



# National Data


## HOUSING PRODUCTION



### Permits\*

Permits for the construction of new housing units were up a statistically insignificant 3 percent in the fourth quarter of 2010, at a SAAR of 574,000 units but were down 8 percent from the fourth quarter of 2009. Single-family permits, at 421,000 units, were up 4 percent from the level of the previous quarter but down 14 percent from a year earlier. Multifamily permits (5 or more units in structure), at 131,000 units, were a statistically insignificant 3 percent below the third quarter of 2010 but 14 percent above the fourth quarter of 2009.

Builders took out 598,000 permits in 2010, an increase of 5 percent over 2009. Of these, 447,000 were for single-family structures, an increase of 3 percent. The number of multifamily permits increased by 11 percent, to 131,000 units.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total</b>	574	559	626	+ 3**	- 8
<b>One Unit</b>	421	404	491	+ 4	- 14
<b>Two to Four</b>	23	21	20	+ 10**	+ 11**
<b>Five Plus</b>	131	135	114	- 3**	+ 14

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

\*\*This change is not statistically significant.


Source: Census Bureau, Department of Commerce



## Starts\*

Construction starts of new housing units in the fourth quarter of 2010 totaled 538,000 units at a SAAR, a statistically insignificant 8 percent below the third quarter of 2010 and a statistically insignificant 5 percent below the fourth quarter of 2009. Single-family starts, at 436,000 units, were unchanged from the previous quarter but were a statistically insignificant 11 percent lower than the fourth quarter level of 2009. Multifamily starts totaled 90,000 units, a statistically insignificant 35 percent below the previous quarter but a statistically insignificant 33 percent above the same quarter in 2009.

In 2010, builders started 588,000 housing units, an increase of 6 percent over 2009. Of these, 471,000 were single-family starts, up 6 percent from the previous year. Multifamily starts totaled 105,000 units, up 8 percent over 2009.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total</b>	538	588	565	- 8**	- 5**
<b>One Unit</b>	436	435	488	—	- 11**
<b>Five Plus</b>	90	140	68	- 35**	+ 33**

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

\*\*This change is not statistically significant.


Source: Census Bureau, Department of Commerce



## Under Construction\*

Housing units under construction at the end of the fourth quarter of 2010 were at a SAAR of 428,000 units, a statistically insignificant 2 percent below the previous quarter and 17 percent below the fourth quarter of 2009. Single-family units stood at 261,000, a statistically insignificant 3 percent below the previous quarter and 12 percent below the fourth quarter of 2009. Multifamily units were at 156,000, down a statistically insignificant 2 percent from the previous quarter and down 24 percent from the fourth quarter of 2009.

A total of 413,000 housing units were under construction at the end of 2010, a decrease of 17 percent from the end of 2009. Of these, 247,000 were single-family units, down 13 percent from the previous year. Multifamily units under construction at the end of 2010 totaled 155,000 units, 23 percent less than at the end of 2009.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total</b>	428	438	514	- 2**	- 17
<b>One Unit</b>	261	269	298	- 3**	- 12
<b>Five Plus</b>	156	159	204	- 2**	- 24

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

\*\*This change is not statistically significant.


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



## Completions<sup>★</sup>

Housing units completed in the fourth quarter of 2010, at a SAAR of 583,000 units, were down a statistically insignificant 4 percent from the previous quarter and down 26 percent from the same quarter of 2009. Single-family completions, at 461,000 units, were down a statistically insignificant 4 percent from the previous quarter and down 13 percent from the rate of a year earlier. Multifamily completions, at 114,000 units, were a statistically insignificant 1 percent below the previous quarter and 52 percent below the same quarter of 2009.

In 2010, 654,000 housing units were completed, down 18 percent from 2009. Single-family completions totaled 497,000 units, 4 percent below the previous year. Multifamily completions in 2010, at 148,000 units, were down 43 percent from 2009.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total</b>	583	604	784	- 4**	- 26
<b>One Unit</b>	461	480	529	- 4**	- 13
<b>Five Plus</b>	114	116	238	- 1**	- 52

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

\*\*This change is not statistically significant.


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



## Manufactured (Mobile) Home Shipments<sup>★</sup>

Shipments of new manufactured (mobile) homes were at a SAAR of 42,000 units in the fourth quarter of 2010, which is 15 percent below the previous quarter and 14 percent below the rate of the fourth quarter of 2009.

In 2010, manufacturers shipped 50,000 manufactured (mobile) homes. This rate is 0.4 percent above the rate of 2009. This is the first increase in annual shipments since 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Manufacturers' Shipments</b>	42.0	49.7	49.0	- 15	- 14

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

Source: National Conference of States on Building Codes and Standards




# MARKETING OF HOUSING



## Home Sales\*

Sales of new single-family homes totaled 296,000 (SAAR) units in the fourth quarter of 2010, up a statistically insignificant 2 percent from the previous quarter but down 21 percent from the fourth quarter of 2009. The average monthly inventory of new homes for sale during the fourth quarter of 2010 was 195,000 units, a statistically insignificant 5 percent below the previous quarter and 17 percent below the fourth quarter of last year. The average months' supply of unsold new homes, based on monthly inventories and sales rates for the fourth quarter of 2010, was 8.0 months, down a statistically insignificant 7 percent from the previous quarter but a statistically insignificant 5 percent above the fourth quarter of 2009. For all of 2010, 321,000 new single-family homes were sold, a 14-percent decline from the 2009 level of 375,000.

Sales of existing homes—including single-family homes, townhomes, condominiums, and co-operatives—as reported by the NATIONAL ASSOCIATION OF REALTORS®, totaled 4,803,000 (SAAR) in the fourth quarter of 2010, up 15 percent from the previous quarter but down 20 percent from the fourth quarter of 2009. The average monthly inventory of units for sale during the fourth quarter of 2010 was 3,713,000, down 8 percent from the previous quarter but up 7 percent from the fourth quarter of 2010. The average months' supply of unsold units for the fourth quarter of 2010 was 9.4 months, down 20 percent from third quarter of 2010 but up 34 percent from the fourth quarter of last year. For all of 2010, sales of existing homes fell to 4,908,000, down 5 percent from the 2009 level of 5,165,000.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>New Homes</b>					
<b>New Homes Sold</b>	296	291	373	+ 2**	- 21
<b>For Sale</b>	195	206	236	- 5**	- 17
<b>Months' Supply</b>	8.0	8.5	7.6	- 7**	+ 5**
<b>Existing Homes</b>					
<b>Existing Homes Sold</b>	4,803	4,163	5,970	+ 15	- 20
<b>For Sale</b>	3,713	4,041	3,456	- 8	+ 7
<b>Months' Supply</b>	9.4	11.7	7.0	- 20	+ 34

\*Units in thousands.

\*\*This change is not statistically significant.

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




## Home Prices

The median price of new homes sold during the fourth quarter of 2010 was \$219,800, 2 percent lower than the third quarter of 2010 but up less than 1 percent from the fourth quarter of 2009; both estimates are statistically insignificant. The average price of new homes sold during the fourth quarter of 2010 was \$272,400, up a statistically insignificant 2 percent from the previous quarter but unchanged from the fourth quarter of 2009. The estimated price of a constant-quality house during the fourth quarter of 2010 was \$282,000, 1 percent higher than the previous quarter but 1 percent lower than the fourth quarter of 2009; both are statistically insignificant changes. The set of physical characteristics used to represent a constant-quality house is based on the kinds of houses sold in 2005.

For all of 2010, the median price of new homes sold was \$221,900, 2.4 percent higher than the 2009 price of \$216,700. The average price of new homes sold in 2010 was \$271,600, up less than 1 percent from the average price in 2009 of \$270,900. The estimated price of a constant-quality house in 2010 was \$281,300, less than 1 percent lower than the 2009 price of \$282,400.

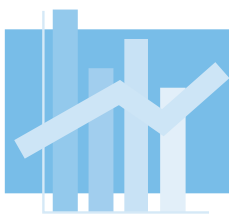
The median price of existing homes—including single-family homes, townhomes, condominiums, and cooperatives—that sold in the fourth quarter of 2010 was \$169,800, down 4 percent from the previous quarter and down 1 percent from fourth quarter of 2009, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of existing homes sold in fourth quarter of 2010 was \$218,000, down 3 percent from the third quarter but up 1 percent from the fourth quarter of 2009.

For all of 2010, the median price of existing homes sold was \$173,000, up less than 1 percent from \$172,500 in 2009, while the average price of existing homes was \$220,000 in 2010, up 1.4 percent from \$216,900 in 2009.

	Latest Quarter (\$)	Previous Quarter (\$)	Same Quarter Previous Year (\$)	% Change From Previous Quarter	% Change From Last Year
<b>New Homes</b>					
<b>Median</b>	219,800	224,100	219,000	- 2**	—
<b>Average</b>	272,400	266,000	272,900	+ 2**	—
<b>Constant-Quality House<sup>1</sup></b>	282,000	279,800	285,700	+ 1**	- 1**
<b>Existing Homes</b>					
<b>Median</b>	169,800	177,000	170,800	- 4	- 1
<b>Average</b>	218,000	225,300	215,900	- 3	+ 1


\*\*This change is not statistically significant.

<sup>1</sup> Effective with the December 2007 New Residential Sales release in January 2008, the Census Bureau began publishing the Constant Quality (Laspeyres) Price Index with 2005 as the base year. (The previous base year was 1996.) "Constant-Quality House" data are no longer published as a series but are computed for this table from price indexes published by the Census Bureau.



## Repeat Sales Price Index

The Federal Housing Finance Agency's purchase-only House Price Index (FHFA HPI) stood at 190.6 on a seasonally adjusted (SA) basis in the third quarter of 2010, 1.6 percent below the previous quarter and 3.2 percent below the third quarter of 2009. The national Case-Shiller® Home Price Index was 133.2 (SA) in the third quarter of 2010, down 3.5 percent from the previous quarter and down 1.6 percent from the third quarter of 2009.

	Current Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>FHFA HPI<sup>1</sup></b>	190.6	193.7	196.9	- 1.6	- 3.2
<b>Case-Shiller® HPI<sup>2</sup></b>	133.2	138.0	135.4	- 3.4	- 1.6

<sup>1</sup> First quarter 1991 equals 100.

<sup>2</sup> First quarter 2000 equals 100.

Sources: Federal Housing Finance Agency; S&P/Case-Shiller® National Home Price Index




## Housing Affordability

Housing affordability is the ratio of median family income to the income needed to purchase the median-priced home based on current interest rates and underwriting standards, expressed as an index. The NATIONAL ASSOCIATION OF REALTORS® composite index of housing affordability for the fourth quarter of 2010 shows that families earning the median income have 185 percent of the income needed to purchase the median-priced existing single-family home. This figure is 7 percent higher than both the third quarter of 2010 and the fourth quarter of 2009.

The increase in the housing affordability index in the fourth quarter of 2010 reflects changes in the marketplace. The median family income rose 0.7 percent from the previous quarter to \$62,240. The median sales price of existing single-family homes in the fourth quarter of 2010 decreased to \$170,600, which was 4 percent lower than the previous quarter. The national average home mortgage interest rate of 4.62 in the fourth quarter of 2010 is 16 basis points lower than the previous quarter. The decline in the mortgage rate, the decrease in the median sales price, and the increase in the median family income all contributed to an increase in housing affordability.

For all of 2010, the composite housing affordability index averaged 174.6, a 3-percent increase from 2009. The national average home mortgage interest rate for 2010 was 4.89, 25 basis points below the 2009 rate. The median sales price of existing single-family homes for 2010 was \$173,200, 0.6 percent higher than the previous year, and the median family income was \$61,583, 0.8 percent higher than the 2009 level of \$61,082. The increase in housing affordability is attributed to the decline in mortgage interest rates and the increase in median family income, which more than offset the increase in sales prices.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Composite Index</b>	185.0	173.1	173.7	+ 7	+ 7
<b>Fixed-Rate Index</b>	184.1	172.4	172.8	+ 7	+ 7
<b>Adjustable-Rate Index</b>	NA	NA	NA	—	—

NA = Data are not available.

Note: Adjustable-rate mortgage (ARM) affordability indexes were not derived because data on ARM rates were not available.


Source: NATIONAL ASSOCIATION OF REALTORS®



## Absorption of New Multifamily Units

In the third quarter of 2010, 16,900 new, unsubsidized, unfurnished, multifamily (five or more units in structure) rental apartments were completed, down 44 percent from the previous quarter and down 64 percent from the third quarter of 2009. Of the apartments completed in the third quarter of 2010, 62 percent were rented within 3 months. This absorption rate is 6 percentage points higher than the previous quarter and is up 10 percentage points from the third quarter of 2009. The median asking rent for apartments completed in the third quarter of 2010 was \$1,032, a decrease of 12 percent from the previous quarter but a statistically insignificant decrease of 1 percent from the third quarter of 2009.

In the third quarter of 2010, 5,700 new condominium or cooperative units were completed, unchanged from the previous quarter but down 35 percent from units completed in the third quarter of 2009. Of these, 40 percent were sold within 3 months. This absorption rate in the third quarter of 2010 is a statistically insignificant 2 percentage points higher than in the previous quarter but 6 percentage points lower than the third quarter of 2009.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Apartments Completed*</b>	16.9	30.3	47.3	- 44	- 64
<b>Percent Absorbed Next Quarter</b>	62	56	52	+ 11	+ 19
<b>Median Asking Rent</b>	\$1,032	\$1,179	\$1,042	- 12	- 1**
<b>Condos and Co-ops Completed</b>	5.7	5.7	8.8	—	- 35
<b>Percent Absorbed Next Quarter</b>	40	38	46	+ 5**	- 13

\*Units in thousands.

\*\*This change is not statistically significant.


Note: Data are from the Survey of Market Absorption, which samples unsubsidized, privately financed, unfurnished apartments in buildings of five or more units.

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



## Manufactured (Mobile) Home Placements

Manufactured (mobile) homes placed on site ready for occupancy in the third quarter of 2010 totaled 49,000 units at a SAAR, a statistically insignificant 15 percent below the level of the previous quarter but a statistically insignificant 3 percent above the third quarter of 2009. The number of homes for sale on dealers' lots at the end of the third quarter totaled 23,000 units, unchanged from the previous quarter but 18 percent below the same quarter of 2009. The average sales price of the units sold in the third quarter was \$61,700, a statistically insignificant 1 percent below the price in the previous quarter and a statistically insignificant 5 percent below the price in the third quarter of 2009.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Placements*</b>	49.0	57.3	47.7	- 15**	+ 3**
<b>On Dealers' Lots*</b>	23.0	23.0	28.0	—	- 18
<b>Average Sales Price</b>	\$61,700	\$62,200	\$64,600	- 1**	- 5**

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

\*\*This change is not statistically significant.

Note: Percentage changes are based on unrounded numbers.

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






## Builders' Views of Housing Market Activity

The National Association of Home Builders (NAHB)/Wells Fargo conducts a monthly survey focusing on builders' views of the level of sales activity and their expectations for the near future. NAHB uses these survey responses to construct indices of housing market activity. (The index values range from 0 to 100.) For the fourth quarter of 2010, the current market activity index for single-family detached houses stood at 16, up 2 points from the previous quarter but down 1 point from the fourth quarter of 2009. The index for expected future sales expectations stood at 24, up 5 points from the third quarter of 2010 but down 3 points from the fourth quarter of last year. Prospective buyer traffic had an index value of 11, which is up 1 point from the previous quarter but down 2 points from the fourth quarter of last year. NAHB combines these separate indices into a single housing market index that mirrors the three components quite closely. For the fourth quarter of 2010, this index increased to 16, up 3 points from the third quarter of 2010 but down 1 point from the fourth quarter of last year.

For all of 2010, the current sales index averaged 16, up 2 points from 2009. The average future sales expectations index was 23, 1 point lower than for the previous year. The prospective sales index averaged 12, down 1 point from 2009. The composite index for 2010 was 16, an increase of 1 point from the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Housing Market Index</b>	16	13	17	+ 23	- 6
<b>Current Sales Activity—Single-Family Detached</b>	16	14	17	+ 15	- 6
<b>Future Sales Expectations—Single-Family Detached</b>	24	19	27	+ 26	- 11
<b>Prospective Buyer Traffic</b>	11	10	13	+ 10	- 15

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




# HOUSING FINANCE



## Mortgage Interest Rates

The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac decreased to 4.41 percent in the fourth quarter of 2010, 4 basis points below the previous quarter and 51 basis points lower than the fourth quarter of 2009. Adjustable-rate mortgages (ARMs) in the fourth quarter of 2010 were going for 3.31 percent, 26 basis points lower than the previous quarter and 111 basis points below the fourth quarter of 2009. Fixed-rate 15-year mortgages, at 3.80 percent, were down 12 basis points from the previous quarter and down 57 basis points from the fourth quarter of 2009.

The 2010 average annual rate for 30-year, fixed-rate, conventional mortgages was 4.69 percent, down 35 basis points from the 2009 annual rate.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Conventional, Fixed-Rate, 30-Year</b>	4.41	4.45	4.92	- 1	- 10
<b>Conventional ARMs</b>	3.31	3.57	4.42	- 7	- 25
<b>Conventional, Fixed-Rate, 15-Year</b>	3.80	3.92	4.37	- 3	- 13


Source: Freddie Mac



## FHA Market Share of 1- to 4-Family Mortgages\*

The Federal Housing Administration's (FHA's) dollar volume share of the 1- to 4-family mortgage market was 16.8 percent in the third quarter of 2010, down 4.5 percentage points from the second quarter 2010 and down 1.4 percentage points from the third quarter of 2009. For home purchase loans, FHA's dollar volume share was 35.3 percent in the third quarter of 2010, down 5.7 percentage points from the second quarter of 2010 but up 9.3 percentage points from the third quarter of 2009. For mortgage refinance loans, FHA's dollar volume share was 10.4 percent in the third quarter of 2010, up 2.2 percentage points from the second quarter of 2010 but down 1.9 percentage points from the third quarter of 2009.

FHA's share of the 1- to 4-family mortgage market by loan count was 19.2 percent in the third quarter of 2010, down 6.2 percentage points from the second quarter of 2010 and down 2.4 percentage points from the third quarter of 2009. For home purchase loans, FHA's market share by loan count was 40.9 percent in the third quarter of 2010, down 6.2 percentage points from the second quarter of 2010 but up 10.6 percentage points from the third quarter of 2009. For mortgage refinance loans, FHA's market share by loan count was 11.1 percent in the third quarter of 2010, up 1.7 percentage points from the second quarter of 2010 but down 3.3 percentage points from the third quarter of 2009.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Mortgage Market Share by Dollar Volume (%)</b>					
<b>All Loans</b>	16.8	21.3	18.2	- 21	- 8
<b>Purchase</b>	35.3	40.9	26.0	- 14	36
<b>Refinance</b>	10.4	8.2	12.3	27	- 16
<b>Mortgage Market Share by Loan Count (%)</b>					
<b>All Loans</b>	19.2	25.4	21.6	- 24	- 11
<b>Purchase</b>	40.9	47.0	30.3	- 13	35
<b>Refinance</b>	11.1	9.5	14.5	18	- 23


\*This analysis includes first-lien mortgages originated in each time period. The amounts represented here are based on date of loan origination and thus will vary from what are shown in reports that summarize FHA insurance activity by insurance endorsement date. Sources: U.S. Department of Housing and Urban Development; data from FHA, Mortgage Bankers Association "MBA Mortgage Finance Forecast" report; and Loan Performance True Standings Servicing data system



## FHA 1- to 4-Family Mortgage Insurance\*

Applications for FHA mortgage insurance on 1- to 4-family homes were received for 429,100 properties in the fourth quarter of 2010, a decrease of 32 percent from the third quarter of 2010 and 29 percent below the fourth quarter of 2009. Total endorsements or insurance policies issued totaled 390,100, down 5 percent from the previous quarter and down 24 percent from the fourth quarter of 2009. Purchase endorsements, at 196,800, were down 27 percent from the third quarter of 2010 and down 35 percent from the fourth quarter of 2009. Endorsements for refinancing increased to 193,200, up 37 percent from the third quarter of 2010 but down 7 percent from the fourth quarter of 2009. These numbers are not seasonally adjusted.

The total number of FHA applications received in 2010 was 2,162,700, a 24-percent decrease from 2009. Total endorsements were 1,624,800, a decrease of 20 percent from last year. Purchase endorsements, at 1,002,000, decreased 4 percent from 2009, and the 622,900 refinancing endorsements were 37 percent below the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Applications Received</b>	429.1	629.9	601.1	- 32	- 29
<b>Total Endorsements</b>	390.1	409.9	512.6	- 5	- 24
<b>Purchase Endorsements</b>	196.8	269.1	305.0	- 27	- 35
<b>Refinancing Endorsements</b>	193.2	140.8	207.6	+ 37	- 7

\*Units in thousands of properties.


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



## PMI and VA Activity\*

Private mortgage insurers issued 96,900 policies or certificates of insurance on conventional mortgage loans during the fourth quarter of 2010, up 6 percent from the third quarter of 2010 and 46 percent higher than the fourth quarter of 2009. The Department of Veterans Affairs (VA) reported the issuance of mortgage loan guaranties on 95,000 single-family properties in the fourth quarter of 2010, up 8 percent from the previous quarter and up 17 percent from the fourth quarter of 2009. These numbers are not seasonally adjusted.

In 2010, private insurers issued 317,037 certificates of insurance, a decrease of 28 percent from 2009. Total VA mortgage loan guaranties decreased 8 percent to 327,836 from 2009 to 2010.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total PMI Certificates</b>	96.9	91.0	66.2	+ 6	+ 46
<b>Total VA Guaranties</b>	95.0	88.1	81.1	+ 8	+ 17

\*Units in thousands of properties. PMI = Private mortgage insurance.

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




## Delinquencies and Foreclosures

Total delinquencies for all loans past due were at 9.13 percent in the third quarter of 2010, down 7 percent from the second quarter of 2010 and down 5 percent from the third quarter of 2009. Delinquencies for past due conventional subprime loans were at 26.23 percent, down 3 percent from the second quarter of 2010 and down 1 percent from the third quarter of the previous year. Conventional subprime adjustable rate mortgage (ARM) loans that were past due stood at 29.8 percent in the third quarter of 2010, up 1 percent from the second quarter of 2010 and up 6 percent from the third quarter of 2009.

In the third quarter of 2010, 90-day delinquencies for all loans were at 4.34 percent, down 10 percent from the second quarter of 2010 and down 2 percent from the third quarter a year ago. Conventional subprime loans that were 90 days past due stood at 14.17 percent in the third quarter of 2010, down 4 percent from the previous quarter but up 3 percent from the third quarter of 2009. Conventional subprime ARM loans that were 90 days past due were at 19.1 percent in the third quarter of 2010, up 4 percent from second quarter of 2010 and up 15 percent from the third quarter of 2009.

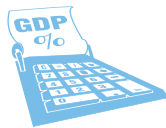
During the third quarter of 2010, 1.34 percent of all loans entered foreclosure, up 21 percent from the second quarter of 2010 but down 6 percent from the third quarter of the previous year. In the conventional subprime category, 3.31 percent of loans entered foreclosure in the third quarter of 2010, an increase of 17 percent from the second quarter of 2010 but a decrease of 12 percent from the third quarter of 2009. In the conventional subprime ARMs category, 4.09 percent of loans went into foreclosure in the third quarter of 2010, an increase of 21 percent from the second quarter of 2010 but a decrease of 17 percent from the third quarter of 2009.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total Past Due (%)</b>					
<b>All Loans</b>	9.13	9.85	9.64	- 7	- 5
<b>Conventional Subprime Loans</b>	26.23	27.02	26.42	- 3	- 1
<b>Conventional Subprime ARMs</b>	29.8	29.5	28.23	+ 1	+ 6
<b>90 Days Past Due (%)</b>					
<b>All Loans</b>	4.34	4.82	4.41	- 10	- 2
<b>Conventional Subprime Loans</b>	14.17	14.7	13.70	- 4	+ 3
<b>Conventional Subprime ARMs</b>	19.1	18.29	16.60	+ 4	+ 15
<b>Foreclosures Started (%)</b>					
<b>All Loans</b>	1.34	1.11	1.42	+ 21	- 6
<b>Conventional Subprime Loans</b>	3.31	2.83	3.76	+ 17	- 12
<b>Conventional Subprime ARMs</b>	4.09	3.39	4.92	+ 21	- 17

Source: National Delinquency Survey, Mortgage Bankers Association




# HOUSING INVESTMENT



## Residential Fixed Investment and Gross Domestic Product\*

Residential Fixed Investment (RFI) for the fourth quarter of 2010 was at a SAAR of \$334.3 billion, 1 percent above the value from the third quarter of 2010 but 5 percent below the fourth quarter of 2009. As a percentage of the Gross Domestic Product (GDP), RFI for the fourth quarter of 2010 was 2.2 percent, unchanged from the previous quarter but 0.3 percentage point below the same quarter a year ago.

In 2010, RFI was \$340.4 billion, 3 percent lower than in 2009. The 2010 RFI was 2.3 percent of GDP, a decrease of 0.2 percentage point from the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>GDP</b>	14,870.4	14,745.1	14,277.3	+ 1	+ 4
<b>RFI</b>	334.3	329.8	351.0	+ 1	- 5
<b>RFI/GDP (%)</b>	2.2	2.2	2.5	—	- 12

\*Billions of dollars.


Source: Bureau of Economic Analysis, Department of Commerce

# HOUSING INVENTORY



## Housing Stock\*

At the end of the fourth quarter of 2010 the estimate of the total housing stock, 130,845,000 units, was up a statistically insignificant 0.1 percent from the third quarter of 2010 and up a statistically insignificant 0.5 percent from the fourth quarter of 2009. The number of all occupied units increased by a statistically insignificant 0.5 percent from the third quarter of 2010 and increased a statistically insignificant 1.0 percent from the fourth quarter a year ago. The number of owner-occupied units decreased by a statistically insignificant 0.1 percent from the third quarter of 2010 but is essentially unchanged from the fourth quarter a year ago. In the fourth quarter of 2010, renter-occupied units increased a statistically insignificant 1.7 percent from the previous quarter and increased a statistically insignificant 3.0 percent from the fourth quarter of 2009. Vacant units in the fourth quarter of 2010 were down 2.0 percent from last quarter and decreased 2.3 percent from the fourth quarter of 2009.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>All Housing Units</b>	130,845	130,681	130,189	+ 0.1**	+ 0.5**
<b>Occupied Units</b>	112,451	111,914	111,370	+ 0.5**	+ 1.0**
<b>Owner Occupied</b>	74,782	74,874	74,812	- 0.1**	—
<b>Renter Occupied</b>	37,669	37,040	36,558	+ 1.7**	+ 3.0**
<b>Vacant Units</b>	18,394	18,767	18,821	- 2.0	- 2.3

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

\*\*This change is not statistically significant.


Source: Census Bureau, Department of Commerce



## Vacancy Rates

The homeowner vacancy rate for the fourth quarter of 2010, at 2.7 percent, was 0.2 percentage point higher than the third quarter of 2010 but essentially unchanged from the fourth quarter of 2009. The 2010 fourth quarter national rental vacancy rate, at 9.4 percent, was 0.9 percentage point lower than the previous quarter and 1.3 percentage points lower than the fourth quarter of 2009.

The homeowner vacancy rate for 2010 was 2.6 percent, essentially unchanged from 2009. The annual rental vacancy rate for 2010 was 10.2 percent, a statistically insignificant 0.4 percentage point lower than in 2009.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Homeowner Rate</b>	2.7	2.5	2.7	+ 8	—
<b>Rental Rate</b>	9.4	10.3	10.7	- 9	- 12

\*\*This change is not statistically significant.


Source: Census Bureau, Department of Commerce



## Homeownership Rates

The national homeownership rate for all households was 66.5 percent in the fourth quarter of 2010, down 0.4 percentage point from the previous quarter and down 0.7 percentage point from the fourth quarter of 2009. The homeownership rate for minority households, at 48.5 percent, decreased a statistically insignificant 0.1 percentage point from the third quarter of 2010 and was down 1.3 percentage points from the fourth quarter of 2009. The homeownership rate in the fourth quarter of 2010 for young married-couple households was 57.9 percent, down a statistically insignificant 0.7 percentage point from the previous quarter and down 2.5 percentage points from the fourth quarter of 2009.

The annual national homeownership rate was 66.9 percent in 2010, down 0.5 percentage point from 2009. The annual homeownership rate for minority households was 48.9 percent, down 0.8 percentage point from the previous year. The annual homeownership rate for young married-couple households, at 58.3 percent, was down 1.5 percentage points from 2009.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>All Households</b>	66.5	66.9	67.2	- 0.6	- 1.0
<b>Minority Households</b>	48.5	48.6	49.8	- 0.2 **	- 2.6
<b>Young Married-Couple Households</b>	57.9	58.6	60.4	- 1.2 **	- 4.1

Source: Census Bureau, Department of Commerce