2006. Average rents in the HMA are \$443 for a one-bedroom unit, \$547 for a two-bedroom unit, and \$696 for a three-bedroom unit. Rents have remained stable in the past year. Some properties are offering a concession of 1 month's free rent, but this practice is less common than it was a year ago. A new 192-unit apartment property targeting students enrolled at Wichita State University is expected to begin construction shortly and begin leasing by August 2008.

Reflecting the soft rental housing market, the construction of new apartments, as measured by the number of units permitted, has declined in recent years. An estimated 200 apartment units were permitted during the 12 months ending August 2007, down from an estimated 630 units permitted during the previous 12 months. The reduced level of construction should allow the rental housing market to return to more balanced conditions over the next 12 months.



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

HUD Region and State	2007 Through September			2006 Through September			Ratio: 2007/2006 Through September		
	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*
Connecticut	5,829	4,049	1,780	7,197	5,486	1,711	0.810	0.738	1.040
Maine	4,741	4,085	656	5,861	5,255	606	0.809	0.777	1.083
Massachusetts	11,283	6,491	4,792	15,590	8,786	6,804	0.724	0.739	0.704
New Hampshire	3,512	3,150	362	4,566	3,847	719	0.769	0.819	0.503
Rhode Island	1,436	1,094	342	1,635	1,158	477	0.878	0.945	0.717
Vermont	1,680	1,373	307	2,299	1,986	313	0.731	0.691	0.981
New England	28,481	20,242	8,239	37,148	26,518	10,630	0.767	0.763	0.775
New Jersey	18,891	10,326	8,565	25,296	13,761	11,535	0.747	0.750	0.743
New York	42,091	13,989	28,102	42,485	16,093	26,392	0.991	0.869	1.065
New York/New Jersey	60,982	24,315	36,667	67,781	29,854	37,927	0.900	0.814	0.967
Delaware	4,235	3,562	673	5,300	4,133	1,167	0.799	0.862	0.577
District of Columbia	1,862	544	1,318	1,771	65	1,706	1.051	8.369	0.773
Maryland	16,543	11,953	4,590	21,186	15,700	5,486	0.781	0.761	0.837
Pennsylvania	28,051	22,918	5,133	31,686	26,903	4,783	0.885	0.852	1.073
Virginia	28,939	24,566	4,373	37,268	31,446	5,822	0.777	0.751	0.751
West Virginia	3,036	2,890	146	3,891	3,728	163	0.780	0.775	0.896
Mid-Atlantic	82,666	66,433	16,233	101,102	81,975	19,127	0.818	0.810	0.849
Alabama	18,802	15,121	3,681	24,812	19,121	5,691	0.758	0.791	0.647
Florida	86,519	60,816	25,703	172,590	126,030	46,560	0.501	0.483	0.552
Georgia	59,890	44,946	14,944	78,538	65,833	12,705	0.763	0.683	1.176
Kentucky	11,467	9,030	2,437	12,113	10,272	1,841	0.947	0.879	1.324
Mississippi	13,445	8,939	4,506	12,476	10,877	1,599	1.078	0.822	2.818
North Carolina	66,357	55,393	10,964	79,302	65,180	14,122	0.837	0.850	0.776
South Carolina	31,769	26,415	5,354	40,874	33,498	7,376	0.777	0.789	0.726
Tennessee	29,145	23,532	5,613	36,009	30,000	6,009	0.809	0.784	0.934
Southeast/Caribbean	317,394	244,192	73,202	456,714	360,811	95,903	0.695	0.677	0.763
Illinois	34,366	20,356	14,010	48,037	32,199	15,838	0.715	0.632	0.885
Indiana	19,566	15,806	3,760	22,672	19,359	3,313	0.863	0.816	1.135
Michigan	15,104	12,978	2,126	25,039	21,000	4,039	0.603	0.618	0.526
Minnesota	14,261	11,428	2,833	21,700	17,274	4,426	0.657	0.662	0.640
Ohio	26,274	20,752	5,522	33,576	27,969	5,607	0.783	0.742	0.985
Wisconsin	16,764	13,135	3,629	21,674	16,652	5,022	0.773	0.789	0.723
Midwest	126,335	94,455	31,880	172,698	134,453	38,245	0.732	0.703	0.834
Arkansas	8,447	6,011	2,436	10,810	8,146	2,664	0.781	0.738	0.914
Louisiana	18,110	12,895	5,215	18,565	15,892	2,673	0.975	0.811	1.951
New Mexico	7,680	7,005	675	10,945	10,276	669	0.702	0.682	1.009
Oklahoma	11,674	9,486	2,188	12,745	11,327	1,418	0.916	0.837	1.543
Texas	139,016	96,362	42,654	171,529	131,855	39,674	0.810	0.731	1.075
Southwest	184,927	131,759	53,168	224,594	177,496	47,098	0.823	0.742	1.129
Iowa	8,518	6,620	1,898	9,970	7,978	1,992	0.854	0.830	0.953
Kansas	7,647	5,818	1,829	10,015	7,629	2,386	0.764	0.763	0.767
Missouri	15,502	11,197	4,305	22,659	14,981	7,678	0.684	0.747	0.561
Nebraska	5,812	5,208	604	6,691	5,706	985	0.869	0.913	0.613
Great Plains	37,479	28,843	8,636	49,335	36,294	13,041	0.760	0.795	0.662
Colorado	23,978	17,660	6,318	32,413	25,951	6,462	0.740	0.681	0.978
Montana	3,742	2,831	911	3,869	2,977	892	0.967	0.951	1.021
North Dakota	2,364	1,668	696	2,535	1,620	915	0.933	1.030	0.761
South Dakota	4,168	3,030	1,138	4,962	3,542	1,420	0.840	0.855	0.801
Utah	18,053	14,915	3,138	20,561	17,939	2,622	0.878	0.831	1.197
Wyoming	2,464	2,263	201	2,394	2,046	348	1.029	1.106	0.578
Rocky Mountain	54,769	42,367	12,402	66,734	54,075	12,659	0.821	0.783	0.980
Arizona	41,949	32,985	8,964	55,080	46,906	8,174	0.762	0.703	1.097
California	86,658	55,694	30,964	127,373	87,044	40,329	0.680	0.640	0.768
Hawaii	5,833	3,652	2,181	5,635	4,307	1,328	1.035	0.848	1.642
Nevada	19,300	13,565	5,735	33,930	23,270	10,660	0.569	0.583	0.538
Pacific	153,740	105,896	47,844	222,018	161,527	60,491	0.692	0.656	0.791
Alaska	1,400	810	590	2,493	1,425	1,068	0.562	0.568	0.552
Idaho	10,681	8,792	1,889	14,550	12,956	1,594	0.734	0.679	1.185
Oregon	18,386	13,621	4,765	21,718	16,705	5,013	0.847	0.815	0.951
Washington	36,244	24,581	11,663	40,012	28,260	11,752	0.906	0.870	0.992
Northwest	66,711	47,804	18,907	78,773	59,346	19,427	0.847	0.806	0.973
United States	1,113,484	806,306	307,178	1,476,897	1,122,349	354,548	0.754	0.718	0.866

*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	2007 Through September		
		Total	Single Family	Multi-family*
26420	Houston-Sugar Land-Baytown, TX	50,273	34,887	15,386
35620	New York-Northern New Jersey-Long Island, NY-NJ-PA	41,828	9,500	32,328
12060	Atlanta-Sandy Springs-Marietta, GA	38,171	26,743	11,428
19100	Dallas-Fort Worth-Arlington, TX	32,961	22,751	10,210
38060	Phoenix-Mesa-Scottsdale, AZ	31,959	23,498	8,461
16980	Chicago-Naperville-Joliet, IL-IN-WI	27,384	14,843	12,541
31100	Los Angeles-Long Beach-Santa Ana, CA	20,938	7,711	13,227
42660	Seattle-Tacoma-Bellevue, WA	20,005	10,294	9,711
47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	18,079	12,603	5,476
40140	Riverside-San Bernardino-Ontario, CA	17,576	14,376	3,200
29820	Las Vegas-Paradise, NV	16,714	11,155	5,559
16740	Charlotte-Gastonia-Concord, NC-SC	16,698	12,742	3,956
12420	Austin-Round Rock, TX	15,821	9,945	5,876
36740	Orlando-Kissimmee, FL	15,360	10,174	5,186
39580	Raleigh-Cary, NC	12,970	10,267	2,703
33100	Miami-Fort Lauderdale-Miami Beach, FL	12,311	6,028	6,283
19740	Denver-Aurora, CO	11,103	6,786	4,317
34980	Nashville-Davidson--Murfreesboro, TN	10,977	9,044	1,933
37980	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	10,897	7,676	3,221
38900	Portland-Vancouver-Beaverton, OR-WA	10,829	7,116	3,713
41700	San Antonio, TX	10,334	7,718	2,616
45300	Tampa-St. Petersburg-Clearwater, FL	9,704	6,651	3,053
27260	Jacksonville, FL	9,296	6,314	2,982
41180	St. Louis, MO-IL	8,496	6,710	1,786
14460	Boston-Cambridge-Quincy, MA-NH	8,154	3,750	4,404
41860	San Francisco-Oakland-Fremont, CA	7,844	3,914	3,930
33460	Minneapolis-St. Paul-Bloomington, MN-WI	7,791	6,174	1,617
40900	Sacramento--Arden-Arcade--Roseville, CA	6,677	5,848	829
26900	Indianapolis, IN	6,628	5,730	898
32820	Memphis, TN-MS-AR	6,574	4,854	1,720
28140	Kansas City, MO-KS	6,257	4,828	1,429
41740	San Diego-Carlsbad-San Marcos, CA	5,928	2,880	3,048
17900	Columbia, SC	5,680	4,717	963
40060	Richmond, VA	5,671	4,861	810
35380	New Orleans-Metairie-Kenner, LA	5,597	3,000	2,597
16700	Charleston-North Charleston, SC	5,550	4,704	846
15980	Cape Coral-Fort Myers, FL	5,489	4,058	1,431
17140	Cincinnati-Middletown, OH-KY-IN	5,454	4,415	1,039
41620	Salt Lake City, UT	5,436	3,706	1,730
12580	Baltimore-Towson, MD	5,195	4,244	951
47260	Virginia Beach-Norfolk-Newport News, VA-NC	5,153	3,772	1,381
32580	McAllen-Edinburg-Mission, TX	5,044	4,103	941
18140	Columbus, OH	4,993	3,485	1,508
31140	Louisville, KY-IN	4,988	3,627	1,361
36420	Oklahoma City, OK	4,919	4,467	452
48900	Wilmington, NC	4,769	3,657	1,112
12940	Baton Rouge, LA	4,767	3,252	1,515
46060	Tucson, AZ	4,506	4,269	237
25060	Gulfport-Biloxi, MS	4,333	1,992	2,341
46140	Tulsa, OK	4,265	3,543	722

*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	1,838.9	1,378.2	35.3	41.3	384.1	1,598.4	240.5	174.6	279.4	929.7	455.2
Monthly Data (Seasonally Adjusted Annual Rates)											
2006											
Jul	1,774	1,319	84		371	NA		176	279	904	415
Aug	1,731	1,285	78		368	NA		168	275	871	417
Sep	1,654	1,215	71		368	NA		164	249	832	409
Oct	1,560	1,170	65		325	NA		155	234	793	378
Nov	1,527	1,152	60		315	NA		145	231	800	351
Dec	1,628	1,181	75		372	NA		172	236	836	384
2007											
Jan	1,566	1,127	76		363	NA		189	259	741	377
Feb	1,541	1,099	72		370	NA		140	211	773	417
Mar	1,569	1,131	72		366	NA		166	243	753	407
Apr	1,457	1,075	58		324	NA		155	224	723	355
May	1,520	1,063	64		393	NA		147	238	771	364
Jun	1,413	1,019	52		342	NA		156	228	691	338
Jul	1,389	1,008	58		323	NA		156	220	682	331
Aug	1,322	934	55		333	NA		147	201	627	347
Sep	1,261	877	47		337	NA		141	205	618	297

* 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	1,800.9	1,465.4	15.3	27.4	292.8	1,599.2	201.7	167.2	279.5	910.3	443.8
Monthly Data (Seasonally Adjusted Annual Rates)											
2006											
Jul	1,746	1,434	NA		230	NA		147	292	880	427
Aug	1,646	1,355	NA		251	NA		158	250	842	396
Sep	1,721	1,391	NA		301	NA		137	267	937	380
Oct	1,470	1,181	NA		251	NA		147	232	713	378
Nov	1,565	1,273	NA		272	NA		153	227	828	357
Dec	1,629	1,241	NA		339	NA		174	226	808	421
2007											
Jan	1,403	1,123	NA		257	NA		188	190	699	326
Feb	1,487	1,188	NA		269	NA		134	163	798	392
Mar	1,491	1,205	NA		250	NA		129	226	765	371
Apr	1,485	1,195	NA		254	NA		163	206	726	390
May	1,440	1,155	NA		252	NA		167	246	701	326
Jun	1,468	1,147	NA		283	NA		156	232	726	354
Jul	1,371	1,058	NA		274	NA		150	240	647	334
Aug	1,327	980	NA		314	NA		97	243	701	286
Sep	1,191	963	NA		201	NA		141	174	619	257

*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	1,204.9	764.7	12.2	22.7	405.3	1,062.5	142.4	162.3	183.7	534.3	324.6
Monthly Data (Seasonally Adjusted Annual Rates)											
2006											
Jul	1,361	913	NA		410	NA		170	213	617	361
Aug	1,341	889	NA		412	NA		169	208	609	355
Sep	1,319	866	NA		413	NA		165	203	606	345
Oct	1,286	837	NA		409	NA		164	198	587	337
Nov	1,263	820	NA		407	NA		163	193	573	334
Dec	1,245	803	NA		407	NA		163	187	558	337
2007											
Jan	1,216	779	NA		404	NA		165	184	538	329
Feb	1,208	772	NA		403	NA		165	180	532	331
Mar	1,190	756	NA		402	NA		165	177	522	326
Apr	1,181	748	NA		401	NA		167	174	512	328
May	1,164	730	NA		403	NA		168	174	502	320
Jun	1,163	724	NA		408	NA		168	174	499	322
Jul	1,144	708	NA		405	NA		169	173	484	318
Aug	1,130	687	NA		411	NA		163	180	477	310
Sep	1,114	675	NA		407	NA		164	172	471	307

*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	1,979.4	1,654.5	16.4	24.3	284.2	1,760.1	219.3	179.1	325.1	986.7	488.6
Monthly Data (Seasonally Adjusted Annual Rates)											
2006											
Jul	1,944	1,665	NA		255	NA		178	320	1,009	437
Aug	1,881	1,623	NA		233	NA		171	323	919	468
Sep	2,019	1,681	NA		304	NA		197	327	981	514
Oct	1,919	1,561	NA		316	NA		156	312	999	452
Nov	1,885	1,521	NA		299	NA		168	290	992	435
Dec	1,887	1,501	NA		332	NA		155	311	973	448
2007											
Jan	1,830	1,498	NA		300	NA		170	265	963	432
Feb	1,628	1,302	NA		288	NA		142	233	889	364
Mar	1,610	1,301	NA		270	NA		137	242	828	403
Apr	1,523	1,260	NA		224	NA		124	227	808	364
May	1,554	1,297	NA		213	NA		140	233	787	394
Jun	1,496	1,238	NA		226	NA		153	227	771	345
Jul	1,520	1,212	NA		278	NA		128	226	793	373
Aug	1,516	1,239	NA		253	NA		155	178	776	407
Sep	1,391	1,095	NA		265	NA		144	238	672	337

*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	29	62,600	35
2006	117	111	8	15	65	24	63,600	38
Monthly Data (Seasonally Adjusted Annual Rates)								
2006								
May	123	117	5	16	66	29	62,300	42
Jun	117	118	8	18	70	23	62,600	41
Jul	111	112	7	13	68	24	63,500	40
Aug	108	109	8	14	64	23	65,900	40
Sep	102	108	7	12	63	25	65,800	40
Oct	98	95	7	11	58	20	63,300	41
Nov	96	104	11	14	60	20	65,800	41
Dec	97	102	6	13	64	19	65,800	40
2007								
Jan	94	85	4	8	54	20	64,600	41
Feb	93	84	9	4	52	18	64,200	40
Mar	95	103	7	15	63	19	64,400	39
Apr	98	93	6	12	56	18	64,500	39
May	98	96	6	11	60	20	63,900	38
Jun	101	97	9	10	59	18	62,200	38
July	98	96	7	10	60	19	64,200	37
Aug	96	90	6	5	61	18	68,200	38
Sep	93	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	1,051	63	161	559	267	537	54	97	267	119	NA	NA
	Monthly Data											(Seasonally Adjusted)
	(Seasonally Adjusted Annual Rates)					(Not Seasonally Adjusted)						
2006												
Jul	969	60	137	507	265	568	54	104	289	121	573	7.4
Aug	1,009	86	152	558	213	570	53	103	291	123	568	6.8
Sep	1,004	62	138	550	254	561	51	103	286	121	560	6.8
Oct	952	39	137	527	249	558	54	104	280	120	553	7.1
Nov	987	64	150	536	237	548	54	102	273	119	542	6.5
Dec	1,019	73	181	518	247	537	54	97	267	119	535	6.2
2007												
Jan	890	62	166	492	170	539	55	94	267	123	536	7.2
Feb	840	46	127	462	205	540	54	90	272	124	544	8.1
Mar	830	82	126	421	201	542	52	87	276	127	548	8.3
Apr	907	82	121	495	209	542	52	87	274	129	547	7.4
May	861	84	141	435	201	544	52	85	276	131	543	7.7
Jun	797	65	113	442	177	543	51	85	273	134	541	8.3
Jul	798	45	106	437	210	536	52	83	271	130	537	8.2
Aug	735	61	123	389	162	536	52	81	271	132	531	9.0
Sep	770	57	99	391	223	521	52	79	266	123	523	8.3

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

Sources: Census Bureau, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development
<http://www.census.gov/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	6,778	1,113	1,550	2,540	1,575	2,244	NA
2005	7,076	1,169	1,588	2,702	1,617	2,846	NA
2006	6,478	1,086	1,483	2,563	1,346	3,450	NA
Monthly Data (Seasonally Adjusted Annual Rates)							
2006							
Jul	6,320	1,050	1,430	2,530	1,320	3,861	7.3
Aug	6,310	1,060	1,430	2,520	1,290	3,844	7.3
Sep	6,230	1,040	1,420	2,520	1,260	3,783	7.3
Oct	6,270	1,030	1,420	2,520	1,300	3,860	7.4
Nov	6,250	1,080	1,420	2,470	1,280	3,810	7.3
Dec	6,270	1,070	1,460	2,490	1,250	3,450	6.6
2007							
Jan	6,440	1,060	1,520	2,540	1,320	3,539	6.6
Feb	6,680	1,220	1,560	2,570	1,320	3,805	6.8
Mar	6,150	1,140	1,390	2,410	1,210	3,806	7.4
Apr	6,010	1,040	1,400	2,380	1,190	4,220	8.4
May	5,980	1,090	1,410	2,300	1,180	4,378	8.8
Jun	5,760	1,010	1,380	2,260	1,100	4,368	9.1
Jul	5,750	1,020	1,350	2,260	1,120	4,561	9.5
Aug	5,480	1,000	1,280	2,180	1,010	4,383	9.6
Sep	5,040	900	1,190	2,050	910	4,399	10.5

*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	246,500	346,000	213,500	208,200	337,700	305,900	264,900
Quarterly Data							
2006							
Q3	235,600	380,500	216,800	195,100	342,200	308,100	264,400
Q4	245,400	351,400	216,200	207,400	356,500	299,600	268,600
2007							
Q1	257,400	370,300	212,800	222,900	341,500	322,100	273,700
Q2	242,200	304,900	203,200	208,300	344,600	310,000	267,100
Q3	241,700	296,400	205,600	212,400	309,400	298,500	262,200

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

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

Sources: Census Bureau, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development http://www.census.gov/const/quarterly_sales.pdf (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	221,900	271,900	167,800	183,700	342,700	268,200
Monthly Data						
2006						
Jul	230,200	274,600	177,000	192,500	346,200	275,400
Aug	224,000	272,600	171,800	184,800	345,300	270,000
Sep	220,900	260,400	168,300	184,500	338,800	266,400
Oct	218,900	255,400	166,600	183,700	341,800	264,600
Nov	217,300	266,900	163,900	178,600	349,400	265,100
Dec	221,600	284,000	166,200	180,900	348,300	268,000
2007						
Jan	210,900	262,200	161,300	175,200	321,700	257,300
Feb	213,600	263,000	155,300	178,600	336,700	260,100
Mar	217,400	272,500	160,900	179,900	335,000	265,200
Apr	219,800	283,000	164,000	179,800	343,400	268,100
May	222,700	285,400	166,100	182,800	342,000	270,600
Jun	229,200	293,000	170,100	189,500	347,400	276,500
Jul	228,700	292,300	173,800	185,500	349,400	276,000
Aug	224,400	282,300	177,800	183,200	332,300	269,300
Sep	211,700	261,700	170,700	174,400	308,900	257,800

*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	62.5	69.2	69.3	68.8	68.7	59.0	65.1	64.3	55.1	45.5
1976	66.3	71.9	70.5	70.5	72.0	63.8	68.8	68.6	60.1	53.4
1977	73.6	77.3	74.8	75.2	78.2	70.9	76.2	76.6	68.8	66.1
1978	83.5	87.5	80.4	83.5	86.9	81.5	87.1	87.4	80.7	78.8
1979	94.9	100.6	94.4	93.1	95.6	94.0	96.5	97.7	95.0	91.5
1980	102.5	104.6	104.0	101.9	99.7	103.2	102.5	101.0	102.4	104.0
1981	108.2	112.3	107.9	109.2	103.3	112.4	101.5	103.8	111.0	112.6
1982	111.5	117.4	112.6	114.6	105.7	122.9	102.1	100.2	117.6	114.8
1983	115.5	131.1	119.0	118.2	110.2	126.0	106.8	103.0	119.8	116.2
1984	120.7	154.8	133.6	123.0	113.4	125.3	110.8	105.3	119.9	120.6
1985	127.7	187.3	151.6	128.9	118.7	124.8	115.3	109.5	122.3	125.9
1986	137.5	228.7	176.1	136.9	124.9	125.9	120.1	116.2	126.3	133.5
1987	148.1	269.0	208.4	146.2	131.7	118.6	124.7	125.3	125.8	145.7
1988	157.4	287.8	229.4	156.4	135.9	112.1	127.2	134.5	123.8	166.4
1989	166.4	289.6	235.3	165.0	139.1	112.6	130.4	142.8	125.0	198.9
1990	170.7	278.0	234.1	168.6	141.5	114.0	132.6	149.7	127.7	216.6
1991	172.9	263.9	232.3	171.3	145.1	116.6	135.7	155.6	132.2	219.4
1992	176.8	260.5	236.9	175.7	150.3	120.8	140.1	162.0	138.8	219.0
1993	179.9	259.5	239.7	178.8	155.8	125.0	144.9	167.8	148.1	214.3
1994	183.3	256.2	237.4	180.8	163.4	129.0	152.7	176.2	162.5	209.7
1995	188.3	258.8	237.7	185.1	171.4	132.3	160.0	185.4	174.4	210.3
1996	194.9	265.7	242.4	191.4	179.6	136.7	167.4	195.5	183.9	214.0
1997	201.8	274.2	246.2	197.8	187.0	140.5	174.8	205.3	191.9	221.1
1998	212.1	290.6	256.4	207.4	196.4	147.3	183.4	214.8	200.8	236.6
1999	222.6	314.9	267.5	216.2	203.1	154.0	194.3	224.9	209.0	250.3
2000	237.8	352.6	286.9	228.5	209.4	161.6	207.5	237.4	221.7	274.8
2001	256.6	392.2	311.8	246.8	220.4	171.5	222.8	250.7	237.5	304.2
2002	274.4	437.2	342.1	263.9	227.2	177.8	236.8	262.1	247.7	332.2
2003	293.1	478.5	373.8	282.6	235.4	184.3	249.3	272.3	258.2	366.6
2004	324.3	536.2	421.3	315.9	245.5	191.5	266.7	287.6	281.7	435.1
2005	366.3	596.0	480.0	369.8	261.5	202.5	285.3	305.2	326.6	524.6
2006	399.1	622.7	525.6	413.4	281.1	218.2	297.8	315.9	368.8	591.5
Quarterly Data										
2006										
Q2	396.8	621.1	523.0	410.4	278.9	216.1	295.9	314.4	364.9	588.8
Q3	401.4	622.0	528.2	415.2	283.5	220.2	298.8	316.2	372.4	597.7
Q4	406.8	627.1	535.4	423.7	288.8	224.2	302.6	319.7	380.5	601.3
2007										
Q1	409.1	628.1	539.2	426.0	292.1	227.0	304.7	320.9	384.9	602.2
Q2	409.4	624.3	538.7	426.2	295.4	229.7	305.9	320.4	387.1	601.0

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	221,900	6.58	57,612	54,288	106.1	105.7	108.1
Monthly Data							
2006							
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	220,800	6.45	58,447	53,328	109.6	109.5	110.7
2007							
Jan	209,300	6.42	58,480	50,400	116.0	115.9	117.0
Feb	212,400	6.46	58,615	51,360	114.1	114.0	115.6
Mar	216,200	6.38	58,750	51,840	113.3	113.0	115.5
Apr	219,300	6.34	58,885	52,368	112.4	112.2	114.7
May	221,900	6.43	59,021	53,472	110.4	110.2	112.3
Jun	229,200	6.63	59,157	56,400	104.9	104.6	107.1
Jul	228,500	6.80	59,292	57,216	103.6	103.1	107.2
Aug	223,700	6.79	59,427	55,920	106.3	105.9	108.5
Sep	210,200	6.66	59,563	51,888	114.8	114.8	115.2

*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	113,000	63	\$942
2006 ^r	116,300	58	\$1,028
Quarterly Data			
2006**			
Q2	28,600	61	\$985
Q3 ^r	33,800	52	\$1,077
Q4 ^r	32,300	58	\$1,035
2007			
Q1 ^r	28,500	55	\$950
Q2	26,900	54	\$1,013

^rRevised.

*Data are from the Survey of Market Absorption, which samples nonsubsidized, privately financed, unfurnished apartments in rental buildings of 5 or more units.

**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)				
2006				
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	48	26
Feb	39	40	53	29
Mar	36	36	50	28
Apr	33	33	44	27
May	30	31	41	22
Jun	28	29	39	22
Jul	24	24	34	19
Aug	22	22	31	16
Sep	20	20	26	17
Oct	18	18	26	15

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	5.53	0.7
Monthly Data						
2006						
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
2007						
Jan	6.22	0.4	5.97	0.4	5.47	0.5
Feb	6.29	0.4	6.02	0.4	5.51	0.7
Mar	6.16	0.4	5.88	0.4	5.44	0.6
Apr	6.18	0.5	5.88	0.5	5.45	0.6
May	6.26	0.4	5.97	0.4	5.52	0.7
Jun	6.66	0.4	6.34	0.4	5.68	0.7
Jul	6.70	0.4	6.36	0.4	5.71	0.5
Aug	6.57	0.4	6.23	0.4	5.67	0.6
Sep	6.38	0.5	6.05	0.5	5.66	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								
2006								
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
2007								
Jan	6.36	0.44	6.42	29.2	6.25	0.39	6.31	30.1
Feb	6.37	0.45	6.44	29.4	6.27	0.55	6.35	29.9
Mar	6.30	0.45	6.37	29.4	6.15	0.45	6.22	29.9
Apr	6.27	0.44	6.33	29.3	6.10	0.46	6.16	30.3
May	6.35	0.48	6.42	29.4	6.17	0.48	6.24	30.1
Jun	6.57	0.47	6.64	29.6	6.35	0.50	6.42	30.1
Jul	6.76	0.47	6.83	29.3	6.39	0.54	6.46	30.1
Aug	6.73	0.51	6.81	29.2	6.52	0.46	6.58	30.1
Sep	6.57	0.52	6.65	29.2	6.52	0.45	6.58	30.2

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					
2006					
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	11,921	123,626
Nov	55,122	40,239	22,853	10,582	103,934
Dec	41,530	35,400	18,383	9,428	154,537
2007					
Jan	47,650	43,308	22,146	11,429	108,980
Feb	50,003	36,326	16,483	8,880	118,214
Mar	66,885	41,109	19,472	10,550	183,919
Apr	67,529	41,032	21,489	9,964	161,000
May	72,740	48,085	24,236	11,780	198,958
Jun	73,444	48,838	25,776	12,283	198,258
Jul	69,637	51,445	26,459	12,350	171,585
Aug	87,277	53,606	29,153	13,495	197,399
Sep	83,562	48,208	25,739	10,653	159,719

NA = Data not available.

*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	97	14,603	873.3	614	59,451	2,252.5	228	26,898	1,425.6
2007 (9 mos.)	76	11,964	815.5	319	27,600	928.8	97	9,741	646.2

*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											
	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
2006	4.61	NA	2.39	12.27	12.74	6.67	0.96	NA	0.36	2.89	3.38	1.55	0.46	NA	0.19	1.81	0.83	0.35
Quarterly Data (Seasonally Adjusted)																		
2006																		
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
Q4	4.95	NA	2.57	13.33	13.46	6.82	0.96	NA	0.33	3.13	3.30	1.50	0.54	NA	0.24	2.00	0.93	0.34
2007																		
Q1	4.84	NA	2.58	13.77	12.15	6.49	0.98	NA	0.36	3.35	3.34	1.52	0.58	NA	0.25	2.43	0.90	0.41
Q2	5.12	NA	2.73	14.82	12.58	6.15	1.11	NA	0.42	3.83	3.16	1.37	0.65	NA	0.27	2.72	0.79	0.37

* 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 Repairs¹	Improvements					Major Replacements²
			Total	Additions and Alterations²			To Property Outside the Structure	
				Total	Additions³	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 Repairs¹	Total	Improvements				Major Replacements²
				Additions and Alterations²				
				Total	Additions³	Alterations⁴	Other Property Improvements	
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	
2006	228,208	53,389	174,819		13,519	129,918	31,382	
Quarterly Data (Seasonally Adjusted Annual Rates)								
2006								
Q2	225,000	54,500	170,500		NA	NA	NA	
Q3	231,000	52,800	178,300		NA	NA	NA	
Q4	226,000	53,200	172,800		NA	NA	NA	
2007								
Q1	217,300	55,000	162,200		NA	NA	NA	
Q2	226,700	58,000	168,700		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	641,345	480,807	433,510	47,297	160,538
2006	641,332	469,017	415,997	53,020	172,315
Monthly Data (Seasonally Adjusted Annual Rates)					
2006					
Jul	636,624	465,255	413,524	51,731	NA
Aug	625,436	452,787	400,938	51,849	NA
Sep	614,444	444,303	390,611	53,692	NA
Oct	601,304	430,047	375,691	54,356	NA
Nov	589,985	418,725	363,544	55,181	NA
Dec	580,723	411,123	356,469	54,654	NA
2007					
Jan	567,526	398,128	344,273	53,855	NA
Feb	562,934	386,124	333,053	53,071	NA
Mar	555,606	383,530	330,871	52,659	NA
Apr	551,730	377,968	326,884	51,084	NA
May	544,767	370,579	320,263	50,316	NA
Jun	538,721	364,693	315,015	49,678	NA
Jul	528,017	357,344	308,557	48,787	NA
Aug	518,559	347,608	299,053	48,555	NA
Sep	511,355	336,686	288,514	48,172	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	11,685.9	675.5	5.8
2005	12,433.9	768.2	6.2
2006	13,194.7	764.8	5.8
Quarterly Data (Seasonally Adjusted Annual Rates)			
2006			
Q3	13,266.9	746.1	5.6
Q4	13,392.3	715.3	5.3
2007			
Q1	13,551.9	687.5	5.1
Q2	13,768.8	664.8	4.8
Q3	13,926.7	627.4	4.5

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
2006	1,344	43	185	(160)	(243)	508	682	329
Quarterly Data								
2006								
Q3	179	149	(41)	2	(38)	79	114	(85)
Q4	303	(32)	53	117	(206)	(47)	390	28
2007								
Q1	(228)	(149)	74	(87)	(164)	(97)	94	102
Q2	637	(98)	138	(84)	149	261	36	233
Q3	(42)	265	(78)	24	(276)	73	(74)	24

*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 [†]	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 [†]	1,372	(60)	234	21	427	142	14	35	562
1985	1,499	(178)	447	189	233	(12)	62	436	319
1986	1,669	458	125	187	81	171	71	363	213
1987	1,021	75	529	96	235	43	95	(39)	(12)
1988 [†]	1,645	(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
2006	1,344	64	226	54	169	93	100	452	186
Quarterly Data									
2006									
Q3	179	(414)	335	75	363	(47)	4	52	(188)
Q4	303	50	(26)	(241)	(134)	234	(64)	233	249
2007									
Q1	(228)	373	(167)	72	13	(178)	(150)	(125)	(65)
Q2	637	211	218	58	(101)	32	174	(20)	66
Q3	(42)	(842)	310	15	278	78	(1)	261	(141)

*Units in thousands.

[†]Implementation 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.

⁵Primary 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
2006	1,344	511	214	126	26	467
Quarterly Data						
2006						
Q3	179	151	(76)	13	29	62
Q4	303	109	51	55	(33)	121
2007						
Q1	(228)	(272)	(20)	131	(98)	32
Q2	637	219	184	4	6	223
Q3	(42)	(305)	30	40	76	117

*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.

⁵Beginning 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 ¹	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										
2006										
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
2007										
Q1	127,266	4,170	123,096	13,392	3,956	2,179	7,257	109,704	75,006	34,698
Q2	127,728	4,330	123,398	13,057	3,731	2,037	7,289	110,341	75,283	35,058
Q3	128,189	4,558	123,633	13,334	3,866	2,074	7,394	110,299	75,181	35,118

*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 Status¹				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
2006	9.7	9.7	10.0	9.3	10.0	7.1	12.4	11.6	6.8	9.8	9.9	10.2
Quarterly Data												
2006												
Q3	9.9	10.0	10.3	9.6	9.7	7.7	12.6	11.9	6.5	10.2	10.0	10.0
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
2007												
Q1	10.1	10.1	10.2	10.1	10.0	7.1	12.1	13.1	6.5	10.3	10.2	10.7
Q2	9.5	9.6	10.0	9.2	8.4	7.4	11.1	11.5	6.7	9.2	9.8	10.1
Q3	9.8	9.8	10.2	9.3	9.4	7.1	11.6	12.1	6.8	9.4	10.2	10.4

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
2006	68.8	24.8	41.8	55.9	68.9	76.2	80.9	80.9
Quarterly Data								
2006								
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
2007								
Q1	68.4	25.2	40.7	54.0	68.3	75.8	80.4	80.9
Q2	68.2	23.6	41.7	54.6	67.6	75.5	80.6	80.5
Q3	68.2	25.3	40.5	55.3	68.1	75.2	81.1	79.9

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

² Beginning 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								
2006								
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
2007								
Q1	68.4	64.8	72.2	70.6	63.6	54.1	75.7	75.1
Q2	68.2	65.4	71.8	69.9	64.1	53.8	75.6	74.9
Q3	68.2	65.2	71.9	70.1	63.5	53.5	75.7	75.2

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 ⁴	
March Supplemental Data					
1983 ¹	69.1	45.6	53.3	NA	41.2
1984 ^r	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 ^r	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					
2006					
Q3	76.0	49.0	61.6	60.7	49.7
Q4	76.0	48.9	60.8	61.1	49.5
2007					
Q1	75.3	48.6	59.6	58.7	50.1
Q2	75.4	47.1	60.6	58.7	50.0
Q3	75.3	47.2	60.9	60.3	50.1

¹Implementation of new March CPS processing system.

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

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

³ Beginning in 2002, CPS data weighted based on the 2000 decennial census data and housing unit controls.

⁴ Beginning 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 ¹	73.9	81.7	38.0	64.9	44.6
1989	74.3	82.0	35.8	64.4	45.6
1990	73.5	82.2	36.0	64.3	46.6
1991	73.0	83.0	35.6	65.6	46.8
1992	73.4	83.0	35.1	64.9	47.3
1993 ²	73.7	82.9	35.5	63.9	47.1
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					
2006					
Q3	80.3	87.5	45.9	67.7	53.7
Q4	80.2	87.6	45.6	68.0	53.5
2007					
Q1	79.1	87.6	44.4	66.5	53.1
Q2	79.2	87.7	43.9	65.0	53.0
Q3	80.0	87.5	44.5	65.5	52.4

¹Implementation of new March CPS processing system.

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

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

³Beginning 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.)

<http://www.huduser.org>