The sales housing market in the Reading metropolitan area currently is soft, with an estimated 1.9-percent vacancy rate, an increase from 1.7 percent on April 1, 2010. Vacancy rates increased during the past 12 months as a result of declining demand. According to TREND MLS, during the 12 months ending November 2011, approximately 3,075 new and existing single-family homes sold, indicating a 6-percent decrease from sales a year earlier and a 44-percent decrease from the average annual volume of 5,500 sales recorded from November 2003 through November 2007. The average sales price of new and existing single-family homes decreased by 6 percent during the 12 months ending November 2011, to $152,400, 15 percent less than the decade-high price of $178,900 reported during the 12 months ending November 2007. According to LPS Applied Analytics, 5.9 percent of mortgage loans in the metropolitan area were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) in November 2011, compared with 5.5 percent of loans in November 2010.

Because the existing sales housing market has softened, builders have curtailed construction of new homes. A combination of decreased demand for new homes and, more recently, stricter financing requirements has led to the decline in single-family building activity. Based on preliminary data, building permits were issued for approximately 160 single-family homes during the 12 months ending November 2011, fewer than both the 190 issued during the same 12-month period in 2010 and the average of 350 single-family homes permitted annually from 2007 through 2009.

The rental housing market in the Reading metropolitan area is currently soft, with an estimated vacancy rate of 7.0 percent. Increased demand has reduced rental vacancy rates since April 1, 2010, when the rate was 7.5 percent. Based on analyst estimates, average rents for newly constructed one-, two-, and three-bedroom units in the area were $1,100, $1,300, and $1,500, respectively. Based on preliminary data with analyst adjustments, approximately 350 single-family homes permitted annually from 2007 through 2009.

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