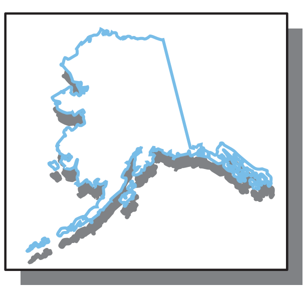
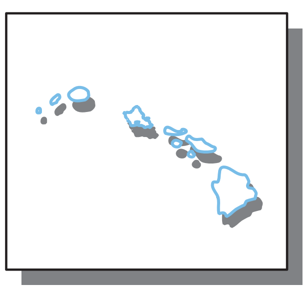
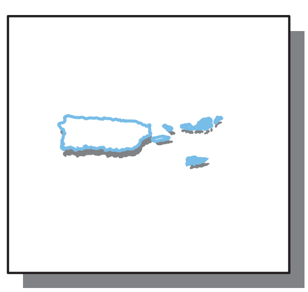
Regional Activity





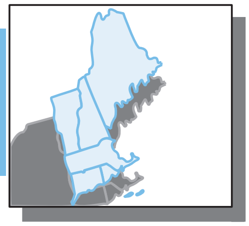


The following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends within each region of HUD management. Also included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

Regional Reports

New England

HUD Region I*



After peaking at about 7.2 million jobs in mid-2008, nonfarm employment in the New England region continued to decline through 2009, averaging about 6.8 million jobs, down 223,500, or 3.2 percent, compared with the loss of only 9,500 jobs, or 0.1 percent, during 2008. Job losses during 2008 and 2009 exceeded the combined gains of 192,500 jobs added in the region between 2004 and 2007 by more than 20 percent. During 2009, the only sector reporting growth was education and health services, which increased by 19,100 jobs, or 1.5 percent, to 1.3 million. This sector represents nearly 20 percent of the nonfarm jobs in the region. The manufacturing and construction sectors accounted for the loss of 50,500 and 44,300 goods-producing jobs, or 7.3 and 15.4 percent, respectively. Major losses in the service-providing sectors were recorded in the professional and business services and trade sectors, with losses of 46,600 and 43,500 jobs, or 5.2 and 8.3 percent, respectively, in 2009 compared with the number of jobs in 2008.

All states in the region reported job losses during 2009. Massachusetts had the largest employment decline with 97,000 jobs lost, or 3.0 percent, including losses of 24,900, or 5.1 percent, and 21,600, or 9.8 percent, in the professional and business services and trade sectors, respectively. Connecticut lost 62,400 jobs, a 3.7-percent decline, including 15,400 professional and business services jobs, 13,000 manufacturing jobs, and 12,700 construction jobs, declines of 7.5, 7.2, and 19.5 percent, respectively. Rhode Island lost 19,900 jobs, or 4.1 percent, which was the highest percentage decline in the region; it was nearly twice the rate of job losses during the previous year. Losing only 13,700 jobs, New Hampshire posted the smallest percentage job loss—2.1 percent. During 2009, the unemployment rate in the New England region averaged 8.4 percent, up from 5.4 percent in 2008. Average unemployment rates for the states in the region ranged from 6.5 percent in New Hampshire to 12.0 percent in Rhode Island.

Despite a weak economy, the existing home sales markets have become more balanced in most New England states, a result of lower interest rates and home prices and higher consumer activity because of the first-time homebuyer's tax credit. According to the Massachusetts Association of REALTORS® (MAR), during 2009, existing home sales were up 4 percent to 37,020 homes from 35,560 home sales in 2008 but were down 14 percent from 2007, when 41,585 homes sold. The median sales price was down 7 percent to $290,000 in 2009 from $311,000 in 2008 and was 16 percent lower than the $345,500 median sales price in 2007. The inventory of homes on the market in 2009 decreased 14 percent to 21,750, or to a 7-month supply, compared with the inventory in 2008. The Rhode Island Association of REALTORS® (RIAR) reported that home sales totaled 7,720 units in 2009, representing an increase of 16 percent compared with the decline of 13 percent in 2008. This positive trend was due primarily to a 28-percent collective increase in the number of distressed home sales, foreclosure sales, and short sales, with 2,630 homes sold in 2009. The median sales price continued to decline in 2009, however, to $199,900, down 15 percent, which is the same rate of decline recorded from 2007 to 2008.

The Maine Real Estate Information System, Inc., reported that existing home sales in Maine increased by 10 percent during 2009 to 10,490 homes. The decrease in the median sales price, however, down to $164,000, was accelerated from a decline of 7 percent in 2008 to a decline of 9 percent in 2009. According to the Northern New England Real Estate Network (NNEREN), the number of existing homes sold in New Hampshire increased 6 percent to 10,830 units in 2009, compared with a decline of 15 percent from the number sold in 2007. The median sales price, however, fell to $212,000, a 10-percent decline from $235,000, similar to the percentage decline for 2007. The existing home sales market in Connecticut continued to soften. The Warren Group reported that about 24,400 existing homes were sold during 2009, representing a decrease of only 2 percent from the 24,860 homes sold in 2008. The median sales price for 2009 was $240,500, down 10 percent from the median price in 2008.

According to the Federal Housing Finance Agency, home prices in the New England region decreased by slightly more than 2 percent during the third quarter of 2009 compared with home prices during the third quarter of 2008. New England ranked fourth among the nine census regions, just above the nearly 4-percent decrease in home prices recorded nationally. The price changes for the individual states ranged from a loss of almost 5 percent in Connecticut to an increase of more than 2 percent in Vermont. According to RealtyTrac® Inc., nearly 71,400 foreclosure filings were reported in the New England region during 2009, nearly 16 percent fewer than the 82,500 foreclosures filed during 2008. The resulting foreclosure rate for 2009 was 1.3 percent, significantly lower than the national rate of 2.2 percent. Connecticut and

*For an explanation of HUD's regions, please turn to page 45 at the end of the Regional Reports section.

Massachusetts had rates of 1.4 and 1.3 percent, respectively, totaling almost 80 percent of the total foreclosure filings in the region. Vermont, with 143 foreclosures, had the fewest filings and the lowest rate in the nation at 0.05 percent.

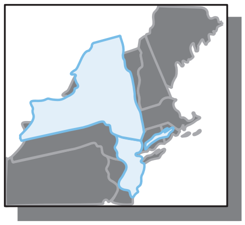
Condominium markets in the New England region have remained soft. With the exception of Massachusetts, all states in the region reported that sales levels, in general, were down in 2009 from sales in 2008 and that percentage declines in median sales prices have been comparable to the existing home sales market, down 7 to 16 percent. According to MAR, during 2009, condominium sales in Massachusetts increased 2 percent to 15,360 units compared with the number of condominium sales in 2008; the median sales price was down 7 percent to $252,000. In Connecticut, The Warren Group reported that during 2009 condominium sales totaled 7,360 units, down 14 percent from 2008, and the median sales price declined by approximately 9 percent to $178,000. During 2009 condominium sales in Rhode Island, as reported by RIAR, totaled 1,200 units, down only 1 percent, but the median sales price of $179,000 represented a decline of almost 17 percent. In New Hampshire, according to NNEREN, condominium sales were flat, at about 2,750 units, but the median sales price was down 8 percent to $165,000.

Because of falling home sales prices and decreased demand for new homes, single-family homebuilding activity, as measured by the number of homes permitted, declined significantly in the New England region in 2009. During 2009, the number of homes permitted declined by 17 percent to 9,960 homes compared with about 12,040 homes in 2008, based on preliminary data. The largest absolute decrease and percentage decrease for 2009 occurred in Connecticut, where permits were issued for only 1,850 homes, representing a decline of 31 percent from the number of homes permitted 2008. In 2009, compared with 2008, new home construction in New Hampshire decreased by 28 percent to 1,310 homes and in Rhode Island by 19 percent to 700 homes. In Massachusetts, permits were issued for 4,050 homes, down only 6 percent; these permits represented 40 percent of all single-family construction in the region. During 2009, new home construction activity fell in all major metropolitan areas in the region; however, the rate of decline decreased significantly. The number of homes permitted in Boston in 2009 was 3,050, down only 8 percent from the number permitted in 2008, which indicates an improvement when compared with the decline of 36 percent from 2007 to 2008. Homes permitted in Providence during 2009 declined 15 percent to 1,050 compared with a decrease of 42 percent during the previous year.

The level of multifamily construction, as measured by the number of units permitted, also declined in the New England region in 2009. Only 5,140 multifamily units were permitted in 2009, based on preliminary data, down 36 percent from the 8,040 units permitted in 2008. From 2004 through 2007, an average of 14,000 multifamily units were permitted annually. The largest decreases in multifamily units permitted were recorded in Connecticut and Massachusetts, where the declines were 35 percent, down to 1,300 units, and 42 percent, down to 2,450 units, respectively. The number of units permitted in Maine declined 48 percent, down to 225 units, and in New Hampshire declined 38 percent, down to 560 units. The number of multifamily units permitted in Vermont and Rhode Island was up 27 percent to 350 units and up 29 percent to 255 units, respectively; however, these totals were not large enough to offset the overall declining trend in the region.

Conditions in most New England rental markets were balanced at the end of 2009; however, rental vacancy rates increased moderately in most areas as job losses and weakening economies curtailed demand. During the past 5 years, the Boston area rental market added about 4,000 new rental units annually, according to Reis, Inc. In the fourth quarter of 2009, the apartment vacancy rate was 6.4 percent, up from 6.0 percent in the fourth quarter of 2008. The vacancy rate in the newer Class A inventory was 7.9 percent, up from 7.5 percent a year earlier. The average rent in the fourth quarter of 2009 was $1,696, down nearly 3 percent from a year earlier. In Connecticut, Fairfield County added only 360 new rental units to the inventory during 2008; however, the apartment vacancy rate increased to 5.5 percent during the fourth quarter of 2009, up from 4.3 percent in the fourth quarter of 2008. Reis, Inc., estimates that 1,100 rental units were under construction at the end of 2009. In the fourth quarter of 2009, the average rent of $1,739 was down more than 4 percent from the average rent recorded in the previous year. The apartment vacancy rate in the Hartford metropolitan area increased from 5.2 percent in 2008 to 6.2 percent in 2009, but the rental inventory for the area remained virtually unchanged. During the fourth quarter of 2009, the average rent of $963 was down less than 1 percent from the average rent a year earlier. In the Providence metropolitan area, a soft rental market was affected by job losses and an increasing unemployment rate. In the fourth quarter of 2009, the apartment vacancy rate was up to 8.5 percent from the 7.9-percent rate recorded in the fourth quarter of 2008. In 2009, the average rent of $1,204 was down nearly 3 percent from the average rent in 2008.

New York/ New Jersey



HUD Region II

Employment in the New York/New Jersey region declined by 304,500 jobs in 2009, or 2.4 percent, to 12.5 million, compared with 2008 employment levels. This loss reversed a growth trend that occurred from 2004 to 2008; in 2008, 40,300 jobs were added to the regional economy, a 0.3-percent annual increase. During 2009, however, average annual nonfarm employment in New York State decreased by 183,500 jobs, or 2.1 percent, to 8.6 million. In New Jersey, average annual nonfarm employment decreased by 121,000 jobs, or 3 percent, to 3.9 million.

Widespread job losses occurred in most sectors of the regional economy. In 2009, service-providing employment decreased by 191,900, or nearly 2 percent, to 11.3 million compared with employment in 2008. Losses ranging between 4 and 5 percent occurred in the professional and business services, financial activities, and information sectors, totaling 139,400 eliminated jobs in those sectors during 2009. Manufacturing employment declined by 65,000 jobs, or almost 8 percent, to 768,000. This decline affected both states, with New York losing 39,900 jobs and New Jersey losing 25,100 jobs, down 7.5 and 8.4 percent, respectively, from the number of jobs in 2008. The only significant employment growth occurred in the education and health services sector, which added 40,000 jobs, a 1.8-percent gain, up to nearly 2.3 million jobs.

Approximately 45 percent of the total job losses in New York State were due to declines in New York City employment. In 2009, average annual nonfarm employment in the city decreased by 83,000, or 2.2 percent, to 3.7 million jobs. In 2008, 46,400 jobs were created in the city, a 1.2-percent gain compared with the number of jobs in 2007. In 2009, employment losses were concentrated in the financial activities sector and professional and business services sector, which lost 29,200 and 24,100 jobs, or 6.3 and 4 percent, respectively. Those losses were primarily due to the restructuring of the financial and banking industries in the city. Manufacturing employment in the city declined in 2009 by 11,800 jobs, or 12 percent, to 83,800 jobs. The average annual unemployment rate in the New York/New Jersey region increased from 5.4 percent in 2008 to 8.6 percent in 2009. During this period, the unemployment rate in New York increased from 5.4 to 8.3 percent and in New Jersey from 5.5 to 9.0 percent. The unemployment rate in New York City increased from 5.5 to 9.2 percent.

Existing home sales have continued to decline in New York State since 2006, but they improved slightly in New Jersey during 2009. The New York State Association of REALTORS® reported a 3-percent decrease in single-family sales (excluding parts of New York City) from 79,700 homes in 2008 to 77,200 homes in 2009. In 2008, sales declined by 15,200 homes, or 16 percent. In 2009, the median price of an existing home in New York decreased nearly 7 percent to $199,000 compared with the median price in the previous year. According to the Greater Capital Association of REALTORS®, home sales in the Albany-Schenectady-Troy metropolitan area declined almost 5 percent to 8,000 homes in 2009, with nearly a 5-percent decrease in median price to $183,500 compared with prices in 2008. Existing home sales market conditions are becoming more balanced, with a current estimated supply of approximately 8 months. The Buffalo Niagara Association of REALTORS® reported that in 2009, home sales decreased 3 percent to 9,900 units compared with homes sales in 2008, but the median price increased 9 percent to $105,000. In 2009, the number of active property listings declined nearly 6 percent to an average of 5,275 units a month, reflecting the balanced sales market conditions. Sales market conditions were also balanced in the Rochester area. According to the Greater Rochester Association of REALTORS®, the 8,350 homes sold in 2009 was comparable to 2008 sales levels, but the median price of an existing home decreased approximately 1 percent to $116,000. According to RealtyTrac® Inc. statistics, the number of foreclosure filings in New York State increased less than 1 percent in 2009 compared with the number filed in 2008.

Prudential Douglas Elliman Real Estate reported that despite the effects of employment losses, condominium/co-op sales in Manhattan increased 8 percent to 2,475 units during the fourth quarter of 2009 compared with sales volume during the fourth quarter of 2008. As a result, the listing inventory declined 25 percent from 9,100 to 6,850 units during 2009. Although sales increased, time-on-the-market increased 28 percent, from 159 to 204 days, and units were closing at nearly 13 percent below the asking price compared with 7 percent below the asking price reported in the same quarter of 2008. During 2009, the median price of an existing condominium/co-op decreased 10 percent, to $810,000, from the median price during 2008.

Sales market conditions in New Jersey are soft. According to preliminary data from the New Jersey Association of REALTORS®, however, single-family home sales increased nearly 10 percent to 32,200 units in the third quarter of 2009 (the most recent data available) compared with sales in the same quarter of 2008. Home sales increased by 14 percent in Central New Jersey to 8,675 homes and by 8 percent in Southern New Jersey to 8,375 homes. Sales volume in Northern New Jersey increased nearly 9 percent to 15,200 homes during the third quarter of

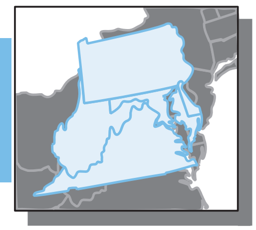
2009. During this same period, the median price of an existing home in New Jersey declined nearly 12 percent to $322,700 compared with the price during the third quarter of 2008. In Northern New Jersey, the most expensive area of the state, the median price of a home in 2009 decreased 14 percent to $388,500 compared with 2008 prices. The median sales price in Central New Jersey declined 11 percent to $320,400 from 2008 to 2009 and declined 7 percent to $216,100 in Southern New Jersey. In 2009, RealtyTrac® Inc. reported that the number of new foreclosure filings in New Jersey increased slightly more than 1 percent compared with the number filed in 2008.

As a result of fewer home sales and increased apartment vacancies, housing construction declined significantly in the New York/New Jersey region in 2009. Regionwide, single-family construction activity, as measured by the number of building permits issued, decreased by almost 25 percent to 16,600 homes permitted in 2009 compared with the number permitted in 2008, based on preliminary data. This trend included a 27-percent decrease, to 9,450, in the number of single-family homes permitted in New York and a 21-percent decline to 7,150 single-family homes permitted in New Jersey. In the region, multifamily housing construction activity, as measured by the number of units permitted, declined by nearly 74 percent in 2009 to 13,025 units, based on preliminary data. The most significant decrease occurred in New York, where the number of multifamily units permitted decreased 80 percent to 7,925. A significant decline in new multifamily construction occurred in the New York-Northern New Jersey-Long Island Metropolitan Statistical Area, where the number of units permitted declined more than 75 percent from 43,650 to 10,250 units. In New Jersey, the number of multifamily units permitted decreased by 4,900 units, or 49 percent, to 5,100 units.

Declining employment contributed to a moderate softening of rental markets throughout much of the region. Apartment vacancy rates in New York and New Jersey increased slightly and rent levels in many areas either increased moderately or declined slightly. Reis, Inc., data indicates that, although the New York City rental market remains tight, the apartment vacancy rate increased from 2.3 to 2.9 percent in the fourth quarter of 2009 compared with the rate in the same quarter of 2008. During the fourth quarter of 2009, apartment vacancy rates in Central New Jersey increased from 3.6 to 3.9 percent and in Northern New Jersey from 3.5 to 5.2 percent. Average monthly apartment asking rents in New York City declined by 5.1 percent, from $2,885 to $2,739 a month, during the fourth quarter of 2009 compared with rents during the fourth quarter of 2008. Monthly asking rents in 2009 decreased to $1,146 in Central New Jersey, down 1 percent, and to $1,482 in Northern New Jersey, down more than 2 percent, compared with rent levels in 2008. Vacancy rates in Upstate New York metropolitan areas also increased in the fourth quarter of 2009, but rental markets still remain balanced. Apartment vacancy rates increased from 4.1 to 5.4 percent in the Buffalo metropolitan area, from 3.9 to 4.7 percent in the Rochester metropolitan area, and from 3.5 to 4.4 percent in the Syracuse metropolitan area. Average asking rents for apartments in Upstate New York metropolitan areas increased from $681 to $686 in Syracuse and from $747 to $754 in Rochester. During the fourth quarter of 2009, average monthly rents remained stable at $727 in the Buffalo metropolitan area compared with rents during the fourth quarter of 2008.

Mid-Atlantic

HUD Region III



The economic decline in the Mid-Atlantic region that began in the fourth quarter of 2008 worsened during 2009. Nonfarm employment during 2009 averaged 13.7 million jobs, a decline of 341,200, or 2.4 percent, from the 14.1 million jobs recorded during 2008. Employment decreased in all sectors except the education and health services and the government sectors. The education and health services sector grew by 45,830 jobs, or 2.1 percent, a significant decline from the 60,800 jobs added during 2008. The government sector grew by 21,900 jobs, or 0.9 percent, significantly less than the 30,900 jobs gained in 2008. The federal government subsector increased by 17,300 jobs, more than twice the increase of 8,470 during 2008. Nearly 62 percent of the growth in federal government jobs occurred in the Washington, D.C., metropolitan area, where approximately 10,650 new positions were added during 2009.

During 2009, job losses totaled nearly 103,000 in the manufacturing sector, 80,900 in the construction sector, and 69,900 in the wholesale and retail trade subsectors combined, representing losses of 9.1, 11.6, and 3.5 percent, respectively. Each state in the Mid-Atlantic region posted job losses during 2009. Employment declines ranged from a loss of 18,940 jobs in Delaware, down 4.4 percent from 2008, to a loss of 159,800 jobs, or 2.8 percent, in Pennsylvania. The most significant losses in Delaware were in the professional and business services sector, which lost 4,980 jobs, or 8.5 percent. In Pennsylvania, manufacturing led the decline, losing 64,980 jobs, or 10.1 percent, during 2009. Virginia and Maryland lost 90,580 and 55,320 jobs, a decrease of 2.4 and 2.1 percent, respectively. In West Virginia, employment declined by 20,060 jobs, or 2.6 percent. In Maryland and Virginia, weakness in the housing market contributed to losses of 26,240 and 27,410 construction sector jobs, respectively. In West Virginia, the loss of 5,430 jobs in the manufacturing sector led the decline. Bolstered by a gain of 5,000 jobs in the federal government subsector and an increase of 3,780 jobs in the education and health services sector, the District of Columbia reported an increase of 3,480 jobs, or 0.5 percent, from the number of jobs a year earlier. During 2009, the regional unemployment rate averaged 7.6 percent, significantly lower that the national rate of 9.3 percent but higher than the regional average of 4.8 percent in 2008. Rates among the states in the region ranged from 6.7 percent in Virginia to 8.2 percent in Pennsylvania. The District of Columbia reported a rate of 10.8 percent.

Despite the slow economy, low interest rates, lower home prices, and the extension of the first-time homebuyer tax credit contributed to the improvement of the existing home sales market in the region but markets generally remain soft. The Maryland Association of REALTORS® reported that nearly 49,250 existing homes were sold in Maryland during 2009 compared with approximately 44,500 homes sold during 2008. The 10-percent increase in sales was a significant improvement compared with the 27-percent decline reported between 2007 and 2008. The average home sales price declined by more than 12 percent from $345,500 to $302,500 in 2009. The average monthly inventory of homes for sale declined 9 percent during 2009, from the nearly 48,900 homes for sale during 2008 to 44,300 for sale during 2009. In the Baltimore metropolitan area, sales volume increased 3 percent to 22,150 homes at an average price of $280,100, reflecting a nearly 9-percent decrease in price from the previous year.

According to the Virginia Association of REALTORS®, 86,600 existing homes were sold in the state during 2009, a 2-percent increase from the 85,280 homes sold during 2008. In the fourth quarter of 2009, the median home sales price of $245,400 was 9 percent below the median price of $268,300 reported at the end of 2008. Metropolitan Regional Information Systems, Inc., (MRIS®) reported that during 2009 in the Virginia suburbs of Washington, D.C., a total of 37,750 homes were sold, which is a 4-percent increase from the 36,340 homes sold during 2008. Average home prices in this area remained the highest in the state, at $349,750, but were down 6 percent from the average price of $372,800 reported in 2008. During the past year, homes for sale remained on the market for an average of 77 days, down significantly from the 2008 average of 109 days.

The resale markets in Pennsylvania, West Virginia, and Delaware also improved during the 12 months ending September 2009 (the most recent data available) compared with the sales volume reported in the previous year. According to the NATIONAL ASSOCIATION OF REALTORS®, in the third quarter of 2009, the annual rate of home sales in Delaware increased to 13,200 homes, or 18 percent, compared with the annual rate posted a year earlier. In Pennsylvania, an annual rate of 184,400 home sales was recorded, up 6 percent compared with the rate recorded 1 year earlier. In West Virginia, an annual rate of 29,200 home sales was recorded, a 14-percent increase from the third quarter of 2008. According to RealtyTrac® Inc., in the Mid-Atlantic region during 2009, nearly 147,900 foreclosure filings were reported, nearly 17 percent more than the 125,900 filed during the previous year. The resulting foreclosure rate for 2009 was 1.2 percent, significantly lower than the 2.2 percent reported for the nation. During 2009, Virginia had the largest number of properties with foreclosure filings, at 52,130, and the largest percentage increase in filings, at 1.5 percent.

Single-family homebuilding activity, as measured by the number of building permits issued, declined by 17 percent in the Mid-Atlantic region during 2009 as the economy continued to weaken and builders had difficulty securing financing for new construction. Based on preliminary data, during 2009, a total of 36,680 homes were permitted in the region, a decrease of 7,320 homes when compared with the number permitted during 2008. Single-family home production declined in all states in the region, with decreases ranging from less than 2 percent in Delaware to 25 percent in Pennsylvania. Pennsylvania and Virginia accounted for 88 percent of the regional decline, with decreases of 3,640 and 2,790 homes, respectively. Multifamily construction activity, as measured by the number of units permitted, also declined significantly in the region during the past year. Preliminary data indicate the number of multifamily units permitted declined by 5,380 units, or 32 percent, to 11,480 units. All states in the region reported fewer multifamily units permitted during the past year as apartment and condominium builders continued to find lenders hesitant to finance new projects. Only the District of Columbia recorded an increase in multifamily units permitted, a total of 980 units, 700 more than the number permitted in 2008.The largest multifamily reductions occurred in Maryland, Virginia, and Pennsylvania, which recorded decreases of 1,940, 1,960, and 1,490 units, respectively.

Soft apartment market conditions prevailed in many areas of the region at the end of 2009. In the Baltimore metropolitan area, Delta Associates reported the overall vacancy rate declined to 7.4 percent during 2009 from 7.6 percent during 2008, but the market is soft in the areas directly north and south of the city of Baltimore. Vacancy rates in the northern suburbs rose to 19.2 percent, up from 3.5 percent a year earlier, because two projects with a total of 430 units were in lease up. In the southern suburbs, rates declined from 9.5 to 8.2 percent, but conditions remain soft. The market also remains soft in Baltimore, where the current vacancy rate is 8.2 percent, down from the 14-percent rate recorded in December 2008. Rents in the Baltimore suburbs increased from an average of $1,360 in the fourth quarter of 2008 to $1,410 in the fourth quarter of 2009; in Baltimore city, average rents declined from $1,700 to $1,675.

Between December 2008 and December 2009, the market softened in the suburbs of the Philadelphia metropolitan area but remained balanced in Center City Philadelphia. In the New Jersey suburbs, Delta Associates reported an increase in vacancy rates from 9.4 percent in December 2008 to 14.7 percent in December 2009. Concessions increased from 5.4 percent of rent to 6.8 percent; average rents rose from $1,330 to $1,370. In the Pennsylvania suburban counties, vacancy rates were relatively unchanged at 7.4 percent, but concessions rose from 4 percent of contract rents to 9 percent. Average rents in the Pennsylvania suburbs were $1,420 at the end of the year, up from $1,400 a year earlier. During 2009, the apartment market tightened in Center City Philadelphia: the vacancy rate fell from 7.4 to 4.7 percent as rents fell from an average of $1,965 in December 2008 to $1,940 in December 2009. The improved occupancy was also aided by tripling concessions, from 2.5 percent of the market-rate rent in December 2008 to 7.6 percent at the end of 2009.

In the Washington, D.C., metropolitan area, the rental market was generally balanced with some submarkets exhibiting soft conditions. Delta Associates reported a decline in vacancy rates in the garden-apartment market, from 8.1 percent in December 2008 to 5.4 percent at the end of 2009. Notable exceptions to the balanced market conditions were in Prince George's and Charles Counties, Maryland, where vacancy rates were 12.5 and 18 percent compared with 26.9 and 4 percent, respectively, a year earlier. Rents in garden apartments averaged $1,600 in the close-in Maryland suburbs and $1,560 in Northern Virginia. Vacancy rates in highrise units increased from 9.9 to 10.7 percent in Northern Virginia but decreased in both the District of Columbia and the Maryland suburbs from 23.9 to 13.2 percent and from 30.7 to 10.4 percent, respectively. During the past year, concessions in highrise units increased by more than one-third to 8.7 percent of the rent in the District of Columbia and by 20 and 5 percent to 9.9 and 8.3 percent of rent, respectively, in both the Maryland suburbs and Northern Virginia. Rents for highrise apartments averaged $2,460 in the District of Columbia, $2,220 in suburban Maryland, and nearly $2,190 in Northern Virginia.

SOUTHEAST/ CARIBBEAN

HUD Region IV

After peaking in 2007, employment in the Southeast/Caribbean region continued to decline in 2009. Nonfarm employment in the region averaged 25.6 million jobs, a decrease of 1.2 million jobs, or 4.4 percent, compared with the number of jobs recorded during 2008. Employment decreased during the year in every major sector except the education and health services sector, which increased by 49,700 jobs, or 1.5 percent. The largest employment declines occurred in the manufacturing, professional and business services, and construction sectors, with decreases of 307,900, 213,300, and 211,000 jobs, or 11, 6, and 16 percent, respectively. Total nonfarm employment during the period fell in each of the eight states in the region and in Puerto Rico and the Virgin Islands. Job losses of 363,500 in Florida, 202,200 in Georgia, and 185,900 in North Carolina accounted for 64 percent of the job losses in the region. During 2009, the unemployment rate in the region averaged 10.6 percent, a 4.1-percentage point increase from the average rate of 6.5 percent recorded during 2008. The unemployment rate increased in every state in the region and in Puerto Rico, ranging from 9.5 percent in Alabama to 15 percent in Puerto Rico.

The weakening regional economy contributed to the third consecutive year of slower population growth as fewer people moved into the region. According to the Census Bureau, the region's population was approximately 64.5 million as of July 1, 2009, an increase of 574,900, or 0.9 percent, since July 1, 2008, down from the increase of 742,800 recorded during the previous year. Net in-migration slowed from the 396,200 people recorded between July 1, 2007, and July 1, 2008, to 279,100 people between July 1, 2008, and July 1, 2009. Population growth slowed during 2009 for all states in the region and in Puerto Rico compared with the population growth recorded the previous year. North Carolina recorded the region's largest gain in population, increasing by approximately 133,800, followed closely by Georgia, with an increase of 131,400; the population of both states increased at a rate of 1.4 percent. In Florida in 2009, the population increase of 114,100, or 0.6 percent, was significantly less than the average annual increase of 288,500 recorded during the previous 5 years.

Most local housing markets in the Southeast/Caribbean region are soft because of weak economic conditions and lenders' tight credit standards. In Florida, home sales markets remained soft during the past year, but lower prices induced higher sales activity for both single-family homes and condominiums. According to data available from the Florida Association of REALTORS®, during 2009, 163,100 existing homes were sold statewide, a 31-percent increase compared with the number sold in 2008, but still below the average 187,500 homes that were sold annually between 2005 and 2007. The average price of an existing single-family home sold in Florida declined by 24 percent from $187,700 in 2008 to $142,600 in 2009. During the same period, sales of existing condominiums increased by 47 percent to 56,000 units statewide, near the annual average of 60,600 units sold during the 2005-to-2007 period. The average price of an existing condominium sold in 2009 was $108,000, 34 percent less than the price a year earlier. In Miami, single-family home sales increased 53 percent to 6,675, but the median price decreased 29 percent to $195,300. Condominium sales in Miami increased 50 percent to 6,850, but the median price declined by 40 percent to $142,500.

In Alabama, according to the Alabama Center for Real Estate, approximately 37,925 homes were sold during 2009, a 10-percent decline compared with the 42,225 homes sold during 2008. During 2009, the average inventory of unsold homes decreased by 6 percent to 40,300 homes, which still represents approximately a 12-month supply. The average number of days that a home remained on the market increased from 133 during 2008 to 151 during 2009, and the average sales price declined by 7 percent to $150,900.

The Georgia Multiple Listing Service reported that approximately 60,700 homes were sold statewide in 2009, 2 percent fewer than were sold in 2008. The median price of $122,000 for homes sold during 2009 was 18 percent lower than the median price for homes sold during 2008. In the Atlanta metropolitan area, although the 50,100 homes sold during 2009 was nearly the same as the number sold during 2008, the median price of $120,000 was approximately 19 percent less than the price in 2008. The number of condominiums and townhouses sold in the Atlanta metropolitan area during 2009 totaled 6,800, 2 percent fewer than were sold in 2008; the median price was $103,500, approximately 23 percent less than the price last year.

Data from South Carolina REALTORS® indicate that the number of homes sold in the state during 2009 declined by nearly 9 percent to 42,700. Sales decreased in 13 of 15 reported areas of the state. The only areas to record sales increases were the Myrtle Beach and Hilton Head areas, both of which suffered significant declines during 2007 and 2008. Declines ranged from less than 1 percent in Beaufort to 20 percent in Greenwood. In 2009, the median sales price of $141,000 for homes in the state was 8 percent lower than the median price in 2008. Median prices declined in 13 areas, ranging from a decline of less than 1 percent in the Sumter area to a decline of 15 percent in Myrtle Beach.

According to data from the North Carolina Association of REALTORS®, in 2009, the number of existing homes sold declined by 11,200 homes, or 12 percent, to 81,250. The number of homes sold decreased in 17 of 21 reported areas. In Charlotte in 2009, the number of existing homes sold declined 18 percent from the 2008 sales volume to 22,100 and the average home sales price fell 9 percent from the 2008 sales price to $201,400. In 2009, the number of existing homes sold in Greensboro declined 14 percent from the number sold in 2008 to 10,900, and the average home sales price decreased 8 percent from the 2008 sales price to $158,300. From 2008 to 2009, sales of new and existing homes in Raleigh decreased by 9 percent to 20,750 and the average home sales price decreased 8 percent to $223,100.

In Kentucky, according to the Greater Louisville Association of REALTORS®, during 2009, the total number of single-family homes and townhomes sold was approximately 11,700, up nearly 3 percent from the number sold in 2008. The median sales price in 2009 was $132,000, or 2 percent less than the sales price in 2008. The Lexington-Bluegrass Association of REALTORS® reported that, from 2008 to 2009 the number of homes sold decreased by 3 percent to about 7,400. The median price of a home sold decreased by 2 percent from the 2008 sales price to $140,300. About 650 condominiums and townhomes were sold in the Lexington area during 2009, down 19 percent from the number sold in 2008; the median price decreased by 3 percent to $116,900.

In the Southeast/Caribbean region, single-family home construction activity, as measured by the number of building permits issued, declined significantly during 2009 as builders continued to curtail production in response to slower home sales and large inventories of unsold new and existing homes in most markets. Between 2004 and 2007, an average of 437,900 single-family homes were permitted annually in the region. During 2009, only 103,100 homes were permitted, a decrease of 47,400 homes and 32 percent below the number permitted in 2008, according to preliminary data. Single-family home production declined in all states in the region. Multifamily construction in the region also declined significantly during the past year in all states. Between 2004 and 2007, an average of 121,300 multifamily units were permitted annually in the region. During 2009, the number of multifamily units permitted declined by 36,750 units, or 55 percent, to 30,200 units, according to preliminary data. All states in the region reported fewer multifamily units permitted during the past year as apartment and condominium builders continued to reduce production because of the soft condominium sales and rental housing markets throughout region.

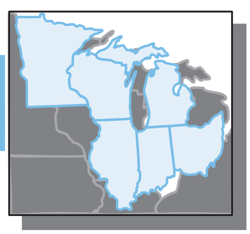
Apartment markets remained soft throughout the region during the fourth quarter of 2009, with 12 of 19 markets surveyed by Reis, Inc., reporting vacancy rates above 10 percent. Vacancy rates in 17 of the 19 markets surveyed increased from the rates recorded during the fourth quarter of 2008. The two exceptions were Chattanooga and Columbia. Conditions were balanced in Chattanooga, where the vacancy rate fell by 2.2 percentage points, to 6.4 percent, from the rate recorded a year earlier. The tighter market resulted from increased rental demand by the employment generated from the ongoing construction of the $1 billion Volkswagen assembly plant scheduled to open in early

2011. In Columbia, the vacancy rate decreased by 1.2 percentage points but remained high at 12.6 percent. The largest vacancy rate increase in the region was recorded in the Charlotte market, a 3.1-percentage point increase to 11.3 percent. As reported by Reis, Inc., the highest apartment vacancy rate in both the region and in the nation during the fourth quarter of 2009 was in Jacksonville, where the rate increased to 14.4 percent compared with 12.3 percent during the same quarter in 2008. The increase was a result of an oversupply of apartment units because the area recorded significant job losses. According to Reis, Inc., 2,150 apartment units were completed in 2008 and another 2,500 units in 2009, more than double the number added in the 2 preceding years.

During 2009, soft market conditions weakened rent growth throughout the region. Only three markets recorded average asking rent increases between the fourth quarter of 2008 and the fourth quarter of 2009, all of which were less than 1 percent. The largest rent decrease occurred in Miami, where the average asking rent declined by more than 3 percent. In contrast, between the fourth quarter of 2007 and the fourth quarter of 2008, all markets in the region recorded rent increases or the rents were relatively unchanged.

MIDWEST

HUD Region V



Employment levels continued to decline in the Midwest region during 2009, a trend that began in 2007. During the past year, nonfarm employment decreased by 1.1 million, or 4.6 percent, to an average of 22.9 million jobs compared with a decrease of 255,600 jobs in 2008. Employment declined in every sector except the education and health services sector, which increased by 54,300 jobs, or 1.5 percent. The manufacturing, professional and business services, and construction sectors lost significant numbers of jobs, declining by 449,300, 231,100, and 133,500 jobs, or 13.5, 7.7, and 13.4 percent, respectively. The largest decline in the manufacturing sector occurred in the transportation equipment manufacturing industry, which lost 123,500 jobs, or 25 percent.

All six states in the region recorded decreases in nonfarm employment in 2009. Michigan reported the highest decline, with a net loss of 279,200 jobs, or 6.7 percent, including the loss of 109,800 manufacturing jobs and 24,700 construction jobs. Illinois and Ohio lost 258,800 and 238,000 jobs, respectively, or 4.4 percent in both states; decreases in the manufacturing sector were 27 and 46 percent, respectively, of the total nonfarm jobs recorded for each state. Jobs were down by 4.6, 3.5, and 4.0 percent in Indiana, Minnesota, and Wisconsin, respectively. As a result of job losses across the region, the unemployment rate rose in all six states during 2009. The average unemployment rate in the region was 10.4 percent, up from 6.5 percent in 2008, with state averages ranging from 7.8 percent in Minnesota to 14 percent in Michigan.

Weak economic conditions have continued to negatively affect existing home sales prices in the Midwest region. In the third quarter of 2009, sales market conditions for existing homes were soft in much of the region. Some areas reported increased sales, which resulted primarily from lower home prices, low interest rates, and the $8,000 tax credit for first-time homebuyers. All areas reported decreased prices, partly because of job losses and increased foreclosure rates. In Michigan during 2009, existing home sales increased 10 percent to 113,400, while the average price declined 16 percent to $99,100, according to the Michigan Association of REALTORS®. In Detroit, sales declined 1 percent to 11,300, while the average sales price dropped 29 percent to $12,500; in Grand Rapids, home sales increased 16 percent to 11,050, while the average sales price declined 12 percent to $108,000. In Wisconsin, existing home sales increased in both Madison and Milwaukee. In the Madison area, the South Central Wisconsin Multiple Listing Service reported that sales increased nearly 6 percent to 11,600 and the average sales price decreased 9 percent to $178,900. In the Milwaukee area, home sales increased 6 percent to 14,350. In Minnesota, the Minneapolis Area Association of REALTORS® reported a 17-percent increase in sales to 45,200 compared with the number of sales in 2008, although this number is still slightly below the recent 5-year average of 45,800 homes sold annually for the Minneapolis-St. Paul area; the average sales price was down 16 percent to $199,400 in 2009 compared with the average sales price in 2008.

The Ohio Association of REALTORS® reported that, in 2009 the number of new and existing homes sold in the state totaled 104,000, 8 percent below the 113,200 sold a year earlier and that the average price in 2009 was $129,500, approximately 5 percent below the average sales price reported in 2008. In Cleveland and Columbus, home sales declined 19 and 2 percent, respectively, while in Cincinnati, home sales were unchanged from the number sold in 2008. All three metropolitan areas experienced declines in average sales prices, down 8 percent to $119,400 in Cleveland, 4 percent to $157,300 in Columbus, and 7 percent to $150,700 in Cincinnati. In the Indianapolis metropolitan area, existing homes sales were down 4 percent to 24,950 and the average sales price declined 3 percent to $137,800.

In Illinois, existing home sales declined in 2009 because of weak economic conditions. The Illinois Association of REALTORS® reported that 107,500 existing homes were sold in the state in 2009, down nearly 2 percent from the

109,200 existing homes sold in 2008. The median sales price also fell by 15 percent from $183,900 to $157,000. The Chicago metropolitan area accounted for 65 percent of the existing homes sold in Illinois in 2009, down slightly from the average of 69 percent for the previous 5 years. Existing home sales in the Chicago area were flat, at 69,200, in 2009 and the median sales price declined 18 percent to $196,000 compared with the median sales price in 2008.

According to RealtyTrac® Inc., the number of properties in the foreclosure process increased in 2009 by 13 percent to 459,400 properties compared with the number of filings in the region in 2008. Minnesota and Wisconsin reported 1.4 percent of housing units in the foreclosure process in 2009, Indiana reported 1.5 percent, and Ohio reported 2 percent. Illinois and Michigan reported 2.5 and 2.6 percent of housing units in foreclosure status, respectively.

In response to continued slow economic growth in the Midwest region and declining demand for new homes, single-family construction activity in the region, as measured by the number of building permits issued, continued to decrease during 2009. Between 2002 and 2006, an average of 206,700 permits for single-family homes were issued annually in the Midwest region. In 2009, only 40,550 single-family permits were issued in the region, 23 percent below the number of permits issued in 2008 and 56 percent below the number issued in 2007, according to preliminary data. All states in the Midwest reported declines in single-family construction activity, ranging from 16 percent in Ohio to 38 percent in Illinois. The decline in the number of single-family homes permitted in Illinois accounted for more than 30 percent of the total decline reported for the Midwest region between 2008 and 2009.

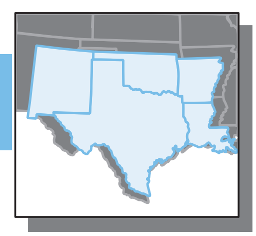
The volume of multifamily building activity in the Midwest region, as measured by the number of units permitted, also was down in 2009, reflecting soft apartment rental market conditions. Approximately 11,900 multifamily units were permitted, according to preliminary data, 55 percent below the 26,550 units permitted in 2008 and 67 percent below the 36,450 units permitted in 2007. Activity was down in all six states in the region, with declines ranging from 20 percent in Minnesota to 73 percent in Illinois. The decline of multifamily permits issued in Illinois accounted for 47 percent of the regional decline, nearly all of which occurred in the Chicago metropolitan area. The Chicago area reported approximately 1,725 multifamily units permitted in 2009, 6,625 fewer units permitted than in 2008. All major metropolitan areas in the region reported fewer multifamily units permitted between 2008 and 2009. Detroit reported a decline of nearly 90 percent, from 680 units in 2008 to approximately 80 units in 2009. Milwaukee reported a decline of 57 percent, to 540 units, and Cincinnati reported a decline of 47 percent, to 440 units.

Rental housing market conditions in major metropolitan areas in the Midwest region were, in general, soft to balanced as of the fourth quarter of 2009. According to Reis, Inc., the apartment market in Indianapolis was soft because the vacancy rate increased from 7.7 to 10.1 percent, while the average contract rent declined 1 percent to $670. In Minneapolis-St. Paul, the apartment market was balanced, with an estimated vacancy rate of 5.4 percent for the fourth quarter of 2009, up from the 4.4-percent rate reported in the fourth quarter of 2008; the average contract rent declined 1 percent to $950. In Milwaukee, the apartment market was balanced, with a 5-percent vacancy rate, and rents declined nearly 2 percent to $826.

Slow economic conditions in Michigan contributed to continuing softness in the apartment market in the Detroit metropolitan area, where Reis, Inc., reported a fourth quarter 2009 apartment vacancy rate of 8 percent, up from 7 percent a year earlier, while rents declined 2 percent to $820. The Chicago metropolitan area also reported an increase in apartment vacancies in the fourth quarter of 2009, with a rate of nearly 7 percent, up from 5.4 percent in the fourth quarter of 2008, reflecting softer current conditions. The market softened in downtown Chicago because condominiums continue to enter the rental market; Appraisal Research Counselors reported the vacancy rate for Class A properties increased to 8 percent for the third quarter of 2009, up from 7 percent in the third quarter of 2008. Concessions in the downtown Chicago rental market, valued at approximately 7 percent of gross rents, are now prevalent. The three largest markets in Ohio are all soft, with increases in the apartment vacancy rate reported for Cleveland, Cincinnati, and Columbus of approximately 1 percent each, to 7, 8, and 9 percent, respectively, for the fourth quarter of 2009. Average contract rents declined in Cleveland and Cincinnati by 2 and 1 percent to $720 and $710, respectively, but the rent increased by 1 percent in Columbus to $680.

SOUTHWEST

HUD Region VI



The national economic downturn affected the Southwest region during 2009 as average nonfarm employment decreased by 303,100 jobs, or 1.9 percent, to 15.9 million jobs. In contrast, during 2008, nonfarm employment in the region increased by 276,000 jobs, or 1.7 percent. During the past year, gains in three employment sectors totaled 145,200 jobs but were offset by the 448,300 jobs lost in the remaining nine sectors combined. The education and health services sector recorded the largest growth, adding 75,700 jobs, up 3.7 percent. Employment in the government sector, primarily in local government, increased by 68,600 jobs, or 2.4 percent, in the region; all states recorded gains. The leisure and hospitality sector recorded a minimal gain of only 900 jobs. Weakness in residential and commercial construction markets contributed to substantial losses in the construction sector of 85,900 jobs, or 8.6 percent, compared with a gain of 28,200 jobs, or 2.9 percent, a year earlier. The manufacturing sector, which recorded job losses in all states throughout the region, was down by 119,200 jobs, or 8.3 percent.

Job losses occurred in every state in the Southwest region in 2009. Texas lost 207,000 jobs, or 2 percent, with declines of more than 70,000 jobs each in the construction and manufacturing sectors. In Oklahoma, employment decreased by 30,600 jobs, or 1.9 percent, led by losses of 14,800 and 10,700 jobs in the manufacturing and professional and business services sectors, respectively. In Arkansas, employment declined by 26,200 jobs, or 2.2 percent. A combined decrease of 30,000 jobs in the manufacturing, trade, and transportation and utilities sectors in Arkansas offset gains of 8,200 and 4,700 jobs in the education and health services and government sectors, respectively. Employment in New Mexico, which declined for the fourth consecutive quarter, was down by 22,800 jobs, or 2.7 percent, for the year. Employment in Louisiana decreased by 16,500 jobs, or 0.8 percent, as a combined increase of 10,900 jobs in the construction, education and health services, and government sectors was offset by a combined loss of 27,600 jobs in the manufacturing and trade sectors. In 2009, the unemployment rate in the region increased to 7.2 percent from 4.7 percent in 2008. The average unemployment rates ranged from a 6.4 percent in Oklahoma to 7.5 percent in Texas.

Job declines caused home sales market conditions to become soft in the region during 2009, although the number of sales increased in November because of the first-time homebuyer tax credit program. In Texas, 1-month sales were nearly 40 percent higher during November 2009 than 1-month sales in November 2008. Similarly, increases in metropolitan areas ranged from more than 40 percent in Baton Rouge to nearly 70 percent in Little Rock and 85 percent in Fayetteville. The surge in home sales related to the first-time homebuyer tax credit contributed to a relatively moderate decline of 7 percent in home sales in 2009, representing a marked improvement from the 18-percent decline in home sales in 2008. Home sales in Texas totaled 212,800 in 2009, a decrease of 9 percent, compared with a 16-percent decrease during 2008, according to data from the Real Estate Center at Texas A&M University. The level of sales were down in all major markets in the state with declines of 4, 7, 8, 11, and 14 percent recorded in San Antonio, Austin, Houston, Dallas, and Fort Worth, respectively. The average home sales price in Texas decreased by 3 percent to $185,400 during 2009, down from a 1-percent decrease the previous year. In Dallas, the average price decreased by approximately 5 percent to $200,200 compared with a 3-percent decline a year earlier. Fort Worth and Austin each recorded declines of approximately 3 percent during 2009 to $138,800 and $236,800, respectively. Home prices declined by 2 percent in Houston and San Antonio to $200,500 and $178,800, respectively.

According to the Oklahoma Association of REALTORS®, 44,800 homes were sold in Oklahoma during 2009, down 1 percent from the number sold a year ago but improved from the 13-percent decline during 2008. In Oklahoma City, 16,000 homes were sold during 2009, down 2 percent from the number sold in 2008. Home sales declined in Tulsa by 1 percent to 12,900 during 2009. For comparison, home sales in both Oklahoma City and Tulsa declined by 14 percent in 2008. During 2009, the average home sales price in Oklahoma declined by 5 percent to $148,600; the average price increased during 2008 by 3 percent. During 2009, average home sales prices declined by 3 percent in Tulsa to $151,900 and 4 percent in Oklahoma City to $148,200. A year earlier, prices in Tulsa and Oklahoma City rose 1 and 2 percent, respectively.

The Arkansas REALTORS® Association reported that home sales for Arkansas totaled 24,300 in 2009, down 2 percent from the number of home sales a year earlier. The total number of homes sold increased in Little Rock and Fayetteville in 2009 by 3 and 5 percent to 8,225 and 5,625, respectively. Statewide, the average sales price decreased by 3 percent to $144,600. Home prices in Fayetteville decreased 7 percent to $161,900, following a decline of 9 percent in 2008. In Little Rock, the average price was unchanged at $161,300; the average price decreased by 5 percent a year earlier.

In New Mexico, the Greater Albuquerque Association of REALTORS® reported that in Albuquerque the number of sales was down 1 percent to 6,800 homes compared with a decrease in home sales of more than 28 percent recorded during 2008. The average sales price in Albuquerque declined by 7 percent to $214,800. According to the New Orleans Metropolitan Association of REALTORS®, sales were down 3 percent to 8,300 homes compared with a 25-percent decline in home sales during 2008. Home prices declined in New Orleans by 3 percent to $200,100. In Baton Rouge, the number of sales decreased 6 percent to 6,900, and the average price declined approximately 5 percent to $191,300, based on data from the Greater Baton Rouge Association of REALTORS®.

In the Southwest region, the weak economy and soft sales housing market conditions resulted in a decline in single-family home construction activity, as measured by the number of single-family building permits issued. During 2009, the number of single-family homes permitted in the region totaled 87,900, a decline of 14,700 homes, or 14 percent, compared with the number permitted during 2008, based on preliminary data. Texas recorded a 16-percent decrease in the number of single-family homes permitted, down 11,800, to 63,600 homes. In other states in the region, declines ranged from 5 percent in Louisiana to 19 percent in New Mexico. Oklahoma and Arkansas recorded declines of 12 and 13 percent, respectively.

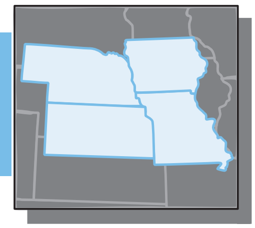
Rental housing market conditions continued to soften during 2009 in the largest metropolitan areas in the Southwest region because of new units entering the market and job losses. According to Reis, Inc., the apartment vacancy rate in Austin was 10.1 percent in the fourth quarter of 2009, up from 7.7 percent a year earlier, while the average rent was unchanged at $870. In Dallas, the apartment vacancy rate increased from 8.1 percent in the fourth quarter of 2008 to 10.7 percent during the same period in 2009, and the average rent was unchanged at $810. Rental markets in Fort Worth and Houston remained very soft with vacancy rates of approximately 11.8 and 12.4 percent, respectively. Average rents in Fort Worth declined by 1 percent to $710, while rents in Houston were unchanged at $770. In San Antonio, the vacancy rate increased during the fourth quarter of 2009 to 10.2 percent from 9 percent a year earlier, but the average rent was unchanged at $700.

In Oklahoma City, the apartment vacancy rate rose from 8.6 percent in the fourth quarter of 2008 to 10 percent in the fourth quarter of 2009, but average rents were unchanged at $540, according to Reis, Inc. In Tulsa, the vacancy rate increased from 7.5 to 9.2 percent, and average rents decreased by 1 percent to $575. The apartment vacancy rate in Little Rock was 8.4 percent, up from 6.8 percent a year earlier, while the average rent increased by 1 percent to $640. The apartment vacancy rate in Albuquerque increased to 6.9 percent from 5.9 percent a year earlier; the average rent in Albuquerque was unchanged at $710. Rental market conditions in New Orleans softened substantially due to more than 3,000 new units and approximately 1,000 units of substantial rehabilitation, which have been vacant since Katrina, entering the market during the past year. According to the *Greater New Orleans Multi-Family Report*©, the apartment rental vacancy rate increased to 13 percent during the fourth quarter of 2009, up from 8 percent a year earlier. During the fourth quarter of 2009, the average rent in New Orleans was down 3 percent to $830 compared with the average rent recorded in the fourth quarter of 2008.

As a result of the soft rental markets, multifamily construction activity, as measured by the number of units permitted, decreased in the Southwest region during 2009, based on preliminary data. The 22,400 units permitted during 2009 reflect a 64-percent decline compared with the number of units permitted in 2008. The number of multifamily units permitted in Texas declined 67 percent, down 34,300 units to 16,500. Louisiana recorded a decline of 64 percent, or 2,800 units, to 1,600. In the other states in the region, declines in the number of multifamily units permitted ranged from 24 percent in Oklahoma to 37 and 42 percent in Arkansas and New Mexico, respectively.

Great Plains

HUD Region VII



In the Great Plains regional economy, nonfarm employment declined to its lowest level since 2006 as a result of job losses that began in 2008 and accelerated during 2009. Nonfarm employment decreased by 166,400 jobs, or 2 percent, to an annual average of 6.5 million jobs during 2009, compared with an increase of 20,000 jobs, or 0.1 percent, during 2008. Nearly one-half of the job losses, totaling 77,000 jobs, occurred in the manufacturing sector, mainly in the machinery and transportation equipment industries. The second highest number of job losses occurred in the construction sector, where employment declined by 37,000 jobs. The only employment gains during 2009 occurred in the education and health services sector, up 17,000 jobs, or 2 percent, and in the government sector, up 11,000 jobs, or 1 percent. In Kansas, nonfarm employment declined by 42,000 jobs, or 3 percent, to an annual average of 1.3 million jobs. In Iowa, nonfarm employment decreased by 38,000 jobs, or 2.5 percent, to 1.5 million. In Missouri, nonfarm employment declined by 69,000 jobs, or 2.5 percent, to 2.7 million jobs. In Nebraska, employment declined by 18,000 jobs, or 1.8 percent, to 940,000 jobs.

In the Great Plains region during 2009, a weakening economy contributed to an increased unemployment rate that averaged 7.2 percent, up from 4.9 percent in 2008. Missouri recorded the greatest increase in the unemployment rate during 2009 with an average of 9.1 percent, up from 6.1 percent in 2008. The unemployment rate in Kansas increased from an average of 4.4 percent in 2008 to 6.7 percent in 2009. The unemployment rate in Iowa averaged 6 percent in 2009, up from 4.1 percent in 2008; in Nebraska, it averaged 4.7 percent in 2009, up from 3.3 percent a year earlier.

Signs of recovery were evident in the Great Plains sales markets during 2009; regionwide sales of existing homes increased for the first time since the third quarter of 2006 and home prices increased compared with prices during 2008. Conditions in most markets throughout the region were balanced. According to the NATIONAL ASSOCIATION OF REALTORS®, during the third quarter of 2009 (the most recent data available for states), the annual rate of existing home sales increased by 4 percent from the third quarter of 2008 to 267,200 sales, compared with a decline of 12 percent from the third quarter of 2007 to the third quarter of 2008. Sales of existing homes increased most rapidly in Nebraska, rising from an annual rate of 29,500 homes sold in the third quarter of 2008 to 35,600 in the third quarter of 2009, representing a 20-percent gain. During the same period, existing home sales in Iowa increased at an annual rate of 8 percent from 57,200 to 61,600, and in Missouri home sales rose 2 percent from 108,800 to 110,800. In Kansas, home sales declined at an annual rate of 3 percent to 59,200 during the third quarter of 2009 from 61,200 a year earlier. For the four Great Plains states, as reported in the Federal Housing Finance Agency's House Price Index for the third quarter of 2009, home prices increased by an average of 1 percent from the third quarter of 2008 compared with an average decline of 2 percent for home prices for the third quarter of the previous year. The state with the greatest change was Nebraska, where home prices increased by 3 percent. The house price index for Kansas and Iowa rose 2 and 1 percent, respectively, but fell 2 percent for Missouri, marking the second consecutive yearly decline for that state.

Among the major metropolitan areas in the Great Plains region, sales of existing homes increased in Omaha and Kansas City but declined in Des Moines, Wichita, and St. Louis during 2009. According to the Omaha Area Board of REALTORS®, existing home sales increased by 14 percent to 9,325 and the average price of a home sold decreased by 2 percent to $148,325. The Kansas City Regional Association of REALTORS® reported that existing home sales increased 24 percent to 23,325 during 2009 but the average price declined 4 percent to $144,950. The inventory of unsold existing homes decreased by 5 percent to 11,975, representing an 8-month supply. According to the Des Moines Area Association of REALTORS®, existing home sales declined 6 percent to 7,350 in 2009 and the average price of a home sold decreased 5 percent to $160,600. The inventory of unsold homes declined by 12 percent to 5,525, indicating a 13-month supply. The Wichita Area Association of REALTORS® reported that sales of existing homes fell 11 percent to 7,450, but the average price of a home sold rose 1 percent to $120,200. The inventory of unsold homes increased 2 percent to 3,150. According to Blockshopper LLC, existing home sales in St. Louis decreased 21 percent to 26,600 in 2009, and the NATIONAL ASSOCIATION OF REALTORS® reported that, as of the third quarter of 2009, the median price of a home sold was $120,000, down 8 percent from the price a year earlier.

New home sales in Omaha increased 16 percent to 1,225, but the average price of a new home sold declined 17 percent to $236,950. New home sales in Wichita decreased 34 percent to 1,000, but the average price of a new home increased 8 percent to $235,600. The inventory of unsold new homes in Wichita fell 25 percent to 575 homes. In Kansas City, new homes sales declined 14 percent to 2,400, but the average sales price remained relatively constant at $295,300. The inventory of unsold new homes in Kansas City decreased 37 percent to 2,025 homes.

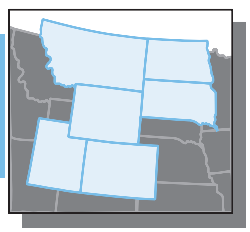
The inventory of new single-family homes sold is likely to continue decreasing due to the decline in new single-family construction that occurred in the Great Plains region and in each of the four states in the region during 2009. In the region, single-family construction activity, as measured by the number of building permits issued, declined 11 percent to 17,200 homes during 2009 compared with a 38-percent decline in 2008, based on preliminary data. In Iowa, the number of building permits issued in 2009 for single-family homes totaled 4,775, indicating a 4-percent decline compared with a 31-percent decline in 2008. New single-family construction activity in Kansas decreased by 20 percent to 3,275, a smaller decline compared with 2008 when it declined by 37 percent. In Missouri, new single-family construction was down 15 percent to 5,300 homes, an improvement compared with the 2008 decline of 50 percent. In Nebraska, permits issued for construction of single-family homes declined 4 percent to 3,850, a small decline compared with the decline of 22 percent in 2008.

As of the fourth quarter of 2009, rental apartment markets were balanced in Des Moines, Omaha, and Lincoln and were soft in Wichita, Kansas City, and St. Louis. According to Reis, Inc., the rental apartment vacancy rate in Des Moines increased from 5.4 percent in the fourth quarter of 2008 to 6.5 percent for the fourth quarter of 2009, and the average effective rent increased 1 percent from $685 to $695. In Omaha, during the same period, the rental apartment vacancy rate increased to 6.8 percent from 5.6 percent, but the average effective rent decreased from $670 to $665. At 4.7 percent, Lincoln's rental apartment vacancy rate was the lowest of all metropolitan areas in the region during the fourth quarter of 2009, down from 4.8 percent a year earlier. In Lincoln, during the fourth quarter of 2009, the average effective rent was $660 compared with $665 a year earlier.

In Wichita, the rental apartment vacancy rate was 8.4 percent as of the fourth quarter of 2009 compared with 6.6 percent a year earlier, which is the largest increase in apartment vacancy rates among the region's major metropolitan areas. The average effective rent in Wichita was stable during the past year and, at $490, it was the lowest rent among the major metropolitan areas in the region. The Kansas City rental apartment vacancy rate increased from 7.7 percent in the fourth quarter of 2008 to 9.1 percent for the same quarter in 2009; the average effective rent increased from $700 to $705. Kansas City had the highest effective average rent among all metropolitan areas in the region. St. Louis had the highest rental apartment vacancy rate of the metropolitan areas; the rate rose to 9.2 percent in the last quarter of 2009 compared with 7.8 percent a year earlier. The average effective rent in St. Louis decreased from $685 to $680.

Multifamily construction activity, as measured by the number of units permitted, declined in the Great Plains Region during 2009 to 7,375 units, or by 32 percent, when compared with the 4-percent decline in 2008, based on preliminary data. Construction activity declined in all four states, led by Nebraska, where it decreased 65 percent to 570 units compared with the number of units permitted in 2008, when permits issued increased by 8 percent. In Missouri, multifamily construction activity fell 43 percent to 2,850 units compared with an 8-percent decline in 2008. During 2009, multifamily construction activity in Iowa decreased by 12 percent, with 1,725 units permitted, compared with a 5-percent decline in 2008. Kansas recorded the smallest decline in multifamily construction activity during 2009, decreasing 4 percent to 2,250 units compared with a 1-percent decline a year earlier. Based on the McGraw-Hill Construction Pipeline database for 2009, approximately 85 percent of multifamily projects in the region were rental apartment projects compared with 64 percent from 2004 through 2007, the peak years of owner-occupied, multifamily development.

Rocky Mountain



HUD Region VIII

Economic conditions in the Rocky Mountain region continued to weaken in the fourth quarter of 2009, a trend that began in mid-2008. During 2009, nonfarm employment in the region decreased by 152,900 jobs, or 3 percent, to 5.0 million jobs. The loss followed a 0.9-percent increase in 2008. Most of the job losses were concentrated in Colorado and Utah, which lost 89,300 and 42,800 jobs, or 3.8 and 3.4 percent, respectively. In Wyoming, Montana, and South Dakota, nonfarm employment declined by 8,300, 7,800, and 6,400 jobs, representing declines of 2.8, 1.7, and 1.6 percent, respectively. Nonfarm employment in North Dakota increased by 1,700 jobs, or 0.5 percent, making the employment growth in the state the fastest in the nation. For the region, manufacturing, construction, and the professional and business services sectors accounted for 75 percent of the net job losses, but declines occurred in almost all employment sectors. The decline in the number of jobs in the Rocky Mountain region resulted in an increase in the average unemployment rate, from 4.2 percent in 2008 to 6.4 percent during 2009. State unemployment rates ranged from 4.2 percent in North Dakota to 7.3 percent in Colorado, but all states in the region recorded unemployment rates well below the national average of 9.3 percent.

Even with a weaker economy, the population of the Rocky Mountain region continued to increase in 2009 but slowed from the rate of increase during the previous 2 years. According to the Census Bureau, as of July 1, 2009, the population was estimated to be 10.8 million. This figure represents a 1.7-percent increase compared with the population estimate as of July 1, 2008. The annual rate of population growth in the region is slightly lower than the 2.1-percent average recorded during the previous 2 years. From July 1, 2008, through July 1, 2009, Utah and Wyoming ranked as the fastest growing states in the nation, each with a 2.1-percent population growth rate. During the same period, Colorado grew by 1.8 percent and South Dakota by 1 percent. Montana and North Dakota recorded population gains of close to 1 percent. All states in the region continue to attract new residents and, as a result, net in-migration accounted for 46 percent of the regional population increase of 171,500, relatively consistent with the previous 2 years.

Existing home sales activity in the Rocky Mountain region increased during the third quarter of 2009 (the most recent data available) after remaining relatively flat during the previous two quarters. According to the NATIONAL ASSOCIATION OF REALTORS®, the annualized rate of existing home sales for the third quarter of 2009 was up 9 percent compared with the rate of sales in the second quarter of 2009. During the 12 months ending September 2009, however, the annualized rate of existing home sales averaged 188,400 units, a decrease of 14 percent compared with average sales during the same period a year ago. The number of homes sold in the region is well below the peak years of 2005 and 2006, when an average of 250,000 homes were sold. For the 12 months ending September 2009, the largest declines in home sales occurred in Colorado and Wyoming, where the average annualized rate of sales declined by approximately 16 percent in both states compared with the rate of sales for the same period a year earlier. Other states in the region recorded declines ranging from 9 percent in Montana to 13 percent in Utah.

Home sales markets in the major metropolitan areas of Utah were soft in 2009, but reduced inventories of homes for sale and increased home sales activity indicate that markets are beginning to turn around. According to NewReach, Inc., existing single-family home sales in the Ogden-Clearfield metropolitan area during 2009 increased by 6 percent to 8,800 homes compared with sales during 2008, and the average sales price decreased by 2 percent to $204,500. During 2009, the inventory of unsold homes declined by 12 percent to 2,980 homes compared with the 2008 inventory. Similarly, in 2009, sales activity of existing homes in the Salt Lake City metropolitan area increased by 14 percent compared with 2008 sales, and the average sales price decreased to $254,600, a decline of 8 percent compared with the average price in 2008. In comparing 2009 sales volume and prices with those in 2008, new home sales in the

Salt Lake City area increased by 1 percent, but the average sales price declined by 8 percent to $331,100. By comparison, for 2008, new home sales fell by 50 percent and the average sales price declined by 10 percent in the Salt Lake City area compared with sales volume and prices in the previous year. In the Provo-Orem metropolitan area in 2009, sales of existing single-family homes increased by 23 percent compared with those in 2008, but the average sales price declined by 8 percent to $260,000.

Sales market conditions for existing homes in Colorado metropolitan areas were soft during 2009, but declines in home sales prices began to moderate. According to Metrolist, Inc., during 2009, the average sales price of an existing single-family home in the Denver metropolitan area declined by 2 percent to $264,800 compared with the average price during 2008, and the number of home sales was 33,700, the smallest number of homes sold in 12 years, down by 13 percent compared with the number sold in 2008. In comparison, during 2008, the average sales price in the Denver area declined by 13 percent from the average price during the previous year. According to the Boulder Area REALTOR® Association, during 2009, the average price of an existing single-family home in the Boulder metropolitan area declined by 5 percent from a year earlier, to $402,800. During the same period, active listings of homes for sale in the Boulder metropolitan area were relatively unchanged at 1,700 homes. The number of listings in the Denver metropolitan area was down by 16 percent from a year earlier to 16,500 homes. Inventories in Denver declined because a number of sellers are keeping their homes off the market until prices stabilize. In 2009, homes priced from $200,000 to $300,000 in the Denver metropolitan area and from $300,000 to $500,000 in the Boulder metropolitan area recorded the most sales.

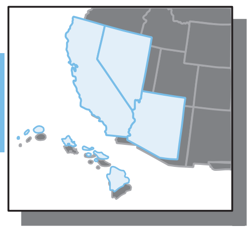
In response to reduced demand for homes, homebuilding activity in the region declined in 2009, continuing a 4-year trend. Based on preliminary data, during 2009, single-family construction activity, as measured by the number of building permits issued, decreased by 6,700 homes, or 24 percent, to 21,250 homes permitted. This level of activity is well below the 49,550 homes permitted in the region for 2007. In Colorado, 7,450 single-family homes were permitted, a decline of 4,440, or 37 percent, compared with the number permitted during the previous 12 months. In Utah, single-family permits declined by 660 homes, or 9 percent, to 6,780 homes permitted. Single-family building activity decreased by 600 homes in Montana and 680 homes in Wyoming, or by 29 and 34 percent to 1,440 and 1,290 homes permitted, respectively. New home construction activity was down by 17 percent to 2,430 homes permitted in South Dakota, but homebuilding activity in North Dakota was up 8 percent to 1,870 homes.

Multifamily construction activity, as measured by the number of units permitted, totaled 9,070 units in 2009, based on preliminary data, a decrease of 35 percent from the number permitted in the Rocky Mountain region in 2008. Declines in building activity for Colorado, Montana, and South Dakota more than offset the gains recorded in North Dakota, Utah, and Wyoming. In Colorado, multifamily construction decreased by 5,260 units, or 73 percent, to 1,700 units permitted. The large decline in Colorado was due to continued softness in the condominium sales market and weakening in the rental housing market during the first half of 2009. The number of multifamily units permitted declined 31 percent in Montana and 8 percent in South Dakota. During 2009, Utah and Wyoming recorded the largest increases among states in the region for the number of multifamily units permitted, with 270 and 320 units added, an increase of 66 and 9 percent, respectively. Much of the increase in Utah and Wyoming was due to increased apartment construction activity in the Salt Lake City and Cheyenne areas, respectively. In North Dakota, the number of multifamily units was up 4 percent in 2009 from a year earlier. In the region, condominium production accounted for an estimated 25 percent of multifamily units permitted during 2009 compared with nearly 50 percent in 2008.

Rental market conditions were balanced to soft throughout the Rocky Mountain region during the fourth quarter of 2009. The tighter conditions that existed a year earlier have eased considerably due to job losses and new units coming on line, especially in the Salt Lake City and Denver areas. The number of new units entering the market in Salt Lake City and Denver was up in 2009 as builders responded to the tight conditions of 2006 and 2007. According to Apartment Realty Advisors, Inc., the average vacancy rate in the Salt Lake City area increased to 8.5 percent during the fourth quarter of 2009, up from 6.8 percent recorded during the fourth quarter of 2008. During the fourth quarter of 2009, the average asking rent declined by 4 percent to $740, and the average rent concession increased by 10 percent. With 2,000 apartment units entering the market in 2009 and another 2,000 units currently under construction, softer market conditions in the Salt Lake City area are expected to persist during the next 12 months. In the Provo-Orem area, the apartment vacancy rate in the fourth quarter of 2009 increased to 7.0 percent compared with 5.7 percent a year earlier. During the fourth quarter of 2009, the apartment vacancy rate in Denver increased to 7.5 percent compared with 7 percent during the fourth quarter of 2008, according to *Apartment Insights*, published by Apartment Appraisers & Consultants. The average effective rent in the Denver area was down 6 percent to $770 during the fourth quarter of 2009. In both 2008 and 2009, approximately 4,000 units entered the market, contributing to the softer conditions in Denver; this number is well above the average of 2,000 units that came on the market from 2004 to 2007. The Boulder rental market was more balanced, with an average apartment vacancy rate of 5.3 percent in the fourth quarter of 2009, up from 4.6 percent a year earlier, and an average effective rent of $900, down 2 percent from a year earlier. An Appraisal Services, Inc., survey for the Fargo-Moorhead metropolitan area indicates the rental vacancy rate was 5.8 percent in the fourth quarter of 2009, up from 5.5 percent for the same period a year earlier.

PACIFIC

HUD Region IX



Employment losses in the Pacific region, which began in 2008, have continued throughout 2009. During 2009, nonfarm employment averaged 18.6 million jobs, reflecting a decline of 941,800 jobs, or 4.8 percent, compared with the number of jobs in 2008. Employment decreased in all sectors except the education and health services sector, which added 27,500 jobs, an increase of 1.2 percent. The construction sector continued to lead job losses, down 219,700 jobs, or more than 19 percent because of the slowdown in both new home and commercial construction. The professional and business services sector and the retail trade subsector lost 163,900 and 140,400 jobs, or 5.7 and 6.5 percent, respectively. The average unemployment rate in the region rose from 6.9 percent during 2008 to 11.1 percent during 2009. Unemployment rates ranged from 7 percent in Hawaii to 11.8 percent in Nevada.

All four states in the region had significant employment losses during 2009. California lost 669,100 jobs, or 4.5 percent, to average 14.3 million; its construction sector alone lost 140,100 jobs, or 18 percent. Employment in Southern California and the San Francisco Bay Area declined by 355,200 and 139,500 jobs, respectively, or 4.2 percent in both areas. Employment decreased in Hawaii by 21,100 jobs, a 3.4-percent change, to average 598,100 jobs. As a result of the $1.3 billion decline in tourist spending from 2008 to 2009, Hawaii's leisure and hospitality sector lost 5,900 jobs, or 5.5 percent. Employment in Arizona declined by 175,500 jobs, or 6.7 percent, to average 2.4 million jobs, with the most significant losses being in the construction and the professional and business services sectors, down 47,700 and 39,600 jobs, respectively. During 2009, Nevada lost 76,100 jobs, or 6 percent, to average 1.2 million jobs. The construction and the leisure and hospitality sectors declined by 27,000 and 21,900 jobs, respectively, as a result of soft conditions in the new home sales market and the 10-percent decline in gaming revenue. More than 3,000 construction jobs were lost when the Fontainebleau Resort and several smaller hotels stopped construction in 2009 because of the weak economy.

The Census Bureau estimated the population of the Pacific region at 47.5 million as of July 1, 2009, a gain of 512,700, or 1.1 percent, compared with the estimate of July 1, 2008. Approximately 78 percent of the regional population increase resulted from net natural change (resident births minus resident deaths), which is consistent with the trend since 2006. Arizona ranked eighth in the nation with a population growth rate of 1.5 percent. Population increased by 1 percent in California and Nevada; the growth rate in Hawaii was only 0.6 percent.

Existing home sales volume increased throughout most major markets in the Pacific region during 2009 because of foreclosures, low interest rates, government buyer programs, and home prices being 46 percent lower on average than their peak price levels in 2006. According to the California Association of REALTORS®, 558,300 existing homes were sold in California in 2009, 1.5 percent more than the number of homes sold in the state during 2008 but 14 percent below the number sold at the peak of the sales market in 2004. The median price of an existing home in the fourth quarter of 2009 was $302,900, up 3 percent from the price in the fourth quarter of 2008 but down 45 percent from the peak price recorded in the fourth quarter of 2006. During the fourth quarter of 2009, foreclosed homes accounted for 41 percent of existing homes sold in California compared with 55 percent of those sold in the fourth quarter of 2008. New home sales in California remained at low levels for the second straight year: according to Hanley Wood, LLC, for the 12-month period ending September 2009 (the most recent data available), in California's 30 largest counties, builders sold 29,100 new homes, a decline of 30 percent from the sales level recorded during the 12 months ending September 2008. In Honolulu during 2009, existing home sales declined 7 percent to 6,200 homes sold. Likewise, home sales prices declined: in the fourth quarter of 2009, the median price of a single-family home fell nearly 6 percent to $581,700, and the median price of a condominium fell 3 percent to $305,000 compared with prices in the fourth quarter of 2008.

Existing home sales continued to increase in both Las Vegas and Phoenix. The *Las Vegas Housing Market Letter* reported that, in 2009, existing home sales in Las Vegas increased to 44,900 homes, up 47 percent from the 30,500 homes sold in 2008. From the fourth quarter of 2008 to the fourth quarter of 2009, the median price of an existing home declined nearly $47,650, or 28 percent, to $124,650. Foreclosed homes represented 65 percent of the existing homes sold during the fourth quarter of 2009, down from an estimated 75 percent in the fourth quarter of 2008. According to the *Phoenix Housing Market Letter*, 93,550 existing homes were sold in Phoenix in 2009, 60 percent more than the number sold during 2008. During the fourth quarter of 2009, the median price of an existing home declined to $126,300, down 16 percent from the price in the fourth quarter of 2008. Foreclosed home sales represented 50 percent of existing home sales in Phoenix in the fourth quarter of 2009, unchanged from the number in the fourth quarter of 2008. From 2008 to 2009, new homes sales declined by 50 percent in Las Vegas to 5,300 homes and 47 percent in Phoenix to 10,850 homes. The new home median price in Las Vegas declined by $34,000, or nearly 14 percent, to $212,500 and by nearly 7 percent in Phoenix to $195,650 between the fourth quarter of 2008 and the fourth quarter of 2009.

As new homes sales continued a 3-year decline, builders throughout the Pacific region reduced single-family home construction activity, as measured by the number of single-family building permits issued. During 2009, 42,850 single-family homes were permitted in the region, based on preliminary data, down 25 percent compared with the number of homes permitted during 2008 and down 84 percent from the 272,450 single-family homes permitted at the peak of new home construction in 2004. In Nevada in 2009, the number of single-family homes permitted decreased by 2,600 to 4,560 homes permitted, 36 percent fewer than were permitted in 2008. From 2008 to 2009, the number of homes permitted in Arizona declined by 27 percent, or 4,600, to 12,450 homes. In California and Hawaii, the number of single-family homes permitted decreased by 22 and 20 percent to 23,800 and 2,000 homes, respectively.

Rental market conditions in northern California ranged from mostly balanced to slightly soft in the fourth quarter of 2009. Reis, Inc., reported that, from the fourth quarter of 2008 to the fourth quarter of 2009, the apartment rental vacancy rate increased from 3.6 to 4.8 percent in the San Francisco submarket, from 4.4 to 5.1 percent in the San Jose submarket, and from 4.7 to 5.8 percent in the Oakland submarket. Average rent declined by more than 6 percent to $1,812 in the San Francisco submarket, by nearly 7 percent to $1,481 in the San Jose submarket, and by 4 percent to $1,331 in the Oakland submarket. In Sacramento, during the fourth quarter of 2009, the rental market softened but remained balanced, with a vacancy rate of 7.3 percent, up from the 5.8-percent rate recorded during the fourth quarter of 2008; the average rent was $913, nearly a 3-percent decrease from the average rent during the fourth quarter of 2008.

The rental markets were tight in San Diego and Santa Barbara Counties and balanced in the remainder of Southern California during the fourth quarter of 2009. Reis, Inc., reported that, from the fourth quarter of 2008 to the fourth quarter of 2009, the apartment rental vacancy rate increased from 4.1 to 4.9 percent in San Diego County, from 4.5 to 5.3 percent in Los Angeles County, from 7 to 8 percent in San Bernardino County, from 4.6 to 5.3 percent in Ventura County, and from 5.1 to 6.4 percent in Orange County. The vacancy rate remained at 8 percent in Riverside County and less than 5 percent in Santa Barbara County. During the fourth quarter of 2009, all submarkets recorded decreases in average rents compared with rents recorded in the fourth quarter of 2008. The average rent declined between 4 and 5 percent in Los Angeles County, Orange County, and Ventura County to $1,400, $1,500, and $1,380, respectively. In Riverside and San Bernardino Counties, the average rent declined by more than 2 percent to $1,030 and, in San Diego County, by more than 1 percent to $1,330.

Phoenix and Las Vegas had soft rental market conditions in the fourth quarter of 2009. According to Reis, Inc., in the fourth quarter of 2009, Phoenix and Las Vegas had vacancy rates of 10.7 and 12.3 percent, respectively, up from the 8.1- and 10.4-percent rates recorded in the fourth quarter of 2008. The average asking rent declined in Phoenix by more than 3 percent to $750 and in Las Vegas by nearly 5 percent to $830 in the fourth quarter of 2009. The Honolulu rental market was balanced, with an estimated vacancy rate of 5 percent in the fourth quarter of 2009, the same as the rate in the fourth quarter of 2008. Honolulu was one of the few places in the Pacific region where the change in average rents was positive: rents increased 3 percent to $1,150 from the fourth quarter of 2008 to the fourth quarter of 2009.

Multifamily construction activity, as measured by the number of units permitted, declined significantly in the Pacific region in 2009. Based on preliminary data, 13,450 multifamily units were permitted in the region in 2009, which represents a decline of 31,850 units, or 70 percent, from the number of multifamily units permitted in 2008 and the lowest level of multifamily units permitted since 1993. The large decline in the region was because of the soft condominium sales market, as builders curtailed construction. In 2005, condominiums represented more than 40 percent of the multifamily units permitted in the region. In 2009, condominiums represented less than 15 percent of the multifamily permits issued. The largest numerical drop in units permitted was in California, where 19,750 fewer units were permitted, down 68 percent to 9,250 units. The Arizona and Nevada rental markets had the largest percentage declines; multifamily construction fell by 80 percent to 1,400 units in Arizona and by 72 percent to 2,200 units in Nevada. In Hawaii, the number of multifamily units permitted declined by 62 percent to 990 units. Honolulu, Las Vegas, Los Angeles, and Phoenix accounted for more than one-half of the drop in multifamily construction for the region in 2009.

Northwest

HUD Region X

The Northwest regional economy averaged 5.2 million nonfarm jobs in 2009, down 215,000 jobs, or 3.8 percent, compared with a gain of 13,000 jobs during 2008. In Washington, nonfarm employment averaged 2.9 million jobs during 2009, down 96,800 jobs, or 3.3 percent—the largest decline of any state in the Northwest region. Oregon, which had the second largest decline, lost 88,000 jobs, or 5 percent, to average 1.6 million nonfarm jobs. In Idaho, losses amounted to 30,500 jobs, a 4.7-percent decline, resulting in an average of 617,000 nonfarm jobs during 2009. In Alaska, employment decreased for the first time since the early 2000s, down by 600 jobs, or 0.2 percent, to an average of 322,000 nonfarm jobs.

During 2009, gains were recorded only in the education and health services and the government sectors, up 12,700 and 5,700 jobs, or 1.8 and 0.5 percent, respectively. Employment in the education and health services sector increased by 5,900 jobs in Oregon, 4,500 jobs in Washington, 1,300 jobs in Alaska, and 1,000 jobs in Idaho. Employment growth in the government sector totaled 2,400 jobs in Washington, 1,500 jobs in Oregon, 1,000 jobs in Alaska, and 800 jobs in Idaho. Regionwide, growth in the education and health services and the government sectors slowed considerably in 2009 compared with growth in 2008, when 25,600 and 24,200 jobs were added in each sector, respectively.

Employment declines in the Northwest region were divided nearly equally between the goods-producing and service-providing sectors. Within goods-producing sectors, manufacturing was down 56,100 jobs, or 14 percent, and construction was down 51,300 jobs, or 10 percent. Oregon and Washington accounted for most of the manufacturing jobs lost in the region, down 26,300 and 23,000 jobs, respectively. Layoffs at Daimler AG and Intel Corporation contributed to job losses in Oregon and downsizing at The Boeing Company and related suppliers led the declines in Washington. In Idaho, layoffs in the semiconductor industry contributed to the loss of 6,500 jobs in the manufacturing sector. Soft residential and commercial real estate markets slowed building, contributing to the loss of 28,400 and 15,700 construction jobs in Washington and Oregon, respectively, compared with the number of construction jobs in 2008. During 2009, Idaho and Alaska lost 6,400 and 800 construction jobs, respectively. Service-providing sectors declined by 106,000 jobs, led by losses in the professional and business services and retail trade sectors, both down 5 percent, or 37,900 and 32,400 jobs, respectively.

Job losses throughout the Northwest region caused the average regional unemployment rate to increase from 5.4 to 9 percent between 2008 and 2009. The unemployment rate increased in every state in the region during 2009 and averaged 11.4 percent in Oregon, 9 percent in Washington, 8.3 percent in Alaska, and 8.1 percent in Idaho.

The rising unemployment rate contributed to continued slow sales housing market conditions throughout the Northwest region during 2009, a trend that began in 2007. In Washington, market conditions were soft and total home sales, although 32 percent below 2007 volumes, were similar to 2008 home sales totals because of continued price declines and a year-end boost in home sales related to the first-time homebuyer tax credit program. According to the Northwest Multiple Listing Service, new and existing home sales during 2009 totaled 42,200 in the combined Puget Sound metropolitan areas of Seattle, Tacoma, Bremerton, and Olympia, down just 1 percent from the number sold in 2008. During the last 3 months of the year, sales were up 43 percent compared with sales during the same period in 2008. The average sales price of a home sold in 2009 declined 14 percent to $361,800 in the combined Puget Sound metropolitan areas and was 21 percent below the peak average sales price of $457,400 recorded during the 12 months ending February 2008. In the Seattle metropolitan area, 26,700 homes were sold during 2009, a 1-percent decline from the number sold during 2008. The average sales price of a home in the Seattle metropolitan area declined by 14 percent to $423,300. In the Tacoma and Olympia metropolitan areas, average prices declined by 20 and 9 percent, to $240,200 and $264,700, respectively. Home sales declined by 1 percent in the Tacoma area and by 4 percent in the Olympia area. The Bremerton metropolitan area was the only area to record an increase in the number of homes sold, up 3 percent; however, the average sales price declined by 10 percent to $295,700.

Oregon sales market conditions were soft during 2009, as evidenced by price declines, but they also reflected increased sales for the year mostly due to the first-time homebuyer tax credit program and to the increased affordability of homes. According to data from local multiple listing services, for 2009, the number of new and existing single-family homes sold in the 11 largest markets in Oregon totaled 41,500, indicating a 5-percent increase compared with the number sold during 2008. During 2009, the average home price decreased by 14 percent to $253,200. In the Oregon-Washington metropolitan area of Portland-Vancouver-Beaverton in 2009, 24,100 new and existing homes sold, up 2 percent from the number sold during 2008, although the average price decreased 13 percent to $278,900. In Idaho in 2009, sales of new and existing homes in the 19 counties covered by the Intermountain Multiple Listing Service increased to 9,900 homes, up 9 percent from the number sold during 2008, but the average sales price decreased 18 percent to $166,500. In the Boise metropolitan area in 2009, sales of new and existing homes totaled 7,900 units, indicating a 12-percent increase from the total number of homes sold in 2008, although the average sales price decreased by 19 percent to $171,400. According to the Alaska Multiple Listing Service, Inc., new and existing home sales during 2009 totaled 2,400, which is a 2-percent decline from the number sold during 2008, and the average sales price decreased 1 percent to $320,600.

Home builders continued to scale back new home construction in 2009, a trend started in late 2007, resulting from the soft sales housing market conditions throughout the Northwest region. Based on preliminary data, single-family building activity, as measured by the number of building permits issued, totaled 19,500 homes during 2009, which is down by 6,800 homes permitted, a 26-percent decrease from the number permitted in 2008. During 2009, the number of single-family homes permitted totaled 10,400 in Washington and 3,700 in Idaho, indicating declines of 25 percent in both states from the number of homes permitted during 2008. In Oregon, the number of single-family homes permitted declined by 29 percent to 1,950 and, in Alaska, single-family construction activity declined by 10 percent from 2008 to 600 homes in 2009.

Multifamily construction activity, as measured by the number of units permitted, slowed considerably in the Northwest region during 2009. Based on preliminary data, for 2009, the number of units permitted in the region totaled 5,600, down 64 percent from the number of units permitted during 2008. Washington multifamily construction activity declined by 7,000 units in 2009, or 69 percent, to 3,200 units and accounted for most of the region's total decline of 9,900 units. In Oregon, 1,600 multifamily units were permitted in 2009, which is 2,800 fewer than the number permitted during 2008, and, in Idaho, multifamily construction activity declined in 2009 by 100 units from 2008, to a total of 600 units permitted. In Alaska, multifamily construction activity for 2009 totaled 170 units, up by 67 units from the number of units permitted during 2008.

Rental housing market conditions during 2009 were mostly soft throughout much of the Northwest region due to job losses and to the increased number of unsold sales units entering the rental market. According to data from Reis, Inc., the apartment rental vacancy rate in the Seattle metropolitan area was 7.4 percent during the fourth quarter of 2009, up from 5.8 percent in the fourth quarter of 2008, and the average asking rent of $950 for apartments in 2009 was down 5 percent from the average asking rent recorded a year earlier. In 2009, the Tacoma metropolitan area apartment vacancy rate was 8.1 percent, up from 5.8 percent a year earlier, partly due to troop deployments from the Fort Lewis Army Base. The average asking rent of $740 in the Tacoma area during 2009 was down 3 percent from the average asking rent during the fourth quarter of 2008. On the eastern side of Washington in the Spokane metropolitan area, the apartment vacancy rate increased from 4.6 percent in 2008 to 6.5 percent in 2009, but the average monthly rent of $630 remained essentially the same.

In the Portland-Vancouver-Beaverton metropolitan area, rental housing market conditions were soft as of the fourth quarter of 2009. According to Reis, Inc., the apartment vacancy rate was 6.9 percent in the fourth quarter of 2009, up from 5.2 percent in the fourth quarter of 2008. The average rent was essentially flat at $822 during the same periods. Because of limited new apartment construction in 2009, rental markets in the Oregon metropolitan areas of Medford, Salem, and Eugene-Springfield remained balanced with apartment vacancy rates between 5 and 6 percent, up from the tight vacancy conditions of 3.5 to 4 percent in 2008. In the Boise metropolitan area, rental housing market conditions were soft during the third quarter of 2009, continuing a trend that began in mid-2007. According to Reis, Inc., the vacancy rate was 8.7 percent in the third quarter of 2009, up from 5.9 percent in the fourth quarter of 2008. The average rent in 2009 was $690 in the Boise area, representing a 3-percent decline from the average rent in the previous year.

HUD's 10 regions are grouped as follows:

- **Region I, New England:** Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.
- **Region II, New York/New Jersey:** New Jersey and New York.
- **Region III, Mid-Atlantic:** Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia.
- **Region IV, Southeast/Caribbean:** Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, Puerto Rico/U.S. Virgin Islands, South Carolina, and Tennessee.
- **Region V, Midwest:** Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.
- **Region VI, Southwest:** Arkansas, Louisiana, New Mexico, Oklahoma, and Texas.
- **Region VII, Great Plains:** Iowa, Kansas, Missouri, and Nebraska.
- **Region VIII, Rocky Mountain:** Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming.
- **Region IX, Pacific:** Arizona, California, Hawaii, and Nevada.
- **Region X, Northwest:** Alaska, Idaho, Oregon, and Washington.

Housing Market Profiles

Atlantic City-Hammonton, New Jersey

Located along the southern New Jersey shore, about 60 miles southeast of Philadelphia, Pennsylvania, the Atlantic City-Hammonton metropolitan area is coterminous with Atlantic County, New Jersey. The metropolitan area is among the leading tourist destinations in the nation for gaming entertainment, with 32 million visitors generating $4.5 billion in casino revenue annually, according to data from the New Jersey Casino Control Commission. Harrah's Entertainment, the leading private-sector employer, has 16,100 employees, followed by Trump Entertainment Resorts, with 8,700 employees. As of January 1, 2010, the metropolitan area population is estimated at 271,700. During 2009, the population grew by 1,060 people, or 0.3 percent, the same growth rate as during the past 2 years. Population growth peaked at 4,200, or 1.6 percent, during the 12 months ending June 2004.

During the 12 months ending November 2009, average nonfarm employment totaled 142,600 jobs, down 4 percent, or 6,000 jobs, compared with the number of jobs during the 12-month period ending November 2008. The leisure and hospitality sector, which accounts for 40 percent of all area jobs, decreased by 4.9 percent, or 2,700 jobs, during the 12 months ending November 2009. The mining, logging, and construction sector and the manufacturing sector decreased by 1,200 and 600 jobs, respectively, while the government and the professional and business services sectors each lost 500 jobs. In response to current economic conditions, the completion of Revel Entertainment's $2.6 billion hotel and casino, expected to add 5,500 jobs, has been postponed until 2011, when consumer travel and spending are anticipated to improve. The creation of an additional 2,000 jobs is expected with the completion of the $80 million NextGen Aviation Research and Technology Park, where the first of seven buildings is expected to open in early 2011. During the 12 months ending November 2009, the average unemployment rate increased to 11.6 percent from 6.7 percent during the previous 12 months.

The sales housing market in the metropolitan area is currently soft, with an estimated vacancy rate of 3 percent, due to tighter mortgage lending standards than in recent years and because of the weakening economy. According to the most recent data from the New Jersey Association of REALTORS®, the median sales price of an existing home was $239,800 during the third quarter of 2009, down nearly 7 percent from $257,400 during the third quarter of 2008 and down 16 percent compared with the median price during the third quarter of 2007. Total existing homes sales increased to 490 during the third quarter of 2009 compared with the 430 sold during the third quarter of 2008. During the 12 months ending October 2009, foreclosures nearly doubled to 4 percent of outstanding mortgage loans compared with the national foreclosure average of 3 percent, according to data from First American CoreLogic, Inc.

The soft sales market has resulted in decreased single-family construction activity, as measured by the number of building permits issued. During the 12 months ending November 2009, single-family homebuilding activity totaled 480 homes, down 31 percent compared with the number of homes permitted during the previous 12 months, according to preliminary data. Single-family home construction peaked during 2003, when 2,060 homes were permitted, before declining to an average of 1,075 homes for each year from 2006 to 2008. New developments include Eastwind, a 106-home community; Bayport on Lake's Bay, a 131-home community; and Gateway West, an 84-home community. Prices for these new homes range from $160,000 to $320,000, with the lower range priced for the casino workforce. Since 2000, new condominium construction has been relatively nonexistent; however, an estimated 2,200 condominium units have been added through conversions of residential and nonresidential structures.

Despite current economic conditions and increased out-migration, the overall rental housing market is balanced, with an estimated vacancy rate of 6.5 percent, virtually unchanged since 2006. According to Reis, Inc., the average rent in the third quarter of 2009 was $950, unchanged from the third quarter of 2008. Apartment construction in the metropolitan area, as measured by the number of units permitted, has decreased significantly since 2006. From 2000 through 2006, apartment-permitting activity averaged 180 units a year before declining to an annual average of 100 units during both 2007 and 2008. According to preliminary data, 90 apartment units have been issued permits during the 12 months ending November 2009. Average asking rents for newly constructed one-, two-, and three-bedroom apartment units are $890, $1,100, and $1,900, respectively. The timing of new development in the area is expected to correspond with the anticipated opening of the Revel Hotel and Casino. The District at City Center, or phase I of the $150 million redevelopment project in Pleasantville, will consist of 300 garden-style apartments to be completed by 2011. These units, which are being constructed for people in the income range of the casino workforce, will rent for approximately $850 to $1,000 a month.

Detroit-Warren-Livonia, Michigan

The Detroit-Warren-Livonia metropolitan area, consisting of six counties (Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne) in southeastern Michigan, is a manufacturing hub with a historic emphasis on transportation equipment manufacturing. The largest private-sector employers in the metropolitan area are Ford Motor Company, General Motors Corporation, and Chrysler Group LLC, with 44,000, 20,800, and 19,900 employees, respectively. As of January 1, 2010, the population of the metropolitan area is estimated at 4.4 million, a decrease of approximately 30,250, or 1 percent, compared with the estimated population a year earlier. Wayne County includes the city of Detroit and accounts for 43 percent of the total population in the metropolitan area.

During 2009, nonfarm employment in the metropolitan area averaged 1.76 million jobs, a decrease of 141,000 jobs, or 7.4 percent, compared with the annual average in 2008. Declines in nonfarm employment have occurred at an average rate of 2.3 percent annually since 2000, when employment averaged 2.2 million jobs. During 2009, the manufacturing sector declined by 56,600 jobs, or 19 percent, from the previous year; manufacturing employment has decreased by slightly more than one-half since 2000. More than 10 percent of the manufacturing jobs lost in 2009 resulted from plant closings at General Motors, Chrysler and at direct suppliers associated with the automobile industry. The professional and business services sector declined by 43,400 jobs, or 13 percent, from the previous year. The only sector to grow in 2009 was the education and health services sector, increasing by 1,200 jobs, or 0.4 percent, compared with the number of jobs in 2008. Leading employers in the education and health services sector include Henry Ford Health System and Beaumont Hospitals, with 18,300 and 15,300 employees, respectively. Wayne State University (WSU) is the largest post-secondary educational institution in the metropolitan area with a total of 32,000 students enrolled at its main and satellite campuses. According to WSU, the university has an estimated economic impact of more than $1 billion annually and employs more than 8,100 people. Future job growth is expected from the more than 100 companies based in the metropolitan area who are involved in alternative energy. The presence of existing renewable-energy companies and a surplus of manufacturing space have led to other major projects in the metropolitan area. In June 2009, General Electric announced plans for a $100 million renewable-energy center in Van Buren Township, approximately 25 miles west of Detroit. The facility, currently in a startup phase, is expected to employ up to 1,100 people in 3 to 5 years.

Sales market conditions in the metropolitan area are currently soft and have been since 2004, partly due to job losses and subsequent population declines. According to data from the Michigan Association of REALTORS®, annual home sales activity totaled 50,200 in 2004 and declined annually through 2008. During 2009, approximately 51,500 existing homes were sold in the Detroit-Warren-Livonia metropolitan area, representing a 17-percent increase compared with the 44,200 homes sold in 2008. Significant home sales price declines and recent homebuyer tax credit programs have led to increased home sales in the metropolitan area. The average sales price of an existing home in 2009 was $90,100, representing a 17-percent decline from the $108,100 reported in 2008. Since 2003, the average sales price has declined by 53 percent from $192,000. In 2009, sales prices declined in all areas that report to the Michigan Association of REALTORS®, with average prices ranging from $12,500 in the city of Detroit to $148,700 in Livingston County.

In response to a soft sales market, developers in the Detroit-Warren-Livonia metropolitan area have decreased construction activity for single-family homes, as measured by the number of building permits issued. Based on preliminary data, during 2009, 1,275 single-family homes were permitted, representing a 35-percent decline compared with the number of homes permitted during 2008. Between 2003 and 2007, an average of 11,750 single-family homes were permitted annually in the metropolitan area. Newly constructed homes range in price from approximately $135,000 for a three-bedroom home in Lapeer County, up to $175,000 in both Oakland and Livingston Counties.

In the city of Detroit, new loft-style housing, often in rehabilitated factory or warehouse structures, is concentrated in the downtown central business district and Midtown, near WSU. Midtown loft conversions include the Crystal Lofts that opened in late 2008, with units for sale starting at approximately $250,000 and rents starting at $1,300. Other mixed-use and loft developments in Midtown have homes starting at $150,000 and increasing to nearly $1 million for luxury loft properties. In downtown Detroit, the newly refurbished Book Cadillac Hotel opened in 2008 as The Westin Book Cadillac Detroit, with 453 guest rooms on the lower floors, and 66 loft and condominium homes on the upper floors. Renovations at the historic Book Cadillac totaled approximately $200 million. Although approximately 60 of the 66 residential units were presold, with prices starting at $160,000, most of the buyers did not close on these homes. About one-half of the homes are currently occupied and are evenly split between owners and renters.

The rental housing market in the Detroit-Warren-Livonia metropolitan area is soft. As of January 1, 2010, the overall rental vacancy rate is estimated at 10 percent, down from 10.6 percent reported as of July 1, 2008, by the Census Bureau. The apartment market is balanced, with a vacancy rate of 7.6 percent reported in the third quarter of 2009, up from 6.6 percent in the third quarter of 2008, according to data from Reis, Inc. Apartment vacancy rates in the third quarter of 2009 range from 6.9 percent in the Downriver/South Wayne County submarket to 10.3 percent in the Downtown submarket. The average monthly asking rent for the third quarter of 2009 for the metropolitan area was $830, down slightly from $840 in the third quarter of 2008, according to data from Reis, Inc. The current average asking rent is $880 in the Downtown submarket, $1,030 in Farmington Hills, and $720 in Downriver/South Wayne County.

Multifamily construction activity, as measured by the number of units permitted, has declined significantly in the metropolitan area during 2009. According to preliminary data, during 2009, approximately 80 multifamily units were permitted, 88 percent fewer than the 680 multifamily units permitted in 2008. In the 5 years ending 2007, the annual number of multifamily units permitted averaged 2,525, down from an average of 3,550 multifamily permits issued annually from 2000 through 2004.

Fargo, North Dakota-Minnesota

The Fargo metropolitan area consists of Cass County in North Dakota and Clay County in Minnesota. Fargo, the largest city in North Dakota, is located in the southwest portion of the state. The Fargo metropolitan area is the retail, manufacturing, healthcare, and education hub for western North Dakota and eastern Minnesota. MeritCare Health System, North Dakota State University (NDSU), and BlueCross BlueShield of North Dakota are the leading employers in the area. As of January 1, 2010, the population in the metropolitan area is estimated to be 200,000, representing an increase of 1.7 percent during the past year, which is relatively unchanged from the rate of population growth recorded in 2008.

Economic conditions in the Fargo metropolitan area declined in 2009 after averaging job growth of almost 2 percent a year for the past 10 years. In 2009, nonfarm employment remained unchanged from 2008, at 121,700 jobs, representing a considerable slowdown from the 2.6-percent job growth recorded in 2008. Most job losses occurred in goods-producing sectors, which lost approximately 900 jobs. The Bobcat Company, Microsoft Corporation, and DMI Industries announced layoffs in 2009, with a total decrease of approximately 200 jobs. The J.M. Smucker Company recently announced plans to close its West Fargo plant in April 2010, which will result in a loss of 140 area jobs. In 2009, state government employment increased by approximately 1,000 jobs, or 14 percent, to 7,500 jobs. The large job increase resulted from increased student enrollment at NDSU, which requires additional staff and student work-study positions to meet the needs of the larger student population at the university. In 2009, the metropolitan area's average unemployment rate increased to 4.2 percent, up from 2.8 percent a year earlier.

Student enrollment levels at universities and colleges in the Fargo metropolitan area has increased significantly in recent years. Tri-College University, a consortium of NDSU, Minnesota State University Moorhead, and Concordia College, had a 5-percent increase in student enrollment in 2009. With nearly 25,000 students and 4,500 faculty and staff, Tri-College University has an annual estimated regional economic impact of more than $1 billion.

The Fargo metropolitan area home sales market remained stable during the economic downturn of 2009 and is currently balanced. In 2009, the median price of single-family homes remained unchanged from the 2008 price, at approximately $144,900, according to AA Appraisals in Fargo. The number of single-family home sales also remained unchanged, at approximately 2,050. According to data from First American CoreLogic, Inc., the rate of foreclosures among outstanding mortgage loans in the Fargo area increased to 0.8 percent in October 2009 from 0.5 percent a year earlier. During the same time, the number of loans delinquent by 90 days or more also increased from 1.4 to 2.3 percent. The Fargo metropolitan area is well below the national foreclosure and delinquency rates, which are at 3.0 and 7.7 percent, respectively. During 2009, new home construction activity declined. In 2009, single-family home construction, as measured by the number of building permits issued, totaled 725 homes, representing a 6-percent decrease from the 770 permits issued in 2008, based on preliminary data. The sales price for a new two-bedroom, two-bath starter home in the Fargo metropolitan area begins at approximately $155,000.

The rental market in the Fargo metropolitan area is somewhat tight as the growing student population has increased rental demand. According to Appraisal Services, Inc., the vacancy rate in the Fargo area increased slightly from 5.5 percent in the fourth quarter of 2008 to 5.8 percent in the same period of 2009. The increase in vacancy is attributed to new apartments that have just come on the market and are available for leasing. Multifamily construction, as measured by the number of units permitted, has increased significantly. In 2009, 830 multifamily permits were issued, compared with only 430 permits issued in 2008, based on preliminary data. Increased student enrollment has resulted in new rental development close to NDSU's main campus in West Fargo and near the downtown Fargo campus. Cityscapes Plaza is a new 104-unit, mixed-use development located near downtown Fargo, which opened in late 2009 for students, faculty, and staff. Cityscapes Plaza, managed by the university, rents two-bedroom apartments for $1,180 a month. Close to NDSU's main campus, the 88-unit Dakota Street Lofts project is currently under construction and its completion is expected by the spring of 2010. In addition to the new construction projects near the NDSU campus, approximately 300 new rental units are under construction in six smaller developments across the southwest portion of the city of Fargo. Monthly rents for newer two-bedroom, two-bath apartments in the area start at approximately $800.

Gulfport-Biloxi, Mississippi

The Gulfport-Biloxi metropolitan area, located in the Mississippi Gulf Coast region, includes Hancock, Harrison, and Stone Counties. The two largest cities in the metropolitan area are Gulfport and Biloxi, both of which are located in Harrison County. Hurricane Katrina heavily impacted the area when it made landfall in August 2005. As of December 1, 2009, the population of the metropolitan area is estimated to be 238,400, which is an increase of 1.1 percent compared with the population estimated a year earlier. Population growth rates have declined steadily after reaching a peak of 2 percent in the year following the occurrence of Hurricane Katrina. Since July 2006, the area has added approximately 11,200 residents; however, it has yet to return to the pre-Hurricane Katrina population level, estimated at 256,500.

Economic conditions in the metropolitan area weakened during the past year. Post-Hurricane Katrina nonfarm employment growth peaked at 11,400 jobs during the 12 months ending August 2007, when displaced businesses and workers returned to the area. This figure represents an 11.6-percent increase compared with the number of jobs during the previous 12 months. During the 12 months ending November 2009, nonfarm employment declined by 2,600 jobs, or 2.4 percent, to 107,700, compared with a small increase of 0.5 percent recorded during the previous 12 months. Nonfarm employment levels have yet to return to the pre-Hurricane Katrina peak of 114,200 jobs, recorded during the 12 months ending August 2005. The largest job losses in the past 12 months occurred in the leisure and hospitality sector, which declined by 1,400 jobs, or 5.9 percent. The gambling and casino hotel industries account for nearly one-half of the employment within this sector and are significantly affected by fluctuations in tourism levels. Taxed gross gaming revenue in the city of Biloxi declined nearly 12 percent, to $841.6 million, during the 12 months ending November 2009 compared with the revenue recorded during the previous 12-month period. With the exception of the government sector, which recorded a small gain of 300 jobs, all other sectors recorded small job losses. The government sector and the leisure and hospitality sector each account for more than 20 percent of the current jobs in the metropolitan area. Reflecting overall job losses during the past year, the unemployment rate rose from 5.6 to 7.7 percent during the 12 months ending November 2009.

As a result of the slow economy and tight mortgage lending standards, the sales market for single-family homes in the metropolitan area is soft. According to the Mississippi Gulf Coast Multiple Listing Service, Inc., 2,800 new and existing homes sold during 2009, representing a decrease of more than 6 percent compared with the number sold in 2008. The average sales price declined by approximately 2 percent, to $145,500, during this period. According to data from First American CoreLogic, Inc., the rate of foreclosures among outstanding mortgage loans in the Gulfport-Biloxi metropolitan area more than doubled from 1.0 percent in October 2008 to 2.4 percent in October 2009. During the same time, the number of delinquent loans, those late by 90 days or more, nearly doubled from 4.3 to 8 percent.

The slow pace of home sales caused home builders to reduce new home construction activity. Single-family building activity has recorded consistent declines after reaching a peak of 3,400 homes permitted during the 12 months ending February 2007, after the initial rebuilding phase that followed Hurricane Katrina. During the 12 months ending November 2009, single-family construction activity, as measured by preliminary building permit data, totaled 1,675 homes, representing a decline of 3 percent compared with the number of homes permitted during the previous 12 months. Current single-family homebuilding activity is slightly below the level recorded during the 12 months before Hurricane Katrina occurred, when 1,800 homes were permitted.

The Gulfport-Biloxi metropolitan area rental housing market is currently soft, with an estimated overall vacancy rate of 15 percent, due in part to worsening economic conditions and to recent significant additions to the rental inventory. According to data provided by the Gulf Regional Planning Commission (GRPC), apartment projects containing approximately 2,275 units opened in Harrison and Hancock Counties between January 2008 and May 2009, adding an average of 1,600 units on an annual basis. An additional 1,575 units were under construction as of May 2009. Approximately 1,250 of the units under construction were financed through a combination of low-income housing tax credit (LIHTC) and Community Development Block Grant (CDBG) funds, including 60 units intended for occupancy by elderly people. From 2000 through 2007, an average of only 360 apartment units opened annually in these two counties. Much of the large increase in the number of units built since January 2008 can be attributed to the reconstruction and rehabilitation of units that were severely damaged or destroyed during Hurricane Katrina.

GRPC data also indicate that the average vacancy rate for market-rate apartments in Harrison and Hancock Counties was 12 percent in May 2009, which is twice the 6-percent rate recorded the previous year. In May 2009, average rents for market-rate apartment units in the primary county of Harrison were $650 for a one-bedroom unit, $750 for a two-bedroom unit, and $940 for a three-bedroom unit, representing declines of between 4 and 7 percent compared with rents recorded in May 2008.

Hot Springs, Arkansas

The Hot Springs metropolitan area, located in the Ouachita Mountains in southwest Arkansas, comprises Garland County and is coterminous with the Hot

Springs Metropolitan Statistical Area (MSA). The metropolitan area is a popular retirement and vacation destination because of its numerous outdoor and recreational attractions, including the Hot Springs National Park, the Ouachita National Forest, and Oaklawn Jockey Club racetrack and casino. As of December 2009, the population of the metropolitan area was estimated at 99,100. Annual population growth has been relatively consistent averaging about 1,200 people, or 1.3 percent, during the past 3 years, entirely due to net in-migration. People of retirement age account for an estimated one-third of the total population. The city of Hot Springs is the most populous city in the metropolitan area, with an estimated current population of nearly 40,000 people.

Employment in the metropolitan area remained stable during the past 2 years, following average annual gains of 2.1 percent between 2002 and 2006. During the 12 months ending November 2009, nonfarm employment averaged 39,100 jobs, a gain of 200 jobs, or a 0.4-percent increase, compared with the number of jobs during the same period ending November 2008. The education and health services sector coupled with the leisure and hospitality sector account for more than one-third of the total employment in the metropolitan area, reflecting the needs of the large retirement community and the significant presence of the tourism industry. During the 12-month period ending November 2009, the education and health services sector averaged 7,200 jobs, which is unchanged compared with the number of jobs during the previous 12 months. Nearly all the jobs in this sector are within the healthcare and social assistance subsector. More than one-fourth of these jobs are located at St. Joseph's Mercy Health Center, the leading employer in the metropolitan area, with 2,000 workers. According to the Arkansas Department of Parks & Tourism, visitors spend more than $500 million in the metropolitan area annually. The leisure and hospitality sector, with about 6,450 jobs, recorded the largest gain during the past 12 months, with an increase of 60 jobs, or 1 percent. Jobs at the gaming and racetrack facilities, owned and operated by the Oaklawn Jockey Club—the second leading employer, with 1,200 employees—account for nearly one-fifth of all jobs in this sector.

The Hot Springs metropolitan area sales market is currently soft with an estimated vacancy rate of 3 percent compared with more balanced conditions a year ago. According to the Arkansas REALTORS® Association, during the 12 months ending October 2009, new and existing home sales declined by 310, or 21 percent, to 1,150 homes compared with the number of homes sold during the same period a year ago; home sales volume peaked at 1,650 homes in 2005. During the 12-month period ending October 2009, the average sales price also decreased by $17,000, or 10 percent, to $159,200 compared with a decade-high increase of 6 percent a year ago. According to local REALTORS®, stricter lending standards have particularly hindered purchasing by second-home buyers and investors. More than 7 percent of the homes in the metropolitan area are vacation homes, a higher percentage than in 90 percent of the nation's MSAs. In Hot Springs Village, a town located 50 miles west of Little Rock, nearly 80 percent of the 34,000 property owners are nonresidents, according to the Hot Springs Village Property Owners' Association. According to local REALTORS®, condominium sales account for nearly one-sixth of the total sales market; units are sold primarily to retired people, second-home buyers, and investors. The price for a two-bedroom condominium typically ranges from $200,000 to $250,000.

Reflecting continued slowing home sales volume and declining prices, single-family construction activity, as measured by the number of building permits issued, remained stable during the past year. During the 12 months ending November 2009, approximately 150 single-family homes were permitted, a figure unchanged from a year ago but down from the 320 homes permitted in 2007. Sixty waterfront condominium units are under construction at Woodland Condominiums, located at Lake Hamilton in Hot Springs. According to the developer, 22 of the 36 units completed have sold at a price of $129,000 for one-bedroom, 900-square-foot units and at prices ranging from $199,000 to $245,000 for two-bedroom, 1,500-square-foot units.

The metropolitan area rental housing market is soft, with an estimated rental vacancy rate of 9 percent, unchanged from a year ago but down from 14.5 percent in 2000. According to local REALTORS®, the number of nonseasonal rental units available for rent typically diminishes during summer months, reflecting more job opportunities and short-term leasing due to increased tourism. Construction of nonseasonal rental units totaled an estimated 250 units during the 12 months ending November 2009, compared with the 350 units constructed a year ago. An estimated 1,150 nonseasonal rental units have been built since 2000, and the approximately 200 units currently under construction are expected to be available by the spring of 2010. Also under construction are the 75 units at The Brookfield Assisted Living facility in Hot Springs, which are expected to be completed by the spring of 2011. This $8.7 million project will have 75 units with rents ranging from $2,300 to $3,600 per month.

Kansas City, Missouri-Kansas

The Kansas City metropolitan area consists of 15 counties located on the border of Kansas and Missouri. The population as of January 1, 2010, is estimated to be 2.03 million, an increase of about 15,300, or 0.8 percent, from January 1, 2009. By comparison, population growth averaged about 21,700 a year, or 1.1 percent annually, from 2006 through 2008. More than two-thirds of the population growth has been due to net natural increase (resident births minus resident deaths), which has averaged about 15,100 a year since 2006, while net in-migration averaged about 6,600 a year. The nearest major cities are more than 150 miles away from Kansas City, so the metropolitan area serves the needs of the large region as a center for shipping and distribution, health care, and financial and professional services. Leading employers in the area include Sprint Nextel Corporation, St. Luke's Health System, and AT&T Inc., with 12,000, 6,400, and 5,200 employees, respectively.

Employment growth in the metropolitan area leveled off in 2008 with the onset of the national recession followed by significant job losses in 2009. In 2009, nonfarm employment declined by about 19,800 jobs, or 1.9 percent, to 998,700 jobs. Paralleling the job losses, the average unemployment rate increased from 5.6 to 8.3 percent during the 12 months ending November 2009. From 2004 to 2007, by comparison, nonfarm employment grew by an average of 15,300 jobs a year, or 1.6 percent. Recent job losses were most significant in the manufacturing, professional and business services, and transportation and utilities sectors, which lost 5,100, 4,800, and 2,500 jobs, respectively, or declined by 6.0, 2.8, and 5.1 percent, respectively. Local firms announcing layoffs in 2009 included shipping company YRC Worldwide Inc., manufacturing firm Harley-Davidson, Inc., and Sprint Nextel Corporation, with more than 3,000 combined layoffs. In addition, a softer housing market resulted in the loss of about 4,700 construction jobs, or 9.4 percent. Education and health services, government, and financial activities were the only sectors that experienced job growth, with increases of 2,300, 1,300, and 100 jobs, respectively, or 1.9, 0.9, and 0.1 percent, respectively.

The weakened economy has contributed to a recent slowdown in residential sales activity, and the current home sales market is somewhat soft. According to the Kansas City Regional Association of REALTORS®, home sales during the 12 months ending November 2009 were down 4 percent from sales recorded during the previous 12 months. Although sales of existing homes remained relatively stable with 23,400 homes sold, sales of new homes fell by about 1,100 units, or 31 percent, to 2,475 homes sold during the same period. During the past 12 months, the average sales price for existing homes declined by about $11,600, or 7 percent, to $147,100, and the average price for new homes fell by $27,300, or 8 percent, to $293,900.

Although foreclosures in the third quarter of 2009 were up 15 percent from a year ago, mostly due to job losses, the foreclosure rate in the Kansas City metropolitan area remains below the national average. According to RealtyTrac®, Inc., 1 out of every 174 homes in the metropolitan area had a foreclosure filing in the third quarter of 2009, compared with 1 out of every 136 homes nationwide. One reason for the lower rate of foreclosures is that the subprime share of mortgages in the area, at 11.3 percent, was somewhat below the national average of 12.3 percent, according to the NATIONAL ASSOCIATION OF REALTORS®. In addition, the metropolitan area did not experience the rapid rise in home prices that occurred in other parts of the nation earlier in the decade, and has not experienced the subsequent dramatic decline.

Despite the slow pace of home sales, the inventory of unsold homes has decreased, partly due to a reduced number of new homes coming on the market. For the 12 months ending November 2009, the number of active listings averaged about 16,100 homes compared with 19,100 for the previous 12 months, representing a 15-percent decline. The supply of new homes on the market fell from about 4,000 to 2,650 during the same period, which was a 34-percent decline. In response to the weak home sales market, home builders have decreased home construction activity, as measured by the number of single-family homes permitted. Based on preliminary data, during the 12 months ending November 2009, about 2,700 single-family homes were authorized, indicating a decline of 200 units, or 7 percent, from the previous 12 months. By comparison, from 2001 through 2006, single-family home construction averaged roughly 11,000 homes a year. Condominium construction peaked from 2001 through 2004, when about 1,200 units a year were built. Currently, fewer than 200 units are under construction. Redevelopment of historic buildings in midtown and downtown areas has also added to the supply of condominiums during the past 4 years. One example is the 168-unit Board of Trade Condominiums building in downtown Kansas City, which opened in late 2009, near the recently completed Power & Light District. Asking prices for the condominiums range from $115,000 for studio units to $500,000 for penthouse units.

The rental market in the Kansas City metropolitan area is soft—a result of the weaker economy and a large number of new apartment units coming on line. The current rental vacancy rate is estimated to be 9 percent, up from 7.5 percent a year ago. According to Reis, Inc., the average monthly apartment rent in the third quarter of 2009 was about $700, which is essentially unchanged from the rent in the same quarter a year earlier. Average monthly rents in the metropolitan area currently range from about $600 for a one-bedroom unit to $750 for a two-bedroom unit and $900 for a three-bedroom unit. Multifamily building activity, as measured by the number of units permitted, has slowed in the past year due to the softer rental market. Based on preliminary data, in the 12 months ending November 2009, roughly 1,400 multifamily units were permitted, down from 2,900 during the previous 12 months, representing a 51-percent decline. By comparison, multifamily construction in the metropolitan area averaged nearly 3,600 units a year from 2001 through 2006. Roughly 75 percent of the units added during that 6-year period were rental units. About 1,300 rental units are currently under construction. One development nearing completion is the 323-unit Market Station apartments in the historic River Market area near downtown, with rents ranging from about $700 a month for a one-bedroom unit to $1,700 for a two-bedroom unit. Another new development, expected to be completed in August 2010, is the 309-unit West End at City Center in Lenexa, Kansas, approximately 15 miles southwest of downtown Kansas City. Monthly rents will range from about $700 for a one-bedroom unit to $1,550 for a three-bedroom unit.

McAllen-Edinburg-Mission, Texas

The McAllen-Edinburg-Mission metropolitan area, located in Texas along the United States-Mexico border, is coterminous with Hidalgo County. The metropolitan area, commonly referred to as the Rio Grande Valley, is a retail and healthcare center for south Texas. As of December 1, 2009, the estimated population of the metropolitan area was 748,100, an increase of 21,500, or 3 percent, compared with the population in December 2008. The rate of population growth in the area has remained relatively constant during the 2 years preceding December 2009. Since 2006, about 70 percent of the increase has been attributed to net natural increase (resident births minus resident deaths).

Employment growth in the metropolitan area was much slower during the 12 months ending November 2009 compared with the previous 12 months; only 1,600 jobs were added, up 0.7 percent to 219,900 jobs. By comparison, job growth averaged 3.5 percent during the 12 months ending November 2008 and 4.7 percent during the 12 months ending November 2007. During the most recent 12-month period, the government sector had the greatest employment growth, adding 3,100 jobs, an increase of 5.9 percent, followed by the education and health services sector, which added 2,100 jobs, an increase of 4.2 percent. A large portion of overall job gains were offset by losses of more than 6 percent in both the goods producing sectors and the professional and business services sector. The increase in jobs in the education and health service sector was led by hiring at several hospitals and the addition of several small clinics and outpatient surgical centers. Combined, the government and the education and health services sectors currently account for nearly 50 percent of nonfarm employment in the area and all of the job growth during the past 12 months. Edinburg Regional Medical Center, with 3,000 employees, followed by McAllen Medical Center, with 2,500 workers, are the top two private employers in the metropolitan area. With the slower job growth observed recently, the average unemployment rate has risen to 10.4 percent during the 12 months ending November 2009, up from 7.1 percent during the previous year.

As a result of tight lending standards and the slower economy, the market for existing single-family homes in the McAllen-Edinburg-Mission metropolitan area is soft. According to the Real Estate Center at Texas A&M University, sales of existing homes in McAllen during the 12 months ending November 2009 totaled 1,925 homes, a decrease of 10 percent, or 200 units, when compared with the sales of existing homes in the previous 12 months. Along with the decline in sales volume, the average sales price in McAllen decreased to $119,100 for the 12 months ending November 2009, down nearly 6 percent, or $7,000, from the average sales price in the previous 12 months. According to data from First American CoreLogic, Inc., foreclosures increased from 1.1 percent of outstanding mortgage loans to 1.7 percent from October 2008 to October 2009. According to the same source, nearly 7 percent of mortgage loans in October 2009 were 90 days or more delinquent, compared with 4.6 percent for the same period a year ago.

In response to the soft sales market conditions, home builders have reduced new home construction activity. Based on preliminary data for the 12 months ending November 2009, single-family construction activity, as measured by the number of building permits issued, totaled 2,825 homes, representing a decrease of 14 percent compared with the number of permits issued during the previous 12 months. By comparison, during the period from 2004 through 2007, an average of 6,700 single-family homes a year were permitted in the metropolitan area. Current construction activity is primarily characterized by infill instead of new, large subdivisions. Home builder D.R. Horton is currently offering specials in several communities, with new homes starting at $80,000 for an 1,100-square-foot, one-story home in eastern Hidalgo County near Weslaco, with prices increasing to $180,000 for a 3,000-square-foot, two-story luxury home in Edinburg.

Condominiums have become increasingly popular among homebuyers in the metropolitan area. Latitude 360, a 192-unit development, is currently in the planning stages; prices for new units are expected to start at $90,000. New, high-end condominiums are in the planning stages as well. The Luxe Gallery, a $16-million proposed development in McAllen will consist of 88 units, ranging from 1,450 square feet to 1,900 square feet. The least expensive unit will cost $230,000, nearly double the average home price in the metropolitan area. Construction of the Luxe Gallery is anticipated to begin in the spring of 2010.

The McAllen-Edinburg-Mission metropolitan area rental market is currently soft, with an estimated vacancy rate of 12 percent; however, the apartment vacancy rate is significantly lower. According to the Rio Grande Valley Apartment Association, the apartment vacancy rate was 8 percent as of June 2009, the latest period for which data are available. According to the 2008 American Community Survey (ACS), nearly one-half of the renter-occupied units were either single-family or mobile homes, with units in two- to four-unit structures accounting for another 27 percent. Units typically considered apartments—those in structures with five or more units—accounted for only 23 percent of the total renter-occupied units.

The 2008 ACS also reported that only 5,700 of the 42,000 total vacant rental units were in apartments. Concessions of 1 month's free rent are currently prevalent in the market. Apartment rents in the area average $640 for a one-bedroom unit, $800 for a two-bedroom unit, and $940 for a three-bedroom unit.

Apartment construction in the metropolitan area has generally been characterized by low-income housing tax credit (LIHTC) projects. According to the Texas Department of Housing and Community Affairs, since 2000, 3,750 LIHTC units have been awarded, which represents approximately 40 percent of all multifamily permits in the metropolitan area. Based on preliminary data, apartment construction, as measured by the number of multifamily units permitted, decreased to 280 units permitted during the 12-month period ending November 2009, compared with 500 units permitted during the previous 12-month period. During the past 2 years, multifamily construction has remained well below the annual average of 1,475 units permitted between 2004 and 2007. Soft rental market conditions are likely to persist through 2010 due to the abundance created by the approximately 300 rental units currently under construction and the planned 128-unit apartment complex in Mission, which builders expect to complete within the next 2 years.

New York City, New York

New York City (NYC), the financial center of the United States, encompasses the five counties of Bronx, Kings (Brooklyn), New York (Manhattan), Queens, and Richmond (Staten Island). The population of the city, the largest in the nation, is estimated to be nearly 8.4 million as of January 2010. During 2009, the population increased by 23,550, or 0.3 percent, one-half the 0.6-percent rate of growth that occurred during 2008. Despite a significant amount of international in-migration to NYC, there has been a net out-migration of approximately 15,000 people a year since 2004, partially because of the high cost of housing in the city.

Employment levels in NYC have declined during the past year, continuing a trend that started during the 12 months ending April 2009, when job losses began to offset job gains. During the 12 months ending November 2009, total nonfarm employment in the city declined by 81,175 jobs, or 2.1 percent, compared with employment levels during the previous year. These job losses indicate a significant reversal of the growth that occurred during the 12 months ending November 2008, when 55,700 jobs were added. The unemployment rate at that time was 5.3 percent; it has since increased to an average of 9 percent for the 12 months ending November 2009.

The education and health services sector is the largest employment sector, with nearly 20 percent of the jobs in the city, and includes the leading employer, New York-Presbyterian Healthcare System, with 28,900 employees. During the 12 months ending November 2009, the education and health services sector added nearly 17,700 jobs, an increase of 2.5 percent, compared with the number of jobs during the same period a year earlier. During the past decade, this sector has continued to expand, adding an average of more than 13,000 jobs annually since 2000.

Job gains in the education and health services sector have been more than offset by recent losses in several other sectors. The professional and business services and financial activities sectors together account for more than one-fourth of total employment in NYC and have registered more than 60 percent of the total job losses, or nearly 51,200 jobs, during the 12 months ending November 2009. Layoffs at securities, commodities, and investment firms totaled more than 20,000 employees. The leisure and hospitality sector also weakened during the past year, declining by 2,350 jobs, or 0.8 percent, compared with the number of jobs during the 12-month period ending November 2008, reflecting rates that are well below the average growth rate of more than 3 percent, recorded annually from 2003 through 2008. The weakened economy did not affect business and leisure travel to the city. Visitor spending in NYC totaled nearly $33.5 million in 2008 (the most recent data available), indicating an increase of 5 percent compared with spending in 2007, according to Tourism Economics, Inc.

As economic conditions in NYC have declined, builders have reduced construction of new homes. During the 12 months ending November 2009, based on preliminary building permit data, the number of single-family homes permitted decreased by 39 percent, to 310 units, compared with the number of new homes permitted during the previous 12-month period. Between 2006 and 2008, an average of 680 single-family homes were permitted each year, with more than 45 percent of the new units built in Staten Island. During the 12 months ending November 2009, multifamily construction activity, as measured by the number of units permitted, declined by 84 percent, to 5,725 units, compared with the number of permits issued during the same period in the previous year, based on preliminary data. Multifamily construction reached a peak during the 12 months ending June 2008, when 42,250 permits were issued. Condominium and co-op units accounted for approximately 20 percent of multifamily units built in NYC since 2000. Of all the newly constructed condominium and co-op units, more than 75 percent were located in Manhattan and nearly 20 percent were in Brooklyn.

Home sales market conditions in NYC are currently soft, reflecting the decline in economic growth. According to Prudential Douglas Elliman Real Estate, during the 12 months ending September 2009, the most recent data available, existing condominium and co-op home sales in Manhattan, Brooklyn, and Queens declined by 37 percent, to 23,000 units, compared with sales during the 12 months ending September 2008. During the same period, the average sales price declined by 9 percent, from $813,650 to $740,250. The average number of days a home remained on the market increased by 20 days to 140 days. In Manhattan, during the fourth quarter of 2009, the median sales price declined by 7 percent, to $630,000, for a co-op unit and by 11 percent, to $995,000, for a condominium unit. The median sales price for luxury homes in the top 10 percent of condominium and co-op sales decreased by 9 percent, to $3.7 million.

The NYC rental market is currently tight, but vacancy rates have risen slightly during 2009. According to Reis, Inc., the apartment vacancy rate increased from 2.1 percent in the third quarter of 2008 to 2.9 percent in the third quarter of 2009. The highest rates of vacancy occurred in older units (built before 1970), which increased from 1.5 percent in the third quarter of 2008 to 3.6 percent. The vacancy rate for newer units (built since 2000) declined slightly from 3.3 to 2.8 percent. The development of new apartment units in Manhattan exceeded the absorption of the units, while demand has kept pace with construction in the Bronx, Queens, and Brooklyn. In the third quarter of 2009, average rents increased by 5.4 percent, to $1,150, in the Bronx, and by 1 percent, to nearly $1,390, in Queens. Average rents in Brooklyn declined slightly, by 1 percent, to approximately $1,410. Rents declined throughout Manhattan, ranging from a decrease of 4.7 percent in the West Village (Downtown) and Midtown West areas to a nearly 12-percent decrease in the Upper West Side, where the average rent was $4,030. Average rents in downtown Manhattan were $3,790.

The New Housing Marketplace Plan (NHMP) has a 10-year goal to create 165,000 affordable housing units in the city by 2013. By May 2009, NYC had reached the halfway point of the goal by starting 82,500 affordable units. To date, more than 50,000 existing units have been preserved and at least 31,350 new units are under construction. Of the units financed, 70 percent are rental units and 30 percent are single-family homes and condominium units, and approximately 75 percent of all financed units have rents or purchase prices that are affordable to low-income families. Of the total units funded, approximately one-third are located in the Bronx and Manhattan, one-fourth are in Brooklyn, and the remainder are in Queens and Staten Island.

Oakland-Fremont-Hayward, California

The Oakland-Fremont-Hayward Metropolitan Division (hereafter referred to as the Oakland metropolitan area) encompasses Alameda and Contra Costa Counties, which are located across the San Francisco Bay, east of the city of San Francisco. As of January 1, 2010, the population was estimated to be 2.6 million people, reflecting a 1-percent annual change since January 1, 2009. The rate of annual growth has decreased since 2008, when it was nearly 2 percent. Net in-migration has accounted for 40 percent of the population change since 2009, up from 30 percent earlier in the decade, due primarily to high levels of immigration from Asia and Latin America.

After 3 years of employment growth, the economy in the Oakland metropolitan area began to contract in the second quarter of 2008. Increased foreclosure activity and slow new home sales in eastern Contra Costa County have contributed to the economic decline. In 2009, nonfarm employment decreased by 41,200 to 988,700 jobs, a 4-percent loss compared with employment in 2008. Every major employment sector lost jobs; however, 56 percent of total job losses occurred in the construction, trade, and professional and business services sectors, with respective losses of 8,400, 7,875, and 6,725, or 13, 5, and 4.2 percent. In the financial activities sector, JP Morgan Chase Bank had the greatest number of job losses during 2009, laying off 1,225 employees after acquiring Washington Mutual. The average unemployment rate for 2009 was 10.8 percent, compared with a 6.2-percent rate during 2008.

The Oakland metropolitan area has a service-based economy. The leading employment sectors are government, professional and business services, and trade with 18-, 16-, and 15-percent shares, respectively, of total nonfarm employment. The metropolitan area's top employer—the University of California, Berkeley (UCB)—had 22,600 faculty and staff and 35,400 students during the 2007-to-2008 academic year. According to UCB, the university generates an annual economic impact of $1.3 billion in the metropolitan area and has $420 million in capital projects currently under construction. The two largest projects under way are the new $137 million Student Athlete High Performance Center and the $77 million infrastructure renovation at the Clark Kerr Campus. Additional leading employers include the health services provider Kaiser Permanente® and the food retailer Safeway, Inc., with 19,900 and 10,800 employees, respectively.

The sales housing market in the Oakland metropolitan area is currently soft due in part to the increased foreclosure activity that began in 2007. According to DataQuick Information Systems, from 2000 through 2006, the average number of notices of default (a document that initiates a foreclosure proceeding) filed was 5,475 a year. In 2009, 33,750 default notices were filed, a 12-percent increase from the number recorded in 2008. The foreclosure activity has increased the inventory of homes for sale. Sales volume, however, began to rise in late 2008 due to declining home prices, low mortgage rates, and the introduction of the federal tax incentive for first-time homebuyers. During 2009, DataQuick recorded a new and existing home sales volume of 36,650, a 17-percent increase compared with the sales volume in 2008. According to DataQuick, the median sales price of new and existing homes was $289,900 in 2009, a 24-percent decrease compared with the median price in 2008. The median sales price of new and existing homes peaked at $580,900 in 2007.

New home sales activity has been less robust than existing home sales. According to Hanley Wood, LLC, 2,375 new homes were sold in the 12 months ending September 2009, a 38-percent decrease compared with the number sold in the previous 12-month period. The median sales price of a new single-family home declined 23 percent to $529,000. Condominiums and townhomes constituted 35 percent of all new home sales. According to Hanley Wood, during the 12 months ending September 2009, the median sales price of a condominium was $421,700, 14 percent less than the price during the previous 12-month period. Of the attached home sales, 70 percent were in Alameda County, primarily in the city of Oakland. In 1999, the city of Oakland launched the 10K plan to revitalize the downtown and Jack London Square areas by encouraging new home construction for 10,000 future residents. The 134-unit, 15-story Ellington condominium project in Jack London Square was completed in the summer of 2009. Prices start in the low $300,000s for a one-bedroom unit.

In response to the steady increase in the inventory of homes for sale since 2008, home builders reduced new home construction activity, as measured by the number of single-family building permits issued. From 2000 through 2007, an average of 6,325 single-family home permits were issued annually. During 2009, building permits were issued for 1,875 single-family homes, representing a 6-percent increase from the number of permits issued during 2008, based on preliminary data.

Multifamily construction, as measured by the number of units permitted, has declined since 2006. During 2009, permits for 690 multifamily units were issued, representing a 65-percent decrease compared with the number issued in 2008, based on preliminary data. The current level of activity remains well below the annual average of 4,450 multifamily units that were permitted during the peak years from 2003 through 2006. Home builders reduced new multifamily construction activity mostly because of slower condominium sales. According to the McGraw-Hill Construction pipeline database, of all the multifamily units completed during the 2000s, slightly more than one-half were designated as condominiums and townhomes. Most of the apartment units were completed in the first half of the decade. Builders increased the proportion of condominium units starting in 2005. In 2009, nearly 70 percent of the completed multifamily units were originally designed for homeownership.

The rental market in the Oakland metropolitan area is slightly soft. Reis, Inc., reports that from the end of the fourth quarter of 2008 to the end of the fourth quarter of 2009, the apartment rental vacancy rate increased from 4.7 to 5.8 percent in the Oakland metropolitan area. The average rent in the Oakland metropolitan area declined nearly 4 percent to average $1,331 in the fourth quarter of 2009. Within the Oakland metropolitan area, the city of Oakland submarket is soft, with an estimated vacancy rate of 8 percent as a result of excess rental supply. In this submarket, nearly 1,250 apartment units were completed in the past 12 months. Because several new condominium projects in the city of Oakland were unable to sell the completed units, approximately 500 of the units were made available for rent during the past 2 years.

Salt Lake City, Utah

Located in north-central Utah, the Salt Lake City metropolitan area consists of Salt Lake, Summit, and Tooele Counties. Salt Lake City, the state capital, is the hub of government activity and financial services for Utah. As of January 1, 2010, the population of the metropolitan area was estimated at 1.14 million, an increase of 20,000, or 1.7 percent, from the level recorded a year earlier. Because of a weaker economy, the current rate of population growth is down from the 2-percent annual average recorded during the previous 3 years. Salt Lake County accounts for 90 percent of the population of the metropolitan area and 40 percent of the state population. The University of Utah, located in Salt Lake City, has an enrollment of more than 29,000 students, employs more than 15,000 workers, and has an annual budget of more than $2 billion. Other major employers in the area with more than 3,000 employees each include Intermountain Healthcare, Delta Air Lines, Inc., and Zions Bancorporation.

Economic conditions have significantly weakened in the metropolitan area during the past year as the national recession and a curtailment of residential and nonresidential construction affected the local job market. During the 12 months ending November 2009, total nonfarm employment declined by 21,200 jobs, or 3.4 percent, to 621,200. In comparison, employment rose by 6,700 jobs, or 1 percent, during the 12 months ending November 2008. The decline in employment occurred in nearly all sectors. During the past 12 months, the construction sector lost 6,500 jobs, a decrease of 17 percent, and accounted for 30 percent of the job losses in the metropolitan area during the period. The large loss of construction jobs resulted from the lower demand for new homes and commercial real estate due to soft market conditions. In addition, the professional and business services sector lost 5,600 jobs, or 5.6 percent, primarily in the administration and support services subsector. The only sectors that grew in the past year were the government and the education and health services sectors, each of which added 2,000 jobs as the population growth increased demand for services. During the 12 months ending November 2009, the unemployment rate in the metropolitan area averaged 5.8 percent, up from 3.3 percent during the previous 12 months.

Local home builders reduced single-family home construction during the past 3 years in response to reduced new home sales levels. Based on preliminary data, during the 12 months ending November 2009, the number of new single-family homes permitted declined to 1,570 units, down 14 percent compared with the number permitted during the same period a year ago. In comparison, an average of 6,500 homes a year were permitted in the area from 2003 to 2006. NewReach, Inc., reported that during 2009 sales of new detached homes were relatively unchanged compared with the previous year when 1,500 units were sold, which still represents one of the lowest levels of sales in 20 years. The average new home sales price declined by 8 percent to $331,100. Sales of new townhouses and condominiums were off by 11 percent, down to 890 units, and the average sales price declined by 14 percent to $203,000.

The existing home sales market in the Salt Lake City area is also currently soft; however, the number of existing home sales is increasing as sales prices decline. According to NewReach, Inc., during 2009, sales of existing attached and single-family homes were up 9 percent to 10,400 units compared with 9,600 units sold during the 12 months ending December 2008. During the past 12 months, the average price of an attached home decreased by 9 percent to $168,300 and the average price of a single-family home declined by 8 percent to $254,600. According to data from First American CoreLogic, the rate of foreclosures among outstanding mortgages more than doubled during the previous 12 months to more than 2 percent in October 2009. Foreclosure home sales, which represented nearly 25 percent of single-family home sales in 2009, up from approximately 10 percent in 2008, contributed to the recent decline in the average sales price during the past 12 months. Because many potential sellers have kept their homes off the market until conditions improve, the inventory of unsold homes has declined by 19 percent from a year earlier to 5,140 units in December 2009.

Despite the overall softness of the housing markets, the City Creek Center development, a $1 billion mixed-use residential and commercial project in downtown Salt Lake City, is slated for completion in 2012. The development is one of several transportation-oriented developments started in anticipation of the light rail and commuter rail extensions that further link downtown Salt Lake City with other cities in Salt Lake County. The $2.4 billion rail project that began in 2008 will add 70 miles of track to the existing 64-mile system by 2015. Several residential towers are in the planning stages in the City Creek Center and two luxury developments are under construction. The Regent and Richards Court developments have 90 and 159 condominium units, respectively, and their construction is expected to be complete within the next 12 months. Asking prices start at $300,000 for a studio or one-bedroom unit and $500,000 for a two-bedroom unit.

Current conditions in the rental housing market in the metropolitan area are somewhat soft compared with the more balanced-to-tight conditions of a year ago. According to Apartment Realty Advisors, Inc., the average apartment vacancy rate increased to 8.5 percent in the fourth quarter of 2009, up from 6.8 percent recorded in the fourth quarter of 2008, and the average rent decreased by $30 to $760. Current monthly rents average about $630 for a one-bedroom unit, $870 for a two-bedroom unit, and $930 for a three-bedroom unit. The softer market can be attributed to the weaker economy and to the approximately 2,000 new apartments that entered the market in 2009. According to preliminary building permit data, during the 12 months ending November 2009, multifamily construction in the Salt Lake City metropolitan area increased by 50 percent to 3,100 units. The University of Utah reported that apartments accounted for approximately 65 percent of the multifamily units permitted in 2009, compared with 50 percent recorded annually from 2000 to 2008. Approximately 2,000 apartment units are currently under construction in the metropolitan area.

Sherman-Denison, Texas

The Sherman-Denison metropolitan area, located 60 miles north of Dallas, is coterminous with Grayson County, Texas. As of December 1, 2009, the population was estimated at 119,850, up 750, or 0.7 percent, annually since July 1, 2008. The population growth is down from the peak average annual growth of 1,250, or 1.1 percent, from July 2005 through July 2007 and an average annual gain of nearly 925 from April 2000 to July 2005. In-migration accounted for a population increase of about 200 people a year since 2008, down from 625 annually from 2000 through 2007, resulting from continued employment losses. According to the Real Estate Center at Texas A&M University, the Sherman-Denison metropolitan area was the second most affordable housing area in Texas in 2009.

During the 12 months ending November 2009, nonfarm employment declined by 500 jobs, or 1.1 percent, to an average of 43,300 jobs compared with the addition of 100 jobs, or 0.1 percent, during the previous 12 months. During the 12 months ending November 2009, job losses occurred in every sector except professional and business services, government, and education and health services, which each added 100 jobs, representing gains of 5.0, 1.7, and 1.3 percent, respectively, compared with the number of jobs during the previous 12-month period. Capio Partners, LLC, led the growth in the professional and business services sector with the opening of a call center in June 2009, adding more than 100 new jobs. The most significant losses during the past 12 months occurred in the manufacturing and trade sectors, which each lost 200 jobs, or 3.2 and 3.0 percent, respectively. Leading employers in the area include Tyson Foods, Inc., Wilson N. Jones Regional Health System, and Texoma Health

Care System, with 1,400, 1,200, and 1,150 employees, respectively. Texoma Health Care System completed the construction of a new medical center in December 2009, adding an estimated 50 jobs. During the 12 months ending November 2009, the unemployment rate averaged 7.8 percent, up from 5.2 percent during the previous 12 months.

The home sales market in the Sherman-Denison metropolitan area is currently soft as a result of the declining economy and tighter credit conditions compared with recent years. According to data from the Real Estate Center at Texas A&M University, during the 12 months ending November 2009, approximately 1,000 new and existing single-family homes were sold, representing a decrease of 22 percent compared with the number of homes sold during the previous 12 months. The average sales price of a single-family home in the metropolitan area declined 28 percent to $111,300 during the 12-month period ending November 2009 compared with prices recorded during the previous 12 months. According to data from First American CoreLogic, Inc., foreclosures nearly doubled to 1.6 percent of outstanding mortgage loans during the 12-month period ending October 2009 but remained well below the national foreclosure average of 3.0 percent.

In response to the job declines since 2006 and an expanding inventory of unsold homes, single-family construction activity, as measured by the number of building permits issued, has steadily decreased. According to the Real Estate Center at Texas A&M University, inventory of unsold homes has increased to an 11-month supply for the 12 months ending November 2009 from a 9.7-month supply for the previous 12-month period. From the peak of 425 single-family homes built in 2005, approximately 350, 250, and 200 homes were permitted in 2006, 2007, and 2008, respectively. Based on preliminary data, during the 12 months ending November 2009, 60 single-family homes were permitted, compared with 170 homes permitted during the previous 12 months. Approximately 360 homes have been built since 2006 in Country Ridge Estates, located in west Sherman, with plans to build an additional 240 at a rate of 35 a year. The homes will range in size from 1,300 to 2,300 square feet, with prices ranging from $110,000 to $150,000. In early 2010, development will begin in west Sherman at The Preserve at Country Ridge, with plans to build at least 25 new homes a year. The homes, which will range in size from 1,500 to 2,800 square feet, will be priced from $160,000 to $270,000.

The rental housing market in the metropolitan area is currently soft with an apartment vacancy rate of 10.9 percent, according to ALN Systems, Inc. As of November 2009, average rents were $620 for a one-bedroom unit, $770 for a two-bedroom unit, and $1,000 for a three-bedroom unit and were relatively unchanged during the past 12 months. Recently completed apartment complexes include Northside on Travis, a development consisting of 200 apartments with an average asking rent of $715, completed in December 2008, and Bridges on Travis, consisting of 112 apartments with an average asking rent of $730, completed in June 2009. Production of new units has only recently subsided in reaction to steadily decreasing population and renter household growth. Multifamily construction activity, as measured by the number of units permitted, averaged about 200 units a year from 2004 to 2008, up significantly from about 25 units annually from 2000 to 2003. Based on preliminary data, during the 12-month period ending November 2009, no significant multifamily construction activity occurred compared with the 130 units permitted during the previous 12-month period.

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

HUD Region and State	2009 Through December			2008 Through December			Ratio: 2009/2008 Through December		
	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*
Connecticut	3,343	2,043	1,300	5,086	3,099	1,987	0.657	0.659	0.654
Maine	2,766	2,524	242	3,573	3,003	570	0.774	0.840	0.425
Massachusetts	7,097	4,751	2,346	9,241	5,007	4,234	0.768	0.949	0.554
New Hampshire	2,224	1,663	561	3,250	2,340	910	0.684	0.711	0.616
Rhode Island	958	701	257	1,067	868	199	0.898	0.808	1.291
Vermont	1,209	859	350	1,357	1,082	275	0.891	0.794	1.273
New England	**17,597**	**12,541**	**5,056**	**23,574**	**15,399**	**8,175**	**0.746**	**0.814**	**0.618**
New Jersey	12,235	7,133	5,102	19,000	8,993	10,007	0.644	0.793	0.510
New York	17,356	9,441	7,915	52,555	12,972	39,583	0.330	0.728	0.200
New York/New Jersey	**29,591**	**16,574**	**13,017**	**71,555**	**21,965**	**49,590**	**0.414**	**0.755**	**0.262**
Delaware	3,140	2,655	485	3,349	2,701	648	0.938	0.983	0.748
District of Columbia	1,148	164	984	536	248	288	2.142	0.661	3.417
Maryland	11,085	7,975	3,110	13,976	8,675	5,301	0.793	0.919	0.587
Pennsylvania	18,712	14,898	3,814	22,693	18,448	4,245	0.825	0.808	0.898
Virginia	21,078	16,142	4,936	26,788	19,869	6,919	0.787	0.812	0.713
West Virginia	1,966	1,714	252	2,934	2,290	644	0.670	0.748	0.391
Mid-Atlantic	**57,129**	**43,548**	**13,581**	**70,276**	**52,231**	**18,045**	**0.813**	**0.834**	**0.753**
Alabama	12,171	8,660	3,511	15,176	11,376	3,800	0.802	0.761	0.924
Florida	35,858	27,463	8,395	61,958	39,571	22,387	0.579	0.694	0.375
Georgia	17,202	13,994	3,208	32,232	23,476	8,756	0.534	0.596	0.366
Kentucky	6,878	5,470	1,408	10,122	6,452	3,670	0.680	0.848	0.384
Mississippi	6,665	4,948	1,717	10,023	6,810	3,213	0.665	0.727	0.534
North Carolina	33,785	25,042	8,743	54,498	39,314	15,184	0.620	0.637	0.576
South Carolina	15,829	13,784	2,045	25,596	19,938	5,658	0.618	0.691	0.361
Tennessee	14,574	11,766	2,808	21,699	15,819	5,880	0.672	0.744	0.478
Southeast/Caribbean	**142,962**	**111,127**	**31,835**	**231,304**	**162,756**	**68,548**	**0.618**	**0.683**	**0.464**
Illinois	10,912	8,236	2,676	21,889	12,308	9,581	0.499	0.669	0.279
Indiana	12,433	9,939	2,494	16,535	11,831	4,704	0.752	0.840	0.530
Michigan	6,984	6,392	592	10,623	8,927	1,696	0.657	0.716	0.349
Minnesota	9,255	6,827	2,428	10,616	8,273	2,343	0.872	0.825	1.036
Ohio	13,135	10,554	2,581	21,123	16,155	4,968	0.622	0.653	0.520
Wisconsin	10,818	8,035	2,783	15,532	10,426	5,106	0.696	0.771	0.545
Midwest	**63,537**	**49,983**	**13,554**	**96,318**	**67,920**	**28,398**	**0.660**	**0.736**	**0.477**
Arkansas	6,637	4,235	2,402	8,671	4,845	3,826	0.765	0.874	0.628
Louisiana	12,562	10,985	1,577	15,829	11,365	4,464	0.794	0.967	0.353
New Mexico	4,649	4,147	502	5,989	5,126	863	0.776	0.809	0.582
Oklahoma	8,845	7,445	1,400	10,003	8,121	1,882	0.884	0.917	0.744
Texas	82,938	66,289	16,649	129,874	78,453	51,421	0.639	0.845	0.324
Southwest	**115,631**	**93,101**	**22,530**	**170,366**	**107,910**	**62,456**	**0.679**	**0.863**	**0.361**
Iowa	7,130	5,407	1,723	7,638	5,550	2,088	0.933	0.974	0.825
Kansas	6,837	3,652	3,185	7,195	4,545	2,650	0.950	0.804	1.202
Missouri	8,346	5,754	2,592	11,817	7,013	4,804	0.706	0.820	0.540
Nebraska	5,180	4,611	569	6,542	4,790	1,752	0.792	0.963	0.325
Great Plains	**27,493**	**19,424**	**8,069**	**33,192**	**21,898**	**11,294**	**0.828**	**0.887**	**0.714**
Colorado	9,393	7,449	1,944	19,086	11,885	7,201	0.492	0.627	0.270
Montana	1,745	1,441	304	2,485	2,043	442	0.702	0.705	0.688
North Dakota	3,065	1,866	1,199	2,870	1,720	1,150	1.068	1.085	1.043
South Dakota	3,529	2,434	1,095	4,117	2,926	1,191	0.857	0.832	0.919
Utah	10,627	6,777	3,850	10,969	7,438	3,531	0.969	0.911	1.090
Wyoming	1,975	1,293	682	2,384	1,974	410	0.828	0.655	1.663
Rocky Mountain	**30,334**	**21,260**	**9,074**	**41,911**	**27,986**	**13,925**	**0.724**	**0.760**	**0.652**
Arizona	14,134	12,745	1,389	25,232	17,762	7,470	0.560	0.718	0.186
California	33,811	24,568	9,243	61,222	32,024	29,198	0.552	0.767	0.317
Hawaii	2,617	2,002	615	4,115	2,510	1,605	0.636	0.798	0.383
Nevada	6,752	4,560	2,192	14,906	7,152	7,754	0.453	0.638	0.283
Pacific	**57,314**	**43,875**	**13,439**	**105,475**	**59,448**	**46,027**	**0.543**	**0.738**	**0.292**
Alaska	912	613	299	914	682	232	0.998	0.899	1.289
Idaho	5,292	4,598	694	7,281	6,550	731	0.727	0.702	0.949
Oregon	7,686	5,606	2,080	12,207	7,793	4,414	0.630	0.719	0.471
Washington	16,754	12,845	3,909	28,398	17,335	11,063	0.590	0.741	0.353
Northwest	**30,644**	**23,662**	**6,982**	**48,800**	**32,360**	**16,440**	**0.628**	**0.731**	**0.425**
United States	**572,232**	**435,095**	**137,137**	**892,771**	**569,873**	**322,898**	**0.641**	**0.763**	**0.425**

*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	2009 Through December		
		Total	Single Family	Multifamily*
26420	Houston-Sugar Land-Baytown, TX	27,317	22,360	4,957
19100	Dallas-Fort Worth-Arlington, TX	20,173	14,130	6,043
35620	New York-Northern New Jersey-Long Island, NY-NJ-PA	16,658	6,416	10,242
47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	12,123	9,014	3,109
38060	Phoenix-Mesa-Scottsdale, AZ	9,359	8,657	702
12420	Austin-Round Rock, TX	8,757	6,669	2,088
42660	Seattle-Tacoma-Bellevue, WA	7,497	5,019	2,478
31100	Los Angeles-Long Beach-Santa Ana, CA	7,137	3,388	3,749
16740	Charlotte-Gastonia-Concord, NC-SC	7,091	4,426	2,665
45300	Tampa-St. Petersburg-Clearwater, FL	7,010	3,933	3,077
37980	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	6,954	4,857	2,097
12060	Atlanta-Sandy Springs-Marietta, GA	6,509	5,397	1,112
16980	Chicago-Naperville-Joliet, IL-IN-WI	6,159	4,442	1,717
40140	Riverside-San Bernardino-Ontario, CA	5,953	4,557	1,396
41700	San Antonio, TX	5,950	5,443	507
29820	Las Vegas-Paradise, NV	5,675	3,791	1,884
26900	Indianapolis, IN	5,475	3,624	1,851
14460	Boston-Cambridge-Quincy, MA-NH	5,470	3,054	2,416
47260	Virginia Beach-Norfolk-Newport News, VA-NC	5,223	2,887	2,336
41180	St. Louis, MO-IL	5,154	4,058	1,096
12580	Baltimore-Towson, MD	5,046	3,110	1,936
34980	Nashville-Davidson--Murfreesboro, TN	5,041	4,045	996
39580	Raleigh-Cary, NC	4,931	4,414	517
33460	Minneapolis-St. Paul-Bloomington, MN-WI	4,670	3,631	1,039
27260	Jacksonville, FL	4,657	3,320	1,337
41620	Salt Lake City, UT	4,629	1,656	2,973
36740	Orlando-Kissimmee, FL	4,487	3,707	780
19740	Denver-Aurora, CO	4,101	2,709	1,392
38900	Portland-Vancouver-Beaverton, OR-WA	3,906	3,028	878
18140	Columbus, OH	3,869	2,613	1,256
33100	Miami-Fort Lauderdale-Miami Beach, FL	3,613	2,272	1,341
17140	Cincinnati-Middletown, OH-KY-IN	3,592	3,155	437
41860	San Francisco-Oakland-Fremont, CA	3,569	2,277	1,292
17900	Columbia, SC	3,496	2,581	915
36540	Omaha-Council Bluffs, NE-IA	3,472	3,089	383
36420	Oklahoma City, OK	3,449	3,116	333
28140	Kansas City, MO-KS	3,417	1,871	1,546
46140	Tulsa, OK	3,319	2,659	660
40060	Richmond, VA	3,264	2,650	614
32580	McAllen-Edinburg-Mission, TX	3,161	2,790	371
16700	Charleston-North Charleston, SC	3,122	2,902	220
21340	El Paso, TX	3,095	2,544	551
38300	Pittsburgh, PA	2,981	2,590	391
41740	San Diego-Carlsbad-San Marcos, CA	2,945	1,777	1,168
26620	Huntsville, AL	2,911	2,216	695
30780	Little Rock-North Little Rock, AR	2,865	1,619	1,246
35380	New Orleans-Metairie-Kenner, LA	2,826	2,184	642
40900	Sacramento--Arden-Arcade--Roseville, CA	2,750	2,445	305
12940	Baton Rouge, LA	2,694	2,607	87
20500	Durham, NC	2,519	1,313	1,206

*Multifamily is two or more units in structure. **As per new Office of Management and Budget metropolitan area definitions. CBSA = Core Based Statistical Area.

Source: Census Bureau, Department of Commerce