



U.S. Housing Market Conditions

February 2012

SUMMARY

Housing indicators for the fourth quarter of 2011 continue to portray a fragile recovery in the housing market. In the production sector, the number of housing permits and starts rose in both the single-family and multifamily sectors, although housing completions declined in both sectors. In the marketing sector, sales of new and existing homes rose. The Standard and Poor's Case-Shiller® national seasonally adjusted (SA) repeat-sales house price index, which is reported with a lag, recorded a 1.2-percent decline in the value of homes in the third quarter of 2011 compared with the previous quarter and a 3.9-percent decline from year-earlier levels. In contrast, the Federal Housing Finance Agency's (FHFA) purchase-only repeat-sales index, also reported on a lagged basis, estimated a 0.2-percent (SA) increase in home values in the third quarter but a year-over-year decline of 3.7 percent. Inventories of available homes at the current sales rate decreased for both new and existing homes in the fourth quarter, reaching an average rate of 6.1 months' supply for new homes and 7.0 months' supply for existing homes, down from rates of 6.6 and 8.7 months' supply, respectively, in the previous quarter.

The national homeownership rate decreased in the fourth quarter, as did the homeownership rate for minorities. According to the Mortgage Bankers Association (MBA), the delinquency rate for mortgages fell in the third quarter, but the rate of newly initiated foreclosures increased (the data are reported with a 2-month lag). The U.S. economy grew at a seasonally adjusted annual rate (SAAR) of 2.8 percent in the fourth quarter, following 1.8-percent growth in the third quarter, according to the Bureau of Economic Analysis' first estimate. Residential investment increased 10.9 percent in the fourth quarter compared with a 1.3-percent increase in the third quarter and contributed 0.23 percent to real GDP growth compared to 0.03 percent in the third quarter.

Housing Production

Housing production indicators improved in the fourth quarter of 2011. In both the single-family and multifamily sectors, housing permits and starts rose, but completions fell. Shipments of manufactured housing also increased.

- Builders took out permits for new housing at a pace of 665,000 (SAAR) units during the fourth quarter, 10 percent higher than the third quarter and 14 percent higher than a year earlier. Single-family building permits were issued for 435,000 (SAAR) units, up 6 percent from the third quarter and 3 percent from year-earlier levels.
- During the fourth quarter, builders started construction on 657,000 new housing units (SAAR), up 7 percent from the third quarter and 22 percent from a year earlier. Construction began on 452,000 (SAAR) single-family units, up 6 percent from the third quarter and 4 percent from a year earlier.
- Builders completed 578,000 (SAAR) new housing units in the fourth quarter, down 7 percent from the third quarter but up 1 percent over the four-quarter period. Single-family home completions, at 448,000 (SAAR), were down 4 percent from the previous quarter and 1 percent over the past year.
- Manufactured housing shipments totaled 60,700 (SAAR) units in the fourth quarter, up 19 percent from the third quarter and 42 percent from a year earlier. Onsite placements of manufactured housing, which are reported with a lag, totaled 45,000 units in the third quarter, the same as the previous quarter but down 8 percent from a year earlier.

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Marketing of Housing

Data on the marketing of housing improved in the fourth quarter of 2011. The number of new and existing homes sold increased. The seasonally adjusted S&P/Case-Shiller® and FHFA repeat-sales house price indices, which are reported with a lag, differed in their estimate of house prices changes from the second to third quarter—the Case-Shiller index was down while the FHFA index was up. The average months' supply of homes fell for both new and existing homes. Home builders' confidence, as measured by the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index, rose.

- During the fourth quarter of 2011, 309,000 (SAAR) new single-family homes were sold, up 5 percent from the 296,000 (SAAR) homes sold in the third quarter and up 3 percent from a year ago.
- The NATIONAL ASSOCIATION OF REALTORS® (NAR) reported that 4.417 million (SAAR) existing homes—including single-family homes, townhomes, condominiums, and cooperatives—were sold in the fourth quarter, up 6 percent from the previous quarter and 1 percent from year-earlier levels. According to a NAR practitioner survey, sales to first-time homebuyers accounted for 33 percent of all sales transactions in the fourth quarter, up slightly from 32 percent in the previous quarter.
- The median price of new homes sold in the fourth quarter was \$217,700, down 3 percent from both the previous quarter and year-earlier levels. The average price of new homes sold was \$255,300, down 3 percent from the previous quarter and 8 percent from the previous year. A new constant-quality house would have sold for \$279,800, up 1 percent from the previous quarter but down 2 percent from a year ago. (Quality is based on a typical house built in the year 2005.)
- NAR reported that the median price of existing homes sold was \$163,100 in the fourth quarter, down 4 percent from both the third quarter and a year earlier. The average price of existing homes sold in the fourth quarter was \$209,400, down 4 percent from both the previous quarter and a year earlier. According to a NAR practitioner survey, distressed sales (foreclosures and short sales) represented 30 percent of all home sales in the fourth quarter, the same as the third quarter but down 30 percent from a year ago. Distressed sales prices are typically 15 to 20 percent below normal market prices.
- S&P/Case-Shiller® and the FHFA both produce repeat-sales house price indices that are reported with a 2-month lag. The S&P/Case-Shiller® national index (SA) estimated that home prices in the third

quarter of 2011 were down 1.2 percent from the previous quarter and 3.9 percent from a year earlier. The FHFA purchase-only national index (SA) estimated that home prices were up 0.2 percent from the previous quarter but down 3.7 percent from a year earlier. The FHFA index differs from the S&P/Case-Shiller® index mainly because it is based on sales financed with mortgages that have been sold to or guaranteed by Fannie Mae and Freddie Mac, excludes sales transactions associated with sub-prime and some “jumbo” loans, and is transaction weighted instead of value weighted.

- During the fourth quarter of 2011, the average inventory of new homes for sale was 158,000 units, down 3 percent from both the third quarter and a year earlier. That inventory would support 6.1 months of sales at the current sales pace, down 0.5 month from the third quarter and 1.8 months over the four-quarter period. The average inventory of existing homes for sale in the fourth quarter was 2.580 million units, down 15 percent from the third quarter and 7 percent from a year earlier. That inventory would support 7.0 months of sales at the current sales pace, down 1.7 months from the third quarter and 0.6 month from 1 year ago. Of concern is the “shadow inventory” of homes as a result of the high rate of delinquencies and foreclosures, which has the potential to increase the supply of homes for sale and further depress home prices.
- Home builders' view of housing market activity rose in the fourth quarter of 2011. The NAHB/Wells Fargo composite Housing Market Index was 19, up 4 points from the third quarter and 3 points from a year earlier. The composite index is based on three components—current market activity, future sales expectations, and prospective buyer traffic—and ranges from 0 to 100.

Affordability, Homeownership, and Foreclosures

Housing affordability, as measured by the NAR Housing Affordability Index, increased in the fourth quarter of 2011. The NAR composite index estimates that a family earning the median income had 196.0 percent of the income needed to purchase a median-priced, existing single-family home, using standard lending guidelines. That value is up from 181.8 in the third quarter and 181.4 in the fourth quarter of 2010. The increase in affordability is attributed to a 3.6-percent decrease in the median sales price of existing single-family homes, a 32-basis-point decline in mortgage interest rates, and a 0.1-percent increase in median family income.



The delinquency rate for mortgage loans on one- to four-family residential units fell to 7.99 percent (SA) in the third quarter of 2011, according to the MBA's quarterly National Delinquency Survey (the data is reported with a 2-month lag). This is the lowest level since the fourth quarter of 2008. The 30-day delinquency rate, a measure of early-stage delinquency, reached its lowest level since the second quarter of 2007. The percentage of newly initiated foreclosures was up from the previous quarter, but below the rate a year ago. The percentage of seriously delinquent mortgages (90 or more days past due or in the foreclosure process) increased slightly in the third quarter but was down from a year ago. Delinquency rates decreased for FHA, prime, and subprime mortgages.

According to the MBA, in the third quarter of 2011 the (SA) delinquency rate for all mortgage loans was 7.99 percent, down from 8.44 percent in the previous quarter and 9.13 percent a year earlier. The (SA) delinquency rate for prime mortgages was 5.19 percent, down from 5.66 percent in the second quarter and 6.29 percent a year earlier. The (SA) delinquency rate for subprime mortgage loans was 22.78 percent, down from 24.33 percent in the previous quarter and 26.23 percent a year earlier. For FHA loans, the (SA) delinquency rate was 12.09 percent, down from 12.62 percent in both the second quarter and a year earlier.

Newly initiated foreclosures represented 1.08 percent of all mortgage loans in the third quarter, up from 0.96 percent in the second quarter but down from 1.34 percent a year earlier. The rate of newly initiated foreclosures on prime loans was 0.88 percent, up from 0.78 percent in the previous quarter but down from 1.12 percent a year earlier. The foreclosure start rate for subprime loans was 3.25 percent, up from 2.87 percent in the second quarter but down from 3.31 percent a year earlier. Servicers' emphasis on home retention actions, including those actions under the Making Home Affordable Program, is helping to keep the number of newly initiated and completed foreclosures down, despite high rates of mortgage delinquency. Lenders' review of internal procedures related to the foreclosure process and backlogs in the courts for states with a judicial process also contribute to the decline in foreclosure activity.

The national homeownership rate fell to 66.0 percent in the fourth quarter of 2011, down from 66.3 percent in the third quarter and 66.5 percent a year earlier. The homeownership rate for minorities (48.2 percent) also slipped from 48.9 percent in the previous quarter and 48.5 percent a year earlier. The homeownership rate for White non-Hispanic households dipped to 73.7 from 73.8 percent in the third quarter; the homeownership rate for African-American households fell to 45.5 from 46.1 percent in the third quarter; and the homeownership

rate for Hispanic households was 46.6 percent, down from 47.6 percent in the third quarter. The current low homeownership rates reflect the subprime lending crisis, the high rates of unemployment, and the recent severe recession.

Multifamily Housing

Performance in the multifamily housing sector (five or more units) improved in the fourth quarter of 2011. In the production sector, the number of building permits and starts increased, although completions fell. The absorption rate for apartments as well as condominiums and cooperatives increased. The rental vacancy rate for multifamily units was below the rate in both the previous quarter and previous year, and the average rent increased.

- During the fourth quarter of 2011, builders took out permits for 207,000 (SAAR) new multifamily units, up 21 percent from the third quarter and 52 percent from a year earlier.
- Builders started construction on 189,000 (SAAR) new multifamily units in the fourth quarter, up 3 percent from the third quarter and 108 percent from a year earlier. Builders completed 123,000 (SAAR) multifamily units in the fourth quarter, down 19 percent from the previous quarter but up 12 percent from 1 year ago.
- For new multifamily units completed in the third quarter of 2011, market absorption during the following 3 months increased for both apartments and condominiums and cooperatives. Of the total number of new apartments completed, 65 percent were leased within 3 months of completion, up from 51 percent in the previous quarter and 63 percent a year earlier. The median asking rent for the recently completed apartments was \$1,052, up 1 percent from the previous quarter and 2 percent from the previous year. Of the total number of new condominiums and cooperatives completed, 80 percent were sold within 3 months, up from 54 percent in the previous quarter and 43 percent a year earlier.
- According to Reis, Inc., the average asking rent nationwide in the fourth quarter was \$1,064, up 0.4 percent from the third quarter and up 2.0 percent from the fourth quarter of 2010.
- The multifamily rental vacancy rate reported by the Census Bureau was 10.1 percent in the fourth quarter of 2011, down from 10.8 percent in the third quarter and 10.5 percent a year earlier.

2011 ANNUAL DATA

In 2011, data on housing production improved in the multifamily sector but showed weakness in the single-family sector. In the multifamily sector, permits and starts saw large increases, although completions were down. In the single-family sector, permits, starts, and completions all declined. Annual shipments of manufactured homes increased for the first time since 2005. Housing marketing indicators were mixed in 2011. Existing home sales increased, but new home sales declined. The median price of new homes sold rose, while the median price of existing homes sold fell. The rental vacancy rate for multifamily units declined in 2011, while the average rent increased. Housing affordability improved during 2011, although homeownership rates for the nation and for major racial/ethnic groups declined. The housing sector component of GDP (residential fixed investment) declined in 2011, but at a slower rate than in 2010.

- Builders took out permits for 413,600 new single-family homes in 2011, a decrease of 7 percent from 2010. Multifamily permits were issued for 176,400 new units in 2011, up 35 percent from a year earlier.
- Builders started construction on 428,600 single-family housing units in 2011, down 9 percent from 2010, while multifamily housing starts totaled 167,400 units, up 61 percent from the previous year.
- In 2011, construction was completed on 444,900 new single-family housing units, 10 percent fewer than in 2010. A total of 130,500 new multifamily units were ready for occupancy in 2011, down 11 percent from 2010.
- For all of 2011, 302,000 new single-family homes were sold, down 6.5 percent from the previous year. The median price of new homes sold was \$225,800, up 1.8 percent from 2010.
- Manufacturers shipped 51,600 manufactured (mobile) homes in 2011, 3.2 percent above the 2010 rate.
- NAR reported that 4.260 million existing single-family homes were sold in 2011, a 1.7-percent increase from the 4.190 million sold in 2010. The median price of existing homes sold was \$166,100, down 3.9 percent from 2010.

- Builders' views on housing market activity did not change in 2011. The NAHB/Wells Fargo composite Housing Market Index averaged 16 points for both 2010 and 2011.
- The average interest rate for 30-year, fixed-rate mortgages, as reported by Freddie Mac's Primary Mortgage Market Survey, set a record low in 2011. It was 4.45 percent, 24 basis points below the 2010 annual average interest rate.
- The affordability of housing improved in 2011 according to the NAR Housing Affordability Index, increasing to 184.5 from 174.0 in 2010. The index shows that a family earning the median level of income (\$60,831) had 184.5 percent of the income needed to purchase the median-priced existing home (\$166,200). The increase in housing affordability is attributed to a decline in the median sales price of homes (-4.2 percent) and a decline in effective mortgage interest rates (-22 basis points), which more than offset a decrease in median family income (-0.8 percent).
- The FHA guaranteed 1.152 million mortgages in 2011, down 29 percent from 2010. Private insurance on mortgage loans decreased 16 percent in 2011 to 379,900 loans.
- According to the Housing Vacancy Survey, which is a supplement to the Current Population Survey, the proportion of American households that owned their homes in 2011 declined to 66.1 percent from 66.8 percent in 2010. The homeownership rate for White non-Hispanic households was 73.8 percent, down from 74.4 percent in 2010; the homeownership rate for African-American households was 45.4 percent, down from 45.9 percent the previous year; and the homeownership rate for Hispanic households was 46.9 percent, down from 47.5 percent in 2010.
- The average asking rent nationwide reported by Reis, Inc., increased to \$1,056 in 2011, up 2.0 percent from \$1,035 in 2010.
- According to the Census Bureau, the rental vacancy rate for multifamily units fell to 10.4 percent in 2011 from 11.6 percent in 2010.
- The housing sector component of GDP (residential fixed investment) declined 1.4 percent in 2011 compared with a decline of 4.3 percent in 2010.



INCORPORATING 5-YEAR ACS DATA INTO THE FY 2012 FMR CALCULATION PROCESS

Introduction

The U.S. Department of Housing and Urban Development (HUD) Office of Policy Development and Research publishes Fair Market Rents (FMRs) annually based on the most current rent data available. For calculating fiscal year (FY) 2012 FMRs, the most current data available were rent estimates from the American Community Survey (ACS) as of 2009. For most areas, the calculation of FY 2012 FMRs was the first time base rent levels changed since the incorporation of 2000 Census rent data in the FY 2005 FMRs. The ACS collected rents over a 5-year period, from 2005 through 2009, and used inflation adjustments to bring all rents forward to 2009. To incorporate these 2009 data into the FMR calculation process, HUD created a new methodology that resulted in some large changes in FMR levels compared with previous years; however, the data being used are much timelier and are scheduled to update annually. This article explains the methodology used to incorporate the 2005–2009 ACS 5-year and 2009 1-year data into the production of FY 2012 FMRs and why FMRs should not be considered a time series of rent data for each market in which FMRs are published.

Definition of FMRs

FMRs are gross-rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities except telephone service, cable or satellite television service, and Internet service. HUD sets FMRs to ensure that a sufficient rental housing supply is available to program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which HUD sets FMRs is expressed as a percentile point within the rent distribution of standard-quality rental housing units.¹ The current definition is the 40th-percentile rent, which is the dollar amount below which 40 percent of standard-quality rental housing units are rented.² The 40th-percentile rent is drawn from the distribution of rents of all standard-quality units and adjusted by rents drawn from the distribution of units occupied by recent

movers (renter households that moved to their present residence within the past 24 months). HUD excludes nonmarket rental housing units that do not meet housing quality standards in computing FMRs. Therefore, HUD excludes all units renting for below a specified dollar amount, determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent (for example, a token rent paid to a family member-owner). HUD eliminates units less than 2 years old to avoid incorporating rents that may be inflated by new construction premiums.

Programmatic Usage of FMRs

FMRs are used primarily to determine payment standard amounts for the Housing Choice Voucher Program (HCVP), to determine initial renewal rents for some expiring project-based Section 8 contracts, to determine initial rents for housing assistance payment contracts in the Moderate Rehabilitation single-room occupancy program, and to serve as a rent ceiling in the HOME rental assistance program. HUD annually estimates FMRs for 530 metropolitan areas and 2,045 nonmetropolitan county FMR areas. HUD uses the most current metropolitan Core Based Statistical Areas (CBSAs), composed of one or more counties, as defined by the Office of Management and Budget (OMB), with some modifications. HUD incorporates the current OMB metropolitan area definitions, based on the CBSA standards, as implemented with 2000 Census data, but makes adjustments to separate these areas into subparts where FMRs or median incomes would change significantly if HUD used the new area definitions without modification. In CBSAs with subareas established, HUD views the geographic extent of the housing markets as not yet the same as the geographic extent of the CBSAs, but they may become so as the social and economic integration of the CBSA component areas increases. HUD modifies the definitions of metropolitan CBSAs—known as metropolitan statistical areas (MSAs)—according to a formula so as to allow for subarea FMRs within MSAs to be based on the boundaries of old FMR areas within the boundaries of new MSAs. Old FMR areas are those defined for the FY 2005 FMRs and are created when the median gross rent or median family income for the old FMR area is more than 5 percent different from the corresponding value for the entire CBSA. HUD implemented these modifications to minimize changes in FMRs due solely to the change in area definitions. By law, the final FMRs for use in any fiscal year must be published and available at the start of that fiscal year, October 1, and must be “based on the most recent available data.”³

History of the Use of Decennial Data as the Base Rent

By mandate, HUD calculates FMRs using the most current data available. Until recently, the decennial census long-form sample survey collected the only consistent data on gross rents across all FMR areas and their component geographies. Although gross-rent data collected through the decennial census long form were comprehensive, these data carry the significant limitation that they were collected only once every 10 years. The 2000 Decennial Census, however, was the last time the Census Bureau administered the long-form survey in conjunction with its mandatory 10-year count of the population; the 2010 Decennial Census did not collect gross-rent data or other data that were traditionally only listed in the separate, long-form survey.

Previously, program parameters such as FMRs, which law requires HUD to update annually, relied on additional information sources to augment the base value; in this case, gross rents from the decennial census. HUD based annual FMR updates primarily on changes in the “Rent of Primary Residence” and “Housing—Fuels and Utilities” components, as measured in the Consumer Price Index (CPI). On occasion, HUD would commission a local random digit dialing (RDD) telephone survey of rents to provide a more current gross-rent base than the decennial census for a particular FMR area. More recently, HUD has conducted these RDD surveys in areas that have experienced significant housing market disruptions and where the local public housing agency (PHA), or group of PHAs, comment that proposed FMRs are too low (or too high) for the successful operation of their Section 8 program. An area may also update the base rent used in calculating the FMR by providing survey results collected by PHAs. HUD accepts these results only if the submitted data are representative of actual rents paid across the entire rental stock of the FMR area. HUD uses rents from these surveys as the new base rents in the FMR calculations if it assesses the survey rents to be statistically different from the updated rents based on the decennial census or a previous RDD survey.

History of the Use of ACS Data in Calculating FMRs

The Census Bureau began preparing for a continuous measurement survey of socioeconomic characteristics as early as the 1990s. This work became the foundation of the ACS. The first full-year implementation of the ACS was in 2005. The ACS is conducted on a rolling basis each month and targets approximately 3 million households annually. The results of the 2005 ACS were published during the fourth quarter of 2006.

Because of the nature of the ACS, 1-year ACS results are available for areas of 65,000 or more people. To have enough overall observations to publish survey results for smaller areas, several years of ACS survey information are aggregated. Areas with populations of 20,000 or more have 3-year ACS data available, and areas with populations of less than 20,000 need 5 years of ACS responses aggregated to ensure statistically reliable results.

Law requires HUD to publish proposed FMRs in the *Federal Register*, allow time for public comment on the proposed FMRs, and then publish final FMRs for effect no later than October 1st each year. Because of these publication requirements, HUD was first able to incorporate the 2005 ACS data when calculating FY 2008 FMRs.⁴ A brief summary of the uses of ACS data in the FMR calculation process between FY 2008 and FY 2011 follows.

When formulating the FY 2008 FMRs, HUD primarily used the 2005 ACS data as an update factor spanning the period from the 2000 Census through 2005. The ways in which HUD used these data varied according to the number of survey observations in an FMR area, but the use of ACS data fall into one of four broad categories, or ACS types.

- **ACS-1:** FMR areas that have at least 200 sample cases of two-bedroom, standard-quality rental units. ACS-1 areas may be MSAs, subareas assigned CBSA base rents, other subareas, or large nonmetropolitan counties. In ACS-1 areas, the 2000 Census-to-2005 ACS update factor is the ratio of the 2005 ACS two-bedroom, standard-quality rent to the 2000 Census two-bedroom, standard-quality rent for the FMR area.
- **ACS-2:** FMR areas that are subareas of CBSAs, where the subareas are not assigned the CBSA base rents and do not have at least 200 sample cases of two-bedroom, standard-quality rental units but where the CBSA containing the subarea does have at least 200 sample cases of two-bedroom, standard-quality rental units. In ACS-2 areas, the 2000 Census-to-2005 ACS update factor is either (1) the ratio of the 2005 ACS two-bedroom, standard-quality rent to the 2000 Census two-bedroom, standard-quality rent for the CBSA containing the FMR area, or (2) the ratio of the 2005 ACS two-bedroom, standard-quality rent to the 2000 Census two-bedroom, standard-quality rent for the entire state (or population-weighted average of states) containing the FMR area, whichever brings its 2005 updated rent closer to the value of its CBSA's 2005 updated rent.
- **ACS-3:** FMR areas that are MSAs or nonmetropolitan counties with fewer than 200 sample cases of two-bedroom, standard-quality rental units or are subareas of CBSAs with fewer than 200 sample cases



of two-bedroom, standard-quality rental units. In ACS-3 areas, the 2000 Census-to-2005 ACS update factor is the ratio of the 2005 ACS two-bedroom, standard-quality rent to the 2000 Census two-bedroom, standard-quality rent for the state (or population-weighted average of states) containing the FMR area.

- **ACS-4:** FMR areas that have at least 200 sample cases of two-bedroom, recent-mover rental units. ACS-4 areas may be entire MSAs, subareas assigned CBSA base rents, other subareas, or large nonmetropolitan counties. By definition, these areas are a subset of ACS-1 areas. In ACS-4 areas, the local 2005 ACS recent-mover rent becomes the new base rent for 2005 if the updated 2000 Census base rent is outside its 90-percent confidence interval and the recent-mover rent is greater than the local standard-quality rent. When these conditions are met, a 2005 local ACS base rent replaces the updated 2000 base rent.

In a limited number of cases, therefore, HUD was able to use the 2005 ACS gross-rent estimates to reset the base rent from the 2000 Census. These places are typically large metropolitan areas with at least 200 recent-mover sample cases within the 2005 ACS. In these instances, HUD compared the 2005 ACS recent-mover gross-rent-point estimate to the 2000 Census-based recent-mover gross rent updated using the 2000-to-2005 standard-quality rent update factor for the metropolitan area. If the point estimate was statistically different from the updated rent, HUD replaced the previous base rent with the 2005 ACS result.

For calculating FY 2009 FMRs, HUD determined the change in gross rents, as measured between the 2005 and 2006 ACS surveys, as update factors. Again, in those limited cases in which the 2006 ACS data included 200 recent-mover observations, HUD implemented these gross rents as new base rents if the recent-mover gross-rent-point estimate from the ACS was statistically different from the updated rent using the 2005-to-2006 update factor.

In FY 2010, in addition to using new 1-year ACS data from the 2007 survey, HUD incorporated the newly released 2005–2007 3-year ACS data published for areas of 20,000 or more in population. Again, HUD used the change in gross rents, as measured by the 2006 and 2007 ACS surveys, as update factors. To limit fluctuations in FMRs from year to year, HUD implemented a statistical test to ensure that the changes in rents measured in 2006 to those measured in 2007 were statistically significant before using them as an update factor. If the change from 2006 to 2007 was statistically significant, it became the update factor; however, if the change was not statistically significant, HUD set the update factor to 1. In cases with at least 200 3-year recent-mover observations but not enough observations from the 1-year data, HUD used the 3-year gross-rent estimates

as new base rents if the 3-year point estimates were statistically different from the updated rent.

The methodology used for the FY 2011 FMR calculations was very similar to that used in FY 2010. The only difference was that, in areas where the 2006-to-2007 change in gross rents was statistically insignificant, HUD compared 2006 and 2008 ACS data. If this change was statistically significant, HUD applied the change. As with the comparisons made in the FY 2010 calculations, if the change was not statistically significant, HUD set the update factor to 1.

In December 2010, the Census Bureau released standard tabulations of 5-year ACS data collected from 2005 through 2009. This release was the first time that updated data became available for all FMR areas and their component geographies since the release of 2000 Census gross-rent data; previous ACS releases did not cover areas with populations of less than 20,000. HUD thereby removed the reliance on gross-rent-point estimates from the 2000 Census and established new base rents for all areas using the 5-year aggregations of gross rents from the 2009 ACS.

Characteristics of the 5-Year ACS Gross-Rent Data

The 5-year data from the 2009 ACS are an aggregation of all survey data collected between January 2005 and December 2009 in a given area. The goal of the 5-year ACS is to produce data comparable to the 2000 Census long-form data. These estimates cover the same small areas as the 2000 Census but with smaller sample sizes. The smaller sample sizes result in reductions in the reliability of estimates.

Because the ACS collects data annually, beginning with the 2010 ACS, it will produce data for small geographic areas every year, rather than once every 10 years. The 2000 Census described the population and housing as of April 1, 2000, whereas 5-year ACS data describe similar population and housing characteristics over a period of time and require data collected across 60 months. This increase in the amount of time needed to collect rent data poses the primary challenge in incorporating these 5-year data into the FMR process. As stated previously, HUD publishes FMRs for standard-quality rental units occupied by recent movers.

Explanation of the FY 2012 Calculation Methodology

HUD typically bases FMRs on gross rents for recent movers. FMRs before FY 2012 were calculated from recent-mover gross-rent estimates from the 2000 Census

or from more current local rental market surveys (commissioned by either HUD or a PHA). Because of the way the 5-year data are constructed, however, recent-mover survey responses are not well defined. The 5-year data are an aggregation of all survey data collected between January 2005 and December 2009 in a given area. Dollar values such as gross rents are transformed from the period in which they were collected to an overall 2009 value using the national CPI. Attempting to limit the 5-year data to those who have moved in the last 24 months of the 5-year aggregate survey period severely limits the usefulness of the 5-year data, because this limitation automatically disqualifies at least one-half of the survey observations used in the 5-year estimates. Consequently, HUD changed its methodology for the FY 2012 FMRs so that all areas are assigned the estimated two-bedroom, standard-quality, 5-year gross rent from the ACS as a base rent.⁵ Because HUD regulations mandate that it publish FMRs as recent-mover gross rents, HUD has created a recent-mover adjustment factor to apply to the standard-quality base rents assigned from the 5-year ACS data.

After assigning the two-bedroom, standard-quality rents, HUD applies a recent-mover adjustment factor to these rents. The following paragraphs describe the process for determining the appropriate recent-mover adjustment factor.

For nonmetropolitan areas, HUD calculates the percentage change between the 5-year standard-quality rent for the nonmetropolitan portion of the state and the 1-year recent-mover rent for the same area.⁶ HUD then computes a z-score to determine if the 5-year standard-quality rent and the 1-year recent-mover rent are statistically different.⁷ If the two rents have a statistically significant difference, HUD sets the recent-mover adjustment factor at the difference between the state nonmetropolitan 1-year recent-mover rent and the state nonmetropolitan 5-year standard-quality rent expressed as a percentage of the state nonmetropolitan 5-year standard-quality rent. If the two rents are not statistically different, HUD sets the recent-mover adjustment factor to 1.

For metropolitan areas, HUD calculates the recent-mover adjustment factor in a similar fashion. HUD selects the smallest geographic area that encompasses the metropolitan area in question and has at least 100 recent-mover observations to use in calculating the recent-mover adjustment factor. For HUD-defined subareas of OMB-defined metropolitan areas, this methodology means that the recent-mover adjustment factor may be based on the recent-mover data for the subarea, the entire metropolitan area, the metropolitan portions of the state, or the entire state, depending on which geographic level has 100 or more recent-mover observations.⁸ After determining the area with 100 or more recent-mover cases, HUD calculates a z-score

comparing the 1-year, two-bedroom, recent-mover gross rent with the 5-year, two-bedroom, standard-quality gross rent for the recent-mover area. If the two rents are statistically different, HUD sets the recent-mover adjustment factor for the FMR area as the percentage change between the two rents for the recent-mover area. If the difference in rents is not statistically different, HUD sets the recent-mover adjustment factor for the FMR area to 1.

For FMR areas without 100 recent-mover rents, HUD calculates a recent-mover adjustment factor at the smallest area level that does have 100 recent movers. For metropolitan areas, the order is subarea, metropolitan area, metropolitan part of the state, and state. For nonmetropolitan areas, the order is county, state nonmetropolitan area, and entire state. For an example of how the recent-mover adjustment factor is calculated for these areas, review this methodology for the Abilene, TX MSA and Baldwin County, Alabama, in the FY 2012 documentation system at <http://www.huduser.org/portal/datasets/fmr/fmrs/docsys.html&data=fmr12>.

This process produces an “as of” 2009 two-bedroom, recent-mover gross rent for the FMR area.⁹

The ACS data are updated through 2009 using one-half of the change in annual CPI measured between 2008 and 2009 and through the end of 2010 using the annual change in CPI from 2009 to 2010. As in previous years, HUD uses local CPI data for FMR areas with at least 75 percent of its population within Class A metropolitan areas covered by local CPI data. HUD uses census-region CPI data for FMR areas in Class B and C metropolitan areas and nonmetropolitan areas without local CPI update factors.¹⁰

HUD applies the 3-percent national 1990-to-2000 average annual rent increase trend to end-of-2010 rents for 15 months to derive the proposed FY 2012 FMRs, with a date of April 2012. HUD bases the FMRs for all bedroom sizes on two-bedroom FMRs, with area-specific bedroom adjustments. HUD continues to base these bedroom adjustments on the 2000 Census bedroom relationships by area but will update them for the FY 2013 FMRs with the release of the 2010 ACS rent data by area that can be related to the population data and geographic boundaries from the 2010 Census.

Comparison of FMRs for Selected Areas From FY 2011 to 2012

Tables 1 and 2 summarize the average changes in FMRs and the distribution of rent changes by ACS type from FY 2011 to rebenchmarking in FY 2012.¹¹



Table 1. FMR Area Change Statistics by ACS Type, FY 2011–12

ACS Type	Number of Areas	Average Absolute Dollar Change, FY 2011–12	Average Absolute Percent Change, FY 2011–12	Median Area Population
ACS–1	109	39.94	4.30	645,928
ACS–2	87	50.84	6.59	35,634
ACS–3	2,350	40.06	6.04	20,030
ACS–4	26	33.58	3.36	1,480,535

ACS = American Community Survey. FMR = Fair Market Rent. FY = fiscal year.

Source: Median area population data from the 2000 Census

Table 2. FMR Area Change Count by ACS Type and Size of Change, FY 2011–12

ACS Type	Decline of 15% or More	Decline of Less Than 15% but Greater Than or Equal to 5%	Decline of Less Than 5%	No Change	Increase of Less Than 5%	Increase of Less Than 15% but Greater Than or Equal to 5%	Increase of 15% or More
ACS–1	0	27	35	1	33	13	0
ACS–2	5	35	21	1	13	10	2
ACS–3	95	672	861	18	404	245	55
ACS–4	0	6	13	0	7	0	0

ACS = American Community Survey. FMR = Fair Market Rent. FY = fiscal year.

ACS–2 areas, which are often relatively small subareas, showed the largest change on average after rebenchmarking in FY 2012. By contrast, ACS–4 areas, which are larger areas with higher numbers of sample cases in the ACS, experienced the smallest average changes.

Looking at specific examples shows that ACS–3 areas also saw larger changes during rebenchmarking in 2012 (Tables 3a–d).

To further clarify the differences in how census estimates are used, Table 4 provides detailed information about the changes in rent bases for several FMR areas from FY 2011 to 2012.

Several factors drive change between the FY 2011 and FY 2012 FMRs. The largest of these factors is the setting of new base rents for all areas based on the 5-year ACS data. Past FMR calculations have used CPI data to augment previous ACS survey releases. Replacing these CPI-based factors with new ACS data is also a contributor to the change in FMRs, primarily for areas that have had their base rents updated from the 2000 Census levels to an intermediate base before HUD implements the 2009 ACS data.

Table 3a. Largest Decreases for ACS–3 Areas

Area Name	Dollar Change, 2011–12
Aleutians East Borough, AK	– 559
Lake and Peninsula Borough, AK	– 461
Wade Hampton Census Area, AK	– 457
Yukon-Koyukuk Census Area, AK	– 441
Wrangell City and Borough, AK	– 394

Table 3b. Largest Increases for ACS–3 Areas

Area Name	Dollar Change, 2011–12
Concho County, TX	385
Aleutians West Census Area, AK	286
Bailey County, TX	284
Wayne County, UT	225
Brewster County, TX	222

Table 3c. Largest Decreases for ACS–4 Areas

Area Name	Dollar Change, 2011–12
San Jose-Sunnyvale-Santa Clara, CA HUD Metro FMR Area	– 79
Seattle-Bellevue, WA HUD Metro FMR Area	– 78
Jacksonville, FL HUD Metro FMR Area	– 73
Honolulu, HI MSA	– 58

Table 3d. Largest Increases for ACS–4 Areas

Area Name	Dollar Change, 2011–12
Newark, NJ HUD Metro FMR Area	56
Oakland-Fremont, CA HUD Metro FMR Area	9
Cleveland-Elyria-Mentor, OH MSA	7
Bakersfield-Delano, CA MSA	4

ACS = American Community Survey. FMR = Fair Market Rent. HUD = U.S. Department of Housing and Urban Development. MSA = metropolitan statistical area.

Table 4. FMR Area Change Statistics by ACS Type, FY 2011–12

Area Name	ACS Type	FY 2011 Rent Basis	FY 2011 2BR FMR	FY 2012 Rent Basis	FY 2012 2BR FMR
Akron, OH MSA	ACS-1	2000 Decennial Census with a local CBSA-based update factor using ACS 1-year data	\$745	2005–2009 ACS data	\$742
Baker County, FL HUD Metro FMR Area	ACS-2	2000 Decennial Census with an update factor from the larger CBSA using ACS 1-year data	\$665	2005–2009 ACS data	\$596
Appling County, GA	ACS-3	2000 Decennial Census with a state-based update factor using ACS 1-year data	\$542	2005–2009 ACS data	\$536
Oakland-Fremont, CA HUD Metro FMR Area	ACS-4	2008 ACS recent-mover data	\$1,393	2009 ACS recent-mover data	\$1,402

ACS = American Community Survey. BR = bedroom. CBSA = Core Based Statistical Area. FMR = Fair Market Rent. FY = fiscal year. HUD = U.S. Department of Housing and Urban Development. MSA = metropolitan statistical area.

Explanation That FMRs Are Not a Time Series

It is important to understand that FMRs are not the same as a time series of rents for a particular area; FMR data cannot justify claims that rents in a particular area are increasing, decreasing, or unchanged. The FMR process is designed to develop the best estimate of rents for a particular area using the timeliest available data; this process does not take into account whether previous FMRs make sense in light of new data, and no attempt is made to revise past FMR estimates. Therefore, year-over-year FMR changes can sometimes seemingly conflict with perceived market trends. Methodological changes, such as implementing 5-year ACS data that, in addition to establishing new base rents, also dilute the effect of recent-mover rents, further add to the potential for FMR discontinuity.

In particular, year-to-year comparisons do not reflect market trends when new survey data revise the base rents. Whereas these revisions used to occur on a large scale once every 10 years with the release of new decennial census long-form data (except in those areas where an RDD had been administered), annual revisions are now possible with the 5-year ACS data. Because of the nature of the ACS 5-year tabulations, however, 80 percent of the survey observations will remain the same from one year to the next.¹² Also, many small FMR areas rely on update factors based on survey results from a larger, encompassing geographic area (for example, state-based update factors used for nonmetropolitan counties). Even if the base rent is not adjusted, therefore, the annual changes do not necessarily reflect the housing market conditions for the smaller area but still represent HUD's best estimate of 40th-percentile gross rents in the FMR area.

Although ACS data are the most recent survey data available, a time lag remains between when the survey results become available and when the FMRs take effect. Because of the requirement to use the most

current data available, HUD incorporates the change in annual CPI data from the end of the available survey data through the last complete year for which CPI statistics are available. In subsequent years, HUD replaces the CPI-based proxy for gross-rent change with the actual gross-rent change, as measured by the ACS. Consequently, changes measured in the CPI one year may not be incorporated into the next year's FMR if the ACS does not capture a similar change.

As stated previously, HUD's primary purpose for publishing FMRs is as a parameter in determining payment standards within the HCVP. FMRs are not designed to be a time series, but rather an attempt to smooth market fluctuations, because that is better for operating the HCVP. This design means gentle trends in FMRs are preferred to abrupt changes, except in cases of a clear discrepancy between FMRs and market rents. Thus, statistically significant changes in ACS measurements force large discontinuities in FMRs from time to time.

Finally, future methodological changes will affect the calculation of bedroom ratios and the trend factor and will influence the area definitions used in the FMR process:

- **Bedroom ratios:** HUD calculates the primary FMR estimates for two-bedroom units, generally the most common rental unit size and, therefore, the most reliable to survey and analyze. Formerly, after each decennial census, HUD calculated rent relationships between two-bedroom units and other unit sizes and used them to set FMRs for other units. HUD bases the calculations this way because it is much easier to update two-bedroom estimates and to use preestablished rent relationships with other unit sizes than it is to develop independent FMR estimates for each unit size. HUD last updated bedroom-rent relationships using 2000 Census data. To completely eliminate the reliance on 2000 Census data in the FMR process, HUD will convert the bedroom ratios to be based on the 5-year ACS data with the release of the 2010 ACS.



■ **Trend factor:** By law, HUD must publish FMRs that are “trended so the rentals will be current for the year to which they apply.”¹³ HUD uses the trend factor to place the FMRs at the midpoint of the fiscal year for which they are published. Currently, HUD calculates the FMR trend factor as the annualized change in gross rents between the 1990 and 2000 Decennial Censuses. HUD has requested public input on potential changes to the calculation of the trend factor and, based on these comments, HUD is likely to implement a new methodology for the factor using ACS data, which will be updated annually. Incorporation of the new trend factor would begin with the publication of proposed FY 2013 FMRs and, from that period forward, year-to-year change would reflect changes in the trend factor and not necessarily area-specific rent changes.

■ **Area definitions:** Finally, FMRs are published based on the OMB definition of metropolitan areas. HUD has made some modifications to the OMB-defined areas for the purpose of programmatic continuity but tries to adhere to OMB area definitions whenever possible. In June 2003, OMB issued new metropolitan area definitions based on 2000 Census data and a revised methodology that placed increased weight on commuting patterns and that generally provides a better measure of current housing market relationships. According to a *Federal Register* notice published June 28, 2010,¹⁴ OMB will issue updated definitions of metropolitan areas based on 2010 Census information and 2006–2010 ACS commuting and employment data sometime during 2013. HUD will work to incorporate these changes into the FMR process as quickly and judiciously as possible, but changes to metropolitan areas will significantly affect the calculation of the FMRs and further reduce year-to-year comparisons.

Summary

HUD publishes FMRs annually to facilitate HCVP operations. Because FMRs publish annually, researchers and practitioners often incorporate FMRs into their work and use them to measure the change in market conditions over time. HUD cautions these data users that FMRs may not be a suitable historical time series of rental market conditions, because HUD requires FMRs to reflect the most current data available and calculates its best estimate of 40th-percentile gross rents each year. With the arrival of ACS data, HUD has had the opportunity to incorporate more recent survey data each year over the last five FMR publications. These updates have necessitated several changes to the FMR calculation methodology. The most recent update, for FY 2012, was by far the most significant update and causes the largest discontinuity in the series of published FMRs.

Over time, because the underlying 5-year ACS base data remains largely intact, annual FMR changes should be less severe. The 5-year ACS estimates may become the best source of time-series information on local area rents by nature of the consistent survey methodology used to collect the data. Although FMR estimates will rely heavily on the future series of 5-year ACS data releases, the differences between FMRs and the ACS data make the ACS a superior measure of rents over time for research purposes.

Notes

¹ Standard-quality rental housing units have the following characteristics: (1) a renter paying cash rent, (2) a specified renter on 10 acres or less, (3) full plumbing, (4) full kitchen, (5) age of more than 2 years, and (6) meals not included in rent.

² FMRs were initially set at the 45th percentile but were reduced to the 40th percentile beginning with the FY 1995 FMRs. The vast majority of FMRs remain at the 40th-percentile rent. Certain areas, however, are assigned the 50th-percentile rent. A rule published on October 2, 2000, established 50th-percentile FMRs and the eligibility criteria used to select areas that would be assigned 50th- rather than the normal 40th-percentile FMRs. The objective was to give public housing agencies a tool to help them deconcentrate voucher program use patterns. The three FMR area eligibility criteria are (1) *FMR area size*: the FMR area had to have at least 100 census tracts; (2) *Concentration of affordable units*: 70 percent or fewer of the tracts with at least 10 two-bedroom units had at least 30 percent of these units with gross rents at or below the 40th-percentile two-bedroom FMR; and (3) *Concentration of participants*: At least 25 percent of the tenant-based rental program participants in the FMR area resided in the 5 percent of census tracts with the largest number of program participants. The rule also specified that areas assigned 50th-percentile FMRs were to be reevaluated after 3 years and an area would remain eligible for 50th-percentile rents only if it had made at least a fraction of 1-percent progress in reducing concentration. (24 CFR 888.113.)

³ 42 USC 1437F (c)(1)(B).

⁴ Beginning with the publication of FY 2005 FMRs, HUD has published comprehensive online documentation systems detailing each calculation in the FMR process for each FMR area. Every FMR publication has its own system, which can be accessed via links at <http://www.huduser.org/portal/datasets/fmr.html>, in the first section labeled “FMR Documentation.”

⁵ For nearly all areas, the new base rent is the two-bedroom, standard-quality gross rent from the 2005–2009 ACS tabulations. In a small number of cases, however, the confidence interval around the two-bedroom gross-rent estimate included \$0. In these cases, HUD uses the two-bedroom, standard-quality gross rent calculated across all nonmetropolitan portions of the state containing the FMR area as the new base rent.

⁶ HUD ensures that the recent-mover estimate for each non-metropolitan portion of the state has at least 100 ACS sample observations. If any state nonmetropolitan recent-mover rent is based on fewer than 100 observations, HUD would calculate the recent-mover factor based on the 1-year recent-mover data and 5-year standard-quality data for the entire state.

⁷ The change is considered statistically significant at the 90-percent confidence level if z is greater than 1.645, where z is equal to the absolute change between the estimate for the 1-year data and the 5-year estimate over the square root of the sum of the squared standard error for the 1-year estimate and the squared standard error for the 5-year estimate.

⁸ For metropolitan areas that cross state boundaries and contain fewer than 100 two-bedroom recent-mover observations, HUD uses the weighted-average update factors for the encompassing state metropolitan areas. HUD performs the z -score test for statistical difference between the 1-year recent-mover rent and 5-year standard-quality rent separately for each state metropolitan part before computing the weighted-average update factor.

⁹ ACS data do not cover the Pacific Islands (American Samoa, Guam, and Northern Marianas) and the U.S. Virgin Islands. As part of the 2010 Census, a long-form survey covered these areas. The results gathered by this long-form survey will not be available until 2012. HUD therefore uses the national change in gross rents, measured between 2008 and 2009, to update the previous year's FMR for these areas. The Puerto Rico Community Survey within the American Community

Survey covers Puerto Rico; however, the gross-rent data produced by the 2005–2009 ACS are not sufficient to house voucher holders in Puerto Rico adequately because of the limited ability to eliminate units that do not pass the voucher program's housing quality standards. Consequently, HUD is updating last year's FMRs for Puerto Rico using the change in rents measured from all of Puerto Rico between the 2008 and 2009. For details behind these calculations, see HUD's FY 2012 FMR documentation system at <http://www.huduser.org/portal/datasets/fmr/fmrs/docsys.html&data=fmr12>.

¹⁰ Class A represents all metropolitan areas with populations greater than 1.5 million, Classes B and C represent midsized and small metropolitan areas (fewer than 1.5 million), and Class D represents all nonmetropolitan urban areas. More information is available from the Bureau of Labor Statistics at <http://www.bls.gov/cpi/cpifact8.htm>.

¹¹ This comparison looks at 40th-percentile rents exclusively. Several areas experienced larger changes based on their status as 50th-percentile areas.

¹² For example, the only difference in survey data between the 2005–2009 5-year ACS data and the 2006–2010 5-year ACS data is the replacement of 2005 survey responses with survey responses collected in 2010. The 2006, 2007, 2008, and 2009 survey responses remain intact.

¹³ 42 USC 1437f (c)(1)(b).

¹⁴ 75 FR 123 pg 37246.



National Data


HOUSING PRODUCTION



Permits^{*}

Permits for construction of new housing units were up 10 percent in the fourth quarter of 2011, at a SAAR of 665,000 units, from the previous quarter and were up 14 percent from the fourth quarter of 2010. Single-family permits, at 435,000 units, were up 6 percent from the level of the previous quarter and up 3 percent from a year earlier. Multifamily permits (5 or more units in structure), at 207,000 units, were 21 percent above the third quarter of 2011 and 52 percent above the fourth quarter of 2010.

For all of 2011, builders took out a total of 610,700 housing permits, an increase of 2 percent over 2010. They took out 413,600 single-family permits, 7 percent fewer than in the previous year, and 176,400 multifamily permits, an increase of 35 percent over 2010.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	665	605	583	+ 10	+ 14
One Unit	435	411	424	+ 6	+ 3
Two to Four	23	22	23	+ 3 ^{**}	- 1 ^{**}
Five Plus	207	172	136	+ 21	+ 52

^{*}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 2011 totaled 657,000 units at a SAAR, a statistically insignificant 7 percent above the third quarter of 2011 and 22 percent above the fourth quarter of 2010. Single-family starts, at 452,000 units, were a statistically insignificant 6 percent higher than the previous quarter and a statistically insignificant 4 percent higher than the fourth-quarter level of 2010. Multifamily starts totaled 189,000 units, a statistically insignificant 3 percent above the previous quarter and 108 percent above the same quarter in 2010.

Builders started 606,900 housing units in 2011, an increase of 3 percent over 2010. Of these, 428,600 were single-family units, 9 percent less than in the previous year. Multifamily starts stood at 167,400 for the year, 61 percent more than in 2010.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	657	615	539	+ 7 ^{**}	+ 22
One Unit	452	426	436	+ 6 ^{**}	+ 4 ^{**}
Five Plus	189	182	91	+ 3 ^{**}	+ 108

*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 2011 were at a SA of 429,000 units, a statistically insignificant 3 percent above the previous quarter but unchanged from the fourth quarter of 2010. Single-family units stood at 233,000, a statistically insignificant 2 percent below the previous quarter and 11 percent below the fourth quarter of 2010. Multifamily units were at 186,000, up a statistically insignificant 9 percent from the previous quarter and up 18 percent from the fourth quarter of 2010.

A total of 415,300 housing units were under construction at the end of 2011, a decrease of 1 percent from 2010. Of these, 221,300 were single-family units, 11 percent fewer than at the end of the previous year. Multifamily units under construction totaled 183,800, 20 percent more than at the end of 2010.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	429	418	430	+ 3 ^{**}	—
One Unit	233	238	262	– 2 ^{**}	– 11
Five Plus	186	171	157	+ 9 ^{**}	+ 18

*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[★]

Housing units completed in the fourth quarter of 2011, at a SAAR of 578,000 units, were down a statistically insignificant 7 percent from the previous quarter but up a statistically insignificant 1 percent from the same quarter of 2010. Single-family completions, at 448,000 units, were down a statistically insignificant 4 percent from the previous quarter and down a statistically insignificant 1 percent from the rate of a year earlier. Multifamily completions, at 123,000 units, were a statistically insignificant 19 percent below the previous quarter but a statistically insignificant 12 percent above the same quarter of 2010.

Builders completed 583,900 housing units in 2011, a decrease of 10 percent from 2010. Of these, 444,900 were single-family units, 10 percent fewer than in the previous year. Multifamily completions totaled 130,500, 11 percent below the rate of 2010.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	578	623	572	– 7**	+ 1**
One Unit	448	465	455	– 4**	– 1**
Five Plus	123	151	110	– 19**	+ 12**

*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[★]

Shipments of new manufactured (mobile) homes were at a SAAR of 60,700 units in the fourth quarter of 2011, which is 19 percent above the previous quarter and 42 percent above the rate of the fourth quarter of 2010.

In 2011, manufacturers shipped 51,600 manufactured (mobile) homes. This rate is 3.2 percent above the rate of 2010.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Manufacturers' Shipments	60.7	51.0	42.7	+ 19	+ 42

*Units in thousands.

Note: 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 309,000 (SAAR) units in the fourth quarter of 2011, up 5 percent from the previous quarter and 3 percent from the fourth quarter of 2010; both estimates are statistically insignificant. The average monthly inventory of new homes for sale during the fourth quarter was 158,000 units, a statistically insignificant 3 percent below the previous quarter and a statistically significant 19 percent below the fourth quarter of last year. The average months' supply of unsold homes, based on monthly inventories and sales rates for the fourth quarter, was 6.1, down a statistically insignificant 8 percent from the previous quarter and a statistically significant 22 percent below the fourth quarter of 2010. For all of 2011, 302,000 new single-family homes sold, a 6.5-percent decline from the 2010 level of 323,000.

Sales of existing homes—including single-family homes, townhomes, condominiums, and cooperatives—as reported by the NATIONAL ASSOCIATION OF REALTORS®, totaled 4,417,000 (SAAR) in the fourth quarter of 2011, up 6 percent from the previous quarter and up 1 percent from the fourth quarter of 2010. The average monthly inventory of units for sale during the fourth quarter was 2,580,000, down 15 percent from the previous quarter and down 7 percent from the fourth quarter of 2010. The average months' supply of unsold units for the fourth quarter was 7.0, down 19 percent from third quarter of 2011 and down 7 percent from the fourth quarter of last year. For all of 2011, 4,260,000 existing homes sold, up 1.7 percent from the 2010 level of 4,190,000.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
New Homes Sold	309	296	300	+ 5 ^{**}	+ 3 ^{**}
For Sale	158	163	195	– 3 ^{**}	– 19
Months' Supply	6.1	6.6	7.9	– 8 ^{**}	– 22
Existing Homes					
Existing Homes Sold	4,417	4,170	4,373	+ 6	+ 1
For Sale	2,580	3,023	2,780	– 15	– 7
Months' Supply	7.0	8.7	7.6	– 19	– 7

[★]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 2011 was \$217,700, down 3 percent from the third quarter of 2011 and down 3 percent from the fourth quarter of 2010; both estimates are statistically insignificant. The average price of new homes sold during the fourth quarter was \$255,300, a statistically insignificant 3 percent below the previous quarter and a statistically significant 8 percent below the fourth quarter of 2010. The estimated price of a constant-quality house during the fourth quarter of 2011 was \$279,800, 1 percent higher than the previous quarter but 2 percent lower than the fourth quarter of 2010; both estimates are statistically insignificant. 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 2011, the median price of new homes sold was \$225,800, 1.8 percent higher than the 2010 price of \$221,800. The average price of new homes sold in 2011 was \$266,600, down 2.3 percent from the average price in 2010 of \$272,900. The estimated price of a constant-quality house in 2011 was \$279,500, less than 1 percent lower than the 2010 price of \$282,200.

The median price of existing homes—including single-family homes, townhomes, condominiums, and cooperatives—that sold in the fourth quarter of 2011 was \$163,100, down 4 percent from the previous quarter and down 4 percent from the fourth quarter of 2010, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of existing homes sold in the fourth quarter of 2011 was \$209,400, 4 percent below the third quarter of 2011 and 4 percent below the fourth quarter of 2010.

For all of 2011, the median price of existing homes sold was \$166,100, down 3.9 percent from \$172,900 in 2010, and the average price of existing homes sold was \$214,000 in 2011, down 2.7 percent from \$220,000 in 2010.

	Latest Quarter (\$)	Previous Quarter (\$)	Same Quarter Previous Year (\$)	% Change From Previous Quarter	% Change From Last Year
New Homes					
Median	217,700	223,500	224,300	– 3**	– 3**
Average	255,300	263,000	278,000	– 3**	– 8
Constant-Quality House¹	279,800	276,200	286,000	+ 1**	– 2**
Existing Homes					
Median	163,100	169,200	169,900	– 4	– 4
Average	209,400	217,600	218,100	– 4	– 4


**This change is not statistically significant.

¹ 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 180.57 on a seasonally adjusted (SA) basis in the third quarter of 2011, 0.2 percent above the previous quarter but 3.7 percent below the third quarter of 2010. The national Case-Shiller® Home Price Index was 127.78 (SA) in the third quarter of 2011, down 1.2 percent from the previous quarter and down 3.9 percent year over year.

	Current Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
FHFA HPI¹	180.57	180.13	187.57	+ 0.2	- 3.7
Case-Shiller® HPI²	127.78	129.34	133.03	- 1.2	- 3.9

¹ First quarter 1991 equals 100.

² 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 2011 shows that families earning the median income have 196.0 percent of the income needed to purchase the median-priced existing single-family home. This figure is 8 percent higher than both the third quarter of 2011 and the fourth quarter of 2010.

The increase in the housing affordability index in the fourth quarter of 2011 reflects changes in the marketplace. Median family income rose less than 0.1 percent from the previous quarter to \$60,883. The median sales price of existing single-family homes in the fourth quarter of 2011 decreased to \$163,400, which was 3.6 percent lower than the previous quarter. The national average home mortgage interest rate of 4.31 in the fourth quarter of 2011 is 32 basis points lower than the previous quarter. The decrease in median sales price, the slight increase in median family income, and the decrease in the national average home mortgage interest rate all contributed to an increase in housing affordability.

For all of 2011, the composite housing affordability index averaged 184.5, a 6-percent increase from 2010. The national average home mortgage interest rate for 2011 was 4.67, 22 basis points below the 2010 rate. The median sales price of existing single-family homes for 2011 was \$166,200, 4.2 percent lower than the previous year, and median family income was \$60,831, 0.8 percent lower than the 2010 level of \$61,313. The decline in median sales price and a decline in mortgage interest rates more than offset the decline in median family income, leading to an overall increase in the composite housing affordability index. Finally, the fixed-rate affordability index for 2011 increased 3.3 percent from the previous year to 174.6.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Composite Index	196.0	181.8	181.4	+ 8	+ 8
Fixed-Rate Index	191.3	179.6	180.6	+ 7	+ 6
Adjustable-Rate Index	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 2011, 24,500 new, unsubsidized, unfurnished, multifamily (five or more units in structure) rental apartments were completed, up 88 percent from the previous quarter and up 47 percent from the third quarter of 2010. Of the apartments completed in the third quarter of 2011, 65 percent were rented within 3 months. This absorption rate is 14 percentage points higher than the previous quarter and is a statistically insignificant 2 percentage points higher than the third quarter of 2010. The median asking rent for apartments completed in the third quarter of 2011 was \$1,052, a statistically insignificant increase of 1 percent from the previous quarter and a statistically insignificant increase of 2 percent from the third quarter of 2010.

In the third quarter of 2011, 3,000 new condominium or cooperative units were completed, up a statistically insignificant 11 percent from the previous quarter but down 43 percent from units completed in the third quarter of 2010. Of these, 80 percent sold within 3 months. This absorption rate is 26 percentage points higher than in the previous quarter and 37 percentage points higher than in the third quarter of 2010.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Apartments Completed*	24.5	13.0	16.7	+ 88	+ 47
Percent Absorbed Next Quarter	65	51	63	+ 27	+ 3**
Median Asking Rent	\$1,052	\$1,038	\$1,030	+ 1**	+ 2**
Condos and Co-ops Completed*	3.0	2.7	5.3	+ 11**	- 43
Percent Absorbed Next Quarter	80	54	43	+ 48	+ 86

*Units in thousands.

**This change is not statistically significant.


Note: Data are from the Survey of Market Absorption, which samples nonsubsidized, 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 2011 totaled 45,000 units at a SAAR, unchanged from the level of the previous quarter but 8 percent below the third quarter of 2010. The number of homes for sale on dealers' lots at the end of the third quarter totaled 21,000 units, unchanged from the previous quarter but 9 percent below the same quarter of 2010. The average sales price of the units sold in the third quarter was \$61,500, a statistically insignificant 2 percent above the price in the previous quarter but unchanged from the price in the third quarter of 2010.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Placements*	45.0	45.0	48.7	—	– 8
On Dealers' Lots*	21.0	21.0	23.0	—	– 9
Average Sales Price	\$61,500	\$60,200	\$61,500	+ 2**	—

*Units in thousands.

**This change is not statistically significant.

Notes: Percentage changes are based on unrounded numbers. 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.


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 conduct 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 2011, the current market activity index for single-family detached houses stood at 20, up 5 points from the previous quarter and up 4 points from the fourth quarter of 2010. The index for expected future sales stood at 25, up 6 points from the third quarter of 2011 and up 1 point from the fourth quarter of last year. Prospective buyer traffic had an index value of 16, which is up 4 points from the previous quarter and up 5 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 2011, this index increased to 19, up 4 points from the third quarter of 2011 and up 3 points from the fourth quarter of last year.

For all of 2011, the current sales index averaged 16, unchanged from 2010. The average index for expected future sales was 22, 1 point lower than for the previous year. The prospective sales index averaged 13, up 1 point from 2010. The composite index for 2011 was 16, unchanged from the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Housing Market Index	19	15	16	+ 27	+ 19
Current Sales Activity—Single-Family Detached	20	15	16	+ 33	+ 25
Future Sales Expectations—Single-Family Detached	25	19	24	+ 32	+ 4
Prospective Buyer Traffic	16	12	11	+ 33	+ 45

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 4.01 percent in the fourth quarter of 2011, 30 basis points lower than the previous quarter and 40 basis points lower than the fourth quarter of 2010. Adjustable-rate mortgages (ARMs) in the fourth quarter of 2011 were going for 2.87 percent, 4 basis points lower than the previous quarter and 44 basis points below the fourth quarter of 2010. Fixed-rate 15-year mortgages, at 3.30 percent, were down 19 basis points from the previous quarter and down 50 basis points from the fourth quarter of 2010.

The 2011 average annual rate for 30-year, fixed-rate, conventional mortgages was 4.45 percent, down 24 basis points from the 2010 annual rate.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Conventional, Fixed-Rate, 30-Year	4.01	4.31	4.41	– 7	– 9
Conventional ARMs	2.87	2.91	3.31	– 1	– 13
Conventional, Fixed-Rate, 15-Year	3.30	3.49	3.80	– 5	– 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 13.7 percent in the second quarter of 2011, down 1.0 percentage point from the first quarter of 2011 and down 7.6 percentage points from the second quarter of 2010. For home purchase loans, FHA's dollar volume share was 28.3 percent in the second quarter of 2011, up 2.8 percentage points from the first quarter of 2011 but down 7.3 percentage points from the second quarter of 2010. For mortgage refinance loans, FHA's dollar volume share was 5.5 percent in the second quarter of 2011, down 3.3 percentage points from the first quarter of 2011 and down 2.7 percentage points from the second quarter of 2010.

FHA's share of the 1- to 4-family mortgage market by loan count was 19.4 percent in the second quarter of 2011, up 2.2 percentage points from the first quarter of 2011 but down 4.7 percentage points from the second quarter of 2010. For home purchase loans, FHA's market share by loan count was 38.0 percent in the second quarter of 2011, up 8.2 percentage points from the first quarter of 2011 but down 3.5 percentage points from the second quarter of 2010. For mortgage refinance loans, FHA's market share by loan count was 7.5 percent in the second quarter of 2011, down 2.4 percentage points from the first quarter of 2011 and down 2.0 percentage points from the second quarter of 2010.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Mortgage Market Share by Dollar Volume (%)					
All Loans	13.7	14.7	21.3	- 7	- 36
Purchase	28.3	25.5	35.6	+ 11	- 21
Refinance	5.5	8.8	8.2	- 37	- 33
Mortgage Market Share by Loan Count (%)					
All Loans	19.4	17.1	24.0	+ 13	- 19
Purchase	38.0	29.8	41.5	+ 28	- 8
Refinance	7.5	9.9	9.5	- 25	- 21


*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: 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 365,700 properties in the fourth quarter of 2011, a decrease of 6 percent from the third quarter of 2011 and 15 percent below the fourth quarter of 2010. Total endorsements or insurance policies issued totaled 270,000, down 5 percent from the previous quarter and down 31 percent from the fourth quarter of 2010. Purchase endorsements, at 176,200, were down 16 percent from the third quarter of 2011 and down 10 percent from the fourth quarter of 2010. Endorsements for refinancing increased to 93,800, up 28 percent from the third quarter of 2011 but down 51 percent from the fourth quarter of 2010. These numbers are not seasonally adjusted.

The total number of FHA applications received in 2011 was 1,540,200, a 29-percent decrease from 2010. Total endorsements were 1,151,700, a decrease of 29 percent from last year. Purchase endorsements, at 757,000, decreased 24 percent from 2010, and the 394,600 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
Applications Received	365.7	387.1	429.1	- 6	- 15
Total Endorsements	270.0	284.0	390.1	- 5	- 31
Purchase Endorsements	176.2	210.7	196.8	- 16	- 10
Refinancing Endorsements	93.8	73.3	193.2	+ 28	- 51

^{*}Units in thousands of properties.


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



PMI and VA Activity^{*}

Private mortgage insurers issued 74,900 policies or certificates of insurance on conventional mortgage loans during the fourth quarter of 2011, down less than 1 percent from the third quarter of 2011 and 23 percent lower than the fourth quarter of 2010. The Department of Veterans Affairs (VA) reported the issuance of mortgage loan guaranties on 117,300 single-family properties in the fourth quarter of 2011, up 20 percent from the previous quarter and up 23 percent from the fourth quarter of 2010. These numbers are not seasonally adjusted.

In 2011, private mortgage insurers issued 266,700 certificates of insurance, a decrease of 16 percent from 2010. Total VA mortgage loan guaranties increased 16 percent to 379,900 from 2010 to 2011.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total PMI Certificates	74.9	75.1	96.9	—	- 23
Total VA Guaranties	117.3	97.9	95.0	+ 20	+ 23

^{*}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 mortgage loans were at 7.99 percent in the third quarter of 2011, down 5 percent from the second quarter of 2011 and down 12 percent from the third quarter of 2010. Delinquencies for conventional subprime loans were at 22.78 percent, down 6 percent from the second quarter of 2011 and down 13 percent from the third quarter of the previous year. Conventional subprime adjustable rate mortgage (ARM) loans that were past due stood at 25.07 percent in the third quarter of 2011, down 8 percent from the second quarter of 2011 and down 16 percent from the third quarter of 2010.

In the third quarter of 2011, 90-day delinquencies for all mortgage loans were at 3.5 percent, down 3 percent from the second quarter of 2011 and down 19 percent from the third quarter a year ago. Conventional subprime loans that were 90 days past due stood at 11.07 percent in the third quarter of 2011, down 7 percent from the previous quarter and down 22 percent from the third quarter of 2010. Conventional subprime ARM loans that were 90 days past due were at 13.99 percent in the third quarter of 2011, down 9 percent from the second quarter of 2011 and down 27 percent from the third quarter of 2010.

During the third quarter of 2011, 1.08 percent of all mortgage loans entered foreclosure, up 13 percent from the second quarter of 2011 but down 19 percent from the third quarter of the previous year. In the conventional subprime category, 3.25 percent of loans entered foreclosure in the third quarter of 2011, an increase of 13 percent from the second quarter of 2011 but a decrease of 2 percent from the third quarter of 2010. In the conventional subprime ARMs category, 4.65 percent of loans went into foreclosure in the third quarter of 2011, an increase of 28 percent from the second quarter of 2011 and an increase of 14 percent from the third quarter of 2010.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total Past Due (%)					
All Loans	7.99	8.44	9.13	- 5	- 12
Conventional Subprime Loans	22.78	24.33	26.23	- 6	- 13
Conventional Subprime ARMs	25.07	27.18	29.80	- 8	- 16
90 Days Past Due (%)					
All Loans	3.5	3.61	4.34	- 3	- 19
Conventional Subprime Loans	11.07	11.84	14.17	- 7	- 22
Conventional Subprime ARMs	13.99	15.36	19.1	- 9	- 27
Foreclosures Started (%)					
All Loans	1.08	0.96	1.34	+ 13	- 19
Conventional Subprime Loans	3.25	2.87	3.31	+ 13	- 2
Conventional Subprime ARMs	4.65	3.62	4.09	+ 28	+ 14

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 2011 was at a SAAR of \$345.6 billion, 3 percent above the value of the third quarter of 2011 and 4 percent above the fourth quarter of 2010. As a percentage of the Gross Domestic Product (GDP), RFI for the fourth quarter of 2011 was 2.3 percent, 0.1 percentage point above the previous quarter and 0.1 percentage point above the same quarter a year ago.

For all of 2011, RFI was \$337.5 billion, an increase of 4 percent over 2010. The 2011 RFI was 2.2 percent of GDP, a decrease of 0.1 point from the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
GDP	15,294.3	15,176.1	14,755.0	+ 1	+ 4
RFI	345.6	337.0	331.3	+ 3	+ 4
RFI/GDP (%)	2.3	2.2	2.2	+ 5	+ 5

*Billions of dollars.

Source: Bureau of Economic Analysis, Department of Commerce




HOUSING INVENTORY



Housing Stock^{*}

At the end of the fourth quarter of 2011, the estimate of the total housing stock, 132,474,000 units, was up a statistically insignificant 0.1 percent from the third quarter of 2011 and up a statistically insignificant 0.4 percent from the fourth quarter of 2010. The number of all occupied units increased by a statistically insignificant 0.5 percent from the third quarter of 2011 and increased a statistically insignificant 0.6 percent from last year's fourth quarter. The number of owner-occupied units increased by a statistically insignificant 0.1 percent from the third quarter of 2011 but decreased a statistically insignificant 0.1 percent from the fourth quarter of 2010. Renter-occupied units increased a statistically insignificant 1.2 percent from the third quarter of 2011 and increased a statistically insignificant 2.0 percent from the fourth quarter of 2010. Vacant units were down a statistically significant 2.2 percent from last quarter and decreased a statistically insignificant 0.9 percent from the fourth quarter of 2010.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Housing Units	132,474	132,353	131,975	+ 0.1 ^{**}	+ 0.4 ^{**}
Occupied Units	114,086	113,550	113,427	+ 0.5 ^{**}	+ 0.6 ^{**}
Owner Occupied	75,315	75,250	75,406	+ 0.1 ^{**}	- 0.1 ^{**}
Renter Occupied	38,771	38,299	38,022	+ 1.2 ^{**}	+ 2.0 ^{**}
Vacant Units	18,389	18,803	18,549	- 2.2	- 0.9 ^{**}

^{*}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 2011, at 2.3 percent, was 0.1 percentage point lower than the third quarter of 2011 and 0.4 percentage point lower than the fourth quarter of 2010. The 2011 fourth quarter national rental vacancy rate, at 9.4 percent, was 0.4 percentage point lower than the previous quarter and essentially unchanged from the fourth quarter of 2010.

The homeowner vacancy rate for 2011 was 2.5 percent, a statistically insignificant 0.1 percentage point lower than in 2010. The annual rental vacancy rate for 2011 was 9.5 percent, a statistically significant 0.7 percentage point lower than in 2010.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Homeowner Rate	2.3	2.4	2.7	– 4**	– 15
Rental Rate	9.4	9.8	9.4	– 4**	—

**This change is not statistically significant.


Source: Census Bureau, Department of Commerce



Homeownership Rates

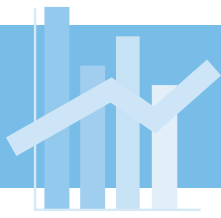
The national homeownership rate for all households was 66.0 percent in the fourth quarter of 2011, down a statistically insignificant 0.3 percentage point from the previous quarter and down a statistically significant 0.5 percentage point from the fourth quarter of 2010. The homeownership rate for minority households, at 48.2 percent, decreased a statistically significant 0.7 percentage point from the third quarter of 2011 and was down a statistically insignificant 0.3 percentage point from the fourth quarter of 2010. The homeownership rate for young married-couple households, at 56.4 percent, was down a statistically significant 1.0 percentage point from the previous quarter and down a statistically significant 1.5 percentage points from the fourth quarter of last year.

For all of 2011, the annual national homeownership rate was 66.1 percent, down 0.8 percentage point from 2010. The annual homeownership rate for minority households was 48.3 percent, down 0.6 percentage point from the previous year. The annual homeownership rate for young married-couple households, at 57.2 percent, was down 1.1 percentage points from 2010.

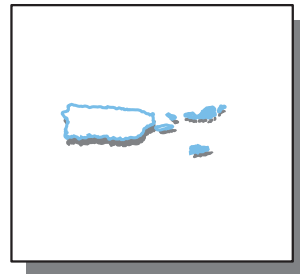
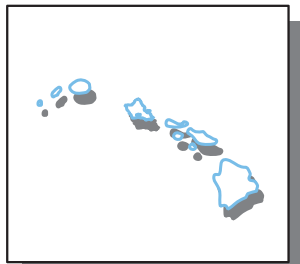
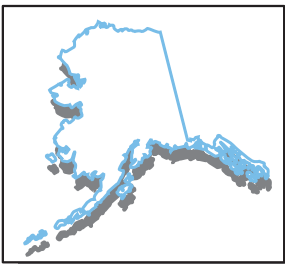
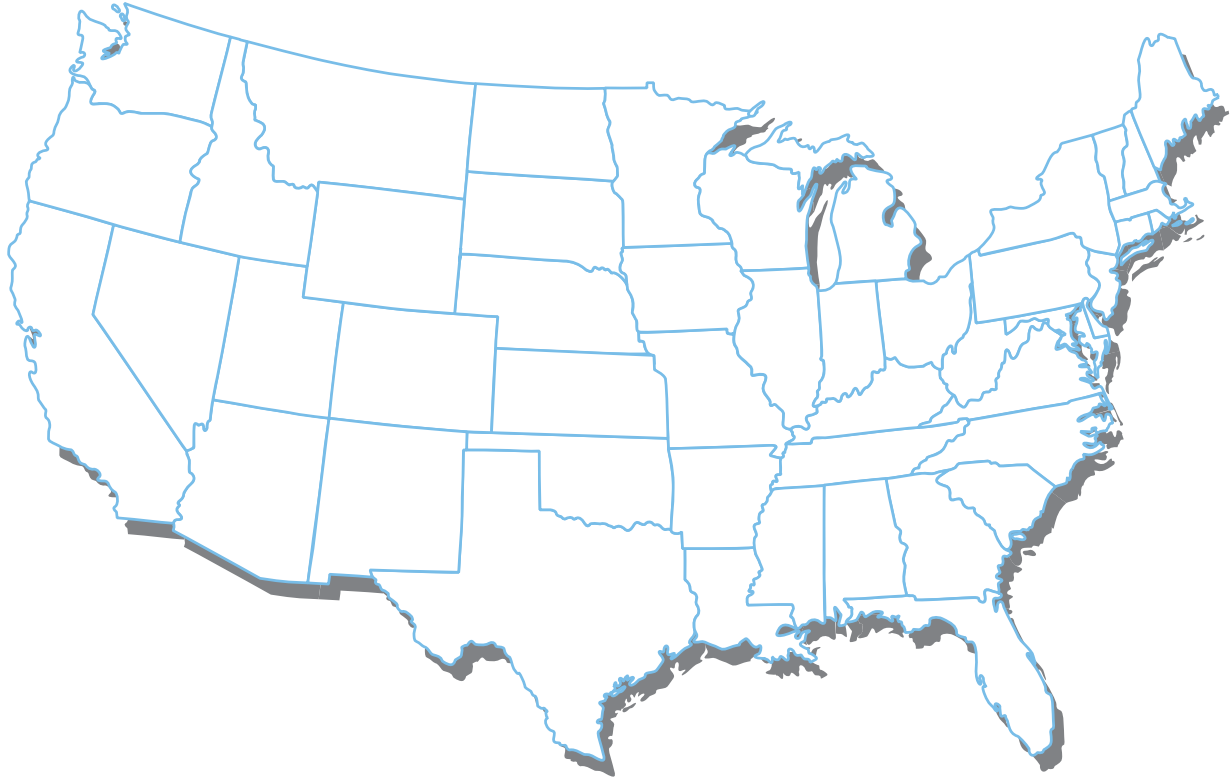
	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Households	66.0	66.3	66.5	– 0.5**	– 0.8
Minority Households	48.2	48.9	48.5	– 1.4	– 0.6**
Young Married-Couple Households	56.4	57.4	57.9	– 1.7	– 2.6

**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Regional Activity

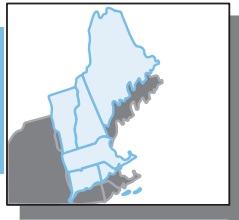


he following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends within each region of HUD management. Also included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

Regional Reports

NEW ENGLAND

HUD Region I*



Economic conditions in the New England region have improved significantly after 3 years of job losses related to the recession that began in December 2007. During 2011, nonfarm payrolls averaged 6.8 million jobs, up 74,800, or 1.1 percent, compared with a loss of 22,700 jobs, or 0.3 percent, during 2010. Although significant, this 2011 increase represents only 27 percent of the jobs that were lost from 2008 through 2010. The largest service-providing sector job gains were in the education and health services and the professional and business services sectors, which reported increases of 24,500 and 23,900 jobs, or 1.8 and 2.8 percent, respectively. The leisure and hospitality sector accounted for 19,600 new jobs, of which 70 percent were located in Massachusetts and New Hampshire. The wholesale and retail trade sector posted job gains of 12,800, or 1.2 percent. The manufacturing sector increased by 6,000 jobs, or 1.0 percent, its first increase since 1998. The government was the only sector with significant job losses, which totaled 14,200 jobs, or 1.4 percent, evenly split between the federal and local government subsectors throughout the region.

All six states in the New England region posted nonfarm payroll gains during 2011. Massachusetts, which has 47 percent of the jobs in the region, accounted for 54 percent of the net job gain during 2011, with payrolls increasing by 40,600 jobs, or 1.3 percent, compared with a gain of only 5,000 jobs during the previous year. The professional and business services, education and health services, and leisure and hospitality sectors increased by 11,800, 10,900, and 8,000 jobs, or 2.6, 1.6, and 2.6 percent, respectively. In addition, Massachusetts gained 3,200 new manufacturing jobs, representing more than one-half of the manufacturing gain in the region during 2011. Only the government sector posted nonfarm payroll losses, contracting by 5,900 jobs, or 1.3 percent, mostly in the federal government subsector. Nonfarm payrolls in New Hampshire also grew at 1.3 percent during 2011, an increase of 8,000 jobs, of which 5,700 were in the leisure and hospitality sector, a 9-percent increase, and 4,100 were in the professional and business services sector, a 6.4-percent increase. Payrolls increased at the fastest rate in Vermont, which added 5,500 jobs, a 1.8-percent increase, after an increase

of only 200 jobs during 2010. Connecticut gained 14,600 jobs, or 0.9 percent, during 2011 compared with a loss of 18,500 jobs, or 1.1 percent, during 2010. This net increase was almost entirely composed of 7,600 jobs in the education and health services sector, up 2.5 percent, and 5,100 jobs in the professional and business services sector, a 2.7-percent increase. During 2011, nonfarm payrolls in Maine and Rhode Island increased by 3,700 and 2,400 jobs, or 0.6 and 0.5 percent, respectively, compared with minor job losses during the previous year. During 2011, the unemployment rate in the region averaged 7.8 percent, down from 8.5 percent during 2010 and less than the 9.0-percent national average. Average unemployment rates in the states ranged from 5.2 percent in New Hampshire to 10.8 percent in Rhode Island.

Despite record-low interest rates and the creation of nearly 75,000 new jobs during the past year, the home sales markets in the region continue to be soft. During 2011, home sales increased slightly in New Hampshire and remained unchanged in Vermont, whereas sales decreased in Maine, Massachusetts, Connecticut, and Rhode Island compared with 2010 sales. The Northern New England Real Estate Network (NNEREN) reported that 10,700 new and existing homes sold in New Hampshire during 2011, up 2 percent from the 10,550 homes sold during 2010. NNEREN also reported that home sales in Vermont totaled 4,025, relatively unchanged compared with the 4,000 homes sold during 2010. The 2011 median sales prices for New Hampshire and Vermont were \$201,700 and \$208,850, down 6 percent and up 4 percent, respectively, from 2010. According to the Maine Real Estate Information System, Inc., 9,825 existing homes sold in 2011, down 4 percent compared with 10,200 sales in 2010. In 2011, the median sales price was \$165,000, a 2-percent drop from 2010.

According to the Massachusetts Association of REALTORS® (MAR), during 2011, existing home sales totaled 39,350, down 2 percent from the 40,050 homes sold during 2010. The median sales price in 2011 was down 3 percent, to \$290,000 from \$300,000 in 2010, but was up 1 percent compared with the \$286,000 median sales price in 2009. During 2011, Prudential Connecticut Realty reported 21,350 existing home sales in Connecticut, an 8-percent decrease compared with 23,100 sales during 2010. The median sales price during 2011 was \$250,000, down 4 percent from \$260,000 in 2010. The Rhode Island Association of REALTORS® (RIAR) reported that 6,700 existing homes sold during 2011, down 2 percent from 6,850 homes sold in 2010. The median sales price declined by 7 percent to \$195,500 compared with the median sales price of \$210,000 during 2010.

According to the Federal Housing Finance Agency House Price Index, in November 2011 (the most recent data available), home prices in the New England region

*For an explanation of HUD's regions, please turn to page 47 at the end of the Regional Reports section.



decreased by 1.7 percent from November 2010, comparable to the 1.8-percent decline nationwide. In December 2011, LPS Applied Analytics reported that 6.5 percent of home loans in the region were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) compared with a 6.4-percent rate in December 2010 and a 7.6-percent national rate in December 2011. Rates of loans in those three categories ranged from 4.9 percent in Vermont to 8.5 percent in Rhode Island in December 2011.

Condominium markets continue to be soft throughout the New England region. According to MAR, during 2011, condominium sales in Massachusetts totaled 15,000 units, down 6 percent compared with 15,950 units during 2010 and down 8 percent compared with 16,350 units during 2009. The median sales price in 2011 of \$267,000 was up 1 percent from a year ago. In Connecticut, Prudential Connecticut Realty reported that condominium sales declined more than 12 percent to 5,400 units during 2011 compared with 6,175 units sold in 2010. The median sales price for 2011 was \$165,500, a 7-percent decrease compared with the 2010 median sales price of \$178,000. According to RIAR, 2011 condominium sales in Rhode Island totaled 1,125 units, a 1-percent decline from 2010, and the median sales price was \$177,000, down 5 percent from \$187,000 in 2010. According to NNEREN, condominium sales in New Hampshire declined by 3 percent to 2,550 units during 2011, and the median sales price was \$155,000, down 6 percent from 2010. Condominium sales and prices in Vermont remained essentially unchanged in 2011, with 910 units sold and a median sales price of \$185,000.

In response to decreasing home sales and prices across most of the region, single-family homebuilding activity, as measured by the number of building permits issued, began declining in the second quarter of 2011. Based on preliminary data, during 2011, the number of homes permitted declined by 18 percent to 9,575 compared with the number permitted during 2010. This decline represented the largest percentage decline of any region in the nation and compares with a 6-percent decrease nationwide. During 2010, single-family home production increased 17 percent from 2009. Single-family home construction decreased in all six states in the region during 2011. Massachusetts, which represented 43 percent of single-family homebuilding activity in the region, declined 15 percent to 4,100 homes permitted. Connecticut, Maine, and New Hampshire decreased 19, 21, and 19 percent to 1,825, 1,350, and 1,275 homes permitted, respectively. Rhode Island and Vermont declined 23 and 27 percent, to 580 and 430 homes permitted, respectively.

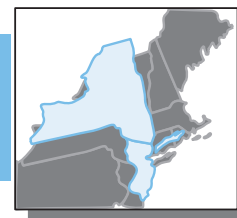
Multifamily construction, as measured by the number of units permitted, declined significantly in the New England region during 2011. Based on preliminary data, during 2011, multifamily production decreased 12 percent to 5,150 units permitted compared with a 32-percent increase nationwide. During 2010, multifamily construction in the region increased 13 percent from 2009. During

2011, Massachusetts and Connecticut multifamily building activity declined 14 and 19 percent to 2,725 and 980 units permitted, respectively. Multifamily construction in New Hampshire and Rhode Island decreased to 590 and 120 units permitted compared with 750 and 210 units permitted, respectively, during the previous year. Maine and Vermont were the only states in the region to increase multifamily building activity during 2011, with 300 and 420 units permitted, up from 170 and 310 units permitted, respectively, during 2010.

Apartment market conditions in most metropolitan areas in the region are balanced or tight, with nearly all rental housing markets in the region tightening during 2011 because of moderate-to-strong net absorption and limited completions. Rental market conditions in the Boston metropolitan area are tight. According to Reis, Inc., the apartment vacancy rate during the fourth quarter of 2011 decreased to 4 percent compared with 5.1 percent a year earlier. Overall, for every new unit added to the apartment inventory, nearly five units were absorbed. The average market rent increased 2 percent to \$1,772 during the same period. The apartment market in the Providence metropolitan area tightened because of extremely limited additions to the inventory during 2011. During the fourth quarter of 2011, the apartment vacancy rate declined to 3.8 percent, down from 6 percent a year earlier, with average rents increasing nearly 2 percent to \$1,225. During the same period, the apartment vacancy rate declined to 5.2 percent from 6 percent in Fairfield County, with overall balanced rental market conditions. The average market rent increased nearly 3 percent to \$1,828, representing the most expensive apartment market in the region. Apartment market conditions in the New Haven metropolitan area are extremely tight; apartment vacancy rates decreased to 2.1 percent during the fourth quarter of 2011 from 2.9 percent a year earlier. This rate represents the lowest apartment vacancy rate of any major market in the nation as reported by Reis, Inc. The average market rent increased nearly 2 percent to \$1,126 during the same period. In the Portland metropolitan area, apartment vacancy rates declined to 3.8 percent during the fourth quarter of 2011 from 4.3 percent a year earlier, with the average market rent increasing more than 2 percent to \$1,039.

NEW YORK/ NEW JERSEY

HUD Region II



Population growth increased in the New York/New Jersey region during the past year due to improving economic conditions. The population of the region increased by 91,550, or 0.3 percent, to 28.3 million from

July 2010 to July 2011. New York accounted for more than 75 percent of the population growth, recording an increase of 70,000, or 0.4 percent, to 19.5 million, whereas New Jersey increased by 21,550, or 0.2 percent, to 8.8 million. Net natural change (resident births minus resident deaths) of 132,000 people offset net out-migration from the region of nearly 40,000 people.

During 2011, nonfarm payrolls totaled nearly 12.5 million jobs, an increase of 80,650 jobs, or 0.6 percent, from a year ago. In New York, which accounted for nearly 90 percent of the growth, payrolls increased by 71,800 jobs, or 0.8 percent, to an average of 8.6 million jobs. New Jersey payrolls increased by 8,875 jobs, or 0.2 percent, to an average of nearly 3.9 million jobs during 2011. The fourth quarter of 2011 was the first quarter during which the state reported a positive year-over-year job growth since the second quarter of 2008. In New York City (NYC), nonfarm payrolls increased by 33,350 jobs, or 0.9 percent, to 3.7 million jobs.

During 2011, the education and health services, professional and business services, and leisure and hospitality sectors reported the largest nonfarm payroll job gains in the New York/New Jersey region. The education and health services sector recorded an increase of 44,850 jobs, or 1.9 percent, with gains of 34,900 jobs, or 2.0 percent, in New York and 9,950 jobs, or 1.6 percent, in New Jersey. The professional and business services sector gained 44,800 jobs, or 2.7 percent, in the region and registered the largest nonfarm payroll increase among all sectors in New Jersey with a gain of 11,650 jobs, or 2.0 percent. The leisure and hospitality sector expanded by 18,500 jobs, a 1.7-percent increase, adding 17,450 and 1,025 jobs, 2.0- and 0.3-percent increases, in New York and New Jersey, respectively. The number of leisure travelers to NYC increased by nearly 3 percent to a record 50.5 million in 2011, and, as a result, the leisure and hospitality sector in NYC increased by 8,200 jobs, or 2.6 percent. The sectors with the strongest job growth in NYC were the professional and business services sector, which increased by 18,200 jobs, or 3.2 percent, and the education and health services sector, which increased by 17,550 jobs, or 2.3 percent. NYC accounted for at least 40 percent of the job growth for the region in each of those sectors.

Offsetting some of the job gains in the region, the government and manufacturing sectors and the construction subsector lost the most jobs during 2011. The government sector declined by 44,700 jobs, or 2.1 percent, with decreases of 25,650 jobs, or 1.7 percent, in New York and 19,050 jobs, or 3.0 percent, in New Jersey, a result of budget cuts that began in the summer of 2010. Job losses in the manufacturing sector and the construction subsector continued, but were 60 percent less than the losses recorded a year ago; the sectors registered job declines of 11,500 and 2,250, or 1.6 and 0.5 percent, respectively, during 2011. The manufacturing sector recorded a 2.8-percent decrease, or 7,150 jobs, in New Jersey and a 1.0-percent decline, or 4,350 jobs, in New York. The

construction subsector decreased by 2,000 jobs, or 0.7 percent, in New York and by 240 jobs, or 0.2 percent, in New Jersey. During 2011, the unemployment rate averaged 8.4 percent for the region, down from 8.8 percent a year earlier. The unemployment rate declined from 8.6 to 8.0 percent in New York and from 9.5 to 9.3 percent in New Jersey.

In the fourth quarter of 2011, sales housing markets in the New York/New Jersey region were softer than during the previous year. According to data from the New York State Association of REALTORS®, during 2011, sales of existing single-family homes in the state (excluding parts of NYC) decreased by 4 percent to 72,050 homes sold compared with 2010 sales. The median sales price for existing homes during 2011 decreased by less than 1 percent to \$212,500 compared with prices during 2010. During the fourth quarter of 2011, the number of home sales declined, but prices remained relatively stable in Upstate New York. According to the Greater Rochester Association of REALTORS®, during 2011, home sales in the Rochester metropolitan area declined by 10 percent to 9,125 homes sold, and the median sales price increased by nearly 4 percent to \$124,000. The Greater Capital Association of REALTORS® reported that home sales in the Albany-Schenectady-Troy metropolitan area declined 7 percent during 2011, to nearly 7,100 homes sold, and the median sales price decreased by 1 percent to \$186,000. According to the Buffalo Niagara Association of REALTORS®, during 2011, the number of homes sold declined by slightly more than 1 percent to 8,425 homes, and the median sales price remained relatively unchanged at \$115,900.

The NYC home sales market remained soft during the fourth quarter of 2011. Home sales prices declined in Brooklyn and Queens and increased slightly in Manhattan. The number of homes sold increased in Brooklyn and Manhattan, although home sales fell significantly in Queens. Miller Samuel Inc. reported that, during 2011, the number of existing home sales in Manhattan, Brooklyn, and Queens decreased by 7 percent to 27,950 units compared with the number sold during 2010. During 2011, the average sales price rose by nearly 4 percent to \$821,100, and the average number of days a home remained on the market increased slightly to 126, 17 days more than the average during 2010. During the past year, the number of condominiums and cooperatives sold in Manhattan increased by less than 1 percent to 10,150, and the median sales price increased by slightly more than 1 percent to \$855,000. In 2011, the number of home sales in Manhattan remained nearly 12 percent below the average annual rate of 11,500 homes sold in 2007 and 2008. Home sales increased by more than 13 percent to 8,100 homes sold in Brooklyn, but the median sales price decreased by 4 percent to \$454,400. In Queens, sales declined nearly 24 percent to 9,700 homes sold in response to the expiration of the federal first-time homebuyer tax credit, but the median sales price remained relatively unchanged at \$393,100.



In New Jersey, home sales markets were softer during the third quarter of 2011 than during the previous year because of declining home sales and prices. According to data from the New Jersey Association of REALTORS®, the number of existing homes sold during the 12 months ending September 2011 (the latest information available) decreased by 16,100, or 14 percent, to 103,300 homes sold compared with sales during the previous 12 months. The median home sales price in New Jersey decreased by nearly 4 percent to \$305,100. All three regions of the state reported a decreased number of home sales, with declines of 16 percent in Southern New Jersey and about 12 percent in both Central and Northern New Jersey, to 25,400, 27,400, and 50,500 homes sold, respectively. Median sales prices declined by less than 1 percent to \$385,700 in Northern New Jersey and by slightly more than 5 percent in both Southern and Central New Jersey to \$202,100 and \$309,000, respectively.

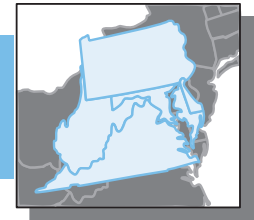
According to LPS Applied Analytics, in December 2011, the number of mortgage loans in the region that were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) increased by 16,400, or 6.8 percent, to 256,200 loans compared with December 2010. This total represented 9.2 percent of all home loans in December 2011 compared with 8.4 percent a year earlier. The rate rose from 9.4 to 10.6 percent in New Jersey and from 7.7 to 8.2 percent in New York. Both rates were above the national average of 7.6 percent.

Builders responded to softer sales housing market conditions in the New York/New Jersey region by reducing single-family homebuilding. Construction of multifamily units increased in both states, however. According to preliminary data, during 2011, the number of single-family homes permitted in the region decreased by 16 percent to 11,650 homes compared with an 8-percent increase recorded during 2010. The number of single-family homes permitted in 2011 represents slightly more than 50 percent of the annual average of 23,000 homes permitted in the region from 2007 through 2009. Single-family home construction decreased by 1,250, or 20 percent, to 5,175 homes permitted in New York and by 925, or 12 percent, to 6,475 homes permitted in New Jersey. According to preliminary data, during 2011, multifamily building activity, as measured by the number of units permitted, increased by 4,550, or 32 percent, to 18,900 units permitted compared with a 14-percent increase during 2010. Nearly 90 percent of the increase in multifamily construction activity in the region occurred in New York, where permitting increased by 3,900 units, or 46 percent, to a total of 12,350. New Jersey multifamily permitting increased by 600 units, or 10 percent, to a total of 6,525 units, down from the 16-percent increase recorded during 2010. Based on data from the McGraw-Hill Construction Pipeline database, apartments accounted for more than 80 percent of the 22,350 multifamily units under construction in the region and 99 percent of the 10,500 units being built in NYC.

Rental housing market conditions in the region were tighter in the fourth quarter of 2011 than they were a year earlier, as shown by declining vacancy rates and rising rents. Conditions were balanced to tight in New Jersey and Upstate New York, whereas NYC remained one of the tightest rental markets in the country. According to Reis, Inc., in the fourth quarter of 2011, the vacancy rate in Northern New Jersey decreased from 4.9 to 4.1 percent and the average rent increased by nearly 3 percent to \$1,550. In Atlantic City, the vacancy rate declined from 7.3 to 5.5 percent and the average rent increased by nearly 1 percent to \$960. The rental housing market tightened in Rochester, where the vacancy rate declined from 4.2 to 3.2 percent and the average rent increased by nearly 2 percent to \$790. In Albany, the vacancy rate decreased from 3.7 to 3.0 percent and the average rent increased by more than 2 percent to \$910. The apartment vacancy rate in NYC was 2.4 percent, down from the 3.1-percent rate recorded a year earlier, and the average asking rent increased by 3 percent to \$2,950. On Long Island, the vacancy rate declined from 3.8 to 3.3 percent and rents increased by more than 2 percent to \$1,590.

MID-ATLANTIC

HUD Region III



Economic conditions in the Mid-Atlantic region improved during 2011 after a 2-year decline during 2009 and 2010. During 2011, nonfarm payrolls increased by 103,400 jobs, or 0.8 percent, to 13.7 million jobs compared with the loss of 19,500 jobs, or 0.1 percent, during 2010. More than 70 percent of the net job gain in the region occurred in the education and health services and the professional and business services sectors. The education and health services sector recorded an increase of 38,750 jobs, or 1.7 percent. The professional and business services sector grew by 35,450 jobs, or 1.8 percent, an improvement over the gain of 20,900 jobs, or 1.1 percent, registered in 2010. The wholesale trade subsector, which added 8,750 jobs, a 1.9-percent increase, led the 19,000-job, or 1.0-percent, overall growth of the trade sector. The manufacturing sector increased by 10,700 jobs, or 1.1 percent, primarily because the growth of 11,500 jobs, or 2.1 percent, in Pennsylvania offset the loss of 1,925 jobs, or 1.7 percent, in Maryland. During 2011, the government sector in the region recorded a net decrease of 22,550 jobs, or 0.9 percent, compared with employment a year ago, with Pennsylvania accounting for 78 percent of the decline. The federal government subsector decreased by 7,450 jobs, or 1.1 percent, in the region; federal government payrolls in the Washington, D.C. metropolitan area, however, increased by 620 jobs, or 0.2 percent.

During 2011, nonfarm payroll jobs increased in every state in the region except Delaware, where payrolls remained nearly unchanged. Job gains ranged from 2,500, or 0.4 percent, in the District of Columbia to 65,500, or 1.2 percent, in Pennsylvania. In Pennsylvania, a gain of 23,200 jobs, or 2.0 percent, in the education and health services sector more than offset a loss of 17,600 jobs, or 2.3 percent, in the government sector. Virginia reported an increase of 22,300 jobs, or 0.6 percent, with a gain of 14,700 jobs, or 2.3 percent, in the professional and business services sector accounting for 65 percent of all jobs added in the state. Maryland added 7,950 jobs, a 0.3-percent increase, and West Virginia added 5,475 jobs, a 0.7-percent increase. Conditions in both states improved from a year ago, when Maryland recorded a loss of 10,200 jobs, or 0.4 percent, and West Virginia registered no change in nonfarm payrolls. In 2011, gains in the professional and business services and the education and health services sectors offset losses in the construction subsector in Maryland and losses in the government sector in West Virginia. The average unemployment rate in the Mid-Atlantic region decreased from 8.0 percent in 2010 to 7.3 percent in 2011. Unemployment rates declined in all five states in the region, with rates ranging from 6.2 percent in Virginia to 8.4 percent in West Virginia. In the District of Columbia, however, the unemployment rate rose from 9.9 to 10.4 percent, the highest rate in the region.

According to the Census Bureau, the population of the Mid-Atlantic region was estimated at 29.9 million as of July 1, 2011, an increase of 0.5 percent, or approximately 161,800, since July 1, 2010. Net natural increase (resident births minus resident deaths) accounted for 60 percent of the population growth. Population gains in Virginia accounted for 45 percent of the increase in the region. Growth rates ranged from 2.2 percent in the District of Columbia to 0.1 percent in West Virginia.

Home sales market conditions in the Mid-Atlantic region were soft in the fourth quarter of 2011, although the volume of home sales increased in some states. During the fourth quarter of 2011, the Virginia Association of REALTORS® reported a 1-percent increase in the number of existing home sales, to 18,700 homes sold. During the same period, the median home sales price decreased nearly 6 percent to \$220,000 from \$233,000 a year ago. Home sales increased nearly 10 percent in the greater Richmond area during the fourth quarter of 2011, to 2,925 homes sold, but the median sales price decreased by more than 8 percent to \$171,500. During the third quarter of 2011 (the most recent data available), existing home sales increased from a year ago in Delaware, Pennsylvania, and West Virginia, according to the NATIONAL ASSOCIATION OF REALTORS®. The seasonally adjusted annual home sales rate in those states increased by 29, 15, and 10 percent to 10,800, 155,200, and 27,200 homes sold, respectively, relative to the sales rates during the third quarter of 2010.

Sales housing market conditions were also soft in Maryland and the District of Columbia, although prices increased in the latter. According to the Maryland Association of REALTORS®, in 2011, the number of existing home sales in Maryland totaled 51,000, down 6 percent compared with the number sold in 2010, and the average home sales price declined 4 percent to \$278,300. In the Baltimore metropolitan area, 22,150 homes sold, down 4 percent from the 23,050 sold during the previous year, according to Metropolitan Regional Information Systems, Inc. (MRIS®). During 2011, the average home sales price declined by 5 percent to nearly \$262,500 from \$276,600 during the previous year. According to MRIS®, in the District of Columbia, approximately 6,150 homes sold during 2011, down nearly 7 percent from the 6,600 homes sold during the previous year. Despite the decline, the average home sales price increased by 1 percent to \$511,200 following a 4-percent increase in 2010. According to LPS Applied Analytics, during December 2011, the percentage of home loans that were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) in the region declined to 6.0 from 6.2 percent during December 2010, and remained less than the 7.6-percent rate reported for the nation.

Softer sales market conditions reduced single-family construction activity, as measured by the preliminary number of building permits issued, in all states throughout the region, but the District of Columbia was an exception. Homebuilding activity decreased by 4,025 permits, or 11 percent, to a total of 34,400 single-family homes during 2011 compared with a 5-percent increase reported during 2010. The declines occurred in Pennsylvania, down 24 percent to 9,250 homes permitted; West Virginia, down 8 percent to 1,175 homes permitted; Delaware, down 7 percent to 2,500 homes permitted; and Maryland and Virginia, down 5 and 4 percent, to 7,525 and 13,700 homes permitted, respectively. In contrast, construction activity in the District of Columbia increased by 110 homes to a total of 230 homes permitted. Homebuilding decreased in the major metropolitan areas in the region. The largest percentage decline occurred in the Pittsburgh metropolitan area, down 17 percent to 2,650 homes permitted. The Philadelphia metropolitan area and the Baltimore metropolitan area declined by 13 and 9 percent, to 4,575 and 3,275 homes permitted, respectively.

Although single-family home construction declined in 2011, preliminary data indicate that, in the Mid-Atlantic region, multifamily construction, as measured by the number of multifamily units permitted, increased by 65 percent to nearly 18,800 units compared with the number permitted a year ago. More than one-half of the multifamily units were permitted in the District of Columbia, where building activity increased from 550 units in 2010 to 4,375 units in 2011. According to the McGraw-Hill Construction Pipeline database, apartments account for approximately 90 percent of the 4,875 multifamily units currently under construction in the District of Columbia. In Virginia, during 2011, the

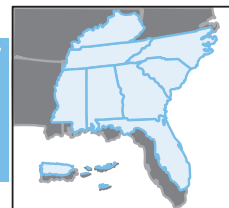


number of multifamily units permitted increased by 46 percent to 6,800 units. Maryland and Delaware recorded increases of 26 and 23 percent, to 4,225 and 500 units permitted, respectively. Pennsylvania and West Virginia each recorded a 19-percent increase, to 2,675 and 200 units permitted, respectively. Multifamily construction activity varied among the major metropolitan areas in the region. In the Washington, D.C. metropolitan area, multifamily building activity more than doubled from a year ago, increasing to a total of 9,625 units. In the Virginia Beach metropolitan area, the number of permits issued for multifamily units tripled from 820 units permitted a year ago to 2,500 units permitted in 2011. In the Baltimore metropolitan area, the number of multifamily units permitted declined by 320 units, or 9 percent, to 3,275 units permitted.

Apartment markets throughout the region were balanced to tight during 2011, an improvement from a year ago when conditions were softer in some areas. The Washington, D.C. metropolitan area rental housing market was balanced during 2011 compared with soft conditions in 2010, because of a tightening in the highrise market. Delta Associates reported a 6.6-percent vacancy rate for Class A garden apartments, unchanged from a year earlier. The garden apartment vacancy rate decreased from 6.7 to 6.0 percent in suburban Maryland but increased from 6.5 to 7.1 percent in Northern Virginia. The average vacancy rate in highrise units in the metropolitan area declined significantly, from 9.7 to 5.7 percent, as the absorption of units in lease-up increased. During 2011, in the Washington, D.C. metropolitan area, the average rent for Class A garden and highrise apartments increased by 2 and 3 percent to \$1,575 and \$2,400, respectively. In the Baltimore metropolitan area, conditions were balanced, an improvement from softer conditions in 2010; the overall apartment vacancy rate decreased from 8.0 to 7.7 percent. From December 2010 to December 2011, the average vacancy rate declined from 4.7 to 3.5 percent at stabilized properties in the Baltimore metropolitan area and concessions were reduced from 2.8 to 2.1 percent. In Baltimore city, during 2011, the average vacancy rate decreased from 8.6 to 7.8 percent and the average vacancy rate at stabilized properties declined from 5.9 to 2.3 percent. The average rent increased in the Baltimore metropolitan area by 2 percent, from \$1,475 to \$1,525, and in Baltimore city by 8 percent to \$1,725. The apartment market in the Philadelphia metropolitan area was tight during 2011, unchanged from the previous year. During 2011, the vacancy rate in the Philadelphia metropolitan area increased slightly from 3.2 to 3.3 percent, and the average rent rose 2 percent to \$1,600. In the Center City Philadelphia submarket, during the same period, the average vacancy rate declined from 4.0 to 2.3 percent, and the average rent remained constant at \$2,150.

SOUTHEAST/ CARIBBEAN

HUD Region IV



Nonfarm payrolls in the Southeast/Caribbean region increased in 2011, with gains beginning in the second quarter, marking the first year of increased payrolls since employment peaked at approximately 27.2 million jobs in 2007. In 2011, nonfarm payrolls in the region averaged 25.1 million jobs, an increase of 120,600 jobs, or 0.5 percent, from 2010. Employment increased in most states in the region but decreased by 15,600 jobs, or 0.4 percent, in Georgia; 8,300 jobs, or 0.9 percent, in Puerto Rico; and 1,100 jobs, or 2.4 percent, in the Virgin Islands. Employment increased in Florida by 56,900 jobs, or 0.8 percent, the largest increase of any state in the region during 2011. From 2008 through 2010, Florida lost more jobs than any other state in the region. Gains of 24,500 jobs, or 1.4 percent, in Kentucky and 23,000 jobs, or 0.9 percent, in Tennessee were the region's other leading totals.

In 2011, nonfarm payroll gains in the Southeast/Caribbean region occurred across multiple sectors, with the largest job gains in the professional and business services, leisure and hospitality, and education and health services sectors, which increased by 83,100, 68,800, and 52,900 jobs, or 2.6, 2.6, and 1.6 percent, respectively. The construction subsector continued to lose jobs in 2011 as a result of weakness in the sales housing market and tight credit markets that limited financing for residential and commercial construction projects; employment in the sector decreased by 42,300 jobs, or 4.4 percent. Federal, state, and local governments continued to reduce payrolls in the region, decreasing government employment by 81,900 jobs, or 1.8 percent. Losses were distributed relatively evenly among the three government subsectors. In 2011, the unemployment rate for the region decreased to an average of 10.3 percent from 10.9 percent in 2010. Reflecting generally improving economic conditions in the region, the unemployment rate decreased in every state in the region and in the Caribbean, although rates remained elevated, ranging from 9.3 percent in Alabama to 15.7 percent in Puerto Rico. The largest decrease in the average unemployment rate occurred in South Carolina, where the rate decreased from 11.2 percent in 2010 to 10.2 percent in 2011. After continuing to lose jobs in 2011, Georgia had the smallest decrease in the unemployment rate in the region, from 10.2 percent in 2010 to 10 percent in 2011.

Sales housing markets throughout the Southeast/Caribbean region are soft but improving. According to data from LPS Applied Analytics, the percentage of mortgages 90 or more days delinquent, in foreclosure, or in REO

(Real Estate Owned) decreased from 11.5 percent in December 2010 to 10.8 percent in December 2011, but remained above the national average of 7.6 percent. The percentage of loans with this status decreased in every state in the region, with Florida and Georgia—two of the states hardest hit by the foreclosure crisis—showing the greatest decreases, from 18.6 to 17.6 percent in Florida and from 9.2 to 8.1 percent in Georgia, during the same period. Investor purchases of distressed homes continue to lower sales prices in Florida. According to data from Florida Realtors®, during 2011, sales of existing homes in the state totaled 185,900, an 8-percent increase compared with the 172,500 homes sold in 2010. In 2011, the median sales price for an existing single-family home was \$131,700, down 3 percent from the previous year. Sales of existing condominiums also increased 15 percent to 87,600 units statewide, and the median sales price of an existing condominium was \$88,300, 2 percent less than the median price reported in 2010. The number of existing single-family homes sold in Miami increased by 36 percent to 9,925 homes, and the median sales price declined by 9 percent to \$172,700. Condominium sales in the Miami metropolitan area increased by 54 percent to 15,000 homes, whereas the median sales price in 2011 decreased by 3 percent to \$113,800.

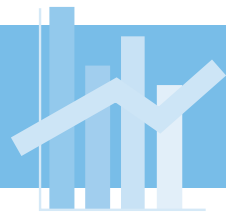
In the Carolinas, trends in home sales were mixed, but decreases in home sales prices were widespread. The North Carolina Association of REALTORS®, Inc. reported approximately 80,050 homes sold statewide during 2011, 1 percent fewer than the number sold in 2010. The average sales price for a home was approximately \$197,000, down 3 percent from 2010. In the Charlotte and Greensboro-Winston-Salem areas, existing home sales increased by 4 and 2 percent to 22,950 and 11,150 homes, respectively, and the average sales price of a home decreased by 3 percent each, to \$200,300 and \$151,400, respectively. In 2011, new and existing home sales in the Raleigh-Durham area decreased by 4 percent to approximately 19,500 homes, and the average sales price of a home decreased by 3 percent to \$222,100. According to data from South Carolina REALTORS®, in 2011, the number of existing homes sold in the state decreased by approximately 2,600, or 5 percent, to 44,950 homes. The number of home sales decreased in 13 of the 15 reported areas, ranging from less than 1 percent, or 7,550 homes, in the Myrtle Beach area to almost 15 percent, or 2,350 homes, in the Rock Hill area. In 2011, the median home sales price for South Carolina increased by less than 1 percent from the previous year, to approximately \$150,400, and median sales prices decreased in 7 of 15 reported areas, ranging from less than 1 percent in Greater Pee Dee to 14 percent in the North Augusta area.

According to the Greater Louisville Association of REALTORS®, approximately 9,900 new and existing single-family homes and 1,100 condominium units sold during 2011, decreases of 3 and 12 percent, respectively, from 2010. The median sales prices of single-family homes and condominiums decreased by 3 percent to \$135,900,

and by 4 percent to \$119,000, respectively. The Lexington-Bluegrass Association of REALTORS® reported that 6,650 new and existing homes sold during 2011, 1 percent fewer than the number sold in 2010 and that the median sales price of a home decreased by 3 percent to \$137,900. In 2011, condominium and townhome sales in Lexington decreased by 14 percent to approximately 480 homes, and the median sales price decreased by 1 percent to \$118,000.

Sales of single-family homes and condominiums increased in three of the four largest metropolitan areas of Alabama during 2011, according to the Alabama Center for Real Estate. The largest increase was in Huntsville, where home sales were up by 45 percent to 6,325 homes; the average sales price of these homes decreased by 36 percent to approximately \$127,500. Statewide, nearly 37,000 homes sold, up 2 percent from 2010, and the statewide average sales price decreased by 3 percent to \$141,400. In Tennessee, according to the Knoxville Area Association of REALTORS®, in 2011, the number of new and existing single-family homes sold in Knoxville decreased by 630, or 7 percent, to 8,500 homes, and the average sales price was virtually unchanged at \$171,400. Knoxville condominium sales decreased by 11 percent to 890 units, and the average sales price increased by 2 percent to \$156,200. According to the Greater Nashville Association of REALTORS® Inc., the number of new and existing single-family homes sold increased by 2 percent to 17,200 homes, but the number of condominiums sold decreased by 6 percent to 2,000 units. The median sales price for a single-family home in December 2011 was \$168,500, a 3-percent decrease from December 2010, and the median sales price for a condominium was virtually unchanged at \$140,000.

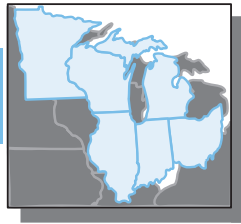
As a result of continued weakness in the sales housing market in 2011, single-family homebuilding, as measured by the number of building permits issued, continued to decline in the Southeast/Caribbean region. Preliminary data indicate that, in 2011, the number of single-family homes permitted decreased by 1,450, or 1 percent, to approximately 103,900 homes. Although permits issued declined in the past year, the pace of the decline has slowed significantly compared with the average decrease of nearly 125,800 homes a year in 2008 and 2009. State trends in the region were mixed, with permits remaining relatively stable in some states and decreasing in others. Only Florida recorded an increase, of 1,675 homes, or 6 percent, to 31,300 homes permitted. In 2011, North Carolina recorded the largest decrease in permits of any state in the region, a decline of approximately 1,200, or 5 percent, to 23,100 homes permitted. Based on preliminary data, in 2011, multifamily permit activity in the region increased by 15 percent, or 4,100 units, to 32,200 units. Trends varied by state, but activity doubled in Georgia and South Carolina and increased in Kentucky, Florida, and Alabama by 42, 18, and 16 percent, respectively. The increases in the number of multifamily permits issued in those states were a result of comparatively low permit activity in the previous year and tighter apartment markets leading to increased interest in apartment development.



With limited apartment construction in the Southeast/Caribbean region during the past 3 years, apartment markets continued to tighten in 2011 and have become balanced in many metropolitan areas. According to Reis, Inc., during the fourth quarter of 2011, apartment vacancy rates decreased and asking rents increased compared with the corresponding data in the fourth quarter of 2010 in each of the 20 reported areas. Vacancy rates decreased the most in Charleston and Greensboro-Winston Salem, by 2.7 percentage points each to 5.5 and 7.5 percent, respectively. The vacancy rates in Atlanta and Miami declined from 9.8 and 5.7 percent, respectively, during the fourth quarter of 2010 to 7.7 and 4.7 percent, respectively, during the fourth quarter of 2011. Average asking rents rose by more than 3 percent to \$650 in Chattanooga, the largest percentage increase in the region. In Atlanta and Miami, rents increased by approximately 1 percent each to \$860 and \$1,100, respectively.

MIDWEST

HUD Region V



Economic conditions in the Midwest region strengthened in 2011, as nonfarm payrolls increased during each quarter of the year. During the past year, nonfarm payrolls increased by 235,800, or 1 percent, to an average of 22.9 million jobs, the highest number of jobs in the region since 2008, when payrolls averaged 24.1 million jobs. Employment increased in both the goods-producing and service-providing sectors, with only three sectors reporting declining employment: the government, information, and financial activities sectors declined by 60,700, 6,100, and 3,800 jobs, or 1.7, 1.6, and 0.3 percent, respectively. In the government sector, declining revenues led to state and local government subsector layoffs in the region. Federal government employment declined by 25,400 jobs, or 7.4 percent, from 2010; many of those jobs lost were temporary, filled by 2010 Census workers. The professional and business services sector, which increased by 80,700 jobs, or 2.9 percent, led growth in the region in 2011, along with the education and health services and the manufacturing sectors, which increased by 78,200 jobs, or 2.2 percent, and 71,500 jobs, or 2.5 percent, respectively.

All six states in the region recorded increases in nonfarm payrolls in 2011. Nonfarm payroll job gains ranged from 2,700, or 0.1 percent, in Indiana to 68,800, or 1.4 percent, in Ohio. Payrolls in Wisconsin, Minnesota, Illinois, and Michigan increased by 22,000, 22,400, 58,900, and 61,000 jobs, respectively. During the same period, the average unemployment rate in the region declined from 10.1 to 8.8 percent and was down in each of the six states. Average

unemployment rates ranged from 6.5 percent in Minnesota to 10.4 percent in Michigan.

Despite the strengthening economy in the Midwest region, home sales markets remain mixed from balanced to soft, with generally stable sales and stable or falling sales prices. Reluctance to purchase homes among buyers who believe prices may continue to fall and higher down-payment and credit-score requirements continue to limit home purchases. According to data from the Illinois Association of REALTORS®, home sales in the state remained relatively unchanged in 2011 at approximately 103,000 homes, but the median sales price declined 9 percent to \$137,500. In the Chicago metropolitan area, home sales increased 1 percent to 69,900 homes, and the median price declined by 12 percent to \$163,000. According to the Indiana Association of REALTORS®, home sales in Indiana remained relatively steady at 58,000 homes sold, but the median sales price increased by 1 percent to \$112,900. In Michigan, according to the Michigan Association of REALTORS®, home sales in 2011 declined 2 percent, to 105,400, and the average sales price increased 1 percent to \$107,300.

The Minnesota Association of REALTORS® reported a 3-percent increase in home sales, to 79,850, in 2011 compared with the number sold in 2010, but the median sales price declined by 8 percent to \$135,000. In Ohio in 2011, according to the Ohio Association of REALTORS®, home sales declined 1 percent to 97,700, and the average sales price fell almost 4 percent to \$128,500. In 2011, the Wisconsin REALTORS® Association indicated that home sales rose less than 1 percent to 51,550, but the median sales price decreased 6 percent to \$132,000. Home loans 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) continued to decline in the region, according to LPS Applied Analytics. In December 2011, 8 percent of all home loans recorded in the region were distressed, down from 8.5 percent in December 2010. The corresponding national figure in December 2011 was 7.6 percent.

According to preliminary data, in 2011, 39,150 single-family home permits were issued in the region, 7 percent fewer than the 42,000 homes permitted in 2010. Single-family building permits were up 4 percent in 2010 compared with the 40,550 permits issued in 2009. In 2011, every state in the Midwest region but one reported declining numbers of single-family home permits. In Michigan, the number of homes permitted increased 4 percent to 6,350. Declines in single-family homes permitted in the other five states ranged from 4 percent each in Indiana and Minnesota, to 8,400 and 5,650 homes, respectively, to 15 percent in Wisconsin, where 5,325 homes were permitted. Single-family home permits declined 8 and 12 percent, to 5,375 and 8,025, respectively, in Illinois and Ohio.

Multifamily building activity, as measured by the number of units permitted, increased in the region. In 2011, according to preliminary data, approximately 17,800

multifamily units were permitted, a 10-percent increase compared with the 16,250 units permitted in 2010, and nearly 50 percent more than the 11,900 units permitted in 2009. During 2011, the change in the number of multifamily units permitted in the region's six states varied widely, from a 29-percent decline to 1,900 units in Minnesota to a 38-percent increase to 3,800 units in Ohio. The decline in multifamily units permitted in the Minneapolis-St. Paul-Bloomington metropolitan area drove the change in Minnesota, accounting for 73 percent of the reported decline statewide. In Ohio, the increase of 1,050 units was entirely because of increased multifamily units permitted in the major metropolitan areas of Cincinnati, Cleveland, and Columbus, where 1,275 more multifamily units were permitted in 2011 than in 2010. Other states reported smaller changes in units permitted. Permits declined by 3 and 9 percent, to 2,950 and 1,150 units, respectively, in Indiana and Michigan, and increased in Wisconsin and Illinois by 11 and 33 percent, to 3,100 and 4,875 units, respectively. More than one-half of the increase in multifamily units permitted in Illinois was in the Chicago metropolitan area, where 3,625 units were permitted in 2011, an increase of 22 percent from 2010.

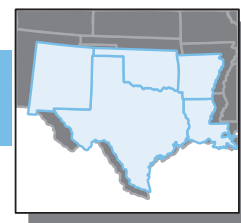
Rental housing markets in major metropolitan areas of the Midwest region are balanced to tight, with rent increases reported in all major markets, continuing a year-long trend of strengthening conditions. The apartment market in Detroit is balanced, with a fourth quarter 2011 vacancy rate of 5.4 percent, down from almost 7 percent in the fourth quarter of 2010, whereas average rents increased 2 percent, to \$830, according to Reis, Inc. In the Minneapolis metropolitan area, where the apartment market has been balanced to tight for more than 2 years, tight conditions continued with a metropolitan vacancy rate of 2.8 percent, down from 3.8 percent in the fourth quarter of 2010, and average rents rose 2 percent, to \$930, according to GVA Marquette Advisors. In downtown Minneapolis, the market is also tight, with a fourth quarter vacancy rate of 1.9 percent, down from 4.2 percent the previous year, and average rents increased slightly, to \$1,250. In Indianapolis, where the rental market is balanced, Reis, Inc., reports a fourth quarter, 2011 vacancy rate of 5.9 percent, down from 8 percent a year ago, whereas average rents rose 2 percent to \$680.

Rental market conditions are balanced to tight in the large metropolitan areas in Ohio. The markets in Columbus and Cincinnati are balanced, with Reis, Inc., reporting apartment vacancy rates of 7 and 5.3 percent, down from 8.8 and 6.7 percent, respectively, the year before. The apartment market is tight in Cleveland, with a reported vacancy rate of 4.4 percent, down from 5.6 percent. The average monthly rent rose by 1 percent to \$730 in Cincinnati, by 2 percent to \$750 in Cleveland, and by 3 percent to \$700 in Columbus. In Chicago, markets are balanced, and MPF Research reports fourth quarter 2011 apartment vacancy rates of 4.5 percent for the metropolitan area and 4.4 percent for the Intown Chicago submarket. Rents rose in both the metropolitan area and the Intown Chicago

submarket, by 6 percent to \$1,150 and by 8 percent to \$1,675, respectively. Appraisal Research Counselors identifies eight properties currently under construction in the Downtown Chicago submarket; they are expected to deliver approximately 3,100 units in 2012 and 2013.

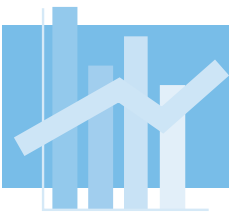
SOUTHWEST

HUD Region VI



Nonfarm payroll jobs in the Southwest region recorded year-over-year increases in 2011 after reporting declines during the previous 2 years. During 2011, average nonfarm payrolls increased by 1.9 percent, or 302,800 jobs, to 16 million jobs. By comparison, in 2009 and 2010, nonfarm payrolls declined by an average of 1.4 percent, or 234,500 jobs, annually. Despite recent gains, the region needs to add approximately 166,000 jobs to recover to the peak level of 16.2 million jobs recorded in 2008. During 2011, the education and health services and the professional and business services sectors recorded the largest growth, adding 64,000 and 57,900 jobs, respectively. The mining and logging subsector, which benefited from rising oil and gas prices, was the region's fastest growing sector, with an increase of 43,600 jobs, or 13.2 percent. During 2011, the manufacturing sector, construction subsector, and financial activities sector added 27,200, 23,500, and 12,100 jobs, respectively, as housing markets in parts of the region began to recover. The trade, transportation, and utilities, the leisure and hospitality, and the other services sectors also added jobs in 2011. The information and government sectors recorded losses during 2011, down by 35,400 and 6,400 jobs, respectively. The information sector has shed nearly 81,000 jobs, or an average of 9,000 annually, since 2002. The decline in government jobs, which began during the second quarter of 2011, follows more than 10 years of job growth and resulted from the need for many state and local governments in the region to reduce staff in response to lower tax revenues.

During 2011, nonfarm payrolls grew year-over-year in every state in the region for the first time since the third quarter of 2008. Texas led job growth in 2011 with an increase of 2.2 percent, or 232,600 jobs, spread throughout all sectors except government and information, which declined by 22,800 and 7,900 jobs, respectively. In Oklahoma, nonfarm payrolls increased by 30,700 jobs, or 2 percent; a decline of 2,200 jobs in the government sector was offset by gains in most other sectors, including the manufacturing sector, which added 9,600 jobs, the largest year-over-year increase in the sector since 2006. In Louisiana, payrolls increased by 28,100 jobs, or 1.5 percent, after 2 years of declines; a decline of 7,600 jobs, or 2.1 percent,



in the government sector partially offset total gains, however. In Arkansas, nonfarm payrolls increased by 9,700 jobs, or 0.8 percent, because gains in most service-providing sectors offset losses in the goods-producing sectors and the government sector. Nonfarm payrolls in New Mexico increased by 1,700 jobs, or 0.2 percent, the first year-over-year increase in the state since 2008. For 2011, the unemployment rate in the region declined to 7.8 percent compared with the 8-percent rate recorded in 2010. The average unemployment rates ranged from 5.9 percent in Oklahoma to 8.1 percent in Texas. New Mexico, Louisiana, and Arkansas recorded unemployment rates of 7.1, 7.5, and 8 percent, respectively.

Sales housing market conditions in the Southwest region remained soft during 2011, despite modest job gains in the region over the past 12 months. In Texas, during 2011, new and existing home sales increased 1 percent to approximately 205,100, compared with sales during the previous year, according to the Real Estate Center at Texas A&M University. During 2011, the inventory of unsold homes in Texas was at a 7.4-month supply, unchanged from the previous year, but much greater than the 5-month average supply recorded from 2006 through 2008. In most major metropolitan areas in Texas, new and existing home sales increased in 2011, with gains ranging from less than 1 percent in Dallas and San Antonio to 4 and 7 percent in Houston and Austin, respectively. Fort Worth recorded a 2-percent decline in home sales. During 2011, the average home sales price in Texas increased 2 percent to \$195,700 compared with the average sales price during the previous year. Among major metropolitan areas in Texas, home sales price changes ranged from a 1-percent decline in Fort Worth to a 2-percent increase in Austin. Sales prices increased by less than 1 percent in Dallas and San Antonio and by 1 percent in Houston.

Home sales also increased in a number of markets elsewhere in the region during 2011. In New Orleans, according to the New Orleans Metropolitan Association of REALTORS® and Gulf South Real Estate Information Network, Inc., new and existing single-family home sales increased 11 percent to 7,675 homes, and the average sales price declined approximately 3 percent to \$205,300. During 2011, based on data from the Greater Baton Rouge Association of REALTORS®, home sales in Baton Rouge increased 3 percent to 6,575 homes, and the average home sales price decreased 3 percent to \$190,300. The Greater Albuquerque Association of REALTORS® reported that, in 2011, single-family home sales in Albuquerque increased by 2 percent to 6,550 homes compared with sales during 2010, and the average sales price declined 7 percent to \$201,500. Condominium sales in Albuquerque declined by 18 percent to 580 sales during the same period. According to the Oklahoma Association of REALTORS®, during the fourth quarter of 2011, new and existing home sales in Oklahoma were up 1,550, or 4 percent, to 42,050 homes sold, and the average home sales price increased by approximately 3 percent to \$151,800 compared with the average

price during the fourth quarter of 2010. According to the Arkansas REALTORS® Association, in 2011, the number of new and existing home sales in the state increased by 450, or 2 percent, to 23,200 homes compared with the number of homes sold during the previous year, and the average home sales price declined by 1 percent to \$143,800.

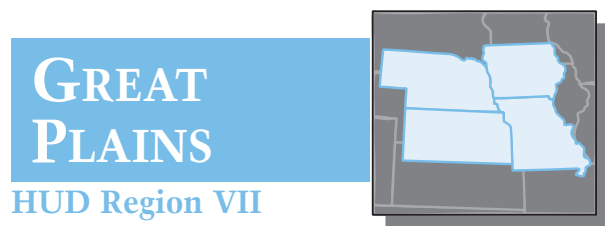
Despite a modest increase in home sales throughout the region, single-family construction activity, as measured by the number of building permits issued, continued to decline. Based on preliminary data, during 2011, 83,550 single-family homes were permitted, a decline of 2,875 homes, or 3 percent, compared with the number permitted during 2010. During 2011, Texas recorded a 1-percent decrease in the number of single-family homes permitted, down 930 to 62,050 homes. The other four states in the region also experienced declines in the number of single-family homes permitted, ranging from 4 percent in Louisiana to 15 percent in New Mexico. Oklahoma and Arkansas recorded declines of 8 and 12 percent, respectively.

Rental housing market conditions are soft in most of the large metropolitan areas in Texas, but improved significantly during the fourth quarter of 2011 because building activity remains well below the levels recorded during the mid-2000s. The Austin rental market is currently balanced. According to ALN Systems, Inc., the apartment vacancy rate in Austin for the fourth quarter of 2011 was 5.5 percent, down from 6.6 percent during the fourth quarter of 2010, and the average rent increased 5 percent to \$900. All other major Texas rental markets are currently soft. In San Antonio, the apartment vacancy rate declined from 10.2 percent during the fourth quarter of 2010 to 9.1 percent during the fourth quarter of 2011, and the average rent increased 4 percent to \$760. Rental markets in Dallas and Fort Worth remained soft, with apartment vacancy rates of 7.9 and 8.9 percent, respectively, during the fourth quarter of 2011. The average rents in Dallas and Fort Worth increased by 4 and 3 percent to \$830 and \$720, respectively, compared with rents during the fourth quarter of 2010. The Houston rental market was the softest of all major rental markets in Texas, with an 11.2-percent apartment vacancy rate during the fourth quarter of 2011, down from 12.7 percent during the fourth quarter of 2010. Rents remained essentially unchanged during that period, at \$790.

Rental housing market conditions also improved in other large metropolitan areas throughout the Southwest region during the fourth quarter of 2011. Rental markets in Albuquerque and Little Rock are currently balanced. According to Reis, Inc., in the fourth quarter of 2011, the apartment vacancy rate in Albuquerque was 3.9 percent, down from 5 percent a year earlier, and the average rent increased 1 percent to \$730. In Little Rock, during the fourth quarter of 2011, the apartment vacancy rate was 5.8 percent, down from 7.7 percent a year earlier, and the average rent increased approximately 1 percent to \$660. Rental markets in the largest metropolitan areas in Oklahoma are improving but remained slightly soft during the

fourth quarter of 2011. In Tulsa, the apartment vacancy rate declined significantly, from 8.8 percent in the fourth quarter of 2010 to 6.8 percent in the fourth quarter of 2011, and the average rent increased 1 percent to \$590. Rental market conditions improved in New Orleans during the fourth quarter of 2011; the apartment vacancy rate fell to 7.7 percent from the 9.3-percent rate recorded a year earlier, and the average rent increased 2 percent to \$880.

Despite continued soft conditions in many large metropolitan areas, builders responded to improved rental markets by increasing development. Multifamily construction activity, as measured by the number of units permitted, increased in the Southwest region in 2011 following large declines during the previous 2 years. Based on preliminary data, the 37,550 units permitted during 2011 reflect a 57-percent increase compared with the number of units permitted during 2010. Multifamily permitting levels for 2011 remain approximately 50 percent below the average of 65,800 units recorded during the peak years of 2006 through 2008. During 2011, the number of multifamily units permitted in Texas increased by 61 percent, or 11,400 units, from the previous year to 30,100 units. In other states in the region, multifamily permitting activity ranged from unchanged in Arkansas to an increase of 1,075 units in Louisiana. New Mexico and Oklahoma recorded increases of 110 and 1,050 units, respectively.



An economic recovery is under way in the Great Plains region; nonfarm payrolls increased during 2011 following more than 3 years of employment decline that began in the fourth quarter of 2007. During 2011, average nonfarm payrolls increased by 0.5 percent, or 32,100 jobs, to 6.4 million. In comparison, average nonfarm payrolls declined by 1 percent, or 71,800 jobs, during 2010. The manufacturing sector recorded the largest growth in the region, gaining 17,400 jobs, a 2.5-percent increase. Despite the significant increase in the manufacturing sector, employment levels remain 111,000 jobs below the peak of more than 822,500 jobs recorded in the sector during the third quarter of 2006. Significant job gains also occurred in the professional and business services sector, which increased by 15,000 jobs, or 2.2 percent, and every state in the region recorded increased payrolls in the sector. During 2011, the number of information sector jobs continued to decline, by 7,200 jobs, or 5.4 percent, compared with a decrease of 11,400 jobs, or 7.8 percent, during 2010. Job losses in the sector were primarily the result of large declines in the telecommunications industry in Kansas and Missouri.

The government sector, which recorded declines in every state in the region during 2011, lost 11,900 jobs, a 1-percent decrease. Job losses in the government sector began in the fourth quarter of 2010 and accelerated during 2011, predominantly at the local level, because many cities and municipalities continue to be revenue constrained.

During 2011, nonfarm payroll gains in Nebraska, Iowa, and Missouri offset minimal job losses in Kansas. In Nebraska, nonfarm payrolls increased by 15,700 jobs, or 1.7 percent, led by an increase of more than 7,500 jobs, or 7.4 percent, in the professional and business services sector. In Iowa, nonfarm payrolls increased by 13,600 jobs, or 0.9 percent, led by gains of 4,800 jobs each in the leisure and hospitality and manufacturing sectors, which increased 3.7 and 2.4 percent, respectively. Nonfarm payrolls in Missouri increased by 3,100 jobs, or 0.1 percent, during 2011, the largest increase in the number of jobs since the third quarter of 2008. During the same period, manufacturing sector gains of 8,000 jobs, or 3.3 percent, led nonfarm payroll growth in Missouri and partially offset losses totaling 6,000 jobs in the government sector. In Kansas, nonfarm payrolls declined by 300 jobs, with declines in the information and financial activities sectors accounting for slightly more than 50 percent of the total loss. During 2011, the average unemployment rate in the region decreased to 7 percent, an improvement compared with the 7.6-percent rate recorded during 2010. The unemployment rates ranged from 4.2 percent in Nebraska to 8.7 percent in Missouri. Iowa and Kansas recorded rates of 6.0 and 6.6 percent, respectively.

Sales housing market conditions remained soft throughout the Great Plains region during the past year despite the modest job gains that began in the second quarter of 2011. According to Hanley Wood, LLC, during 2011, the number of new and existing homes sold in the region declined by 11 percent, to 144,400 homes sold, compared with the number sold during 2010. In Iowa, in 2011, 37,450 homes sold, down 14 percent, or 6,100 homes, from 2010, the largest absolute decline in the region for the year. During the same period, home sales in Nebraska declined to 15,800 homes, a 14-percent decrease. In Kansas and Missouri, new and existing home sales decreased by 13 and 8 percent, to 23,200 and 67,950 homes, respectively. Despite the decline in sales, the average sales price in the region during 2011 increased to \$152,400, up 3 percent compared with the sales price a year earlier, primarily because of a 23-percent decrease in distressed sales. According to LPS Applied Analytics, during 2011, the percentage of total loans 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) fell or was unchanged in every state in the region except Iowa, where the rate increased slightly to 4.9 percent from 4.8 percent in 2010. In Missouri, the rate fell from 5.4 to 5.2 percent. Likewise, in Nebraska, the rate declined from 3.6 to 3.4 percent during the past year. During 2011, distressed loans in Kansas were unchanged at 5 percent of total loans compared with the distressed loan rate of the previous year.



Sales housing market conditions were mixed in the large metropolitan areas throughout the region during 2011. According to the Kansas City Regional Association of REALTORS® and Heartland Multiple Listing Service, Inc., the number of homes sold in Kansas City was unchanged at 22,900, and the average price of a home decreased 5 percent to \$155,400 in 2011. In St. Louis, existing home sales decreased by 400 homes, or 3 percent, to 13,300 homes sold based on city and county data from the St. Louis Association of REALTORS®, and the average home sales price decreased 3 percent to \$176,400. During 2011, the Des Moines Area Association of REALTORS® reported that home sales in Des Moines increased 8 percent to 7,725 homes compared with the number sold during 2010. The average home sales price in Des Moines rose to \$161,800, a 1-percent increase. According to the Wichita Area Association of REALTORS®, the number of homes sold in Wichita in 2011 declined by 6 percent to 7,375, and the average home sales price decreased 3 percent to \$132,500 compared with prices a year ago. The Omaha Area Board of REALTORS® reported that the number of home sales in Omaha increased by 4 percent to 8,625 homes sold in 2011, and the average home sales price decreased by 1 percent to \$165,900 compared with the 2010 price.

Single-family construction activity, as measured by the number of single-family building permits issued, declined in every state in the region as builders responded to the decreased number of home sales. Based on preliminary data, during 2011, 15,600 single-family homes were permitted in the region, a decrease of 1,500 homes, or 9 percent, compared with the number permitted during 2010. Missouri recorded a 13-percent decrease in the number of single-family homes permitted in 2011, down 720 to 5,000 homes permitted compared with the number permitted in 2010, representing the largest numerical decline in the region. During the same period, Kansas recorded a 13-percent decrease to 2,725 single-family homes permitted, representing the largest rate of decline of any state in the region. Iowa and Nebraska experienced declines of 3 and 7 percent in the number of single-family homes permitted, to 4,925 and 2,975, respectively.

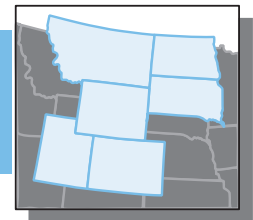
Rental housing market conditions were balanced to tight in most large metropolitan areas throughout the Great Plains region during 2011. The apartment market in Wichita was balanced during the fourth quarter of 2011, with a vacancy rate of 5.3 percent, down from 6.4 percent a year earlier, and the average rent increased 2 percent to \$530, according to Reis, Inc. In Omaha, during the fourth quarter of 2011, the apartment market was tight, with a vacancy rate of 4.2 percent, down from 4.6 percent a year earlier, and the average rent increased approximately 1 percent to \$710. Rental markets in the largest metropolitan areas in Missouri improved significantly during the past year, but remained somewhat soft. In Kansas City, during the fourth quarter of 2011, the apartment vacancy rate declined from 8 to 6.1 percent, and the average rent

increased 1 percent to \$720. In St. Louis, the vacancy rate declined from 7.6 percent in the fourth quarter of 2010 to 6.4 percent for the same period in 2011, and the average rent increased by 2 percent to \$740. The rental market in Des Moines tightened during the fourth quarter of 2011, with a 3.7-percent apartment vacancy rate down from 5.2 percent a year earlier, and the average rent increased by about 2 percent to \$720.

According to preliminary data, in the Great Plains region during the past year, multifamily construction, as measured by the number of multifamily units permitted, increased by 34 percent to 7,000 units compared with permitting during 2010. In comparison, multifamily construction activity averaged 15,850 units permitted annually from 2005 through 2008. During 2009 and 2010, weakened economic conditions and limited credit availability in the multifamily capital markets reduced construction levels in Missouri. During 2011, the number of multifamily units permitted in Missouri increased by 5 percent, or 110 units, to 2,375 units compared with the number permitted the previous year. During the same period, the number of multifamily units permitted in Iowa increased 16 percent to 1,575 units, the first increase in multifamily permits issued since the third quarter of 2010. As rental market conditions improved in Kansas during 2011, 1,675 multifamily units were permitted, up significantly from the 710 units permitted in 2010. In Nebraska, permits were issued for 1,375 units, an increase of 475 units, or 52 percent from a year ago.

ROCKY MOUNTAIN

HUD Region VIII



The economy of the Rocky Mountain region continued to expand in the fourth quarter of 2011, an improvement from the economic conditions of a year ago. In 2011, non-farm payrolls averaged nearly 5 million jobs, an increase of 74,500 jobs, or 1.5 percent, from a year earlier. By contrast, in 2010, nonfarm payrolls were down by 31,000 jobs, or 0.6 percent, from a year earlier. The sectors with the largest gains in 2011 included leisure and hospitality, professional and business services, and education and health services, which added 20,100, 19,000, and 15,200 jobs, increases of 3.7, 3.2, and 2.4 percent, respectively. In addition, the mining and logging subsector posted strong growth, adding more than 12,000 jobs, a 15-percent increase, and the manufacturing sector added 7,400 jobs, a 2.3-percent increase. Partly offsetting these gains, payrolls declined in the information and financial activities sectors and the construction subsector by 2,700, 5,000, and 5,500 jobs, or 2.1, 1.7, and 2.1 percent, respectively.

In 2011, nonfarm payrolls increased by 4.7 percent, or 17,600 jobs, in North Dakota, the fastest rate of job growth among the six states in the region. In addition, for the third consecutive year, North Dakota had the fastest rate of job growth among all states in the nation, largely driven by energy-related activity in the western part of the state. In 2011, mining and logging subsector payrolls in North Dakota increased by 5,000 jobs, or 47 percent, from a year earlier. Nonfarm payrolls in Utah and Wyoming grew by 26,000 and 5,700 jobs, or 2.2 and 2.0 percent, respectively. In Utah, the largest increase occurred in the professional and business services sector, which added 9,000 jobs, a 5.9-percent increase. In Wyoming, mining and logging subsector payrolls grew by 2,500 jobs, or 10 percent. Payrolls increased by 4,300 jobs, or 1 percent, in Montana and grew by 0.8 percent in both Colorado and South Dakota, increases of 17,700 and 3,200 jobs, respectively. In Colorado, the leisure and hospitality and the education and health services sectors added 11,700 and 9,000 jobs, increases of 4.4 and 3.4 percent, respectively, but payrolls declined in the construction subsector and the information and financial activities sectors by 7,500, 3,200, and 3,900 jobs, or 6.5, 4.5, and 2.7 percent, respectively. In 2011, the unemployment rate in the region averaged 7.3 percent, down from 7.7 percent in 2010. Unemployment rates within the region ranged from 3.4 percent in North Dakota to 8.5 percent in Colorado, but all states in the region had unemployment rates below the 8.9-percent national average.

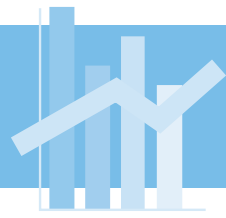
The population of the Rocky Mountain region increased in the past year, but at a slower rate compared with that of the preceding decade. According to Census Bureau estimates, as of July 1, 2011, the population of the region was slightly above 11 million, an increase of nearly 138,500, or 1.3 percent, from a year earlier. By contrast, from 2000 to 2010, the population grew by an average of 150,500, or 1.6 percent, a year. Despite the slowdown, the populations of Utah, Colorado, and North Dakota were among the five fastest growing in the nation from 2010 to 2011, with population increases of 41,700, 69,100, and 9,300 people, or 1.5, 1.4, and 1.4 percent, respectively. Most of the growth in the region resulted from net natural change (resident births minus deaths), which represented an increase of more than 87,000 people. Utah, with the highest birth rate in the nation, accounted for 43 percent of the total for the region, with net natural change of nearly 38,000 people. The region also had net in-migration of nearly 51,000 people. Colorado accounted for two-thirds of the total for the region, with net in-migration of nearly 34,000 people from 2010 to 2011.

Despite recent job gains and low mortgage interest rates, sales housing markets in the Rocky Mountain region remain soft, but they show some signs of improvement. According to the NATIONAL ASSOCIATION OF REALTORS®, in the third quarter of 2011 (the most recent data available), home sales in the region were up 24 percent from a year earlier, to a seasonally adjusted annual rate of

175,200 homes sold. Home sales in the third quarter of 2010, however, may have been reduced by the expiration of the homebuyer tax credit in April 2010. Average sales prices for existing homes declined in the region. Based on the Federal Housing Finance Agency home price index, prices in the third quarter of 2011 declined 3 percent from a year earlier. Although home prices in North Dakota were up 4 percent, prices were flat in South Dakota and fell 1, 3, 4, and 5 percent, respectively, in Wyoming, Colorado, Montana, and Utah. In a positive sign, the rate of distressed mortgages in the region decreased. Based on data from LPS Applied Analytics, 4.2 percent of home loans were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) in December 2011, down from 4.8 percent a year earlier. Within the region, distressed mortgage rates ranged from 1.9 percent in North Dakota to 5.3 percent in Utah, but all states in the region had rates below the 7.6-percent national average.

Home sales have declined in most metropolitan areas in the region, but home prices have increased in a few areas. Based on data from Hanley Wood, LLC, the number of existing homes sold during 2011 in the Denver-Aurora, Colorado Springs, and Greeley metropolitan areas of Colorado declined by 1, 3, and 16 percent from a year earlier, to about 36,800, 8,600, and 3,500 homes sold, respectively. In the Grand Junction area, however, sales were up 18 percent, to 2,400 homes sold. Sales in Fort Collins-Loveland remained essentially flat, with 4,900 homes sold. Average home sales prices in the Colorado Springs and Grand Junction areas declined by 3 and 14 percent, to \$205,400 and \$175,400, respectively. In the Denver-Aurora and Fort Collins-Loveland areas, average prices remained unchanged at \$248,900 and \$243,100, respectively, but in the Greeley area the average price increased by 3 percent, to \$180,200. In the Salt Lake City, Provo-Orem, and Ogden-Clearfield metropolitan areas of Utah, home sales declined by 4, 8, and 4 percent, to 16,600, 7,000, and 6,800 homes sold, respectively. Average home prices were down 6 percent in both Ogden-Clearfield and Provo-Orem, to \$189,500 and \$205,800, respectively, and average prices declined 3 percent in Salt Lake City, to \$238,300. Elsewhere in the region, sales housing markets are somewhat stronger. In the Fargo area, home sales for 2011 were down 4 percent from a year earlier, to 2,750 homes sold, but average prices were up 5 percent, to \$175,300. In the Cheyenne and Casper metropolitan areas of Wyoming, home sales increased by 4 and 13 percent, to 1,600 and 1,500 homes sold, respectively, and average home prices were up by 3 and 4 percent, to \$194,500 and \$197,500, respectively.

The soft home sales market has caused single-family homebuilding in the Rocky Mountain region to decline. Based on preliminary data, in 2011, single-family construction, as measured by the number of permits issued, was down 2 percent compared with the number of permits issued a year earlier, to approximately 19,700 homes. Although single-family construction was up 17 percent

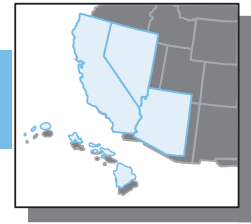


in North Dakota, to about 1,850 homes permitted, construction declined in most other states of the region. Single-family construction fell by 2 percent in Utah and Colorado, to 6,150 and 7,950 homes permitted, respectively. Construction declined by 12 and 14 percent, to 1,050 and 1,500 single-family homes permitted, respectively, in Montana and South Dakota. Offsetting the decline in single-family building activity, multifamily construction has increased significantly for the region overall, but building activity remains slow in some areas. During 2011, approximately 11,500 multifamily units were permitted in the region, up 39 percent from the 8,300 units permitted in 2010. Multifamily construction increased considerably in Colorado, North Dakota, South Dakota, and Utah, with 4,400, 2,100, 750, and 3,000 units permitted, increases of 66, 47, 22, and 36 percent, respectively. In Montana and Wyoming, however, multifamily building declined by 2 and 17 percent, to about 650 and 600 units permitted, respectively.

Despite the increase in multifamily construction, rental housing markets in the Rocky Mountain region remain tight in some areas, and rental conditions range from balanced to tight throughout most of the region. Based on data from *Apartment Insights*, in the fourth quarter of 2011, the Denver-Aurora apartment market was balanced to tight, with a 5.5-percent vacancy rate, unchanged from a year earlier. The Boulder and Fort Collins-Loveland markets were tight, with apartment vacancy rates of 3.8 and 3.5 percent, down from 4.1 and 4.0 percent, respectively, a year ago. The Colorado Springs apartment market was balanced, with a 6.4-percent vacancy rate, down from 6.8 percent a year ago. Apartment rents in Boulder, Colorado Springs, and Denver-Aurora averaged approximately \$1,000, \$740, and \$910 a month, increases of 3, 4, and 5 percent, respectively, from a year earlier. In Fort Collins-Loveland, rents averaged \$930 a month, a 7-percent increase from a year ago. Apartment markets in the Salt Lake City and Ogden-Clearfield areas were balanced to tight. Based on data from Reis, Inc., vacancy rates in the Salt Lake City area averaged 4.9 percent in the fourth quarter of 2011, down from 6.8 percent a year earlier, and the average monthly rent increased 2 percent during that period, to \$775. In Ogden-Clearfield, the average vacancy rate was 4.2 percent, down from 5.3 percent a year earlier, and average rents increased 2 percent, to \$705. The Provo-Orem apartment market was tight, with a 2.8-percent vacancy rate, down from 4.7 percent a year earlier, but rents remained stable at approximately \$775 a month. Based on data from Appraisal Services, Inc., in December 2011, the Fargo apartment market was balanced to tight with a 4.3-percent vacancy rate, down from 5.7 percent a year ago.

PACIFIC

HUD Region IX



Economic conditions improved in the Pacific Region in 2011 after significant job losses between 2008 and 2010. During 2011, the region added 229,250 nonfarm payroll jobs, a 1.3-percent increase compared with nonfarm payrolls in 2010. The professional and business services, education and health services, and leisure and hospitality sectors, which grew by 18,500, 16,950, and 12,400 jobs, or 2.8, 3.0, and 2.3 percent, respectively, led job growth. The government sector had the largest percentage decline in nonfarm payrolls with the loss of 7,900 jobs, or 1 percent, primarily because of federal and local government budget cuts.

Nonfarm payroll growth was positive in all four states in the region during 2011. California nonfarm payrolls increased by 196,450 jobs, or 1.4 percent, to 14.1 million jobs in 2011 compared with a loss of 193,000 jobs, or 1.4 percent, during 2010. In California, the professional and business services sector added 69,350 jobs, a 3.3-percent increase, and the education and health services sector added 47,750 jobs, a 2.7-percent increase. The government sector declined by 33,700 jobs, or 2.3 percent. The San Francisco Bay Area and Southern California increased by 32,600 and 86,350 jobs, respectively, or 0.7 percent each. During 2011, Hawaii added 7,200 jobs, a 1.2-percent increase, to 594,000 jobs compared with a loss of 4,900 jobs, or 0.8 percent, during 2010. The information, financial activities, and professional and business services sectors led nonfarm payroll growth in the state, expanding by 3,050, 2,800, and 2,500 jobs, or 4.3, 3.7, and 2.5 percent, respectively. Nonfarm payrolls rose by 23,500 jobs, or 1 percent, to 2,400,800 jobs in Arizona during 2011. The education and health services and the leisure and hospitality sectors added 15,350 and 7,550 jobs, increases of 4.5 and 3 percent, respectively. The Arizona Office of Tourism estimated that gross sales from tourism totaled \$49.1 billion during the 12 months ending October 2011, a 10-percent increase from the previous 12-month period. In Nevada, nonfarm payrolls grew by just 2,100 jobs, or 0.2 percent, to 1,117,700 jobs during 2011. Job losses were significant in the government sector, construction subsector, and manufacturing sector, which lost 4,800, 3,450, and 1,800 jobs, or 3.1, 5.9, and 4.8 percent, respectively. The average unemployment rate in the region decreased to 11.3 percent in 2011, down from 12.1 percent during 2010. The average unemployment rate ranged from 6.3 percent in Hawaii to 13 percent in Nevada.

The sales housing market in all four states of the Pacific region has been soft since 2006 as a result of foreclosures, tight lending standards, and slow job growth. According

to Hanley Wood, LLC, new and existing home sales fell by 3 percent to 616,300 homes in 2011. In Arizona, homes sales were down 2 percent to 115,900 homes compared with 2010 sales. The average sales price declined by 4 percent to \$168,900. Arizona REO (Real Estate Owned) sales as a percentage of all existing home sales decreased to 41 percent in 2011 compared with 57 percent in 2010. In Phoenix, home sales rose by 3 percent to 96,400 homes, and the average sales price declined by 5 percent to \$170,300.

In California, sales of new and existing homes totaled 422,400 homes in 2011, a 3-percent decline compared with the number of homes sold in 2010. The average home sales price fell by 3 percent to \$351,100. REO sales as a percentage of all existing home sales decreased to 35 percent from 43 percent in 2010. In the San Francisco Bay Area, 67,450 homes sold, a 1-percent decline compared with the number sold in 2010, and the average home sales price decreased by 4 percent to \$540,100 during the same period. The number of homes sold in Southern California decreased by 6 percent to 226,100 homes, and the average home sales price fell 2 percent to \$375,000.

In Hawaii, new and existing home sales fell by 5 percent in 2011 to 15,700 homes sold compared with the number sold in 2010, and the average home sales price remained unchanged at \$487,700. REO sales as a percentage of all existing sales increased from 14 to 16 percent. Nevada was the only state in the region with an increase in new and existing home sales in 2011, rising by 1 percent to 62,350 homes sold, primarily as a result of an 11-percent reduction in the average sales price to \$153,400. From 2010 through 2011, Nevada REO sales as a percentage of all existing home sales declined from 60 to 52 percent. During the same period in Las Vegas, home sales rose by 2 percent to 49,650 homes, and the average home sales price declined 12 percent to \$146,700.

According to LPS Applied Analytics, the number of home loans in the region 90 or more days delinquent, in foreclosure, or in REO in December 2011 decreased by 198,900 homes, or 29 percent, to 484,500 homes compared with the number in December 2010. This level represents 7.7 percent of all mortgage loans in the region in December 2011 compared with a 10.2-percent rate in December 2010; the national rate was 7.6 percent in December 2011.

Because of soft sales market conditions, new home construction activity, as measured by the number of single-family building permits issued, decreased in all Pacific region states during 2011. Based on preliminary data, 37,400 single-family homes were permitted, a 10-percent decline from 2010. The number of single-family homes permitted declined in Nevada by 650, or 12 percent, to 4,725; in Hawaii by 280, or 15 percent, to 1,625; in California, by 2,000, or 12 percent, to 20,950; and in Arizona, by 300, or 3 percent, to 10,100.

Rental housing markets varied from tight to balanced in California and Hawaii in the fourth quarter of 2011.

Rental market conditions remained tight in the San Francisco Bay Area. According to Axiometrics Inc., from the fourth quarter of 2010 to the fourth quarter of 2011, the apartment rental vacancy rates in Oakland, San Jose, and San Francisco declined from 4.2 to 3.9 percent, 3.9 to 3.7 percent, and 4 to 3.6 percent, respectively. During the same period, average effective rents increased by 8 percent to \$1,550 in Oakland, by 12 percent to \$1,900 in San Jose, and by 18 percent to \$2,300 in San Francisco. The rental housing market remained balanced in Sacramento in the fourth quarter of 2011, with a 6-percent apartment rental vacancy rate, up from 5.7 percent in the fourth quarter of 2010. During the same period, rents increased by 1 percent to \$975. Axiometrics Inc. also reported that apartment rental vacancy rates decreased throughout Southern California from the fourth quarter of 2010 to the fourth quarter of 2011. Rental market conditions were tight except for in Riverside and San Bernardino Counties, which had balanced markets. The apartment vacancy rate decreased from 5.8 to 4.5 percent in Los Angeles County, from 5.1 to 4.9 percent in Orange County, from 4.9 to 4.7 percent in San Diego County, and from 5.0 to 4.6 percent in Ventura County. The average apartment vacancy rate in Riverside and San Bernardino Counties increased from 6.0 to 6.1 percent. The average rent in Southern California was \$1,550 in the fourth quarter of 2011, up 6 percent from the fourth quarter of 2010. The apartment rental vacancy rate in Honolulu declined to 3.5 percent in the third quarter of 2011 (the latest data available) from 5.4 percent in the third quarter of 2010. The average rent in Honolulu increased by 19 percent to \$1,925 during the same period.

The rental housing markets in both Arizona and Nevada remain soft, but are improving. According to Axiometrics Inc., in the fourth quarter 2011, the apartment rental vacancy rate in Phoenix was 7.6 percent, down from 8.1 percent in the fourth quarter of 2010, and the average rent increased by 4 percent to \$740. In Las Vegas, the vacancy rate declined from 8.9 to 8.1 percent and the average rent was unchanged at \$760 during the same period. Increased rental demand from owner households converting to renter households because of foreclosures and short sales was a major reason for the decline in vacancy rates.

Multifamily construction activity, as measured by the number of multifamily units permitted, increased in every state in the region except in Hawaii. During 2011, based on preliminary data, 27,750 multifamily units were issued permits in the region, a 29-percent increase from the number of units permitted during 2010. Increased renter demand and declining vacancy rates were the main reasons for rising multifamily permits. During 2011, the number of multifamily units permitted increased by 340 units, or 33 percent, to 1,375 units in Nevada; by 5,675 units, or 33 percent, to 23,125 units in California; and by 450 units, or 29 percent, to 2,050 units in Arizona. During the same period, the number of multifamily units permitted in Hawaii declined by 19 percent to 1,225 units.



NORTHWEST

HUD Region X



Job growth was steady during 2011 in the Northwest region, but, as of December 2011, average nonfarm payrolls remained 290,000 jobs below the peak of 5.67 million recorded in October 2008. During 2011, average nonfarm payrolls in the region increased by 71,100 jobs, or 1.3 percent, to a total of 5.38 million jobs compared with a loss of 60,200 jobs, or 1.1 percent, during 2010. In Washington, average nonfarm payrolls increased by 36,800 jobs, or 1.3 percent, for a total of 2.8 million jobs. In Oregon, nonfarm payrolls gained 23,800 jobs, a 1.5-percent increase, bringing total nonfarm payroll jobs to 1.62 million. In Alaska, nonfarm payrolls increased by 4,900 jobs, or 1.5 percent, to a total of 329,300 jobs. In Idaho, average nonfarm payrolls totaled 608,500 jobs, up by 5,600 jobs, or 0.9 percent.

Nonfarm payroll gains in the region were greatest among the service-providing sectors. The professional and business services sector, which increased by 24,400 jobs, or 4 percent, led job growth in 2011. Washington had the greatest increase in this sector for the region, with job growth of 6 percent, primarily because of hiring in the computer design and employment services subsectors. Payrolls also increased by significant amounts in the region in the education and health services sector, which grew by 19,600 jobs, or 2.7 percent, and the leisure and hospitality sector, which increased by 16,400 jobs, or 3.1 percent. After 4 consecutive years of job losses, the manufacturing sector increased by 11,300 jobs, or 2.3 percent. Washington was the leader among the states in the region in manufacturing job growth, with a 2.8-percent increase, primarily because of hiring at The Boeing Company. Nonfarm payroll job losses in 2011 were greatest in the government sector and the construction subsector, which decreased by 1.6 and 0.9 percent, respectively. The government sector declined for the second consecutive year because of revenue shortfalls. In the construction subsector, 2011 marked the smallest number of job losses in 4 years, in part because of recent hiring by multifamily housing developers. Improving labor conditions in the region resulted in a decline in the average unemployment rate from 9.9 percent in 2010 to 9.1 percent in 2011. Unemployment rates ranged from 7.5 percent in Alaska to 9.5 percent in Oregon.

Despite improvements in the labor market in 2011, the sales housing market in the Northwest region remained soft as limited mortgage credit availability constrained sales housing demand, continuing a trend that began in 2008. According to data from Hanley Wood, LLC, in 2011,

approximately 120,200 new and existing single-family homes sold in the region, down 13 percent compared with the number of homes sold during 2010. The average home sales price in the region decreased by 4 percent to \$255,000. In Washington, 55,850 new and existing single-family homes sold, representing a 17-percent decline, and the average home sales price decreased by 4 percent to \$290,400. In the Seattle metropolitan area, the number of new and existing single-family homes sold decreased 13 percent to 21,450, and the average sales price declined 5 percent to \$397,600. In the Tacoma metropolitan area, the number of homes sold decreased by 14 percent to 7,250, and the average sales price decreased 12 percent to \$217,400.

According to data from Hanley Wood, LLC, the number of new and existing single-family homes sold in Oregon declined 13 percent to 35,400 homes during 2011 compared with 40,600 homes sold in 2010. The average new and existing single-family home sales price decreased by 5 percent to \$227,500. In the Portland-Vancouver-Beaverton metropolitan area, 21,050 new and existing homes sold in 2011, down 14 percent compared with the number sold in 2010, and the average sales price decreased 6 percent to \$257,700. In Idaho, the number of new and existing single-family homes sold declined by 8 percent to 22,750, and the average sales price decreased 4 percent to \$165,500. In the Boise City-Nampa metropolitan area, 13,200 homes sold during 2011, down 9 percent from 2010, and the average sales price declined by 5 percent to \$159,000. In Anchorage, the number of new and existing single-family homes sold declined by 5 percent to 4,500 homes, and the average sales price declined by 1 percent to \$289,500.

An increase in the rate of troubled mortgage loans also reflected soft sales housing market conditions in the Northwest region. According to LPS Applied Analytics, the number of mortgage loans in the region 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) increased by 4,775, to 6 percent of all loans in December 2011 compared with the 5.9-percent rate in December 2010. Almost 60 percent of distressed loans in the region are in Washington, where the delinquency rate increased from 6.2 percent in December 2010 to 6.5 percent in December 2011. The delinquency rate declined from 6.6 to 5.5 percent in Idaho and from 2.8 to 2.6 percent in Alaska. The percentage of delinquent mortgages in Oregon was unchanged from a year ago at 5.6 percent.

In the region, single-family home construction, as measured by the number of building permits issued, continued to decline during 2011, decreasing by 10 percent, or 2,575 homes permitted, to 22,775, based on preliminary data. Idaho had the largest percentage decline at 13 percent, or 500 homes, for a total of 3,500 homes permitted. Construction activity in Oregon decreased by 575 homes, or 10 percent, to a total of 5,175 homes permitted; in Washington was down by 1,425 homes, or 10 percent, to 13,400; and in Alaska declined by 6 percent to a total of 700 homes.

Multifamily construction, as measured by the number of units permitted, grew steadily in the region during 2011 because of tightening rental market conditions. Based on preliminary data, the number of multifamily units permitted increased by 37 percent, or 2,875 units, to 10,575 units compared with the number permitted the previous year. Oregon led the region with an increase of 77 percent, or 1,200 units, to a total of 2,775 units permitted, followed by Washington with an increase of 33 percent, or 1,775 units, to 7,175 units permitted. In Alaska, multifamily permits increased by 5 percent to total 160 units. Idaho was the only state in the region where the number of multifamily permits issued declined, decreasing by 20 percent, or 115 units, to a total of 460 units permitted.

Rental housing market conditions in the major metropolitan areas of the Northwest region were tight to balanced in the fourth quarter of 2011. According to *Apartment Insights*, the apartment vacancy rate in the Seattle metropolitan area was 5.3 percent in the fourth quarter of 2011, unchanged from the previous year, but the average asking rent increased by 4 percent, from \$1,034 to \$1,076. The apartment vacancy rate in the Tacoma metropolitan area increased from 6.2 percent in the fourth quarter of 2010 to 6.4 percent in the fourth quarter of 2011, and the average asking rent increased by nearly 1 percent, from \$832 to \$839. According to the Washington Center for Real Estate Research, in September 2011 (the most recent data available), the apartment vacancy rate in the Tri-Cities metropolitan area was 5.3 percent, up from 1.5 percent the previous year, and the average asking rent declined by 3 percent, from \$764 to \$745.

Rental housing market conditions in Oregon tightened during the fourth quarter of 2011. According to Reis, Inc., the average apartment vacancy rate in the Portland metropolitan area declined from 4.5 percent in the fourth quarter of 2010 to 2.7 percent in the fourth quarter of

2011, but the average asking rent increased by 2 percent, from \$839 to \$857. The apartment vacancy rate in the Eugene metropolitan area decreased from 4.1 to 3.7 percent, but the average asking rent increased by 2 percent, from \$708 to \$719. In the Salem metropolitan area, the apartment vacancy rate decreased from 3.9 to 3.0 percent, and the average asking rent increased by 3 percent, from \$637 to \$656. The apartment vacancy rate in the Anchorage metropolitan area declined from 3.5 to 3.1 percent in the fourth quarter of 2011, but the average asking rent increased by 3 percent, from \$1,021 to \$1,049.

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

Boise City-Nampa, Idaho

The Boise City-Nampa metropolitan area consists of Ada, Boise, Canyon, Gem, and Owyhee Counties in southwestern Idaho. Located in Ada County, the city of Boise is the state capital and home to Boise State University (BSU). As of January 1, 2012, the population of the metropolitan area was estimated at 630,700, an increase of 8,375, or 1.3 percent, during the past year, with net in-migration accounting for 28 percent of the growth. By comparison, strong employment growth from 2004 through 2007 resulted in an average annual population growth of 4 percent, or 21,450 people, with net in-migration accounting for 78 percent of the increase during that period. The three largest private employers in the metropolitan area are Wal-Mart Stores, Inc., St. Luke's Health System, and Micron Technology, Inc., with 7,125, 6,975, and 5,000 employees, respectively.

Nonfarm payrolls in the metropolitan area have declined by 8.7 percent since peaking at 277,000 jobs in 2007. Economic conditions showed signs of improvement during the 12 months ending November 2011, when nonfarm payrolls increased by 2,000, or 0.8 percent, to a total of 254,100 jobs, a significant improvement from the 12 months ending November 2010, when nonfarm payrolls declined by 4,600 jobs, or 1.8 percent. During the 12 months ending November 2011, the largest nonfarm payroll increase occurred in the education and health services sector, which added 1,000 jobs, a 2.5-percent increase, due in part to the 860 jobs added by St. Luke's Health System since early 2011. Nonfarm payrolls increased in the manufacturing sector by 800 jobs, or 3.5 percent. Despite a gain of 1,000 jobs, or 4.3 percent, in local government subsector payrolls, the government sector increased by only 200 jobs, or 0.3 percent, because of losses in state and federal subsector payrolls. The government sector, the second largest in the metropolitan area, accounts for 17 percent of nonfarm payrolls, including the 2,900 employees at BSU. As conditions improved, the average unemployment rate declined slightly, from 9.6 to 9.4 percent, during the 12 months ending November 2011.

The home sales market in the Boise City-Nampa metropolitan area is currently soft, as a result of tighter lending practices and slowing population growth. According to Hanley Wood, LLC, 12,250 existing single-family homes sold during the 12 months ending November 2011, a 4-percent decrease compared with the 12,550 homes sold during the previous 12 months. During the same period, the average sales price of an existing home decreased 8 percent, from \$166,700 to \$154,100. Foreclosed properties comprise a significant portion of existing home sales, putting downward pressure on prices. During the 12 months ending November 2011, nearly 45 percent of existing home

sales were REO (Real Estate Owned) properties, up from 39 percent during the previous 12 months. According to LPS Applied Analytics, in October 2011, 6.1 percent of total home loans in the area were 90 or more days delinquent, in foreclosure, or in REO, down from 8.1 percent in October 2010. The market for new homes remains soft. During the 12 months ending November 2011, new home sales declined by 43 percent, to 1,025 compared with 1,825 new homes sold during the previous 12 months, and the average sales price of a new home increased almost 20 percent, from \$179,700 to \$213,600.

Homebuilding activity, as measured by the number of building permits issued, continued to decrease in the metropolitan area because of the soft sales market, a trend that began in 2006. Based on preliminary data, during the 12 months ending November 2011, 1,525 single-family building permits were issued, a 9-percent decrease compared with the 1,675 single-family homes permitted the previous 12 months. By comparison, an average of 4,700 homes were permitted annually from 2006 through 2008.

Rental housing market conditions in the Boise City-Nampa metropolitan area are balanced but tightening, because of a shift in household preferences towards renting. According to Reis, Inc., the apartment vacancy rate declined from 8.1 percent in the third quarter of 2010 to 5.4 percent in the third quarter of 2011. The average monthly rent increased by 3 percent to \$710 compared with rents during the previous year, averaging \$640 for a one-bedroom unit, \$740 for a two-bedroom unit, and \$850 for a three-bedroom unit. The apartment market in Ada County, the area's most populous, is tighter than that of the overall metropolitan area. Based on data from Mountain States Appraisal and Consulting, Inc., the apartment vacancy rate in Ada County as of October 2011 was 3.7 percent compared with 5.5 percent the previous year. BSU enrolls 19,700 students, nearly 90 percent of whom reside off campus in privately owned housing, accounting for approximately 24 percent of the total renter households in the metropolitan area. A new 90-unit townhome project on campus will begin leasing units in January 2012. Each unit will have four bedrooms and three bathrooms, with rents ranging from \$460 to \$500 per bedroom. The campus currently has only 2,200 beds.

A total of 240 multifamily units were permitted during the 12 months ending November 2011, up from the 65 units permitted during the previous 12 months, based on preliminary data. One-half of the multifamily units permitted during the past 12 months were in the city of Nampa, located in Canyon County. A 53-unit subsidized apartment complex for seniors in Boise is currently under construction and scheduled to be complete in June 2012. Two other apartment projects for seniors are also currently under way: The Traditions, with 150 units scheduled for completion in June 2012, and a 70-unit expansion at Touchmark at Meadow Lake Village in Meridian, expected to be finished in 2013.

Charlotte-Gastonia-Rock Hill, North Carolina-South Carolina

Located east of the Blue Ridge Mountains, the Charlotte-Gastonia-Rock Hill metropolitan area, which traverses the border between North Carolina and South Carolina, consists of Anson, Cabarrus, Gaston, Mecklenburg, and Union Counties in North Carolina and York County, South Carolina. As of January 1, 2012, the population of the metropolitan area was estimated at 1,812,000, which reflects an average annual gain of 30,600, or 1.7 percent, since April 1, 2010, compared with an average annual increase of 55,300, or 3.5 percent, from 2005 through 2009. Because of job losses beginning in June 2008, immigration has declined since 2010, to approximately 27,400 people a year, or 51 percent of the population growth in the metropolitan area. This compares with an average of about 40,400 people a year, or 72 percent of population growth, from 2005 to 2009. The city of Charlotte, with a population of about 731,400 in April 2010, is located in Mecklenburg County and is the largest city in North Carolina. The largest employers in the metropolitan area are Carolinas HealthCare System, with 27,400 employees; Wells Fargo Bank, N.A., with 20,500 employees; and Bank of America Corporation, with 15,000 employees. The area is also home to the University of North Carolina at Charlotte (UNC Charlotte), which enrolls 25,000 students, employs about 3,000 faculty and staff, and has an annual economic impact estimated at about \$9 billion on the metropolitan area.

Economic conditions are improving in the metropolitan area after losing nearly 60,000 nonfarm payroll jobs, or 7 percent of total nonfarm employment, from 2009 through 2010. During 2011, total nonfarm payrolls in the metropolitan area expanded by 3,700, or 0.5 percent, to 804,500 jobs compared with employment during 2010. The largest additions were in the professional and business services sector, which increased by 2,700 jobs, or 2.1 percent, and the wholesale trade subsector, which grew by 2,400 jobs, or 5.6 percent, compared with the number of jobs in 2010. In August 2011, Connexions, Inc., opened a new call center in Charlotte, adding 800 jobs, and expanded employment at its Concord, North Carolina, facility by 400 jobs. Following a \$135 million plant expansion that added 700 employees at its Charlotte Energy Hub facility in November 2011, Siemens USA began manufacturing large gas turbines. The largest declines in nonfarm payrolls during 2011, compared with 2010 payrolls, were in the local government subsector, which decreased by 3,700 jobs, or 3.2 percent, and the mining, logging, and construction sector, which lost 1,700 jobs, or 4.5 percent, because of reduced homebuilding activity. The average unemployment rate during the 12 months ending November 2011 declined to 10.8 percent from 11.7 percent during the previous 12 months.

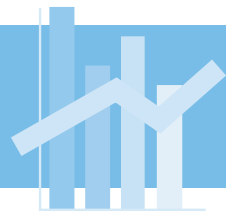
The sales housing market in the Charlotte-Gastonia-Rock Hill metropolitan area is soft despite the improving

economy. As of January 1, 2012, the estimated sales vacancy rate is 2.2 percent compared with a 2.9-percent rate in April 2010. According to the North Carolina Association of REALTORS®, about 22,950 new and existing single-family homes, townhomes, and condominiums sold in the metropolitan area during 2011, up 4 percent from 2010. Home sales in the metropolitan area averaged about 40,250 a year from 2005 through 2007 compared with 23,700 a year from 2008 through 2010. During 2011, the average sales price of a home sold in the area decreased to \$200,300, down 3 percent from 2010. According to LPS Applied Analytics, in December 2011, 6.3 percent of home loans in the metropolitan area were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned), up from 6.1 percent in December 2010.

Homebuilding activity, as measured by the number of building permits issued, is beginning to increase in the metropolitan area in response to increased sales. Based on preliminary data, during 2011, permits were issued for about 4,900 single-family homes, up 8 percent from 2010. In comparison, an average of 5,400 homes was permitted annually from 2008 through 2010, and an average of 19,000 homes was permitted annually from 2005 through 2007. New home developments include the Telfair subdivision, located southeast of Charlotte in Mint Hill, North Carolina, featuring five-bedroom, three-bathroom homes starting at \$265,900, and the Olmsted subdivision, north of Charlotte in Huntersville, with four-bedroom, three-bathroom homes starting at \$369,900.

Overall rental housing market conditions in the metropolitan area are soft but are improving because of job growth and fewer new units entering the rental housing market during the past 2 years. The overall rental vacancy rate, as of January 1, 2012, is estimated to be 8.2 percent, a decrease from the 11.4-percent rate in April 2010. According to the most recent Real Data survey for the Charlotte area, the apartment vacancy rate in September 2011 was 7.2 percent compared with 11.1 percent in September 2010. The average apartment rent in the area was \$780 in September 2011, up 8 percent from September 2010. In September 2011, average rents in the metropolitan area for one-, two-, and three-bedroom apartment units were \$690, \$797, and \$922, respectively. About 20,000 students at UNC Charlotte reside off campus, which significantly affects the rental housing market surrounding the university. In September 2011, the submarket that includes the university, defined by Real Data as Northeast-3, reported average rents for one-, two-, and three-bedroom apartment units of \$695, \$842, and \$1,077, respectively. The vacancy rate for the Northeast-3 submarket was 6.5 percent in September 2011 compared with 7.9 percent in September 2010. Average rent in the Northeast-3 submarket was \$897 in September 2011, up 4 percent from September 2010.

Building permits were issued for nearly 1,300 multifamily units during 2011, about 20 percent more than the 1,075 units permitted during 2010, based on preliminary data.



An average of 5,000 multifamily units was permitted each year from 2006 through 2008, followed by about 2,650 units in 2009 and 900 units in 2010. The 300-unit Mallard Creek Apartments complex in northwest Mecklenburg County, which began construction in September 2011, expects rents for one-, two-, and three-bedroom units to be \$810, \$1,005, and \$1,150, respectively.

Corpus Christi, Texas

The Corpus Christi metropolitan area, which comprises Aransas, Nueces, and San Patricio Counties, is located in southern Texas along the Gulf Coast, about 140 miles southeast of San Antonio. As of January 1, 2012, the population of the metropolitan area is estimated at 433,900, an annualized increase of 3,275, or 0.8 percent, since April 1, 2010, compared with an average annual increase of 0.5 percent from 2006 through 2010. Corpus Christi is the most populous city in the metropolitan area, with 71 percent of the area population.

The Corpus Christi metropolitan area resumed job growth during December 2010, after recording job losses during 2009. During the 12 months ending November 2011, nonfarm payrolls increased by 4,900 jobs, or 2.8 percent, to 182,700 jobs compared with a decline of 500 jobs, or 0.2 percent, during the previous 12 months. The largest job gains during the 12 months ending November 2011 occurred in the leisure and hospitality sector, which added 1,500 jobs, an increase of 7.2 percent. The mining, logging, and construction sector gained 900 jobs, or 4.6 percent. Increased oil and natural gas production in the Eagle Ford Shale area has contributed to job gains in the mining, logging, and construction sector and in the leisure and hospitality sector. Tianjin Pipe Corporation is currently building a 1.6-million-square-foot pipe mill, a \$1 billion investment, which is expected to create 300 jobs by the time it is complete in 2013 and potentially an additional 300 jobs in subsequent years. In addition, M&G Group is currently constructing two polymer resin manufacturing facilities, a \$900 million investment that is expected to create 250 jobs in the manufacturing sector when construction is complete by 2014. During the 12 months ending November 2011, the average unemployment rate was 8.0 percent, unchanged from a year earlier.

The sales housing market in the metropolitan area is soft because of tight credit market conditions and high levels of construction from 2003 through 2007. According to data from the Real Estate Center at Texas A&M University, during the 12 months ending November 2011, new and existing home sales decreased by 2 percent to 3,375 compared with the number sold during the previous 12 months. The current number of sales is well below the average of 4,700 homes sold annually from 2003 through 2007. During the 12 months ending November 2011, the average sales price increased by 4 percent to \$157,700. According to LPS Applied Analytics, as of November 2011,

4.5 percent of mortgage loans were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned), down from the 5.0-percent rate recorded in November 2010.

Single-family homebuilding activity, as measured by the number of building permits issued, has continued to decline, a trend that began in 2007. Based on preliminary data, during the 12 months ending November 2011, single-family building permits were issued for 710 homes, down 11 percent from the 790 homes permitted during the previous 12 months. In comparison, from 2003 through 2007, building permits were issued for an average of 1,975 single-family homes annually. Prices for new three-bedroom single-family homes start at approximately \$90,000. New developments include Rancho Vista, with plans for about 900 homes with prices starting at \$120,000, of which about 200 have been completed and the rest expected to be complete within 7 years. Terra Mar is another ongoing new development, with prices starting at \$140,000 and about 150 homes completed in the past 4 years.

Rental housing market conditions in the metropolitan area are soft but improving. The rental vacancy rate in the metropolitan area is currently estimated at 9 percent, down from the 12.2-percent rate recorded in the 2010 Census, primarily because of job gains coupled with low levels of apartment completions since 2010. According to ALN Systems, Inc., the apartment vacancy rate as of December 2011 was 5.6 percent, down from 7.8 percent a year earlier. Effective rents for all units averaged \$740 during December 2011, an increase of 4 percent compared with rents during December 2010. The average effective apartment rents were \$620, \$800, and \$910 for one-, two-, and three-bedroom units, respectively.

Based on preliminary data, during the 12 months ending November 2011, about 300 multifamily units were permitted compared with 280 units permitted during the previous 12 months. The current level of activity is well below the average of 690 units permitted annually from 2003 through 2007. Recent developments include Buena Vida Senior Village, a 100-unit tax-credit community for senior citizens completed in June 2011, and the 108-unit Campus Quarters, which caters to students at Texas A&M-Corpus Christi with monthly rents starting at about \$1,400 for a two-bedroom unit. The 168-unit Phase II of Bay Vista Apartment Homes is currently in the final planning stages and is expected to be complete by 2013, with monthly rents starting at about \$850 for a one-bedroom unit.

Dallas-Plano-Irving, Texas

The Dallas-Plano-Irving metropolitan division is located in northeast Texas, east of the Fort Worth-Arlington metropolitan division. The eight-county metropolitan division, with a population of approximately 4.4 million

as of January 1, 2012, accounts for 17 percent of the state population. The population of the metropolitan division has increased by an average of 93,850, or 2 percent, annually since July 1, 2010, the same growth rate recorded between 2006 and 2010. Collin, Dallas, and Denton Counties, which account for 90 percent of the area population, are the core counties of the metropolitan division.

The economic downturn that began in the first quarter of 2008 appears to be turning around. During the 12 months ending November 2011, nonfarm payrolls averaged 2.1 million, an increase of 48,900 jobs, or 2.4 percent, compared with a 0.4-percent decline during the previous 12 months. During the 12 months ending November 2011, the professional and business services, education and health services, and financial activities sectors recorded gains of 19,275, 9,650, and 7,875 jobs, or 5.8, 3.9, and 4.5 percent, respectively. An increase of 12,550 jobs in the administrative support services industry led gains in the professional and business services sector, and an increase of 9,200 jobs in the health care and social assistance industry led gains in the education and health services sector. Growth in the financial activities sector is largely attributed to hiring in the finance and insurance industry, which added 6,350 jobs. Job losses occurred primarily in the information and manufacturing sectors, which lost 3,350 and 1,075 jobs, or 5.2 and 0.7 percent, respectively. During the 12 months ending November 2011, the average unemployment rate in the metropolitan division was 8.2 percent, unchanged from the rate recorded a year earlier.

The largest employers in the metropolitan division are Wal-Mart Stores, Inc., with 32,800 employees; Texas Health Resources, Inc., with 18,000 employees; and AT&T Communications, with 16,600 employees. In 2010, HMS Holdings Corp., the parent company of Health Management Systems, announced plans to move its headquarters from New York City to Irving and will add 350 jobs to its existing employment base of 650 by the end of 2013. A new company, med fusion, established in 2010 as a joint venture of Baylor Health Care System and US Oncology, Inc., plans to hire up to 900 employees by 2014.

Sales housing market conditions in the Dallas-Plano-Irving metropolitan division are currently soft, with an estimated 2-percent vacancy rate. According to data from the Real Estate Center at Texas A&M University, during the 12 months ending November 2011, home sales totaled 59,500, relatively unchanged compared with sales during the previous 12 months but much less than the average of 77,800 homes sold annually from 2003 through 2008. The average home sales price in the metropolitan division was \$219,300 during the 12 months ending November 2011, up nearly 2 percent compared with the average price during the previous 12 months but still less than the peak of \$221,400 reached in March 2008. According to LPS Applied Analytics, in November 2011, 4.8 percent of total home loans in the metropolitan division were 90 or more days delinquent,

in foreclosure, or in REO (Real Estate Owned), down from 5.3 percent in November 2010.

Soft sales housing market conditions have resulted in a reduction in new home construction activity, as measured by the number of building permits issued for single-family homes. According to preliminary data, during the 12 months ending December 2011, building permits were issued for 9,500 new single-family homes, down nearly 1 percent from the preceding 12 months. Collin County accounted for 46 percent of the area total with 4,400 homes permitted during the most recent 12 months. Since 2000, Collin County has accounted for approximately 38 percent of all single-family permits issued in the metropolitan division. Single-family home construction activity in the metropolitan division remains well below that of the 2000-to-2006 period, when an average of 27,900 homes were permitted annually. According to data from CB Richard Ellis, since 2009, about 2,925 townhomes and condominiums have been constructed in the metropolitan division. Approximately 1,225 condominiums are under construction: 700 in Dallas County and 525 in Collin County. Currently, 80 percent of all condominiums in the metropolitan division are in Dallas County.

Rental housing market conditions have improved during the past year in the Dallas-Plano-Irving metropolitan division, but they remain soft. According to data from ALN Systems, Inc., for the 12-month period ending November 2011, the apartment vacancy rate was 7.5 percent compared with 10.4 percent a year earlier. During the 12 months ending November 2011, the Collin County rental submarket was balanced, with a 5.6-percent apartment vacancy rate, down from 9.3 percent during the previous 12 months. Average rents in Collin County increased 4 percent to \$920 during that period. The Denton County submarket was balanced, with a 7-percent vacancy rate, down from 10 percent during the previous 12 months, and rents increased by 6 percent to \$850. The vacancy rate for apartments in the Dallas County submarket was 9.5 percent, down from 11.8 percent a year earlier, and the average rent increased by 3 percent to \$810. Approximately 48 percent of all apartment units in the metropolitan division are located in the Dallas County submarket.

Multifamily construction activity, as measured by the number of units permitted, has increased significantly in the past year, according to preliminary data. During the 12 months ending December 2011, approximately 8,850 multifamily units were permitted compared with the 3,850 permits issued during the previous 12-month period. This level represents more than a 100-percent increase from the 4,225 units permitted annually for 2009 and 2010, but it remains well below the average of 11,500 units permitted annually from 2006 through 2008. Apartments represent more than 90 percent of all multifamily units currently under construction, including The Boulevard Apartments, a 425-unit property, and Ross & Hall Apartments, a 370-unit property; both of



which are located in the Dallas County submarket and are expected to be complete in late 2012. The asking rents in these developments will start at \$1,025 for a one-bedroom unit and \$1,350 for a two-bedroom unit.

Deltona-Daytona Beach-Ormond Beach, Florida

The Deltona-Daytona Beach-Ormond Beach metropolitan area is located on North Florida's Atlantic coast and consists of Volusia County. As of January 1, 2012, the population of the metropolitan area was estimated at 494,500, the same population that was reported in the 2010 Census. The lack of population growth stems from a shortage of local job opportunities and the weak national economy that is forcing potential retirees to delay or abandon their plans to move to Florida. Population growth was highest from 2001 through 2006, when the population of the metropolitan area increased by an average of 8,725, or 1.9 percent, annually. From 2007 through 2010, population growth was negative, with a peak annual loss of 2,675 people, or 0.5 percent, in 2009. The largest employers in the area are Florida Hospital and Halifax Health, with 5,350 and 4,200 employees, respectively.

The economy in the metropolitan area is weak, with nonfarm payrolls still 10 percent below the 2006 peak of 173,900 jobs. The local economy has begun to improve, however, adding 1,175 jobs, or 0.8 percent, during the 12 months ending November 2011, increasing nonfarm payrolls to 155,900 jobs. Tourism improved throughout Florida in 2011 and the leisure and hospitality sector led growth in the metropolitan area, adding 1,950 jobs, a 9.1-percent increase. The largest number of job losses occurred in the mining, logging, and construction sector, which lost 600 jobs, or 7.4 percent, because of a decrease in residential construction. This sector has declined by 55 percent since the 2006 peak, when the sector employed 15,900 workers during the building boom. The unemployment rate in the metropolitan area averaged 11.1 percent during the 12 months ending November 2011, which is down from the 11.9-percent rate recorded during the previous 12 months.

The home sales market in the Deltona-Daytona Beach-Ormond Beach metropolitan area is soft because of the weak local economy, a high level of foreclosed homes, and a low level of in-migration. According to data from Hanley Wood, LLC, Real Estate Owned (REO) sales comprised 37 percent of all existing home sales in the 12 months ending November 2011, which is down from the 48-percent rate recorded in the preceding 12-month period. From 2005 to 2008, only 4 percent of existing home sales were in REO. According to LPS Applied Analytics, in November 2011, 16.4 percent of all loans were 90 or more days delinquent, in foreclosure, or in REO, down from 16.6 percent in November 2010. In comparison, the

national rate of all loans in these categories is 7.5 percent. Existing home sales totaled 5,425 homes sold during the 12 months ending November 2011, down from 5,550 homes sold in the preceding 12 months, a decline of 2 percent. During the same period, the average sales price of an existing home decreased from \$135,100 to \$128,300, a 5-percent decline. On average, a home in REO sold for only 55 percent of the price of a standard resale.

New single-family home construction, as measured by the number of building permits issued, declined by 17 percent during the 12 months ending November 2011, to 540 homes permitted, based on preliminary data. This number of permits is well below the 2000-to-2005 peak period, when an average of 4,225 single-family homes was permitted annually, and reflects the soft market conditions and large number of distressed properties. The number of single-family home permits issued declined from 2006 through 2009 and has remained stable at roughly 500 permits issued annually since 2009. Some small-scale development remains in the metropolitan area: Breakaway Trails, a subdivision in Ormond Beach, has 50 home sites available with sales prices for new homes ranging from \$230,000 to \$440,000.

The rental housing market in the Deltona-Daytona Beach-Ormond Beach metropolitan area is soft but improving. As of the third quarter of 2011, Reis, Inc., reports a 7.6-percent vacancy rate in surveyed apartment complexes, down from 8.8 percent in the third quarter of 2010. During the same period, the average asking rent remained relatively constant at approximately \$740. Developers have responded to improved rental housing market conditions by increasing apartment construction. During the 12 months ending November 2011, multifamily construction, as measured by the number of multifamily units permitted, totaled 510 units compared with 75 units permitted during the preceding 12 months. Apartment properties under construction include Andros Isles Apartments, a 360-unit complex in Daytona Beach, and Olive Grove Apartments, an 88-unit complex in Ormond Beach. At least four additional properties are in the planning stage. Rents at Olive Grove Apartments range from \$575 for a one-bedroom unit to \$815 for a three-bedroom unit.

Hartford-West Hartford-East Hartford, Connecticut

The Hartford-West Hartford-East Hartford metropolitan area, located in central Connecticut, consists of Hartford, Middlesex, and Tolland Counties. The metropolitan area is the largest in Connecticut and is home to the city of Hartford, the state capital. As of January 1, 2012, the population was estimated at 1,218,000, indicating an annualized increase of 3,200, or 0.3 percent, since April 1, 2010. The population has increased at an average annual rate of approximately 3,875, or 0.3 percent, since 2008

compared with a rate of 5,450, or 0.5 percent, annually from 2004 through 2008 as a result of recent declines in nonfarm payrolls. The largest employers in the area include United Technologies Corporation, the Hartford Financial Services Group, and Aetna Inc., with 14,900, 11,300, and 7,250 employees, respectively.

During the past 12 months, nonfarm payrolls began to recover from the decline that started in 2008. During the 12 months ending November 2011, nonfarm payrolls in the metropolitan area increased by 4,600 jobs, or 0.9 percent, to an average of 537,000 jobs compared with the decline of 8,700 jobs, or 1.6 percent, during the previous 12 months. The most significant gain during the 12 months ending November 2011 occurred in the education and health services sector, which added 1,900 jobs, a 2.0-percent increase. The leisure and hospitality and the professional and business services sectors increased by 1,200 and 1,100 jobs, or 2.9 and 1.8 percent, respectively. Growth in the professional and business services sector is expected to continue during 2012, led by the online ticket exchange, TicketNetwork® Inc., which plans to add 200 employees over the next 18 months at the company's new headquarters in South Windsor. During the 12 months ending November 2011, the financial activities sector declined by 700 jobs, or 1.2 percent, primarily because of job losses in the insurance industry. According to the *Hartford Courant*, in October 2011, the Hartford Financial Services Group announced plans to lay off approximately 500 employees over a period of 18 months. The 12-month average unemployment rate declined from 9.1 percent in November 2010 to 8.9 percent in November 2011.

The home sales market in the Hartford-West Hartford-East Hartford metropolitan area is currently soft. Based on data from Hanley Wood, LLC, existing single-family home sales in the area totaled approximately 7,100 during the 12 months ending November 2011, down 15 percent from the 8,350 homes sold during the previous 12 months. The large drop in sales reflected weak economic conditions, tighter lending practices, and slower population growth. Despite the decrease in sales, the average sales price of existing homes declined by less than 1 percent, to \$261,500, during the 12 months ending November 2011 from \$262,300 during the previous 12 months. New single-family home sales totaled only 90 during the 12 months ending November 2011, a 59-percent decrease from 220 new homes sold during the previous year. New home sales have been declining since 2005; an average of 980 new homes sold each year from 2005 through 2007 compared with an average of 310 homes sold annually from 2008 through 2010. Hanley Wood, LLC data indicate an average new home sales price of \$428,400 in the metropolitan area during the 12 months ending November 2011, unchanged from the average price during the previous year. New home prices remain below the average of \$440,900 recorded from 2006 through 2008. According to LPS Applied Analytics, as of

December 2011, 6.3 percent of mortgage loans were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned), up from 5.6 percent in December 2010. This rate is less than the state and national rates of 7.6 percent.

Sales of new and existing condominiums have also decreased significantly since 2005. During the 12 months ending November 2011, 1,725 existing condominiums sold in the area, a 29-percent decrease compared with the 2,425 sold during the previous 12 months, and the average sales price decreased by 3 percent to \$182,500. During the 12 months ending November 2011, 80 new condominiums sold, down from 170 sold during the previous 12-month period, and the average sales price decreased 14 percent to \$268,200.

Builders have continued to curtail the production of single-family homes in response to weak economic conditions. Based on preliminary data, building permits were issued for 650 single-family homes in the metropolitan area during the 12-month period ending November 2011, down 210 permits, or 24 percent, compared with the number permitted during the previous 12 months. From 2008 through 2010, an average of 1,050 single-family homes were permitted annually, down significantly from the average of 2,700 homes permitted each year from 2004 through 2007. In contrast, based on preliminary data, during the 12 months ending November 2011, 380 multifamily units were permitted, up significantly from the 290 units permitted during the previous 12 months. Because of the soft home sales market, estimates suggest that less than 10 percent of the multifamily units permitted during the past 12 months were condominiums. In comparison, condominiums represented more than 30 percent of all new multifamily units developed during the 2000s. The number of multifamily units permitted was down from an average of 990 units annually from 2005 through 2007.

The rental housing market in the Hartford-West Hartford-East Hartford metropolitan area is balanced, with conditions improving during the past year as the production of new units has remained at historically low levels in response to weak economic conditions. The rental vacancy rate is currently estimated at 6.5 percent, down from 8.1 percent in the 2010 Census. Despite balanced overall rental market conditions, the market for new and large apartment projects in the metropolitan area is tight, with vacancy rates declining and rents increasing significantly over the past year. According to MPF Research, the apartment vacancy rate in the area was 2.9 percent during the third quarter of 2011, down from a 4.5-percent rate a year earlier. During the same period, the average monthly rent increased more than 6 percent to \$1,110 from \$1,044. Recent developments include The Mansions at Canyon Ridge, a 220-unit apartment complex in East Windsor, completed in September 2011. Rents for one- and two-bedroom units start at \$1,175 and \$1,375, respectively. In addition, 270 apartments



are currently under construction at The Mansions at Hockanum Crossing in Vernon, the second phase of the development, with completion expected in 2013.

Jacksonville, Florida

Located on the northeastern coast of Florida, the Jacksonville metropolitan area consists of Baker, Clay, Duval, Nassau, and St. Johns Counties. The metropolitan area is a major transportation hub, a recreational destination for the region, and home to two significant naval stations. The city of Jacksonville, located in Duval County, is the largest city in the state, with an approximate population of 837,600. As of January 1, 2012, the estimated population of the metropolitan area was 1.4 million. Population growth has slowed during the past 3 years because of recent declines in net in-migration resulting from employment losses from 2008 through 2010. Since early 2008, the population has increased at an average annual rate of 15,200, or 1.1 percent, compared with a rate of nearly 25,000, or 2.1 percent, annually from 2000 through 2007. The largest employers in the area are Naval Air Station Jacksonville, Naval Station Mayport, and Baptist Health System, Inc., with 25,000, 12,900, and 8,200 employees, respectively.

During the past year, employment began to recover from the decline that began in December 2007. During the 12 months ending November 2011, nonfarm payrolls in the metropolitan area increased by 3,900 jobs, or 0.7 percent, to an average of 584,600 jobs compared with the decline of 8,100 jobs, or 1.4 percent, during the previous 12 months. The most significant job gains during the 12 months ending November 2011 occurred in the leisure and hospitality sector, which added 3,000 jobs, a gain of 4.7 percent. According to the Jacksonville Value of Tourism study, tourism had an economic impact of \$1.5 billion on the metropolitan area in 2009. Although the leisure and hospitality sector posted job losses in 2009 and 2010, gains in the past year have resulted in a return to the previous high for the sector. During the 12 months ending November 2011, job gains also occurred in the professional and business services and education and health services sectors, which added 2,100 and 1,600 jobs, gains of 2.4 and 1.9 percent, respectively. Primarily because of a continued slowdown in the housing industry, the financial services sector and the construction subsector reported losses of 1,000 and 700 jobs, or 1.8 and 2.6 percent, respectively. Net job gains contributed to a decrease in the 12-month average unemployment rate from 11.2 percent in November 2010 to 10.3 percent in November 2011.

The Jacksonville home sales market is currently soft. Based on data from Hanley Wood, LLC, sales of new and existing single-family homes in the area totaled approximately 12,350 homes during the 12 months ending November 2011 (the most recent data available), a

decrease of 12 percent compared with the 13,950 homes sold during the previous 12 months. The decrease in sales was a result of tighter lending practices and slower population growth. The average sales price of new and existing homes decreased by 0.4 percent, to \$188,700, during the 12 months ending November 2011 from \$189,500 during the previous 12 months. The average home sales price is 27 percent below the 2007 peak of \$257,300. According to LPS Applied Analytics, as of November 2011, approximately 28,100 home loans, or 14.1 percent of all mortgage loans, were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned), up slightly from 13.7 percent in November 2010. This rate is lower than the state rate of 17.4 percent but almost double the national rate of 7.5 percent. This high volume of loans classified as distressed will likely continue to impede housing market recovery in the Jacksonville metropolitan area.

Builders have continued to curtail housing production, as measured by the number of single-family building permits issued, in the metropolitan area. Based on preliminary data, building permits were issued for 3,425 single-family homes during the 12-month period ending November 2011, unchanged from the rate during previous 12 months. From 2007 through 2009, an average of 5,700 single-family homes were permitted annually, down significantly from the average of 14,600 homes a year from 2002 through 2006. According to Hanley Wood, LLC, during the 12 months ending November 2011, average new single-family home sales prices increased by 3 percent to \$221,300 compared with \$213,900 during the previous 12 months.

Sales of new and existing condominiums began to decrease during the 12 months ending October 2011, following increases that started in early 2010. Based on data from Hanley Wood, LLC, approximately 2,375 new and existing condominiums sold in the metropolitan area during the 12 months ending October 2011 (the most recent data available), a 9-percent decrease compared with the previous 12 months' total of 2,600. The average sales price increased by 6 percent to \$152,000 during the same period, due to a 29-percent reduction in REO sales. During the 12 months ending December 2011, 650 multifamily units were permitted, up from 230 during the previous 12 months but well below the average of 3,050 multifamily units permitted annually from 2006 through 2009. Since 2000, 20 percent of multifamily construction has been for owner occupation.

The rental housing market in the metropolitan area is currently soft, despite a reduced level of multifamily construction during the past 2 years. Based on data from ALN Systems, Inc., the apartment vacancy rate as of December 2011 was 12.2 percent, improved from 13.2 percent the previous year. Single-family homes comprise 40 percent of the rental housing market. In December

2011, the average asking rent for apartments was approximately \$765, relatively unchanged from the previous year's average rent. The absorption of more than 4,200 existing vacant units during the 12 months ending November 2011 was in part because of a decrease in new apartment completions. Approximately 1,150 apartment units were completed during the 12 months ending November 2011, down from approximately 1,400 completions during the previous 12 months. Since the beginning of 2010, more than 90 percent of newly completed multifamily units have been in the city of Jacksonville, compared with 75 percent from 2000 through 2009. The most recent market-rate apartment completion in the city of Jacksonville was the 432-unit North Beach on Kernan, with rents for one-, two-, and three-bedroom units starting at \$940, \$1,160, and \$1,440, respectively.

Lancaster, Pennsylvania

The Lancaster metropolitan area, coterminous with Lancaster County, is located 70 miles west of Philadelphia. As of January 1, 2012, the population in the metropolitan area was estimated at 526,000, with an average annual growth of 3,900 people, or 0.7 percent, since July 1, 2010. By comparison, from 2005 through 2010, population growth averaged 5,100 people, or 1 percent, annually. Net in-migration, which averaged 2,400 people each year from 2005 to 2010, has declined to an annual average of 1,650 people since 2010 because of a weaker local economy. The area, with more than 5,400 farms, is known for its rural character and is a retirement destination. The largest employers in the metropolitan area are Lancaster General Health, R. R. Donnelley & Sons Company, and Manheim Remarketing, with 7,050, 3,000, and 2,600 employees, respectively.

Total nonfarm payrolls declined by 400 jobs, or 0.2 percent, to 226,500 jobs during the 12 months ending November 2011, an improvement compared with the loss of 1,800 jobs, or 0.8 percent, during the 12 months ending November 2010. During the 12 months ending November 2011, the largest job losses occurred in the professional and business services and the manufacturing sectors, which declined by 800 and 600 jobs, or 4.3 and 1.6 percent, respectively. The largest job gains in the metropolitan area occurred in the wholesale and retail trade, leisure and hospitality, and education and health services sectors, which increased by 900, 300, and 200 jobs, or 2.2, 1.3, and 0.6 percent, respectively. The retail trade subsector expanded by 600 jobs, or 1.9 percent. The health care and social assistance subsector, which includes outpatient care centers, home health agencies, and assisted-living centers, accounts for 15 percent of total nonfarm payrolls in the metropolitan area and has added 5,200 jobs since 2005, including 500 jobs during the most recent 12 months. During the 12 months ending November 2011, the

unemployment rate averaged 6.7 percent, a decline from the 7.6-percent average during the previous 12-month period.

The home sales market in the Lancaster metropolitan area is soft but stabilizing. According to the Lancaster County Association of Realtors®, 4,275 new and existing homes sold during the 12 months ending November 2011, unchanged from the number sold during the previous 12-month period, when sales declined 10 percent from the 12 months ending November 2009. The median home sales price of \$157,900 in November 2011 was \$7,100 less than the median price in November 2010. According to LPS Applied Analytics, in November 2011, 4.2 percent of all home loans in Lancaster County were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned), up slightly from the 4.0-percent rate of a year earlier.

According to Hanley Wood, LLC, 340 new homes sold during the 12 months ending November 2011, 55 percent fewer than during the previous 12-month period. Average home sales prices are \$256,300 for new detached homes and \$200,000 for new townhomes. In response to declining home sales, the volume of new single-family home construction remains low compared with activity in recent years. Based on preliminary data, which accounts for roughly 60 percent of all permits issued, 600 single-family homes were permitted during the 12 months ending November 2011, down 18 percent from the previous 12-month period and down 17 percent compared with the average number of permits issued from 2007 through 2009. New communities include two for people age 55 and older: Traditions of America at Mount Joy, with two- and three-bedroom homes starting at \$204,900, and Home Towne Square in Ephrata, with 300 one- to four-bedroom single-family homes starting at \$215,900.

Rental housing market conditions in the metropolitan area are tight because of increased demand and a limited supply of new rental units. According to Reis, Inc., the apartment vacancy rate declined from 2.5 percent during the third quarter of 2010 to 1.7 percent during the third quarter of 2011, and the average asking rent increased more than 1 percent to approximately \$870. Based on preliminary data, 300 multifamily units were permitted during the 12 months ending November 2011, nearly double the number permitted during the previous 12-month period. Many of the new units have been added to existing multifamily communities. Country Manor Apartments in Millersville added 32 units during the first half of 2011, Willow Creek Apartments in Ephrata added 30 units during the second half of 2011, and Bentley Ridge in East Lampeter Township is expected to build an additional 50 units in 2012. According to the Apartment Association of Central Pennsylvania, average rents are \$775, \$875, and \$1,025 for one-, two-, and three-bedroom units, respectively.



Lincoln, Nebraska

The Lincoln metropolitan area, which consists of Lancaster and Seward Counties, is the second largest metropolitan area in Nebraska. Lancaster County, which includes the principal city of Lincoln, accounts for approximately 95 percent of the population in the metropolitan area. The largest private-sector employers in the metropolitan area are BryanLGH Health System and Saint Elizabeth Regional Medical Center, employing more than 2,500 people each, followed by Ameritas Life Insurance Corp., with approximately 1,600 employees. The city of Lincoln is the state capital and, as such, government-sector employment has a large impact on the local economy. As of January 1, 2012 the metropolitan area population is estimated at 307,500 reflecting an average annual increase of 3,000, or 1 percent, since April 1, 2010, which is less than the average annual increase of 3,500, or 1.2 percent, between 2005 and 2010.

The city of Lincoln is also home to the University of Nebraska–Lincoln (UNL), which is the largest university in Nebraska. According to UNL, the 2011 fall semester enrollment of approximately 25,000 students indicates an average increase of 2.2 percent annually from 21,700 students in 2005. The university is expecting 3-percent annual enrollment growth for the next 5 years. Several large projects are under way at UNL, including the \$80 million Nebraska Innovation Campus that focuses on developing technology products or services. This public-private research campus consists of four buildings that will be completed by April 2013.

Economic conditions in the Lincoln metropolitan area have improved during the past year after experiencing a 2-year downturn. During the 12 months ending November 2011, nonfarm payrolls increased by 3,200 jobs, or 1.9 percent, to a total of 173,800 jobs compared with a loss of 1,500 jobs, or 0.9 percent, during the previous 12 months. The largest increase occurred in the professional and business services sector, which added 1,600 jobs, or 8.8 percent, during the past 12 months. The leisure and hospitality and retail trade sectors added 600 and 700 jobs, increases of 4.0 and 3.8 percent, respectively. The government sector, which is the largest sector and accounts for 22 percent of total nonfarm payroll jobs in the metropolitan area, decreased by 100 jobs, or 0.3 percent, during the past 12 months because of reductions in the local government workforce. Although farming is not a major source of employment in the metropolitan area, the surrounding counties have significant amounts of agricultural production, and the recent increases in farm commodity prices have had a profound impact on the local economy. The Nebraska Business Forecast Council estimates that statewide farm income will total \$5.4 billion for 2011, a 35-percent increase compared with farm income in 2010. Farm income affects the local economy, because farms from the surrounding agricultural areas make many farm-supply and equipment purchases

in the city of Lincoln. World's Foremost Bank, a subsidiary of Cabela's, Inc., has announced expansion plans that would add 400 employees to its corporate offices by the spring of 2012. During the 12 months ending November, 2011, the unemployment rate in the metropolitan area averaged 3.8 percent, which is an improvement from the 4.3-percent average during the previous 12 months.

Sales housing market conditions in the metropolitan area are currently balanced. Based on data from Hanley Wood, LLC, during the 12 months ending October 2011, new and existing home sales decreased by 9 percent, to 2,650 homes, compared with the number of homes sold during the previous 12 months. During the 12 months ending October 2011, home sales were down approximately 35 percent from an average of 4,050 homes sold annually from 2005 through 2009. During the 12 months ending October 2011, the average new home sales price increased by nearly 4 percent, to \$209,000, but the average existing home sales price decreased by 4 percent, to \$155,450, compared with prices during the previous 12 months. Single-family home construction, as measured by the number of permits issued, has declined recently. Based on preliminary data, 540 single-family home permits were issued during the 12 months ending October 2011, down 7 percent from the 590 permits issued in the previous 12 months. In comparison, from 2004 through 2008, an average of 1,300 homes was permitted each year.

Rental housing market conditions in the Lincoln metropolitan area are currently balanced. The vacancy rate for all rental units declined from 7.7 percent in April 2010 to the current estimated 7-percent rate. Based on data from Reis, Inc., the apartment market is currently tight, with an estimated 3-percent vacancy rate for the third quarter of 2011, down from 3.5 percent during the same quarter a year earlier. Current average rents for one-, two-, and three-bedroom apartments are \$576, \$692, and \$917, respectively. Average rents were unchanged compared with the third quarter of 2010. Students account for an estimated 12,000 renter households, or 26 percent of total renter households, in the metropolitan area. Based on preliminary data, during the 12 months ending October 2011, 320 multifamily units were permitted compared with only 90 units permitted in the previous 12 months and an average of 300 units permitted annually from 2004 through 2008. The decline in building activity in 2009 contributed to the recent drop in the rental vacancy rate.

Raleigh-Cary, North Carolina

Located in north-central North Carolina, the Raleigh-Cary metropolitan area consists of Franklin, Johnston, and Wake Counties and is the second largest metropolitan area in the state, after the Charlotte metropolitan area. From 2005 through 2008, the Raleigh-Cary metropolitan area population grew by 44,150, or 4.5 percent,

annually as a result of strong nonfarm payroll job growth, which averaged 3.9 percent annually during the period. From 2009 through 2010, jobs declined by an average of 2.3 percent annually, resulting in slower population growth of 2.6 percent, or 27,500 people, a year. As of January 1, 2012, the population in the metropolitan area was estimated at 1,197,000, an average increase of approximately 38,000, or 3.3 percent, a year since April 1, 2010.

Nonfarm payroll jobs began to increase slowly after 2010. During 2011, nonfarm payrolls increased by 8,700 jobs, or 1.8 percent, to an average of 505,000 compared with jobs during 2010. The professional and business services and leisure and hospitality sectors led job gains with increases of 5,300 and 1,400 jobs, or 6.3 and 2.7 percent, respectively. In the past year, Affiliated Computer Services Inc., a call center in Cary, hired more than 1,100 workers. The education and health services sector increased by 1,400 jobs, or 2.3 percent. SEQUENOM, Inc., a health-care company, recently announced plans to build a new molecular diagnostic laboratory, an \$18.7 million investment that will create an estimated 240 jobs in the coming year. The job gains have decreased the unemployment rate for the metropolitan area to 8.2 percent during 2011 from 8.7 percent a year earlier.

The largest private employers in the metropolitan area include International Business Machines (IBM) Corporation, WakeMed Health & Hospitals, and GlaxoSmithKline plc., with approximately 10,500, 7,750, and 4,900 employees, respectively. North Carolina State University (NC State) in Raleigh, with more than 34,400 students and 7,725 faculty and staff, has an economic impact of \$1.7 billion annually on the state, according to NC State's Office of Research, Innovation, and Economic Development. Part of the Research Triangle Park (RTP) is also located in the Raleigh-Cary metropolitan area. RTP is home to more than 170 global companies providing an estimated 48,000 jobs.

The sales housing market in the metropolitan area is currently soft. Wake County houses approximately 80 percent of the population of the metropolitan area and accounts for almost 90 percent of home sales. According to Triangle Multiple Listing Service (MLS), Inc., during 2011, the number of new and existing home sales in Wake County was down 5 percent, to 10,500 homes, continuing a decline since 2009, when 12,050 homes sold. The average sales price of new and existing homes in Wake County declined by 3 percent to \$246,800. During 2011, the number of new and existing home sales in suburban Johnston County was down by 10 percent, to 1,550 homes, and the average sales price declined by 2 percent, to \$162,100. In comparison, an average of 1,875 homes sold during 2009 and 2010. Triangle MLS, Inc. does not collect sales data in Franklin County, because much of the county is rural. According to LPS Applied Analytics, in December 2011, 4.8 percent of all mortgage loans in the Raleigh-Cary metropolitan area were 90 or more days delinquent, in foreclosure, or in REO (Real Estate

Owned), up from 4.6 percent in December 2010, but less than the 6.3-percent rate for the state in December 2011.

Preliminary data indicate that single-family construction in the Raleigh-Cary metropolitan area increased by 75 homes, or 1.6 percent, to approximately 4,750 homes during 2011. This reverses a trend of declining single family construction that has occurred since 2005. From 2008 through 2010, an average of 5,200 homes was permitted, down from an average of 13,400 homes permitted from 2005 through 2007. Heritage, a single-family home development in Wake County, has constructed 1,900 homes since 2000 and plans to build 400 more homes to complete the development. The average sales price of a new home in the development is \$323,000.

The apartment market in the Raleigh-Cary metropolitan area has improved and is balanced. According to Real Data, the apartment vacancy rate for Wake County was 5.8 percent in August 2011, down from 8.4 percent in August 2010, primarily as a result of the low number of completions during the past few years. The average rent increased 5 percent to approximately \$820 during the same period. The Wake County-Southwest submarket, the largest submarket in the metropolitan area, accounts for approximately 22 percent of all apartments in the metropolitan area. The vacancy rate in the submarket decreased from 7.2 percent in August 2010 to 5 percent in August 2011, and the average rent increased from \$800 to \$850 during the same period. The Wake County-Central submarket, which includes NC State and downtown Raleigh, contains approximately 17 percent of all apartments in the metropolitan area. The vacancy rate in the Wake County-Central submarket dropped from 10.2 percent in August 2010 to 6.6 percent in August 2011, and the average rent increased from \$760 to \$800 during the same period. NC State students compose an estimated 25 percent of renter households in the submarket in which the university is located, or around 5 percent of renter households in the metropolitan area.

Multifamily housing production, as measured by the number of units permitted, is increasing because of the balanced apartment market conditions but remains well below historical production. Preliminary data indicate that multifamily permit activity in the Raleigh-Cary metropolitan area has nearly tripled during 2011, to approximately 1,625 units from 560 units permitted during 2010. Despite this increase, the number of multifamily units permitted is much less than the average of 4,150 units permitted a year during the peak years of 2006 through 2008. During 2009 and 2010, the number of multifamily units permitted averaged only 540 units. In Wake County, approximately 1,100 units were under construction in August 2011 compared with 630 in August 2010. The Wake County-Central submarket currently has 560 units under construction, the most in the metropolitan area. Most units under construction are expected to be complete in 2012.



Reading, Pennsylvania

The Reading metropolitan area, which is coterminous with Berks County, is located 60 miles northwest of Philadelphia. The central city, Reading, is the fifth largest city in Pennsylvania. As of January 1, 2012, the population of the metropolitan area was estimated at 413,800, indicating an average increase of approximately 1,375, or 0.3 percent, annually since April 1, 2010, compared with an average annual growth of 3,175, or 0.8 percent, from July 1, 2005, to April 1, 2010. The slower population growth since April 1, 2010, resulted from an average annual net out-migration of approximately 240 people compared with annual net in-migration of 1,650 people from July 1, 2005, to April 1 2010, in response to a weakening economy.

Economic conditions in the Reading metropolitan area are improving after a 3-year decline from the 174,600 nonfarm payroll jobs reported during the 12 months ending November 2007, the largest number of jobs recorded during the last 10 years. During the 12 months ending November 2011, nonfarm payrolls increased by 2,300 jobs, or 1.4 percent, to approximately 168,700 jobs compared with a decrease of 200 jobs, or 0.1 percent, during the previous 12 months. The largest gain during the 12 months ending November 2011 was in the education and health services sector, which increased by 700 jobs, or 2.8 percent. The Reading Hospital and Medical Center, which is the largest employer in the metropolitan area, expanded operations and added 250 jobs. The manufacturing sector, the largest in the metropolitan area, increased by 500 jobs, or 1.9 percent, compared with nonfarm payrolls during the previous 12 months, but has declined by a total of 33 percent since 2000. During the 12 months ending November 2011, East Penn Manufacturing Company, Inc., and Carpenter Technology Corporation, the second and third largest employers in the metropolitan area, respectively, added more than 500 jobs combined. Other gains in the economy occurred in the mining, logging, and construction and the transportation and utilities sectors, which gained 300 and 200 jobs, or 4.4 and 2.3 percent, respectively, during the 12 months ending November 2011. The unemployment rate during the 12 months ending November 2011 averaged 8.2 percent, a decrease from the 9.2-percent rate recorded during the previous 12 months.

The sales housing market in the Reading metropolitan area currently is soft, with an estimated 1.9-percent vacancy rate, an increase from 1.7 percent on April 1, 2010. Vacancy rates increased during the past 12 months as a result of declining demand. According to TREND MLS, during the 12 months ending November 2011, approximately 3,075 new and existing single-family homes sold, indicating a 6-percent decrease from sales a year earlier and a 44-percent decrease from the average annual volume of 5,500 sales recorded from November 2003 through November 2007. The average sales price of new

and existing single-family homes decreased by 6 percent during the 12 months ending November 2011, to \$152,400, 15 percent less than the decade-high price of \$178,900 reported during the 12 months ending November 2007. According to LPS Applied Analytics, 5.9 percent of mortgage loans in the metropolitan area were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) in November 2011, compared with 5.5 percent of loans in November 2010.

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

The rental housing market in the Reading metropolitan area is currently soft, with an estimated vacancy rate of 7.0 percent. Increased demand has reduced rental vacancy rates since April 1, 2010, when the rate was 7.5 percent. Based on analyst estimates, average rents for newly constructed one-, two-, and three-bedroom units in the area were \$1,100, \$1,300, and \$1,500, respectively. Based on preliminary data with analyst adjustments, approximately 70 multifamily units were permitted during the 12 months ending November 2011, relatively unchanged from the 65 permits issued a year earlier. A 59-unit market-rate apartment complex, The GoggleWorks Apartments, is currently under construction in the city of Reading and is expected to be complete in 2012.

Rhode Island

Rhode Island, located 50 miles southwest of Boston in southern New England, includes Bristol, Kent, Newport, Providence, and Washington Counties. The state represents the predominant portion of the Providence-New Bedford-Fall River, RI-MA metropolitan area, which is the largest metropolitan area in New England aside from the Boston metropolitan area. As of January 1, 2012, the estimated state population was slightly more than 1 million. Weak economic conditions relative to the other New England states have resulted in net out-migration every year since 2004, leading to population declines from 2004 through 2006 and no population growth since 2007. Data from the American Community Survey, however, indicates that the city of Providence, the state capital, largest city, and economic center, added an average of 3,100 people, or 1.8 percent, a year from 2007 through 2010, increasing the city's population to 178,162. According to Moody's Analytics, Inc., the largest employers in Rhode Island are Citizens Bank, Lifespan, and Care New England Health

System, with 22,600, 11,900, and 7,050 employees, respectively. In the fall of 2011, Brown University enrolled more than 8,750 students and, as of 2009 (the most recent data available), reported a statewide economic impact of \$660 million annually, contributing nearly 8,200 jobs directly and indirectly to the area economy.

Economic conditions in Rhode Island are weak but have begun to improve slowly after 4 years of declining non-farm payrolls. During the 12 months ending November 2011, nonfarm payrolls increased by 2,300 jobs, or 0.5 percent, to 461,100 jobs compared with a decline of 3,100 jobs, or 0.7 percent, during the previous 12 months. During the 12 months ending November 2011, every sector added jobs except the government, the financial activities, and the mining, logging, and construction sectors, which lost 1,500, 600, and 600 jobs, or 2.4, 2.1, and 3.8 percent, respectively. These declines resulted primarily from the housing crisis and budget cuts. The retail trade subsector and the leisure and hospitality sector led the growth, adding 2,200 and 900 jobs, an increase of 4.8 and 1.8 percent, respectively. These gains contributed to a decrease in the average unemployment rate to 10.8 percent during the 12 months ending November 2011 compared with 11.7 percent during the previous 12 months. In April 2011, 38 Studios, LLC, an entertainment and Internet protocol-creation company, relocated from Massachusetts to Providence, near the city's new Knowledge District. According to IHS Inc., 38 Studios expects to add 450 jobs by the end of 2013. In North Kingston, General Dynamics Electric Boat, a submarine component manufacturer, completed a \$45 million facility expansion and plans to hire an additional 400 workers by the end of 2012.

Sales housing market conditions in Rhode Island are soft because of tight lending practices and a weak, albeit improving, economy. Based on data from Hanley Wood, LLC, during the 12 months ending November 2011, new and existing single-family home sales totaled 6,225, down 900, or 13 percent, from the number of homes sold during the previous 12 months, a period when homebuyer tax credit incentives influenced sales. Single-family home sales have declined 22 percent from the average annual rate of 7,975 homes sold from 2007 through 2009. During the 12 months ending November 2011, the average sales price for new and existing single-family homes was \$259,600, a 3-percent decrease from the \$267,200 average a year earlier and a 12-percent decrease from the average price of \$296,000 from 2007 through 2009. During the 12 months ending November 2011, new and existing condominium sales represented 11 percent of all home sales in the state, totaling 770, a 37-percent decrease from the 1,225 sales during the previous 12 months and a 45-percent decrease from an average annual rate of 1,400 sales from 2007 through 2009. The average condominium sales price increased by 16 percent, to \$258,800, because of a significant number of high-end sales and is up 2 percent from the average sales price of \$254,300

from 2007 through 2009. According to LPS Applied Analytics, as of December 2011, 8.5 percent of total home loans in Rhode Island were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned), the same percentage as a year earlier. During the 12 months ending November 2011, REO sales represented 16 percent of all existing home sales, a decrease from the 20-percent rate during the previous 12 months.

Soft sales housing market conditions have resulted in declines in single-family homebuilding activity, as measured by the number of permits issued. Based on preliminary data, during the 12 months ending November 2011, the number of single-family homes permitted decreased to 590 compared with 740 homes permitted during the previous 12 months and an average of 990 homes permitted each year from 2007 through 2009. More than 70 percent of recent single-family home construction in Rhode Island was in Providence and Washington Counties, the state's northernmost and southernmost counties.

Overall rental housing market conditions in Rhode Island are soft, but the market for newer and larger apartment projects is balanced and tightening. According to Reis, Inc., during the third quarter of 2011, the apartment vacancy rate decreased to 4.5 percent from 6.4 percent in the third quarter of 2010 as a result of moderate net absorption and limited completions. The average monthly rents for one-, two-, and three-bedroom units were \$1,068, \$1,372, and \$1,409, respectively, averaging \$1,221 overall, an increase of less than 1 percent compared with the average rent during the same period a year earlier. During the third quarter of 2011, in Providence and the other cities and towns inside Interstate 295, the rental vacancy rate was 5.1 percent, and rents increased less than 1 percent to \$1,357 compared with Kent and Washington Counties, which reported a 4.3-percent vacancy rate and rents increasing nearly 2 percent to \$1,076. During the 12 months ending November 2011, multifamily construction, as measured by the number of units permitted, remained relatively unchanged at 170 units compared with the number of units permitted during the previous 12 months. This total compares with an average of 330 units permitted a year from 2007 through 2009.

Sacramento--Arden-Arcade--Roseville, California

The Sacramento--Arden-Arcade--Roseville metropolitan area, which extends from the California Central Valley to the Nevada border at Lake Tahoe, includes El Dorado, Placer, Sacramento, and Yolo Counties and the state capital, the city of Sacramento. The metropolitan area has an estimated 2.2 million residents as of January 1, 2012. With the recent economic weakness, the rate of population growth has slowed to 0.8 percent a year since the 2010 Census. In comparison, the average population



growth rate was 1.2 percent annually from 2006 through 2010, primarily because of higher rates of net in-migration to the metropolitan area.

The economy in the Sacramento--Arden-Arcade--Roseville metropolitan area has recorded nonfarm payroll job losses every month since April 2008, but the rate of decline has slowed. During 2011, nonfarm payrolls decreased by 5,725 jobs to 802,200 jobs, a 0.7-percent loss compared with nonfarm payrolls in 2010. In comparison, the rate of job decline was 5.7 percent from 2008 to 2009 and 2.8 percent from 2009 to 2010. During 2011, the education and health services, leisure and hospitality, and professional and business services sectors added 2,425, 1,425, and 460 jobs, increases of 2.4, 1.8, and 0.5 percent, respectively. The three largest private employers in the metropolitan area are all healthcare providers, led by Kaiser Permanente®, with payrolls of 9,900, Sutter Health Sacramento Sierra Region with payrolls of 7,250, and Catholic Healthcare West/Mercy Health care with payrolls of 6,975. Every other sector posted losses, the greatest of which, a decrease of 4,475 jobs, or 1.9 percent, came in the government sector. Of those losses, the local government subsector accounted for 60 percent, because of budget cuts. The average unemployment rate during 2011 was 11.9 percent, less than the 12.6-percent rate in 2010 but up from the 5.3-percent rate recorded during 2007, before job losses began.

The metropolitan area is largely dependent on the government sector, which provides about 224,800 jobs, or 28 percent of total nonfarm payrolls. Although the California government increased expenditures by 5 percent in fiscal year (FY) 2011, total expenditures remain 14 percent below the FY 2008 level. State government employment began to contract in 2009 and averaged 110,100 jobs during 2011, down 0.9 percent compared with state government employment in 2010. The University of California, Davis (UC Davis), in Yolo County, which has approximately 28,400 faculty and staff, is the leading public-sector employer in the metropolitan area. According to the university, UC Davis generates an annual economic impact in the metropolitan area of nearly \$3 billion and enrolled 32,000 students in the fall 2011 semester. Major projects at UC Davis include the \$55.2 million Tercero South, housing for 590 students that is now under construction, and the \$89 million Vet Med 3B facility, which is in the design stage.

The sales housing market remains soft in the Sacramento--Arden-Arcade--Roseville metropolitan area. After the housing bubble burst in 2006, subsequent foreclosure activity destabilized the market further, because REO (Real Estate Owned) homes and short sales exerted downward pressure on prices. Foreclosure activity has been diminishing but remains high. According to CoreLogic, Inc., the percentage of home loans that were 90 or more days delinquent, in foreclosure, or in REO in the metropolitan area decreased from 10.2 percent in November

2010 to 7.8 percent in November 2011. By comparison, such loans represented 1.2 percent of all mortgage loans in November 2006. According to data from Hanley Wood, LLC, existing home sales totaled 34,000 in the metropolitan area during the 12-month period ending November 2011, up 6 percent compared with sales during the previous 12 months, and the proportion of those sales that were REO decreased from 50 to 45 percent. During the same period, the median sales price of non-REO homes decreased 8 percent, to \$215,600, and the median sales price of REO homes declined 14 percent, to \$147,100. During the 12-month period ending November 2011, new home sales activity in the metropolitan area declined 23 percent to 1,650 homes sold, and the median price decreased 5 percent to \$286,200.

In response to increased sales competition from REO homes, builders have reduced new home construction activity, as measured by the number of building permits issued. Based on preliminary data, during 2011, single-family building permits were issued for 1,875 homes, a 14-percent decline from 2010. The number of single-family permits issued has decreased each year since 2004 and averaged about 2,175 homes annually in 2009 and 2010.

Multifamily construction, as measured by the number of units permitted, has recently increased after 3 consecutive years of declines. Based on preliminary data, 620 multifamily units were permitted during 2011, up 15 percent compared with the 540 units permitted in 2010. Before the recent increase, builders had reduced new construction activity, in part, because of slower sales in the new home market. According to the McGraw-Hill Construction Pipeline database, 3,375 condominiums and townhomes were permitted during the peak years of 2005 and 2006, representing 51 percent of all multifamily units permitted during those years. Beginning in 2007, the proportion of condominiums and townhomes declined to approximately 30 percent of all multifamily units, and an estimated 20 percent of these units were converted to rental use during construction or shortly after being offered for sale. The most recent of these conversions is Alexan Midtown Apartments, a 275-unit complex completed in December 2010 in midtown Sacramento, with rents starting at \$1,300 for a one-bedroom unit and \$1,625 for a two-bedroom unit.

The apartment rental housing market has tightened in the past year from slightly soft conditions and is now balanced. Even with the recent trend of converting condominiums to apartment units, fewer units have entered the rental housing market. From 2008 through 2010, new apartment completions averaged 600 units annually compared with 1,500 units annually in the 2005-through-2007 period. According to MPF Research, the metropolitan area had a 4.8-percent overall apartment rental vacancy rate in the third quarter of 2011, lower than the 5.6-percent rate in the third quarter of 2010. The tightest submarkets in the third quarter of 2011 were the Roseville/Rocklin

and Orangevale/Fair Oaks/Folsom areas, with vacancy rates of less than 4 percent each. The softest submarkets were Carmichael and North Sacramento, with vacancy rates of more than 6 percent. For the Sacramento--Arden-Arcade--Roseville metropolitan area, MPF Research indicates an average overall apartment rent of \$930 in the third quarter of 2011, up more than 3 percent from rents

during the same quarter the previous year. Average asking rents ranged from \$750 in the Carmichael submarket to \$1,125 in the Orangevale/Fair Oaks/Folsom submarket. Average asking rents in the metropolitan area in the third quarter of 2011 were \$810 for a one-bedroom unit, \$970 for a two-bedroom unit, and \$1,250 for a three-bedroom unit.



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

HUD Region and State	2011 Through December			2010 Through December			Ratio: 2011/2010 Through December		
	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*
Connecticut	3,113	2,130	983	3,765	2,546	1,219	0.827	0.837	0.806
Maine	2,299	1,997	302	2,962	2,743	219	0.776	0.728	1.379
Massachusetts	7,260	4,508	2,752	8,648	5,482	3,166	0.840	0.822	0.869
New Hampshire	2,236	1,647	589	2,737	1,992	745	0.817	0.827	0.791
Rhode Island	692	575	117	949	744	205	0.729	0.773	0.571
Vermont	1,199	778	421	1,530	1,199	331	0.784	0.649	1.272
New England	16,799	11,635	5,164	20,591	14,706	5,885	0.816	0.791	0.877
New Jersey	13,005	6,471	6,534	13,318	7,393	5,925	0.976	0.875	1.103
New York	21,701	7,975	13,726	20,205	10,355	9,850	1.074	0.770	1.394
New York/New Jersey	34,706	14,446	20,260	33,523	17,748	15,775	1.035	0.814	1.284
Delaware	2,991	2,495	496	3,076	2,672	404	0.972	0.934	1.228
District of Columbia	4,612	227	4,385	671	119	552	6.873	1.908	7.944
Maryland	12,198	7,919	4,279	12,183	8,403	3,780	1.001	0.942	1.132
Pennsylvania	15,725	12,353	3,372	21,339	17,402	3,937	0.737	0.710	0.856
Virginia	22,361	15,441	6,920	21,215	16,270	4,945	1.054	0.949	1.399
West Virginia	1,671	1,378	293	1,673	1,465	208	0.999	0.941	1.409
Mid-Atlantic	59,558	39,813	19,745	60,157	46,331	13,826	0.990	0.859	1.428
Alabama	10,668	7,935	2,733	10,233	8,126	2,107	1.043	0.976	1.297
Florida	44,043	32,555	11,488	39,524	30,862	8,662	1.114	1.055	1.326
Georgia	17,859	13,640	4,219	17,731	15,194	2,537	1.007	0.898	1.663
Kentucky	6,589	4,513	2,076	6,844	5,411	1,433	0.963	0.834	1.449
Mississippi	4,365	3,772	593	4,794	3,986	808	0.911	0.946	0.734
North Carolina	32,400	24,275	8,125	33,728	26,002	7,726	0.961	0.934	1.052
South Carolina	15,616	12,798	2,818	14,452	13,128	1,324	1.081	0.975	2.128
Tennessee	13,909	11,221	2,688	16,325	11,655	4,670	0.852	0.963	0.576
Southeast/Caribbean	145,449	110,709	34,740	143,631	114,364	29,267	1.013	0.968	1.187
Illinois	12,151	7,117	5,034	11,596	7,862	3,734	1.048	0.905	1.348
Indiana	12,485	9,526	2,959	12,988	9,937	3,051	0.961	0.959	0.970
Michigan	9,187	8,001	1,186	9,256	7,930	1,326	0.993	1.009	0.894
Minnesota	8,249	6,343	1,906	9,656	6,794	2,862	0.854	0.934	0.666
Ohio	14,253	9,346	4,907	13,509	10,606	2,903	1.055	0.881	1.690
Wisconsin	11,164	6,747	4,417	11,834	7,906	3,928	0.943	0.853	1.124
Midwest	67,489	47,080	20,409	68,839	51,035	17,804	0.980	0.923	1.146
Arkansas	6,177	3,700	2,477	6,905	4,340	2,565	0.895	0.853	0.966
Louisiana	11,772	9,643	2,129	11,515	10,493	1,022	1.022	0.919	2.083
New Mexico	4,032	3,393	639	4,511	3,984	527	0.894	0.852	1.213
Oklahoma	8,620	6,326	2,294	8,267	6,981	1,286	1.043	0.906	1.784
Texas	94,740	63,818	30,922	84,753	65,330	19,423	1.118	0.977	1.592
Southwest	125,341	86,880	38,461	115,951	91,128	24,823	1.081	0.953	1.549
Iowa	7,526	5,714	1,812	7,312	5,863	1,449	1.029	0.975	1.251
Kansas	4,969	3,146	1,823	4,523	3,725	798	1.099	0.845	2.284
Missouri	8,300	5,436	2,864	8,260	5,992	2,268	1.005	0.907	1.263
Nebraska	5,168	3,780	1,388	5,013	4,098	915	1.031	0.922	1.517
Great Plains	25,963	18,076	7,887	25,108	19,678	5,430	1.034	0.919	1.452
Colorado	13,831	9,426	4,405	11,779	9,129	2,650	1.174	1.033	1.662
Montana	2,038	1,392	646	2,196	1,516	680	0.928	0.918	0.950
North Dakota	4,643	2,506	2,137	3,558	2,146	1,412	1.305	1.168	1.513
South Dakota	2,939	2,154	785	2,913	2,298	615	1.009	0.937	1.276
Utah	9,793	6,734	3,059	9,441	7,192	2,249	1.037	0.936	1.360
Wyoming	1,944	1,337	607	2,126	1,395	731	0.914	0.958	0.830
Rocky Mountain	35,188	23,549	11,639	32,013	23,676	8,337	1.099	0.995	1.396
Arizona	12,605	10,294	2,311	12,235	10,641	1,594	1.030	0.967	1.450
California	45,335	21,995	23,340	43,128	24,724	18,404	1.051	0.890	1.268
Hawaii	2,857	1,620	1,237	3,430	1,896	1,534	0.833	0.854	0.806
Nevada	6,084	4,716	1,368	6,402	5,370	1,032	0.950	0.878	1.326
Pacific	66,881	38,625	28,256	65,195	42,631	22,564	1.026	0.906	1.252
Alaska	868	710	158	904	753	151	0.960	0.943	1.046
Idaho	3,946	3,489	457	4,584	4,010	574	0.861	0.870	0.796
Oregon	7,931	5,165	2,766	7,302	5,737	1,565	1.086	0.900	1.767
Washington	20,588	13,408	7,180	20,235	14,843	5,392	1.017	0.903	1.332
Northwest	33,333	22,772	10,561	33,025	25,343	7,682	1.009	0.899	1.375
United States	610,707	413,585	197,122	598,033	446,640	151,393	1.021	0.926	1.302

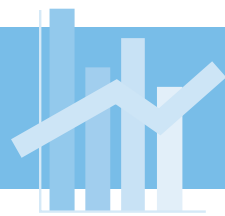
*Multifamily is two or more units in structure. Source: Census Bureau, Department of Commerce

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

CBSA	CBSA Name	2011 Through December		
		Total	Single Family	Multifamily*
26420	Houston-Sugar Land-Baytown, TX	30,865	22,738	8,127
19100	Dallas-Fort Worth-Arlington, TX	24,443	14,000	10,443
35620	New York-Northern New Jersey-Long Island, NY-NJ-PA	21,131	5,993	15,138
47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	18,910	9,277	9,633
31100	Los Angeles-Long Beach-Santa Ana, CA	14,351	4,154	10,197
42660	Seattle-Tacoma-Bellevue, WA	11,218	6,068	5,150
12420	Austin-Round Rock, TX	10,267	6,242	4,025
38060	Phoenix-Mesa-Scottsdale, AZ	9,009	7,389	1,620
12060	Atlanta-Sandy Springs-Marietta, GA	8,692	6,239	2,453
16980	Chicago-Naperville-Joliet, IL-IN-WI	7,779	4,157	3,622
33100	Miami-Fort Lauderdale-Miami Beach, FL	7,574	4,295	3,279
37980	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	7,189	4,586	2,603
41700	San Antonio, TX	6,876	4,322	2,554
19740	Denver-Aurora, CO	6,497	3,595	2,902
39580	Raleigh-Cary, NC	6,351	4,738	1,613
45300	Tampa-St. Petersburg-Clearwater, FL	6,344	4,514	1,830
36740	Orlando-Kissimmee, FL	6,221	4,554	1,667
16740	Charlotte-Gastonia-Concord, NC-SC	6,184	4,890	1,294
14460	Boston-Cambridge-Quincy, MA-NH	5,872	3,280	2,592
41860	San Francisco-Oakland-Fremont, CA	5,748	1,907	3,841
47260	Virginia Beach-Norfolk-Newport News, VA-NC	5,429	2,941	2,488
41740	San Diego-Carlsbad-San Marcos, CA	5,370	2,245	3,125
12580	Baltimore-Towson, MD	5,308	3,269	2,039
38900	Portland-Vancouver-Beaverton, OR-WA	5,190	3,133	2,057
26900	Indianapolis, IN	5,177	3,618	1,559
33460	Minneapolis-St. Paul-Bloomington, MN-WI	5,142	3,750	1,392
34980	Nashville-Davidson-Murfreesboro, TN	5,133	4,138	995
29820	Las Vegas-Paradise, NV	5,074	3,858	1,216
40140	Riverside-San Bernardino-Ontario, CA	4,809	3,453	1,356
18140	Columbus, OH	4,686	2,432	2,254
41180	St. Louis, MO-IL	4,669	3,327	1,342
21340	El Paso, TX	4,019	3,148	871
27260	Jacksonville, FL	3,911	3,245	666
16700	Charleston-North Charleston, SC	3,890	2,640	1,250
41620	Salt Lake City, UT	3,473	2,135	1,338
46140	Tulsa, OK	3,464	1,932	1,532
17140	Cincinnati-Middletown, OH-KY-IN	3,363	2,490	873
19820	Detroit-Warren-Livonia, MI	3,358	2,854	504
28140	Kansas City, MO-KS	3,273	2,352	921
36420	Oklahoma City, OK	3,257	3,075	182
36540	Omaha-Council Bluffs, NE-IA	3,142	2,161	981
32580	McAllen-Edinburg-Mission, TX	3,105	2,922	183
41940	San Jose-Sunnyvale-Santa Clara, CA	3,089	993	2,096
30780	Little Rock-North Little Rock, AR	3,006	1,335	1,671
17900	Columbia, SC	2,897	2,390	507
38300	Pittsburgh, PA	2,888	2,652	236
12940	Baton Rouge, LA	2,877	2,373	504
40060	Richmond, VA	2,739	2,382	357
22180	Fayetteville, NC	2,713	1,423	1,290
19780	Des Moines, IA	2,638	2,247	391

*Multifamily is two or more units in structure. **As per new Office of Management and Budget metropolitan area definitions.

Source: Census Bureau, Department of Commerce



Historical Data



Exhibit 1. New Privately Owned Housing Units Authorized: * 1968–Present **

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1968	1,353.4	694.7	45.1	39.2	574.4	1,104.6	248.8	234.8	350.1	477.3	291.1
1969	1,323.7	625.9	44.7	40.5	612.7	1,074.1	249.6	215.8	317.0	470.5	320.4
1970	1,351.5	646.8	43.0	45.1	616.7	1,067.6	284.0	218.3	287.4	502.9	342.9
1971	1,924.6	906.1	61.8	71.1	885.7	1,597.6	327.0	303.6	421.1	725.4	474.6
1972	2,218.9	1,033.1	68.1	80.5	1,037.2	1,798.0	420.9	333.3	440.8	905.4	539.3
1973	1,819.5	882.1	53.8	63.2	820.5	1,483.5	336.0	271.9	361.4	763.2	423.1
1974	1,074.4	643.8	32.6	31.7	366.2	835.0	239.4	165.4	241.3	390.1	277.6
1975	939.2	675.5	34.1	29.8	199.8	704.1	235.1	129.5	241.5	292.7	275.5
1976	1,296.2	893.6	47.5	45.6	309.5	1,001.9	294.2	152.4	326.1	401.7	416.0
1977	1,690.0	1,126.1	62.1	59.2	442.7	1,326.3	363.7	181.9	402.4	561.1	544.6
1978	1,800.5	1,182.6	64.5	66.1	487.3	1,398.6	401.9	194.4	388.0	667.6	550.5
1979	1,551.8	981.5	59.5	65.9	444.8	1,210.6	341.2	166.9	289.1	628.0	467.7
1980	1,190.6	710.4	53.8	60.7	365.7	911.0	279.6	117.9	192.0	561.9	318.9
1981	985.5	564.3	44.6	57.2	319.4	765.2	220.4	109.8	133.3	491.1	251.3
1982	1,000.5	546.4	38.4	49.9	365.8	812.6	187.9	106.7	126.3	543.5	224.1
1983	1,605.2	901.5	57.5	76.1	570.1	1,359.7	245.5	164.1	187.8	862.9	390.4
1984	1,681.8	922.4	61.9	80.7	616.8	1,456.2	225.7	200.8	211.7	812.1	457.3
1985	1,733.3	956.6	54.0	66.1	656.6	1,507.6	225.6	259.7	237.0	752.6	483.9
1986	1,769.4	1,077.6	50.4	58.0	583.5	1,551.3	218.1	283.3	290.0	686.5	509.7
1987	1,534.8	1,024.4	40.8	48.5	421.1	1,319.5	215.2	271.8	282.3	574.7	406.0
1988	1,455.6	993.8	35.0	40.7	386.1	1,239.7	215.9	230.2	266.3	543.5	415.6
1989	1,338.4	931.7	31.7	35.3	339.8	1,127.6	210.8	179.0	252.1	505.3	402.1
1990	1,110.8	793.9	26.7	27.6	262.6	910.9	199.9	125.8	233.8	426.2	324.9
1991	948.8	753.5	22.0	21.1	152.1	766.8	182.0	109.8	215.4	375.7	247.9
1992	1,094.9	910.7	23.3	22.5	138.4	888.5	206.5	124.8	259.0	442.5	268.6
1993	1,199.1	986.5	26.7	25.6	160.2	1,009.0	190.1	133.5	276.6	500.7	288.2
1994	1,371.6	1,068.5	31.4	30.8	241.0	1,144.1	227.5	138.5	305.2	585.5	342.4
1995	1,332.5	997.3	32.2	31.5	271.5	1,116.8	215.8	124.2	296.6	583.2	328.5
1996	1,425.6	1,069.5	33.6	32.2	290.3	1,200.0	225.6	136.9	317.8	623.4	347.4
1997	1,441.1	1,062.4	34.9	33.6	310.3	1,220.2	220.9	141.9	299.8	635.9	363.5
1998	1,612.3	1,187.6	33.2	36.0	355.5	1,377.9	234.4	159.4	327.2	724.5	401.2
1999	1,663.5	1,246.7	32.5	33.3	351.1	1,427.4	236.1	164.9	345.4	748.9	404.3
2000	1,592.3	1,198.1	30.6	34.3	329.3	1,364.9	227.3	165.1	323.8	701.9	401.5
2001	1,636.7	1,235.6	31.8	34.2	335.2	1,410.4	226.3	159.8	333.6	730.3	413.0
2002	1,747.7	1,332.6	37.2	36.5	341.4	1,501.5	246.1	173.7	352.4	790.7	430.9
2003	1,889.2	1,460.9	40.9	41.6	345.8	1,670.4	218.8	182.4	371.0	849.3	486.5
2004	2,070.1	1,613.4	43.0	47.4	366.2	1,814.8	255.3	197.0	370.5	960.8	541.9
2005	2,147.6	1,681.2	39.3	44.7	382.5	1,884.7	270.7	199.8	362.8	1,027.7	557.3
2006	1,838.9	1,378.2	35.3	41.3	384.1	1,598.4	240.5	174.6	279.4	929.7	455.2
2007	1,398.4	979.9	28.1	31.5	349.5	1,207.1	191.3	150.6	211.7	692.2	343.9
2008	905.4	575.6	16.8	17.6	295.4	776.7	128.6	119.0	137.7	451.9	196.7
2009	572.2	435.1	9.8	10.1	117.2	490.9	81.4	65.9	97.6	292.4	116.3
2010	598.0	446.6	9.9	10.9	130.6	517.5	80.6	75.5	100.4	293.9	128.3
2011	610.7	413.6	10.0	10.7	176.4	537.6	73.1	67.2	101.0	310.6	131.9
Monthly Data (Seasonally Adjusted Annual Rates)											
2010											
Oct	555	407	24		124	NA		65	111	269	110
Nov	564	420	20		124	NA		64	94	283	123
Dec	630	445	25		160	NA		114	97	257	162
2011											
Jan	568	419	20		129	NA		77	94	286	111
Feb	534	382	15		137	NA		63	86	288	97
Mar	574	392	16		166	NA		60	94	296	124
Apr	563	395	21		147	NA		59	94	284	126
May	609	406	20		183	NA		80	97	293	139
Jun	617	402	21		194	NA		71	99	306	141
Jul	601	403	21		177	NA		60	96	312	133
Aug	625	418	25		182	NA		61	107	313	144
Sep	589	413	20		156	NA		64	107	288	130
Oct	644	428	23		193	NA		61	107	345	131
Nov	680	436	21		223	NA		77	104	339	160
Dec	671	441	24		206	NA		72	107	338	154

* Authorized in permit-issuing places. ** Components may not add to totals because of rounding. Units in thousands. MSA = Metropolitan statistical area. NA = Data published only annually.

Source: Census Bureau, Department of Commerce <http://www.census.gov/const/newresconst.pdf>

Exhibit 2. New Privately Owned Housing Units Started: 1968–Present*



Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1968	1,507.6	899.4	46.0	34.9	527.3	1,096.4	411.2	226.8	368.6	618.5	293.7
1969	1,466.8	810.6	43.0	42.0	571.2	1,078.7	388.0	206.1	348.7	588.4	323.5
1970	1,433.6	812.9	42.4	42.4	535.9	1,017.9	415.7	217.9	293.5	611.6	310.5
1971	2,052.2	1,151.0	55.1	65.2	780.9	1,501.8	550.4	263.8	434.1	868.7	485.6
1972	2,356.6	1,309.2	67.1	74.2	906.2	1,720.4	636.2	329.5	442.8	1,057.0	527.4
1973	2,045.3	1,132.0	54.2	64.1	795.0	1,495.4	549.9	277.3	439.7	899.4	428.8
1974	1,337.7	888.1	33.2	34.9	381.6	922.5	415.3	183.2	317.3	552.8	284.5
1975	1,160.4	892.2	34.5	29.5	204.3	760.3	400.1	149.2	294.0	442.1	275.1
1976	1,537.5	1,162.4	44.0	41.9	289.2	1,043.5	494.1	169.2	400.1	568.5	399.6
1977	1,987.1	1,450.9	60.7	61.0	414.4	1,377.3	609.8	201.6	464.6	783.1	537.9
1978	2,020.3	1,433.3	62.2	62.8	462.0	1,432.1	588.2	200.3	451.2	823.7	545.2
1979	1,745.1	1,194.1	56.1	65.9	429.0	1,240.6	504.6	177.9	349.2	747.5	470.5
1980	1,292.2	852.2	48.8	60.7	330.5	913.6	378.7	125.4	218.1	642.7	306.0
1981	1,084.2	705.4	38.2	52.9	287.7	759.8	324.3	117.3	165.2	561.6	240.0
1982	1,062.2	662.6	31.9	48.1	319.6	784.8	277.4	116.7	149.1	591.0	205.4
1983	1,703.0	1,067.6	41.8	71.7	522.0	1,351.1	351.9	167.6	217.9	935.2	382.3
1984	1,749.5	1,084.2	38.6	82.8	544.0	1,414.6	334.9	204.1	243.4	866.0	436.0
1985	1,741.8	1,072.4	37.0	56.4	576.1	1,493.9	247.9	251.7	239.7	782.3	468.2
1986	1,805.4	1,179.4	36.1	47.9	542.0	1,546.3	259.1	293.5	295.8	733.1	483.0
1987	1,620.5	1,146.4	27.8	37.5	408.7	1,372.2	248.2	269.0	297.9	633.9	419.8
1988	1,488.1	1,081.3	23.4	35.4	348.0	1,243.0	245.1	235.3	274.0	574.9	403.9
1989	1,376.1	1,003.3	19.9	35.3	317.6	1,128.1	248.0	178.5	265.8	536.2	395.7
1990	1,192.7	894.8	16.1	21.4	260.4	946.9	245.7	131.3	253.2	479.3	328.9
1991	1,013.9	840.4	15.5	20.1	137.9	789.2	224.7	112.9	233.0	414.1	254.0
1992	1,199.7	1,029.9	12.4	18.3	139.0	931.5	268.2	126.7	287.8	496.9	288.3
1993	1,287.6	1,125.7	11.1	18.3	132.6	1,031.9	255.8	126.5	297.7	561.8	301.7
1994	1,457.0	1,198.4	14.8	20.2	223.5	1,183.1	273.9	138.2	328.9	639.1	350.8
1995	1,354.1	1,076.2	14.3	19.4	244.1	1,106.4	247.6	117.7	290.1	615.0	331.3
1996	1,476.8	1,160.9	16.4	28.8	270.8	1,211.4	265.5	132.1	321.5	661.9	361.4
1997	1,474.0	1,133.7	18.1	26.4	295.8	1,221.3	252.7	136.8	303.6	670.3	363.3
1998	1,616.9	1,271.4	15.7	26.9	302.9	1,349.9	267.0	148.5	330.5	743.0	394.9
1999	1,640.9	1,302.4	15.0	16.9	306.6	1,367.7	273.2	155.7	347.3	746.0	391.9
2000	1,568.7	1,230.9	15.2	23.5	299.1	1,297.3	271.4	154.5	317.5	713.6	383.1
2001	1,602.7	1,273.3	17.2	19.3	292.8	1,329.4	273.3	149.2	330.4	732.0	391.1
2002	1,704.9	1,358.6	14.0	24.4	307.9	1,398.1	306.8	158.7	349.6	781.5	415.5
2003	1,847.7	1,499.0	15.7	17.8	315.2	1,517.5	330.3	163.9	372.5	838.4	473.6
2004	1,955.8	1,610.5	17.7	24.6	303.0	1,592.6	363.3	175.4	355.7	908.5	516.2
2005	2,068.3	1,715.8	15.3	25.8	311.4	1,829.2	239.1	189.7	357.4	996.1	525.1
2006	1,800.9	1,465.4	15.3	27.4	292.8	1,599.2	201.7	167.2	279.5	910.3	443.8
2007	1,355.0	1,046.0	12.1	19.6	277.3	1,196.0	159.1	142.9	210.1	681.1	320.9
2008	905.5	622.0	6.2	11.4	266.0	799.0	106.6	121.0	134.9	453.4	196.2
2009	554.0	445.1	6.3	5.2	97.3	477.9	76.1	61.8	97.1	278.2	116.8
2010	586.9	471.2	5.7	5.7	104.3	511.9	75.0	71.6	97.9	297.5	119.9
2011	606.9	428.6	4.9	5.9	167.4	541.7	65.1	67.6	99.6	306.6	133.1
Monthly Data (Seasonally Adjusted Annual Rates)											
2010											
Oct	539	434	NA		93	NA		82	95	265	97
Nov	551	454	NA		82	NA		78	108	267	98
Dec	526	421	NA		97	NA		58	65	269	134
2011											
Jan	636	437	NA		187	NA		94	115	306	121
Feb	518	388	NA		112	NA		55	63	310	90
Mar	593	418	NA		164	NA		61	81	337	114
Apr	549	411	NA		124	NA		60	96	274	119
May	553	416	NA		131	NA		56	99	264	134
Jun	615	449	NA		160	NA		68	126	288	133
Jul	615	430	NA		176	NA		85	90	306	134
Aug	585	425	NA		153	NA		57	86	301	141
Sep	646	422	NA		218	NA		59	98	327	162
Oct	628	437	NA		175	NA		64	110	322	132
Nov	685	450	NA		227	NA		97	93	330	165
Dec	657	470	NA		164	NA		57	144	320	136

*Components may not add to totals because of rounding. Units in thousands. MSA = Metropolitan statistical area. NA = Data published only annually.

Source: Census Bureau, Department of Commerce

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



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

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1970	922.0	381.1	22.8	27.3	490.8	NA	NA	197.1	189.3	359.2	176.4
1971	1,254.0	504.9	26.7	37.8	684.6	NA	NA	236.6	278.5	494.4	244.4
1972	1,542.1	612.5	36.4	46.4	846.8	NA	NA	264.4	306.8	669.1	301.8
1973	1,454.4	521.7	31.0	48.0	853.6	NA	NA	239.4	293.1	650.2	271.7
1974	1,000.8	441.1	19.4	29.1	511.3	NA	NA	178.0	218.8	418.9	185.1
1975	794.3	447.5	20.1	27.4	299.4	563.2	231.1	130.2	195.1	298.1	171.0
1976	922.0	562.6	22.7	31.8	304.9	658.5	263.5	125.4	232.1	333.3	231.2
1977	1,208.0	729.8	34.0	44.9	399.3	862.5	345.5	145.5	284.6	457.3	320.6
1978	1,310.2	764.5	36.1	47.3	462.2	968.0	342.2	158.3	309.2	497.6	345.2
1979	1,140.1	638.7	31.3	46.7	423.4	820.1	320.0	146.7	232.5	449.3	311.6
1980	896.1	514.5	28.3	40.3	313.1	620.9	275.2	120.1	171.4	376.7	227.9
1981	682.4	381.7	16.5	29.0	255.3	458.9	223.5	103.2	109.7	299.7	169.8
1982	720.0	399.7	16.5	24.9	278.9	511.7	208.3	98.6	112.4	344.0	165.0
1983	1,002.8	523.9	19.0	39.1	420.8	757.8	245.0	120.8	122.6	520.6	238.8
1984	1,050.5	556.0	20.9	42.5	431.0	814.1	236.4	152.5	137.3	488.9	271.7
1985	1,062.5	538.6	20.6	34.9	468.4	885.1	177.4	186.6	143.8	437.5	294.7
1986	1,073.5	583.1	19.3	28.4	442.7	899.7	173.8	218.9	165.7	387.3	301.5
1987	987.3	590.6	17.3	22.5	356.9	820.6	166.7	221.7	158.7	342.5	264.4
1988	919.4	569.6	16.1	24.1	309.5	757.5	161.9	201.6	148.1	308.2	261.6
1989	850.3	535.1	11.9	25.1	278.1	686.7	163.6	158.8	145.5	282.1	263.9
1990	711.4	449.1	10.9	15.1	236.3	553.9	157.5	121.6	133.4	242.3	214.1
1991	606.3	433.5	9.1	14.5	149.2	458.4	147.9	103.9	122.4	208.5	171.6
1992	612.4	472.7	5.6	11.3	122.8	453.1	159.4	81.4	137.8	228.4	164.8
1993	680.1	543.0	6.5	12.4	118.2	521.0	159.1	89.3	154.4	265.4	170.9
1994	762.2	557.8	9.1	12.9	182.5	597.6	164.5	96.3	173.5	312.1	180.3
1995	775.9	547.2	8.4	12.7	207.7	620.1	155.8	86.3	172.0	331.4	186.3
1996	792.3	550.0	9.0	19.1	214.3	629.9	162.4	85.2	178.0	337.6	191.4
1997	846.7	554.6	11.2	20.7	260.2	684.4	163.2	87.1	181.9	364.8	213.0
1998	970.8	659.1	8.3	20.5	282.9	794.8	176.0	98.5	201.2	428.5	242.6
1999	952.8	647.6	9.0	12.1	284.1	786.1	166.6	103.5	202.5	422.3	224.5
2000	933.8	623.4	10.2	19.5	280.7	759.8	173.9	110.0	186.6	397.6	239.5
2001	959.4	638.3	11.8	16.7	292.6	790.6	168.7	116.1	195.9	396.5	250.9
2002	1,001.2	668.8	10.9	15.5	306.0	817.7	183.4	125.0	207.1	413.0	256.0
2003	1,141.4	772.9	10.4	13.9	344.2	940.4	201.0	128.1	234.7	482.6	296.1
2004	1,237.1	850.3	14.0	24.1	348.7	1,011.8	225.3	146.8	222.4	536.4	331.6
2005	1,355.9	929.1	14.7	20.3	391.8	1,194.3	161.6	171.9	221.4	604.2	358.4
2006	1,204.9	764.7	12.2	22.7	405.3	1,062.5	142.4	162.3	183.7	534.3	324.6
2007	1,025.0	579.1	10.9	18.7	416.3	907.2	117.7	155.9	162.5	431.6	274.9
2008	780.9	377.3	5.8	12.0	385.8	703.6	77.3	157.3	103.9	311.6	208.1
2009	495.4	283.1	5.3	6.6	200.4	432.9	62.4	112.2	76.4	183.6	123.2
2010	411.0	247.3	4.9	5.8	153.1	353.2	57.8	97.5	65.2	161.3	87.0
2011	415.3	221.3	4.7	5.4	183.8	365.1	50.1	88.6	64.5	164.3	97.9
Monthly Data (Seasonally Adjusted)											
2010											
Oct	434	264	NA		160	NA		99	70	172	93
Nov	431	266	NA		154	NA		99	69	173	90
Dec	430	262	NA		157	NA		100	67	171	92
2011											
Jan	430	259	NA		160	NA		100	68	171	91
Feb	423	252	NA		160	NA		99	66	171	87
Mar	420	252	NA		156	NA		99	66	169	86
Apr	418	250	NA		157	NA		96	67	169	86
May	415	246	NA		158	NA		94	66	170	85
Jun	415	245	NA		160	NA		92	66	170	87
Jul	417	243	NA		164	NA		95	66	166	90
Aug	411	238	NA		163	NA		93	61	166	91
Sept	418	238	NA		171	NA		91	63	169	95
Oct	421	235	NA		176	NA		88	65	171	97
Nov	430	235	NA		185	NA		92	65	172	101
Dec	429	233	NA		186	NA		90	66	172	101

*Components may not add to totals because of rounding. Units in thousands. MSA = Metropolitan statistical area. NA = Data published only annually.

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

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

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


Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1970	1,418.4	801.8	42.9	42.2	531.5	1,013.2	405.2	184.9	323.4	594.6	315.5
1971	1,706.1	1,014.0	50.9	55.2	586.1	1,192.5	513.6	225.8	348.1	727.0	405.2
1972	2,003.9	1,160.2	54.0	64.9	724.7	1,430.9	573.0	281.1	411.8	848.5	462.4
1973	2,100.5	1,197.2	59.9	63.6	779.8	1,541.0	559.5	294.0	441.7	906.3	458.6
1974	1,728.5	940.3	43.5	51.8	692.9	1,266.1	462.4	231.7	377.4	755.8	363.6
1975	1,317.2	874.8	31.5	29.1	381.8	922.6	394.5	185.8	313.2	531.3	286.8
1976	1,377.2	1,034.2	40.8	36.5	265.8	950.1	427.2	170.2	355.6	513.2	338.3
1977	1,657.1	1,258.4	48.9	46.1	303.7	1,161.9	495.2	176.8	400.0	636.1	444.2
1978	1,867.5	1,369.0	59.0	57.2	382.2	1,313.6	553.9	181.9	416.5	752.0	517.1
1979	1,870.8	1,301.0	60.5	64.4	444.9	1,332.0	538.8	188.4	414.7	761.7	506.0
1980	1,501.6	956.7	51.4	67.2	426.3	1,078.9	422.7	146.0	273.5	696.1	386.0
1981	1,265.7	818.5	49.2	62.4	335.7	888.4	377.4	127.3	217.7	626.4	294.3
1982	1,005.5	631.5	29.8	51.1	293.1	708.2	297.3	120.5	143.0	538.8	203.2
1983	1,390.3	923.7	37.0	55.2	374.4	1,073.9	316.5	138.9	200.8	746.0	304.6
1984	1,652.2	1,025.1	35.0	77.3	514.8	1,316.7	335.6	168.2	221.1	866.6	396.4
1985	1,703.3	1,072.5	36.4	60.7	533.6	1,422.2	281.0	213.8	230.5	812.2	446.8
1986	1,756.4	1,120.2	35.0	51.0	550.1	1,502.1	254.3	254.0	269.8	763.8	468.8
1987	1,668.8	1,122.8	29.0	42.4	474.6	1,420.4	248.4	257.4	302.3	660.4	448.7
1988	1,529.8	1,084.6	23.5	33.2	388.6	1,286.1	243.7	250.2	280.3	594.8	404.6
1989	1,422.8	1,026.3	24.1	34.6	337.9	1,181.2	241.7	218.8	267.1	549.4	387.5
1990	1,308.0	966.0	16.5	28.2	297.3	1,060.2	247.7	157.7	263.3	510.7	376.3
1991	1,090.8	837.6	16.9	19.7	216.6	862.1	228.7	120.1	240.4	438.9	291.3
1992	1,157.5	963.6	15.1	20.8	158.0	909.5	248.0	136.4	268.4	462.4	290.3
1993	1,192.7	1,039.4	9.5	16.7	127.1	943.0	249.8	117.6	273.3	512.0	290.0
1994	1,346.9	1,160.3	12.1	19.5	154.9	1,086.3	260.6	123.4	307.1	580.9	335.5
1995	1,312.6	1,065.5	14.8	19.8	212.4	1,065.0	247.6	126.9	287.9	581.1	316.7
1996	1,412.9	1,128.5	13.6	19.5	251.3	1,163.4	249.4	125.1	304.5	637.1	346.2
1997	1,400.5	1,116.4	13.6	23.4	247.1	1,152.8	247.7	134.0	295.9	634.1	336.4
1998	1,474.2	1,159.7	16.2	24.4	273.9	1,228.5	245.7	137.3	305.1	671.6	360.2
1999	1,604.9	1,270.4	12.5	22.6	299.3	1,336.8	268.0	142.7	334.7	732.7	394.8
2000	1,573.7	1,241.8	12.6	14.7	304.7	1,313.7	260.0	146.1	334.4	729.3	363.9
2001	1,570.8	1,255.9	14.3	19.6	281.0	1,305.1	265.7	144.8	316.4	726.3	383.3
2002	1,648.4	1,325.1	13.1	21.9	288.2	1,367.4	281.0	147.9	329.8	757.8	412.8
2003	1,678.7	1,386.3	13.9	17.7	260.8	1,381.5	297.1	154.6	332.2	755.6	436.2
2004	1,841.9	1,531.5	11.2	12.2	286.9	1,514.5	327.4	155.9	362.4	840.4	483.3
2005	1,931.4	1,635.9	13.1	24.4	258.0	1,702.0	229.5	170.7	351.9	903.7	505.1
2006	1,979.4	1,654.5	16.4	24.3	284.2	1,760.1	219.3	179.1	325.1	986.7	488.6
2007	1,502.8	1,218.4	12.4	19.0	253.0	1,332.9	169.9	144.8	222.7	766.1	369.3
2008	1,119.7	818.8	9.3	14.4	277.2	977.4	142.3	109.6	178.2	567.4	264.4
2009	794.4	520.1	5.4	9.1	259.8	708.5	85.9	94.2	119.2	393.5	187.5
2010	651.7	496.3	3.7	5.2	146.5	577.7	74.0	80.4	106.9	316.7	147.7
2011	583.9	444.9	3.8	4.8	130.5	516.1	67.8	74.2	102.9	294.0	112.8
Monthly Data (Seasonally Adjusted Annual Rates)											
2010											
Oct	601	479	NA		115	NA		86	116	287	112
Nov	551	432	NA		114	NA		73	120	260	98
Dec	565	454	NA		100	NA		59	90	299	117
2011											
Jan	509	417	NA		86	NA		66	92	246	105
Feb	611	482	NA		121	NA		69	96	325	121
Mar	597	374	NA		215	NA		69	94	342	92
Apr	543	426	NA		100	NA		67	98	277	101
May	549	441	NA		103	NA		69	106	243	131
Jun	574	452	NA		106	NA		83	111	281	99
Jul	641	487	NA		145	NA		68	116	355	102
Aug	621	481	NA		136	NA		65	123	296	137
Sept	608	427	NA		171	NA		99	93	301	115
Oct	576	445	NA		124	NA		88	94	283	111
Nov	554	452	NA		97	NA		51	88	297	118
Dec	605	448	NA		147	NA		93	108	288	116

*Components may not add to totals because of rounding. Units in thousands. MSA = Metropolitan statistical area. NA = Data published only annually.

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

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



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



Period	Shipments*	Placed for Residential Use*					Average Price (\$)	For Sale*
	United States	United States	Northeast	Midwest	South	West		
Annual Data								
1977	266	258	17	51	113	78	14,200	70
1978	276	280	17	50	135	78	15,900	74
1979	277	280	17	47	145	71	17,600	76
1980	222	234	12	32	140	49	19,800	56
1981	241	229	12	30	144	44	19,900	58
1982	240	234	12	26	161	35	19,700	58
1983	296	278	16	34	186	41	21,000	73
1984	295	288	20	35	193	39	21,500	82
1985	284	283	20	39	188	37	21,800	78
1986	244	256	21	37	162	35	22,400	67
1987	233	239	24	40	146	30	23,700	61
1988	218	224	23	39	131	32	25,100	58
1989	198	203	20	39	113	31	27,200	56
1990	188	195	19	38	108	31	27,800	49
1991	171	174	14	35	98	27	27,700	49
1992	211	212	15	42	124	30	28,400	51
1993	254	243	15	45	147	36	30,500	61
1994	304	291	16	53	178	44	32,800	70
1995	340	319	15	58	203	44	35,300	83
1996	363	338	16	59	218	44	37,200	89
1997	354	336	14	55	219	47	39,800	91
1998	373	374	15	58	250	50	41,600	83
1999	348	338	14	54	227	44	43,300	88
2000	251	281	15	50	177	39	46,400	59
2001	193	196	12	38	116	30	48,900	56
2002	169	174	12	34	101	27	51,300	47
2003	131	140	11	25	77	26	54,900	36
2004	131	124	11	21	67	26	58,200	35
2005	147	123	9	17	68	29	62,600	35
2006	117	112	8	15	66	24	64,300	37
2007	96	95	7	11	59	18	65,400	34
2008	82	81	5	8	54	13	64,700	31
2009	50	52	4	5	36	7	63,100	26
2010	50	49	4	5	34	6	62,600	22
2011	52	NA	NA	NA	NA	NA	NA	NA
Monthly Data (Seasonally Adjusted Annual Rates)								
2010								
Aug	50	51	4	7	34	6	60,600	22
Sep	47	43	4	4	39	6	60,600	23
Oct	44	46	3	5	31	6	65,300	22
Nov	44	43	4	5	28	5	60,800	22
Dec	40	45	4	7	28	6	63,300	22
Jan	45	37	2	4	24	6	60,800	22
Feb	44	47	3	6	30	7	60,100	21
Mar	47	44	4	5	29	7	59,600	22
2011								
Apr	47	44	3	4	30	7	57,000	22
May	47	41	3	6	26	6	63,700	22
Jun	49	50	4	6	35	5	60,000	21
Jul	47	42	2	6	28	6	61,800	21
Aug	51	47	4	6	32	5	60,800	21
Sep	55	46	3	6	31	6	61,900	21
Oct	61	46	3	6	30	6	60,600	22
Nov	63	53	4	8	34	7	61,200	22
Dec	58	NA	NA	NA	NA	NA	NA	NA

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

NA = Not available.

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

<http://www.census.gov/ftp/pub/const/www/mhsindex.html> (see current tables, monthly tables)



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

Period	Sold During Period					For Sale at End of Period						Months' Supply at Current U.S. Sales Rate
	United States	North-east	Mid-west	South	West	United States	North-east	Mid-west	South	West	United States	
Annual Data												
1970	485	61	100	203	121	227	38	47	91	51		NA
1971	656	82	127	270	176	294	45	55	131	63		NA
1972	718	96	130	305	187	416	53	69	199	95		NA
1973	634	95	120	257	161	422	59	81	181	102		NA
1974	519	69	103	207	139	350	50	68	150	82		NA
1975	549	71	106	222	150	316	43	66	133	74		NA
1976	646	72	128	247	199	358	45	68	154	91		NA
1977	819	86	162	317	255	408	44	73	168	123		NA
1978	817	78	145	331	262	419	45	80	170	124		NA
1979	709	67	112	304	225	402	42	74	172	114		NA
1980	545	50	81	267	145	342	40	55	149	97		NA
1981	436	46	60	219	112	278	41	34	127	76		NA
1982	412	47	48	219	99	255	39	27	129	60		NA
1983	623	76	71	323	152	304	42	33	149	79		NA
1984	639	94	76	309	160	358	55	41	177	85		NA
1985	688	112	82	323	171	350	66	34	172	79		NA
1986	750	136	96	322	196	361	88	32	153	87		NA
1987	671	117	97	271	186	370	103	39	149	79		NA
1988	676	101	97	276	202	371	112	43	133	82		NA
1989	650	86	102	260	202	366	108	41	123	93		NA
1990	534	71	89	225	149	321	77	42	105	97		NA
1991	509	57	93	215	144	284	62	41	97	83		NA
1992	610	65	116	259	170	267	48	41	104	74		NA
1993	666	60	123	295	188	295	53	48	121	73		NA
1994	670	61	123	295	191	340	55	63	140	82		NA
1995	667	55	125	300	187	374	62	69	158	86		NA
1996	757	74	137	337	209	326	38	67	146	74		NA
1997	804	78	140	363	223	287	26	65	127	69		NA
1998	886	81	164	398	243	300	28	63	142	68		NA
1999	880	76	168	395	242	315	28	64	153	70		NA
2000	877	71	155	406	244	301	28	65	146	62		NA
2001	908	66	164	439	239	310	28	70	142	69	NA	
2002	973	65	185	450	273	344	36	77	161	70	NA	
2003	1,086	79	189	511	307	377	29	97	172	79	3.9	
2004	1,203	83	210	562	348	431	30	111	200	91	4.0	
2005	1,283	81	205	638	358	515	47	109	249	109	4.5	
2006	1,051	63	161	559	267	537	54	97	267	119	6.4	
2007	776	65	118	411	181	496	48	79	248	121	8.5	
2008	485	35	70	266	114	352	37	57	175	83	10.7	
2009	375	31	54	202	87	232	27	38	118	48	9.1	
2010	323	31	45	173	74	188	22	27	98	41	8.0	
2011	302	21	45	166	70	156	19	21	83	34	6.7	
Monthly Data												(Seasonally Adjusted)
(Seasonally Adjusted Annual Rates)						(Not Seasonally Adjusted)						
2010												
Oct	282	30	40	162	50	199	22	29	104	44	200	8.5
Nov	287	20	35	164	68	195	22	28	102	43	196	8.2
Dec	331	22	38	168	103	188	22	27	98	41	190	6.9
2011												
Jan	310	33	42	163	72	185	21	25	98	41	186	7.2
Feb	281	19	31	170	61	181	21	25	96	38	182	7.8
Mar	305	25	39	171	70	179	20	26	96	38	178	7.0
Apr	316	25	41	168	82	172	19	25	93	35	173	6.6
May	308	19	41	174	74	168	19	25	91	33	168	6.5
Jun	303	16	45	171	71	167	19	24	89	34	166	6.6
Jul	295	23	46	163	63	165	19	24	87	34	166	6.8
Aug	290	23	48	156	63	164	19	23	87	35	162	6.7
Sep	302	19	47	170	66	163	18	23	87	34	161	6.4
Oct	307	18	51	155	83	160	18	23	86	33	160	6.3
Nov	314	15	54	178	67	157	19	22	83	33	158	6.0
Dec	307	22	52	160	73	156	19	21	83	34	157	6.1

*Components may not add to totals because of rounding. Units in thousands. NA = Not available.

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

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



Exhibit 7. Existing Home Sales: 1969–Present *

Period	United States	Northeast	Midwest	South	West	For Sale	Months' Supply
Annual Data							
1969	1,594	240	508	538	308	NA	NA
1970	1,612	251	501	568	292	NA	NA
1971	2,018	311	583	735	389	NA	NA
1972	2,252	361	630	788	473	NA	NA
1973	2,334	367	674	847	446	NA	NA
1974	2,272	354	645	839	434	NA	NA
1975	2,476	370	701	862	543	NA	NA
1976	3,064	439	881	1,033	712	NA	NA
1977	3,650	515	1,101	1,231	803	NA	NA
1978	3,986	516	1,144	1,416	911	NA	NA
1979	3,827	526	1,061	1,353	887	NA	NA
1980	2,973	403	806	1,092	672	NA	NA
1981	2,419	353	632	917	516	NA	NA
1982	1,990	354	490	780	366	1,910	NA
1983	2,719	493	709	1,035	481	1,980	NA
1984	2,868	511	755	1,073	529	2,260	NA
1985	3,214	622	866	1,172	554	2,200	NA
1986	3,565	703	991	1,261	610	1,970	NA
1987	3,526	685	959	1,282	600	2,160	NA
1988	3,594	673	929	1,350	642	2,160	NA
1989	3,290	635	886	1,075	694	1,870	NA
1990	3,186	583	861	1,090	651	2,100	NA
1991	3,145	591	863	1,067	624	2,130	NA
1992	3,432	666	967	1,126	674	1,760	NA
1993	3,739	709	1,027	1,262	740	1,520	NA
1994	3,886	723	1,031	1,321	812	1,380	NA
1995	3,852	717	1,010	1,315	810	1,470	NA
1996	4,167	772	1,060	1,394	941	1,910	NA
1997	4,371	812	1,088	1,474	997	1,840	NA
1998	4,966	898	1,228	1,724	1,115	1,910	NA
1999	5,183	910	1,246	1,850	1,177	1,894	4.8
2000	5,174	911	1,222	1,866	1,174	2,048	4.5
2001	5,335	912	1,271	1,967	1,184	2,068	4.6
2002	5,632	952	1,346	2,064	1,269	2,118	4.7
2003	6,175	1,019	1,468	2,283	1,405	2,270	4.7
2004	6,778	1,113	1,550	2,540	1,575	2,244	4.3
2005	7,076	1,169	1,588	2,702	1,617	2,846	4.5
2006	6,478	1,086	1,483	2,563	1,346	3,450	6.5
2007	5,040	720	1,190	2,070	1,070	3,520	8.9
2008	4,110	570	950	1,590	990	3,130	10.4
2009	4,340	590	980	1,630	1,140	2,740	8.8
2010	4,190	570	920	1,620	1,080	3,020	9.4
2011	4,260	540	910	1,680	1,130	2,380	8.3
Monthly Data (Seasonally Adjusted Annual Rates)							
2010¹							
Oct	4,250	510	920	1,700	1,120	2,740	7.7
Nov	4,420	560	960	1,740	1,160	2,580	7.0
Dec	4,450	600	950	1,700	1,200	3,020	8.1
2011							
Jan	4,640	570	980	1,800	1,290	2,910	7.5
Feb	4,220	540	890	1,610	1,180	3,010	8.6
Mar	4,360	550	900	1,730	1,180	3,030	8.3
Apr	4,270	540	920	1,700	1,110	3,200	9.0
May	4,120	530	870	1,630	1,090	3,130	9.1
Jun	4,140	500	880	1,640	1,120	3,160	9.2
Jul	4,000	510	890	1,620	980	3,150	9.5
Aug	4,320	540	930	1,690	1,160	3,020	8.4
Sep	4,190	540	910	1,670	1,070	2,900	8.3
Oct	4,250	510	920	1,700	1,120	2,740	7.7
Nov	4,390	560	960	1,710	1,160	2,620	7.2
Dec	4,610	620	1,040	1,760	1,190	2,380	6.2

*Components may not add to totals because of rounding. Units in thousands. NA = Not available.

¹ Data have been revised because of updating of seasonal adjustment factors and other revisions.

Source: NATIONAL ASSOCIATION OF REALTORS®

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

Historical Data

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



Period	Median					U.S. Average	
	United States	Northeast	Midwest	South	West	Houses Actually Sold	Constant-Quality House ^{1,2}
Annual Data							
1964	18,900	20,300	19,400	16,700	20,400	20,500	34,900
1965	20,000	21,500	21,600	17,500	21,600	21,500	35,600
1966	21,400	23,500	23,200	18,200	23,200	23,300	37,100
1967	22,700	25,400	25,100	19,400	24,100	24,600	38,100
1968	24,700	27,700	27,400	21,500	25,100	26,600	40,100
1969	25,600	31,600	27,600	22,800	25,300	27,900	43,200
1970	23,400	30,300	24,400	20,300	24,000	26,600	44,400
1971	25,200	30,600	27,200	22,500	25,500	28,300	46,800
1972	27,600	31,400	29,300	25,800	27,500	30,500	49,800
1973	32,500	37,100	32,900	30,900	32,400	35,500	54,200
1974	35,900	40,100	36,100	34,500	35,800	38,900	59,200
1975	39,300	44,000	39,600	37,300	40,600	42,600	65,500
1976	44,200	47,300	44,800	40,500	47,200	48,000	71,200
1977	48,800	51,600	51,500	44,100	53,500	54,200	80,200
1978	55,700	58,100	59,200	50,300	61,300	62,500	91,900
1979	62,900	65,500	63,900	57,300	69,600	71,800	104,900
1980	64,600	69,500	63,400	59,600	72,300	76,400	115,600
1981	68,900	76,000	65,900	64,400	77,800	83,000	124,700
1982	69,300	78,200	68,900	66,100	75,000	83,900	127,600
1983	75,300	82,200	79,500	70,900	80,100	89,800	130,300
1984	79,900	88,600	85,400	72,000	87,300	97,600	135,600
1985	84,300	103,300	80,300	75,000	92,600	100,800	137,300
1986	92,000	125,000	88,300	80,200	95,700	111,900	142,600
1987	104,500	140,000	95,000	88,000	111,000	127,200	150,300
1988	112,500	149,000	101,600	92,000	126,500	138,300	156,000
1989	120,000	159,600	108,800	96,400	139,000	148,800	162,200
1990	122,900	159,000	107,900	99,000	147,500	149,800	165,300
1991	120,000	155,900	110,000	100,000	141,100	147,200	167,400
1992	121,500	169,000	115,600	105,500	130,400	144,100	169,800
1993	126,500	162,600	125,000	115,000	135,000	147,700	176,300
1994	130,000	169,000	132,900	116,900	140,400	154,500	186,800
1995	133,900	180,000	134,000	124,500	141,000	158,700	191,000
1996	140,000	186,000	138,000	126,200	153,900	166,400	195,900
1997	146,000	190,000	149,900	129,600	160,000	176,200	200,500
1998	152,500	200,000	157,500	135,800	163,500	181,900	205,500
1999	161,000	210,500	164,000	145,900	173,700	195,600	216,200
2000	169,000	227,400	169,700	148,000	196,400	207,000	224,600
2001	175,200	246,400	172,600	155,400	213,600	213,200	231,300
2002	187,600	264,300	178,000	163,400	238,500	228,700	241,900
2003	195,000	264,500	184,300	168,100	260,900	246,300	255,300
2004	221,000	315,800	205,000	181,100	283,100	274,500	275,600
2005	240,900	343,800	216,900	197,300	332,600	297,000	297,000
2006	246,500	346,000	213,500	208,200	337,700	305,900	311,100
2007	247,900	320,200	208,600	217,700	330,900	313,600	311,600
2008	232,100	343,600	198,900	203,700	294,800	292,600	295,500
2009	216,700	302,500	189,200	194,800	263,700	270,900	282,400
2010	221,800	329,900	197,700	196,800	259,300	272,900	282,200
2011	225,800	322,600	201,000	210,300	255,400	266,600	279,500
Quarterly Data							
2010							
Q4	224,300	358,000	205,800	198,500	248,900	278,000	286,000
2011							
Q1	226,900	336,200	196,800	209,800	251,400	268,100	278,300
Q2	228,100	289,100	211,600	209,900	259,200	267,600	280,700
Q3	223,500	324,100	195,400	210,300	251,400	263,000	276,200
Q4	217,700	346,600	207,100	196,200	249,200	255,300	279,800

¹ The components of a constant-quality house reflect the kinds of new single-family homes sold in 2005. The average price of a constant-quality house is derived from a set of statistical models relating sales price to selected standard physical characteristics of new single-family homes sold in 2005.

² Effective with the December 2007 New Home 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 computed for this table from price indexes published by the Census Bureau.

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

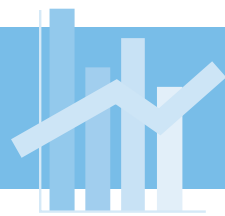


Exhibit 9. Existing Home Prices: 1969–Present

Period	Median					Average
	United States	Northeast	Midwest	South	West	United States
Annual Data						
1969	21,800	23,700	19,000	20,300	23,900	23,700
1970	23,000	25,200	20,100	22,200	24,300	25,700
1971	24,800	27,100	22,100	24,300	26,500	28,000
1972	26,700	29,800	23,900	26,400	28,400	30,100
1973	28,900	32,800	25,300	29,000	31,000	32,900
1974	32,000	35,800	27,700	32,300	34,800	35,800
1975	35,300	39,300	30,100	34,800	39,600	39,000
1976	38,100	41,800	32,900	36,500	46,100	42,200
1977	42,900	44,000	36,700	39,800	57,300	47,900
1978	48,700	47,900	42,200	45,100	66,700	55,500
1979	55,700	53,600	47,800	51,300	77,400	64,200
1980	62,200	60,800	51,900	58,300	89,300	72,800
1981	66,400	63,700	54,300	64,400	96,200	78,300
1982	67,800	63,500	55,100	67,100	98,900	80,500
1983	70,300	72,200	56,600	69,200	94,900	83,100
1984	72,400	78,700	57,100	71,300	95,800	86,000
1985	75,500	88,900	58,900	75,200	95,400	90,800
1986	80,300	104,800	63,500	78,200	100,900	98,500
1987	85,600	133,300	66,000	80,400	113,200	106,300
1988	89,300	143,000	68,400	82,200	124,900	112,800
1989*	94,000	142,100	72,600	84,300	137,600	118,100
1990	96,400	141,400	76,300	84,700	138,600	118,600
1991	101,400	143,600	80,500	88,100	144,500	128,400
1992	104,000	142,600	84,200	91,100	141,100	130,900
1993	107,200	142,000	87,000	93,700	141,800	133,500
1994	111,300	141,500	90,600	94,900	149,200	136,800
1995	114,600	138,400	96,100	96,900	150,600	139,100
1996	119,900	139,600	102,300	102,400	157,100	141,800
1997	126,000	143,500	108,200	108,400	165,700	150,500
1998	132,800	147,300	115,600	115,000	175,900	159,100
1999	138,000	150,500	121,000	118,900	185,300	171,000
2000	143,600	149,800	125,300	126,300	194,600	178,500
2001	153,100	158,700	132,500	135,500	207,000	188,300
2002	165,000	179,300	139,300	146,000	230,100	206,100
2003	178,800	209,900	145,600	156,700	251,800	222,200
2004	195,400	243,800	154,600	170,400	286,400	244,400
2005	219,600	271,300	170,600	181,700	335,300	266,600
2006	221,900	271,900	167,800	183,700	342,700	268,200
2007	219,000	279,100	165,100	179,300	335,000	266,000
2008	198,100	266,400	154,100	169,200	271,500	242,700
2009	172,500	240,500	144,100	153,000	211,100	216,900
2010	172,900	243,500	141,600	150,100	214,800	220,000
2011	166,100	237,500	135,500	144,200	201,300	214,000
Monthly Data						
2010						
Oct	170,600	237,400	139,300	148,100	210,900	218,300
Nov	170,200	240,400	138,900	146,400	213,100	218,100
Dec	168,800	237,600	140,100	148,500	204,500	217,900
2011						
Jan	157,900	235,700	126,900	135,200	190,600	205,800
Feb	156,100	230,200	121,100	135,700	189,500	202,300
Mar	159,800	232,800	126,200	137,900	195,200	207,300
Apr	161,100	235,800	131,600	142,000	191,300	210,200
May	169,300	241,500	138,800	148,100	206,200	217,600
Jun	175,600	258,300	145,400	154,800	205,900	226,000
Jul	171,200	245,600	145,700	152,600	191,600	220,400
Aug	171,200	243,700	141,400	150,300	208,100	219,500
Sep	165,300	229,400	135,700	144,600	208,100	212,800
Oct	160,800	222,300	131,700	140,700	199,700	205,900
Nov	164,000	237,300	132,400	142,400	200,600	210,400
Dec	164,500	231,300	129,100	146,900	205,200	212,000

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

Source: NATIONAL ASSOCIATION OF REALTORS®

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

Exhibit 10. Repeat Sales House Price Index: 1991–Present



Period	FHFA Purchase-Only House Price Index ¹										Case-Shiller® Index ²
	United States	New England	Middle Atlantic	South Atlantic	East South Central	West South Central	West North Central	East North Central	Mountain	Pacific	
Annual Average											
1991	100.68	98.53	100.02	100.56	100.73	101.03	100.79	101.48	101.77	100.33	74.50
1992	103.22	97.19	101.62	102.62	104.46	103.96	104.58	105.80	107.81	100.35	74.98
1993	105.73	95.24	101.99	104.79	108.88	108.22	109.90	110.47	116.82	97.75	75.48
1994	109.30	96.04	102.32	108.30	114.94	112.95	116.02	116.22	128.23	96.49	77.66
1995	111.95	96.32	101.74	111.11	119.88	115.93	120.82	121.68	135.54	95.60	79.10
1996	115.25	98.67	102.60	114.37	125.06	119.28	126.21	127.58	141.42	95.93	80.91
1997	118.56	101.54	103.94	117.67	129.36	122.34	130.75	132.13	146.05	98.41	83.64
1998	124.27	108.51	107.75	122.41	134.19	128.05	137.54	137.68	151.81	106.01	88.73
1999	131.87	118.78	114.43	129.06	139.99	135.09	146.23	144.97	159.95	115.05	95.54
2000	140.70	132.55	123.37	136.93	144.67	142.87	155.33	152.66	168.87	126.61	104.50
2001	150.49	149.29	134.60	146.68	148.82	149.42	164.93	160.09	178.74	140.41	113.42
2002	161.17	168.13	149.29	157.86	153.51	154.74	174.10	167.37	187.67	156.99	123.74
2003	173.54	187.09	166.29	170.86	159.74	159.92	184.03	175.09	199.30	179.44	136.34
2004	189.82	207.71	185.79	189.67	167.39	166.29	194.46	183.20	220.93	214.92	155.19
2005	209.53	225.79	206.22	216.80	178.01	175.45	204.33	190.31	256.96	258.40	178.99
2006	222.25	227.86	218.66	235.86	190.84	187.66	211.83	193.30	285.44	277.01	188.29
2007	222.74	224.05	221.42	237.02	197.98	196.86	214.05	190.30	289.47	263.75	179.69
2008	206.10	213.33	215.56	213.02	194.48	196.98	206.84	179.23	260.83	211.85	151.30
2009	195.37	207.44	209.01	196.91	190.29	196.80	203.69	172.86	232.05	188.26	133.97
2010	189.60	203.15	206.65	187.02	184.70	196.15	199.62	167.37	216.33	184.08	134.24
Quarterly Data ³											
2010											
Q3	187.57	203.02	205.23	183.95	183.99	195.38	198.06	165.53	212.31	181.54	133.03
Q4	185.36	201.48	204.27	182.37	181.37	192.78	195.37	164.56	208.45	177.29	130.85
2011											
Q1	180.58	196.60	199.82	175.55	178.01	191.67	191.13	159.81	201.33	172.27	129.09
Q2	180.13	198.08	200.69	175.23	178.01	192.90	190.30	159.52	198.21	169.92	129.34
Q3	180.57	198.01	200.68	176.16	178.92	192.05	193.12	160.63	197.78	169.14	127.78

FHFA = Federal Housing Finance Agency.

¹ Federal Housing Finance Agency. First quarter of 1991 equals 100. <http://www.fhfa.gov/Default.aspx?Page=14>

² S&P/Case-Shiller® National Home Price Index. First quarter of 2000 equals 100. <http://www.homeprice.standardandpoors.com>

³ Seasonally adjusted.



Exhibit 11. Housing Affordability Index: 1974–Present

Period	United States				Affordability Indexes*		
	Median Price Existing Single-Family (\$)	Mortgage Rate ¹	Median Family Income (\$)	Income To Qualify (\$)	Composite	Fixed	ARM
Annual Data							
1974	32,000	9.02	12,902	9,905	130.3	130.3	130.3
1975	35,300	9.21	13,719	11,112	123.5	123.5	123.5
1976	38,100	9.11	14,958	11,888	125.8	125.8	125.8
1977	42,900	9.02	16,010	13,279	120.6	120.6	120.6
1978	48,700	9.58	17,640	15,834	111.4	111.4	111.4
1979	55,700	10.92	19,680	20,240	97.2	97.2	97.2
1980	62,200	12.95	21,023	26,328	79.9	79.9	79.9
1981	66,400	15.12	22,388	32,485	68.9	68.9	68.9
1982	67,800	15.38	23,433	33,713	69.5	69.4	69.7
1983	70,300	12.85	24,580	29,546	83.2	81.7	85.2
1984	72,400	12.49	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	29,458	27,047	108.9	105.7	116.3
1987	85,600	9.28	30,970	27,113	114.2	107.6	122.4
1988	89,300	9.31	32,191	28,360	113.5	103.6	122.0
1989	94,600	10.11	34,218	30,432	112.4	105.9	116.8
1990	97,300	10.04	35,353	31,104	113.7	110.6	122.8
1991	102,700	9.30	35,940	30,816	116.6	113.5	128.3
1992	105,500	8.11	36,573	28,368	128.9	124.9	150.8
1993	109,100	7.16	36,959	26,784	138.0	133.0	160.4
1994	113,500	7.47	38,790	28,704	135.1	125.2	153.3
1995	117,000	7.85	40,612	30,672	132.4	126.6	143.3
1996	122,600	7.71	42,305	31,728	133.3	129.6	142.9
1997	129,000	7.68	44,573	35,232	126.5	123.6	137.2
1998	136,000	7.10	46,740	35,088	133.2	131.9	142.6
1999	141,200	7.33	48,955	37,296	131.3	128.8	142.0
2000	147,300	8.03	50,733	41,616	121.9	120.5	133.3
2001	156,600	7.03	51,407	40,128	128.1	128.1	137.3
2002	167,600	6.55	51,680	40,896	126.4	124.2	138.7
2003	180,200	5.74	52,680	40,320	130.7	128.2	141.8
2004	195,200	5.73	54,061	43,632	123.9	120.3	132.2
2005	219,000	5.91	56,914	49,920	112.6	110.9	116.4
2006	221,900	6.58	58,407	54,288	107.6	107.1	109.6
2007	217,900	6.52	61,173	52,992	115.4	115.3	117.6
2008 ²	196,600	6.15	63,366	45,984	137.8	137.4	143.0
2009	172,100	5.14	61,082	36,048	169.4	169.2	NA
2010	173,200	4.89	61,313	35,232	174.0	169.0	NA
2011	166,200	4.67	60,831	32,976	184.5	174.6	NA
Monthly Data							
2010							
Oct	171,500	4.62	61,396	33,840	181.4	181.2	NA
Nov	170,900	4.54	61,404	33,408	183.8	182.8	NA
Dec	169,300	4.69	60,361	33,696	179.1	177.9	NA
2011							
Jan	158,500	4.82	60,743	32,016	189.7	188.6	NA
Feb	156,900	4.91	60,769	32,016	189.8	188.4	NA
Mar	160,600	4.98	60,792	33,024	184.1	181.7	NA
Apr	161,300	4.93	60,813	32,976	184.4	182.0	NA
May	169,800	4.87	60,823	34,464	176.5	174.1	NA
Jun	176,100	4.75	60,831	35,280	172.4	170.3	NA
Jul	171,700	4.70	60,850	34,176	178.0	176.1	NA
Aug	171,200	4.69	60,845	34,080	178.5	177.5	NA
Sep	165,400	4.51	60,851	32,208	188.9	185.1	NA
Oct	161,100	4.32	60,873	30,672	198.5	194.2	NA
Nov	164,000	4.33	60,876	31,296	194.5	190.1	NA
Dec	165,100	4.27	60,901	31,248	194.9	189.7	NA

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

ARM = Adjustable-rate mortgage. NA = Data are not available.

¹ The Federal Housing Finance Agency's monthly effective mortgage rate amortizes points over 10 years. Annual data are averages of the monthly rates.

² Beginning in December 2008, the Adjustable-Rate Mortgage Affordability Index could not be derived because the rates for ARMs were no longer available.

Source: NATIONAL ASSOCIATION OF REALTORS® <http://www.realtor.org/research/nsf/pages/HousingInx>



Exhibit 12. Market Absorption of New Multifamily Units: 1970–Present*

Period	Unfurnished Rental Apartments			Cooperatives and Condominiums		
	Completions	Percent Rented in 3 Months	Median Asking Rent (\$)	Completions	Percent Sold in 3 Months	Median Asking Price (\$)
Annual Data						
1970	328,400	73	188	72,500	NA	NA
1971	334,400	68	187	49,100	NA	NA
1972	497,900	68	191	57,300	NA	NA
1973	531,700	70	191	98,100	NA	NA
1974	405,500	68	197	159,000	NA	NA
1975	223,100	70	211	84,600	NA	NA
1976	157,000	80	219	46,300	NA	NA
1977	195,600	80	232	43,000	NA	NA
1978	228,700	82	251	54,500	NA	NA
1979	241,200	82	272	91,800	NA	NA
1980	196,100	75	308	122,800	NA	NA
1981	135,400	80	347	112,600	NA	NA
1982	117,000	72	385	107,900	NA	NA
1983	191,500	69	386	111,800	NA	NA
1984	313,200	67	393	143,600	69	NA
1985	364,500	65	432	135,800	65	NA
1986	407,600	66	457	101,700	74	NA
1987	345,600	63	517	92,300	74	NA
1988	284,500	66	550	76,200	64	116,400
1989	246,200	70	590	59,700	66	122,300
1990	214,300	67	600	52,600	60	117,200
1991	165,300	70	614	35,300	60	133,600
1992	110,200	74	586	31,100	68	118,400
1993	77,200	75	573	32,000	76	112,400
1994	104,000	81	576	34,400	77	104,000
1995	155,000	72	655	36,400	74	114,000
1996	191,300	72	672	36,900	80	115,800
1997	189,200	74	724	35,800	80	118,900
1998	209,900	73	734	34,500	79	118,800
1999	225,900	72	791	34,200	75	127,600
2000	226,200	72	841	36,100	78	144,400
2001	193,100	63	881	45,700	73	183,200
2002	204,100	59	918	37,400	73	199,400
2003	166,500	61	931	41,100	74	230,200
2004	153,800	62	976	61,400	73	270,400
2005	113,000	63	942	81,900	76	310,700
2006	116,400	58	1,034	104,600	66	327,200
2007	104,800	54	1,023	91,000	61	350,000+
2008	146,800	50	1,095	69,800	49	350,000+
2009	163,000	51	1,064	38,200	40	400,000+
2010	89,100	61	1,077	19,100	42	400,000+
Quarterly Data						
2010						
Q3	16,700	63	1,030	5,300	43	400,000+
Q4	14,900	64	999	4,300	44	400,000+
2011						
Q1	21,900	56	1,087	2,700	54	439,600
Q2	13,000	51	1,038	2,700	54	450,000+
Q3	24,500	65	1,052	3,000	80	450,000+

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

+ Median is in top class of data collection range.

NA = Data not available.

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

<http://www.census.gov/hhes/www/soma.html>



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

Period	Housing Market Index	Sales of Single-Family Detached Homes		Prospective Buyer Traffic
		Current Activity	Future Expectations	
Annual Data				
1979	NA	48	37	32
1980	NA	19	26	17
1981	NA	8	16	14
1982	NA	15	28	18
1983	NA	52	60	48
1984	NA	52	52	41
1985	55	58	62	47
1986	60	62	67	53
1987	56	60	60	45
1988	53	57	59	43
1989	48	50	58	37
1990	34	36	42	27
1991	36	36	49	29
1992	48	50	59	39
1993	59	62	68	49
1994	56	61	62	44
1995	47	50	56	35
1996	57	61	64	46
1997	57	60	66	45
1998	70	76	78	54
1999	73	80	80	54
2000	62	69	69	45
2001	56	61	63	41
2002	61	66	69	46
2003	64	70	72	47
2004	68	75	76	51
2005	67	73	75	50
2006	42	45	51	30
2007	27	27	37	21
2008	16	16	25	14
2009	15	14	24	13
2010	16	16	23	12
2011	16	16	22	13
Monthly Data (Seasonally Adjusted)				
2010				
Oct	15	16	23	11
Nov	16	16	25	12
Dec	16	16	25	11
2011				
Jan	16	15	24	12
Feb	16	17	25	12
Mar	17	17	26	12
Apr	16	15	22	13
May	16	15	19	14
Jun	13	13	15	12
Jul	15	15	21	12
Aug	15	15	19	13
Sep	14	14	17	11
Oct	17	17	23	14
Nov	19	20	25	15
Dec	21	22	26	18

NA = Not applicable.

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

http://www.nahb.com/reference_list.aspx?sectionID=134

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



Period	Conventional					
	30-Year Fixed Rate		15-Year Fixed Rate		1-Year ARMs	
	Rate	Points	Rate	Points	Rate	Points
Annual Data						
1973	8.04	1.0	NA	NA	NA	NA
1974	9.19	1.2	NA	NA	NA	NA
1975	9.05	1.1	NA	NA	NA	NA
1976	8.87	1.2	NA	NA	NA	NA
1977	8.85	1.1	NA	NA	NA	NA
1978	9.64	1.3	NA	NA	NA	NA
1979	11.20	1.6	NA	NA	NA	NA
1980	13.74	1.8	NA	NA	NA	NA
1981	16.63	2.1	NA	NA	NA	NA
1982	16.04	2.2	NA	NA	NA	NA
1983	13.24	2.1	NA	NA	NA	NA
1984	13.88	2.5	NA	NA	11.51	2.5
1985	12.43	2.5	NA	NA	10.05	2.5
1986	10.19	2.2	NA	NA	8.43	2.3
1987	10.21	2.2	NA	NA	7.83	2.2
1988	10.34	2.1	NA	NA	7.90	2.3
1989	10.32	2.1	NA	NA	8.80	2.3
1990	10.13	2.1	NA	NA	8.36	2.1
1991	9.25	2.0	NA	NA	7.09	1.9
1992	8.39	1.7	7.96	1.7	5.62	1.7
1993	7.31	1.6	6.83	1.6	4.58	1.5
1994	8.38	1.8	7.86	1.8	5.36	1.5
1995	7.93	1.8	7.48	1.8	6.06	1.5
1996	7.81	1.7	7.32	1.7	5.67	1.4
1997	7.60	1.7	7.13	1.7	5.61	1.4
1998	6.94	1.1	6.59	1.1	5.58	1.1
1999	7.44	1.0	7.06	1.0	5.99	1.1
2000	8.05	1.0	7.72	1.0	7.04	1.0
2001	6.97	0.9	6.50	0.9	5.82	0.9
2002	6.54	0.6	5.98	0.6	4.62	0.7
2003	5.83	0.6	5.17	0.6	3.76	0.6
2004	5.84	0.7	5.21	0.6	3.90	0.7
2005	5.87	0.6	5.42	0.6	4.49	0.7
2006	6.41	0.5	6.07	0.5	5.54	0.7
2007	6.34	0.4	6.03	0.4	5.56	0.6
2008	6.03	0.6	5.62	0.6	5.17	0.6
2009	5.04	0.7	4.57	0.7	4.70	0.6
2010	4.69	0.7	4.10	0.7	3.78	0.6
2011	4.45	0.7	3.68	0.7	3.03	0.6
Monthly Data						
2010						
Oct	4.23	0.8	3.66	0.7	3.36	0.7
Nov	4.30	0.8	3.68	0.7	3.25	0.7
Dec	4.71	0.7	4.06	0.7	3.31	0.6
2011						
Jan	4.76	0.8	4.09	0.8	3.25	0.6
Feb	4.95	0.7	4.22	0.7	3.35	0.6
Mar	4.84	0.7	4.08	0.7	3.22	0.6
Apr	4.84	0.7	4.06	0.7	3.20	0.6
May	4.64	0.7	3.82	0.7	3.13	0.5
Jun	4.51	0.7	3.69	0.7	3.00	0.5
Jul	4.55	0.7	3.68	0.7	2.97	0.5
Aug	4.27	0.7	3.46	0.7	2.93	0.5
Sep	4.11	0.7	3.32	0.6	2.84	0.6
Oct	4.07	0.8	3.35	0.8	2.92	0.6
Nov	3.99	0.7	3.31	0.7	2.90	0.6
Dec	3.96	0.7	3.25	0.8	2.79	0.6

ARM = Adjustable-rate mortgage. NA = Not applicable.

Source: Freddie Mac

<http://www.freddiemac.com/pmms/> (see 30-year fixed, 15-year fixed, and 1-year adjustable rate historic tables)



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



Period	Fixed Rate				Adjustable Rate			
	Interest Rate	Fees and Charges	Effective Rate	Term to Maturity	Interest Rate	Fees and Charges	Effective Rate	Term to Maturity
Annual Data								
1982	14.72	2.51	15.26	25.4	14.74	2.86	15.37	26.0
1983	12.51	2.41	12.98	25.5	11.88	2.37	12.33	26.7
1984	12.67	2.59	13.18	24.8	11.57	2.57	12.05	28.0
1985	11.93	2.56	12.43	24.1	10.44	2.47	10.87	27.7
1986	10.09	2.31	10.50	24.9	9.10	1.97	9.42	27.3
1987	9.52	2.18	9.90	25.5	8.20	1.95	8.51	28.6
1988	10.04	2.07	10.41	26.0	8.21	1.88	8.51	28.9
1989	10.21	1.92	10.54	27.0	9.15	1.79	9.44	28.9
1990	10.06	1.87	10.39	26.1	8.90	1.56	9.15	29.3
1991	9.38	1.63	9.66	25.8	8.03	1.43	8.26	28.7
1992	8.21	1.61	8.50	24.4	6.37	1.44	6.59	29.1
1993	7.27	1.21	7.48	24.7	5.56	1.20	5.74	28.8
1994	7.98	1.14	8.17	25.8	6.27	1.05	6.42	29.2
1995	8.01	1.01	8.18	26.5	7.00	0.88	7.13	29.3
1996	7.81	1.03	7.98	26.1	6.94	0.81	7.06	29.0
1997	7.73	1.01	7.89	26.9	6.76	0.87	6.90	29.4
1998	7.05	0.86	7.19	27.5	6.35	0.75	6.46	29.6
1999	7.32	0.78	7.44	27.8	6.45	0.57	6.53	29.7
2000	8.14	0.75	8.25	28.3	6.99	0.42	7.05	29.8
2001	7.03	0.56	7.11	27.3	6.34	0.33	6.39	29.8
2002	6.62	0.48	6.69	26.8	5.60	0.39	5.66	29.7
2003	5.83	0.37	5.88	26.2	4.98	0.39	5.03	29.8
2004	5.95	0.43	6.02	26.9	5.15	0.36	5.20	29.8
2005	6.00	0.42	6.07	27.9	5.50	0.27	5.54	30.0
2006	6.60	0.44	6.66	28.7	6.32	0.33	6.37	30.0
2007	6.44	0.48	6.51	29.2	6.02	0.44	6.33	30.1
2008*	6.09	0.54	6.17	28.3	NA	NA	NA	NA
2009	5.06	0.61	5.15	28.1	NA	NA	NA	NA
2010	4.84	0.73	4.94	27.6	NA	NA	NA	NA
Monthly Data								
2010								
Oct	4.45	0.88	4.58	28.0	NA	NA	NA	NA
Nov	4.39	0.80	4.50	27.9	NA	NA	NA	NA
Dec	4.57	0.79	4.68	28.4	NA	NA	NA	NA
2011								
Jan	4.75	0.82	4.87	27.1	NA	NA	NA	NA
Feb	4.86	0.80	4.98	27.0	NA	NA	NA	NA
Mar	4.94	0.99	5.08	27.3	NA	NA	NA	NA
Apr	4.90	0.91	5.03	27.6	NA	NA	NA	NA
May	4.84	0.88	4.97	27.6	NA	NA	NA	NA
Jun	4.72	0.95	4.85	28.0	NA	NA	NA	NA
Jul	4.63	0.87	4.75	28.1	NA	NA	NA	NA
Aug	4.57	0.95	4.71	27.3	NA	NA	NA	NA
Sep	4.52	0.96	4.66	29.0	NA	NA	NA	NA
Oct	4.31	0.85	4.43	28.7	NA	NA	NA	NA
Nov	4.35	0.81	4.46	28.3	NA	NA	NA	NA
Dec	4.29	0.89	4.41	28.6	NA	NA	NA	NA

* Beginning in 2008, the adjustable rate data are no longer reported because the data are insufficient to report meaningful numbers.

NA = Not available.

Source: Federal Housing Finance Agency

<http://www.fhfa.gov/Default.aspx?Page=252> (see table 2)

Exhibit 16. FHA Market Share of 1- to 4-Family Mortgages: 2001–Present*


Mortgage Market Shares by Dollar Volume									
Period	FHA Share (%)			Dollar Volume of Loan Originations (in Billions)					
				Total (\$)		Purchase (\$)		Refinance (\$)	
	Total	Purchase	Refinance	FHA	Market	FHA	Market	FHA	Market
Annual Data									
2001	6.8	10.4	4.1	152	2,243	100	960	53	1,283
2002	4.9	8.2	2.9	140	2,854	90	1,097	50	1,757
2003	4.0	6.1	3.0	153	3,812	78	1,280	75	2,532
2004	3.0	4.3	1.9	84	2,773	56	1,309	28	1,463
2005	1.9	2.6	1.1	56	3,027	40	1,512	16	1,514
2006	2.0	2.7	1.3	55	2,726	38	1,399	17	1,326
2007	3.4	3.9	2.9	77	2,306	44	1,140	33	1,166
2008	16.1	19.5	12.9	243	1,509	143	731	100	777
2009	17.9	28.1	12.8	357	1,995	187	664	171	1,331
2010	17.1	30.3	9.4	268	1,572	165	544	103	1,099
Quarterly Data									
2010									
Q2	21.3	35.6	8.2	78	367	60	169	18	220
Q3	16.9	30.7	10.4	68	401	37	120	31	297
Q4	14.5	28.1	9.4	67	462	33	117	34	360
2011									
Q1	14.7	25.5	8.8	44	302	27	106	17	196
Q2	13.7	28.3	5.5	40	290	29	104	10	186

Mortgage Market Shares by Loan Count									
Period	FHA Share (%)			Loan Originations (in Thousands)					
				Total		Purchase		Refinance	
	Total	Purchase	Refinance	FHA	Market	FHA	Market	FHA	Market
Annual Data									
2001	9.1	14.2	5.3	1,336.6	14,763.6	890.2	6,270.7	446.4	8,492.8
2002	6.4	11.1	3.6	1,188.6	18,552.8	764.7	6,865.5	423.9	11,687.3
2003	5.5	8.5	4.1	1,268.5	23,101.8	629.9	7,428.0	638.5	15,673.8
2004	4.7	6.6	3.0	695.4	14,869.2	457.4	6,905.6	238.0	7,963.6
2005	3.1	4.5	1.8	456.2	14,483.6	322.9	7,234.6	133.3	7,249.0
2006	3.3	4.5	2.0	411.1	12,329.0	295.3	6,564.5	115.9	5,764.5
2007	5.1	6.1	4.1	528.3	10,358.6	317.2	5,236.1	211.1	5,122.5
2008	19.8	24.1	15.6	1,405.7	7,092.2	844.9	3,508.2	560.8	3,584.1
2009	21.1	32.6	14.8	1,982.6	9,392.8	1,087.6	3,338.3	895.0	6,054.4
2010	19.1	35.4	10.4	1,462.7	7,664.9	944.2	2,669.1	518.6	4,995.8
Quarterly Data									
2010									
Q2	24.0	41.5	9.5	449.7	1,872.6	353.0	851.4	96.7	1,021.3
Q3	18.5	36.0	11.1	354.2	1,911.1	204.7	569.2	149.5	1,341.9
Q4	16.0	32.7	10.1	348.1	2,180.3	185.2	567.3	162.9	1,613.0
2011									
Q1	17.1	29.8	9.9	247.2	1,443.4	156.1	524.4	91.1	919.1
Q2	19.4	38.0	7.5	279.0	1,440.7	213.3	561.0	65.7	879.7

* 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.

FHA = Federal Housing Administration.

Sources: U.S. Department of Housing and Urban Department; data from FHA, Mortgage Bankers Association "MBA Mortgage Finance Forecast" report, and Loan Performance True Standings Servicing data system



Exhibit 17. FHA, VA, and PMI 1- to 4-Family Mortgage Insurance Activity: 1972–Present



Period	FHA*			VA Guaranties	PMI Certificates
	Applications	Total Endorsements	Purchase Endorsements		
Annual Data					
1972	655,747	427,858	NA	375,485	NA
1973	359,941	240,004	NA	321,522	NA
1974	383,993	195,850	NA	313,156	NA
1975	445,350	255,061	NA	301,443	NA
1976	491,981	250,808	NA	330,442	NA
1977	550,168	321,118	NA	392,557	NA
1978	627,971	334,108	NA	368,648	NA
1979	652,435	457,054	NA	364,656	NA
1980	516,938	381,169	359,151	274,193	392,808
1981	299,889	224,829	204,376	151,811	334,565
1982	461,129	166,734	143,931	103,354	315,868
1983	776,893	503,425	455,189	300,568	652,214
1984	476,888	267,831	235,847	210,366	946,408
1985	900,119	409,547	328,639	201,313	729,597
1986	1,907,316	921,370	634,491	351,242	585,987
1987	1,210,257	1,319,987	866,962	455,616	511,058
1988	949,353	698,990	622,873	212,671	423,470
1989	989,724	726,359	649,596	183,209	365,497
1990	957,302	780,329	726,028	192,992	367,120
1991	898,859	685,905	620,050	186,561	494,259
1992	1,090,392	680,278	522,738	290,003	907,511
1993	1,740,504	1,065,832	591,243	457,596	1,198,307
1994	961,466	1,217,685	686,487	536,867	1,148,696
1995	857,364	568,399	516,380	243,719	960,756
1996	1,064,324	849,861	719,517	326,458	1,068,707
1997	1,115,434	839,712	745,524	254,670	974,698
1998	1,563,394	1,110,530	796,779	384,605	1,473,344
1999	1,407,014	1,246,433	949,516	441,606	1,455,403
2000	1,154,622	891,874	826,708	186,671	1,236,214
2001	1,760,278	1,182,368	818,035	281,505	1,987,717
2002	1,521,730	1,246,561	805,198	328,506	2,305,709
2003	1,634,166	1,382,570	677,507	513,259	2,493,435
2004	945,565	826,611	502,302	262,781	1,708,972
2005	673,855	523,243	332,912	160,294	1,579,593
2006	653,910	465,379	264,074	137,874	1,444,330
2007	751,454	460,317	231,750	102,430	1,567,961
2008 ¹	2,340,715	1,468,057	810,712	199,679	971,595
2009	2,862,029	2,022,759	1,039,216	354,926	442,224
2010	2,162,738	1,624,841	1,001,979	327,830	317,037
2011	1,540,249	1,151,663	757,025	379,894	266,690
Monthly Data					
2010					
Oct	175,421	125,218	65,781	31,354	31,998
Nov	141,199	131,258	64,896	31,876	32,993
Dec	112,500	133,603	66,165	31,720	31,879
2011					
Jan	103,991	119,521	63,887	30,907	21,896
Feb	114,215	88,269	46,899	27,530	15,079
Mar	158,478	99,112	58,057	29,034	18,098
Apr	160,186	93,394	60,378	23,894	17,416
May	118,784	95,907	66,475	25,172	20,032
Jun	131,796	101,469	74,370	28,235	24,161
Jul	115,263	91,533	68,336	28,336	22,917
Aug	142,793	100,490	75,798	34,324	27,301
Sep	129,045	91,963	66,602	35,212	24,885
Oct	129,675	88,060	60,596	37,927	26,293
Nov	125,596	88,206	57,038	37,544	25,074
Dec	110,427	93,739	58,589	41,779	23,538

*These operational numbers differ slightly from adjusted accounting numbers. FHA = Federal Housing Administration. NA = Data not available.
PMI = Private mortgage insurance. VA = Department of Veterans Affairs.

¹ Beginning December 2008, data for PMI-Net Certificates include Radian Guaranty, which represents roughly 17 percent of the private insurance market.

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

Exhibit 18. FHA Unassisted Multifamily Mortgage Insurance Activity: 1980–Present *



Period	Construction of New Rental Units ¹			Purchase or Refinance of Existing Rental Units ²			Congregate Housing, Nursing Homes, Assisted-Living Facilities, and Board and Care Facilities ³		
	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount
Annual Data									
1980	79	14,671	560.8	32	6,459	89.1	25	3,187	78.1
1981	94	14,232	415.1	12	2,974	43.0	35	4,590	130.0
1982	98	14,303	460.4	28	7,431	95.2	50	7,096	200.0
1983	74	14,353	543.9	94	22,118	363.0	65	9,231	295.8
1984	96	14,158	566.2	88	21,655	428.2	45	5,697	175.2
1985	144	23,253	954.1	135	34,730	764.3	41	5,201	179.1
1986	154	22,006	1,117.5	245	32,554	1,550.1	22	3,123	111.2
1987	171	28,300	1,379.4	306	68,000	1,618.0	45	6,243	225.7
1988	140	21,180	922.2	234	49,443	1,402.3	47	5,537	197.1
1989	101	15,240	750.9	144	32,995	864.6	41	5,183	207.9
1990	61	9,910	411.4	69	13,848	295.3	53	6,166	263.2
1991	72	13,098	590.2	185	40,640	1,015.1	81	10,150	437.2
1992	54	7,823	358.5	119	24,960	547.1	66	8,229	367.4
1993	56	9,321	428.6	262	50,140	1,209.4	77	9,036	428.6
1994	84	12,988	658.5	321	61,416	1,587.0	94	13,688	701.7
1995	89	17,113	785.0	192	32,383	822.3	103	12,888	707.2
1996	128	23,554	1,178.8	268	51,760	1,391.1	152	20,069	927.5
1997	147	23,880	1,362.2	186	31,538	1,098.5	143	16,819	820.0
1998	149	25,237	1,420.7	158	19,271	576.3	89	7,965	541.0
1999	185	30,863	1,886.8	182	22,596	688.7	130	14,592	899.2
2000	193	35,271	2,171.7	165	20,446	572.6	178	18,618	891.7
2001	163	29,744	1,905.6	303	35,198	831.9	172	20,633	1,135.2
2002	167	31,187	2,042.7	439	52,434	1,284.5	287	33,086	1,780.6
2003	180	30,871	2,224.5	701	87,193	2,273.5	253	31,126	1,502.2
2004	166	27,891	1,802.6	672	70,740	2,203.1	228	26,094	1,344.3
2005	148	24,847	1,596.3	472	49,238	1,724.9	184	20,625	1,080.4
2006	97	14,603	873.3	614	59,451	2,252.5	228	26,898	1,425.6
2007	102	15,620	1,065.7	414	35,838	1,249.8	139	15,178	982.0
2008	74	11,551	875.1	262	25,443	987.8	174	19,685	1,232.4
2009	114	20,173	1,892.5	409	57,863	2,888.4	292	34,567	2,558.7
2010	197	36,560	3,787.1	717	116,843	6,497.4	300	34,754	2,636.4
2011	157	25,215	2,549.8	853	128,068	7,444.7	409	51,491	3,354.6

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

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

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

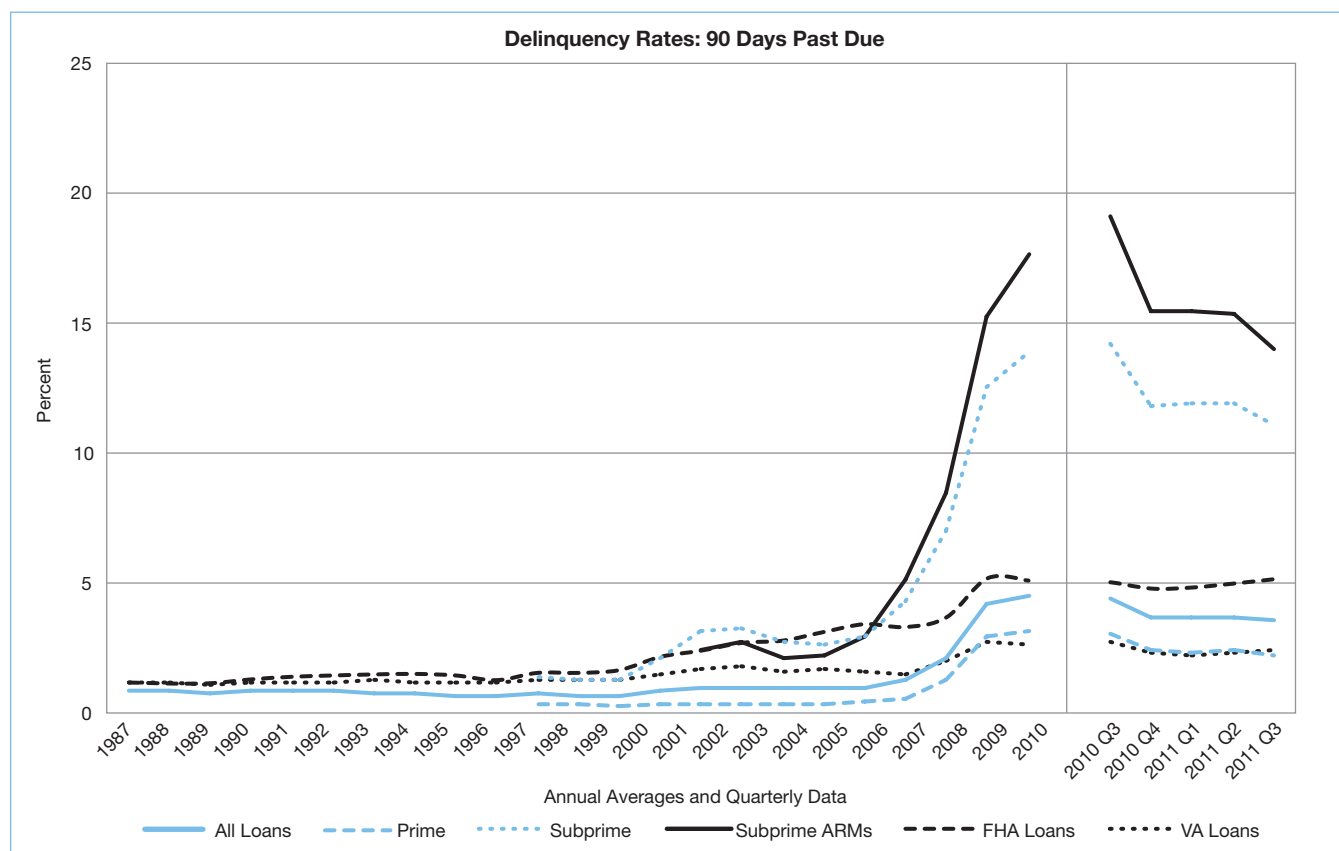
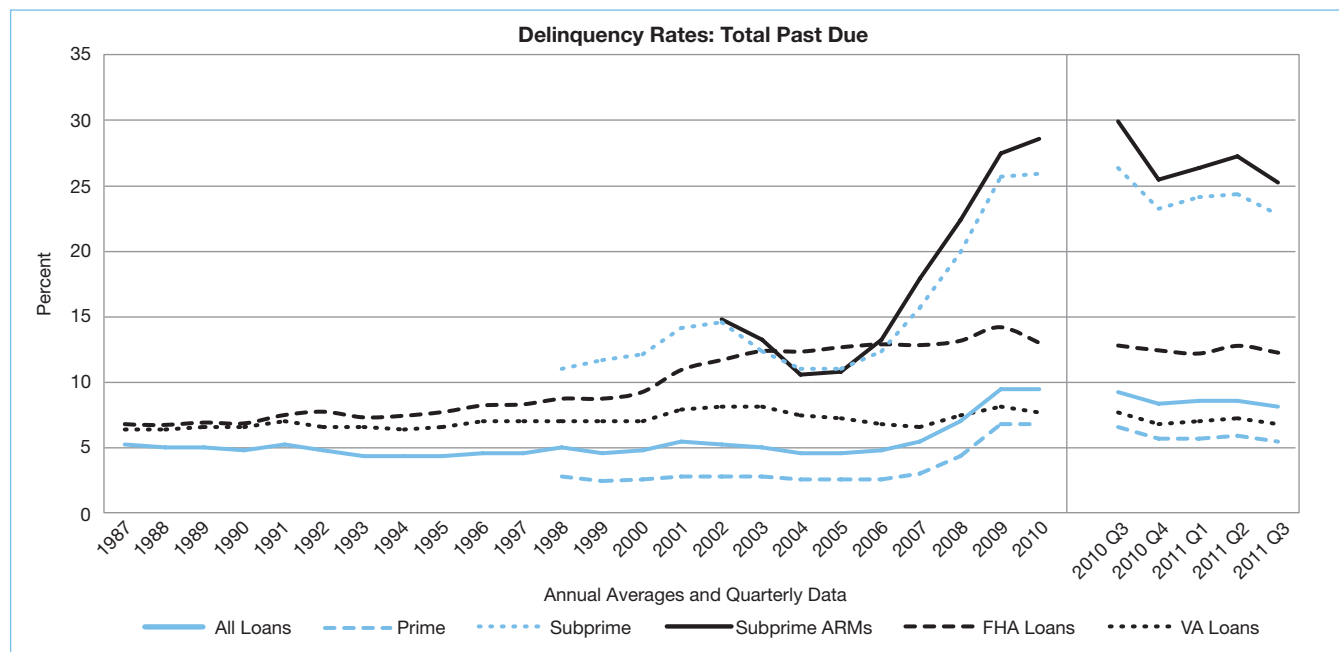
³ Includes congregate rental housing for the elderly under Section 231 and nursing homes, board and care homes, assisted-living facilities, and intermediate-care facilities under Section 232. Includes both new construction or substantial rehabilitation and purchase or refinance of existing projects.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

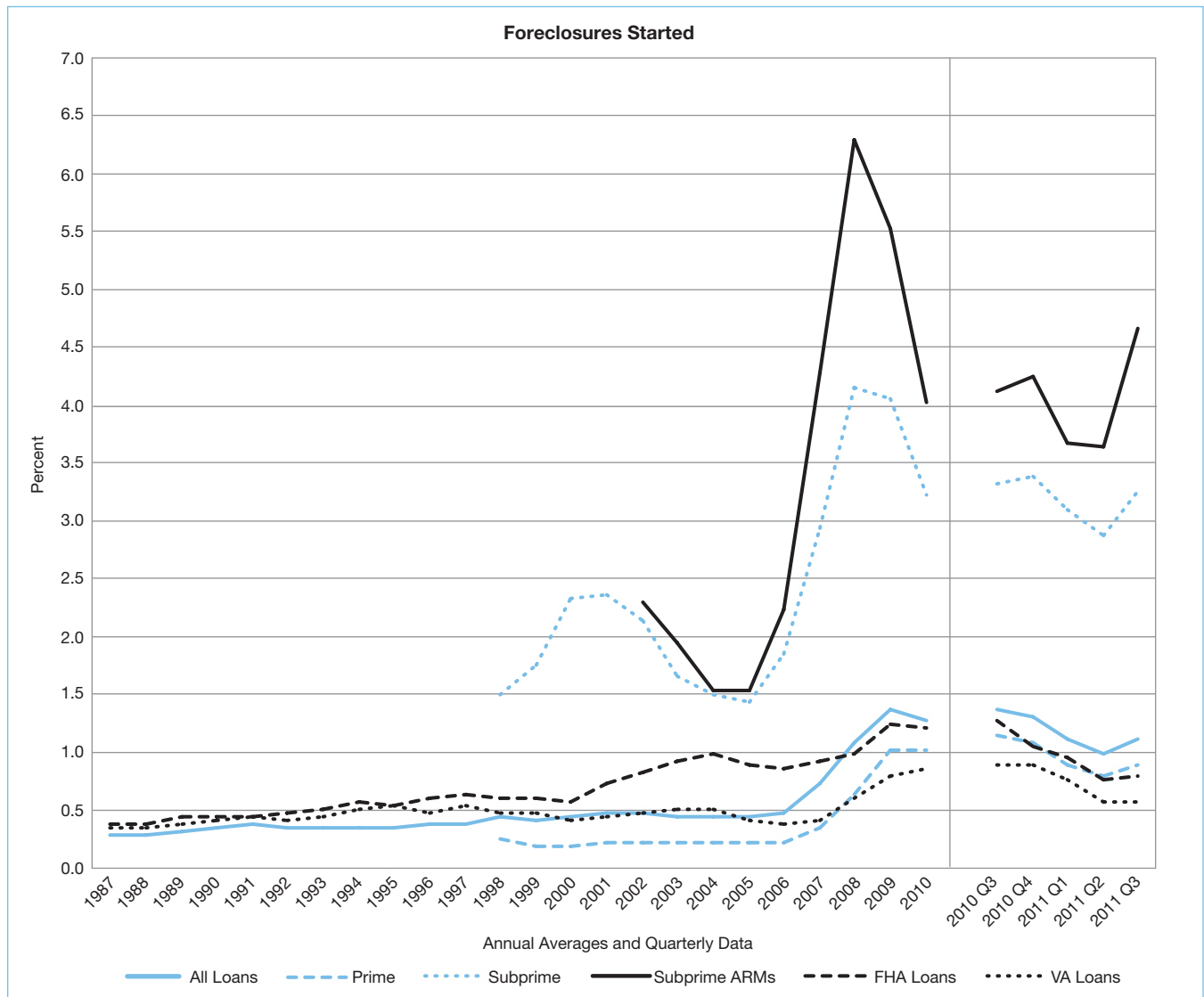
Source: Office of Multifamily Housing Development (FHA F-47 Data Series), Department of Housing and Urban Development



Exhibit 19. Mortgage Delinquencies and Foreclosures Started: 1987–Present*

HUD has discontinued publishing historical NDS data in tabular format at MBA's request; hence, the table is being replaced with charts showing the same historical information.





* All data are seasonally adjusted except for Foreclosures Started data.

ARM = Adjustable-rate mortgage. FHA = Federal Housing Administration. HUD = Department of Housing and Urban Development.

MBA = Mortgage Bankers Association. NDS = National Delinquency Survey. VA = Department of Veterans Affairs.

Note: HUD has discontinued publishing historical NDS data in tabular format at the request of MBA.

Source: National Delinquency Survey, Mortgage Bankers Association



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



Period	Total	New Residential Construction			Improvements
		Total	Single-Family Structures	Multifamily Structures	
Annual Data (Current Dollars in Millions)					
1974	55,967	43,420	29,700	13,720	12,547
1975	51,581	36,317	29,639	6,679	15,264
1976	68,273	50,771	43,860	6,910	17,502
1977	92,004	72,231	62,214	10,017	19,773
1978	109,838	85,601	72,769	12,832	24,237
1979	116,444	89,272	72,257	17,015	27,172
1980	100,381	69,629	52,921	16,708	30,752
1981	99,241	69,424	51,965	17,460	29,817
1982	84,676	57,001	41,462	15,838	27,675
1983	125,833	94,961	72,514	22,447	30,872
1984	155,015	114,616	86,395	28,221	40,399
1985	160,520	115,888	87,350	28,539	44,632
1986	190,677	135,169	104,131	31,038	55,508
1987	199,652	142,668	117,216	25,452	56,984
1988	204,496	142,391	120,093	22,298	62,105
1989	204,255	143,232	120,929	22,304	61,023
1990	191,103	132,137	112,886	19,250	58,966
1991	166,251	114,575	99,427	15,148	51,676
1992	199,393	135,070	121,976	13,094	64,323
1993*	208,180	150,911	140,123	10,788	57,269
1994	241,033	176,390	162,309	14,081	64,643
1995	228,121	171,404	153,515	17,889	56,717
1996	257,495	191,114	170,790	20,324	66,381
1997	264,696	198,062	175,179	22,883	66,634
1998	296,343	223,983	199,409	24,574	72,360
1999	326,302	251,271	223,837	27,434	75,031
2000	346,138	265,047	236,788	28,259	81,091
2001	364,414	279,391	249,086	30,305	85,023
2002	396,696	298,841	265,889	32,952	97,855
2003	446,035	345,691	310,575	35,116	100,344
2004	532,900	417,501	377,557	39,944	115,399
2005	611,899	480,807	433,510	47,297	131,092
2006	613,731	468,800	415,997	52,803	144,931
2007	493,246	354,143	305,184	48,959	139,103
2008	350,257	230,114	185,776	44,338	120,144
2009	245,912	133,874	105,336	28,538	112,038
2010	238,801	127,237	112,569	14,668	111,564
2011	236,168	121,526	106,807	14,719	114,642
Monthly Data (Seasonally Adjusted Annual Rates)					
2010					
Oct	234,955	120,441	106,439	14,002	NA
Nov	235,690	121,153	106,382	14,771	NA
Dec	229,963	120,587	107,044	13,543	NA
2011					
Jan	237,643	121,524	108,019	13,505	NA
Feb	233,404	120,708	107,031	13,677	NA
Mar	227,254	119,383	105,923	13,460	NA
Apr	238,289	119,302	105,598	13,704	NA
May	249,019	119,096	104,965	14,131	NA
Jun	243,939	119,237	105,226	14,011	NA
Jul	225,270	120,686	105,726	14,960	NA
Aug	229,889	122,324	106,600	15,724	NA
Sep	233,393	122,119	106,849	15,270	NA
Oct	239,994	122,644	107,421	15,223	NA
Nov	239,352	125,436	109,291	16,145	NA
Dec	241,188	127,054	110,959	16,095	NA

*Effective with the May 2008 data, expenditures on private residential improvements to rental, vacant, and seasonal properties are not included in the construction spending data. To allow comparable time series analysis, these expenditures have been removed from historic data back to January 1993.

NA = Data available only annually.

Source: Census Bureau, Department of Commerce

<http://www.census.gov/const/C30/PRIVSAHIST.xls>

Historical Data

Exhibit 21. Gross Domestic Product and Residential Fixed Investment: 1961–Present



Period	Gross Domestic Product	Residential Fixed Investment	Residential Fixed Investment Percent of Gross Domestic Product
Annual Data (Current Dollars in Billions)			
1961	544.7	26.4	4.8
1962	585.6	29.0	5.0
1963	617.7	32.1	5.2
1964	663.6	34.3	5.2
1965	719.1	34.2	4.8
1966	787.8	32.3	4.1
1967	832.6	32.4	3.9
1968	910.0	38.7	4.3
1969	984.6	42.6	4.3
1970	1,038.5	41.4	4.0
1971	1,127.1	55.8	5.0
1972	1,238.3	69.7	5.6
1973	1,382.7	75.3	5.4
1974	1,500.0	66.0	4.4
1975	1,638.3	62.7	3.8
1976	1,825.3	82.5	4.5
1977	2,030.9	110.3	5.4
1978	2,294.7	131.6	5.7
1979	2,563.3	141.0	5.5
1980	2,789.5	123.2	4.4
1981	3,128.4	122.6	3.9
1982	3,255.0	105.7	3.2
1983	3,536.7	152.9	4.3
1984	3,933.2	180.6	4.6
1985	4,220.3	188.2	4.5
1986	4,462.8	220.1	4.9
1987	4,739.5	233.7	4.9
1988	5,103.8	239.3	4.7
1989	5,484.4	239.5	4.4
1990	5,803.1	224.0	3.9
1991	5,995.9	205.1	3.4
1992	6,337.7	236.3	3.7
1993	6,657.4	266.0	4.0
1994	7,072.2	301.9	4.3
1995	7,397.7	302.8	4.1
1996	7,816.9	334.1	4.3
1997	8,304.3	349.1	4.2
1998	8,793.5	385.9	4.4
1999	9,353.5	425.8	4.6
2000	9,951.5	449.0	4.5
2001	10,286.2	472.4	4.6
2002	10,642.3	509.5	4.8
2003	11,142.1	577.6	5.2
2004	11,867.8	680.6	5.7
2005	12,638.4	775.0	6.1
2006	13,398.9	761.9	5.7
2007	14,061.8	628.6	4.5
2008	14,291.5	472.4	3.3
2009	13,939.0	354.7	2.5
2010	14,526.5	338.1	2.3
2011	15,087.7	337.2	2.2
Quarterly Data (Seasonally Adjusted Annual Rates)			
2010 Q4	14,755.0	331.3	2.2
2011 Q1	14,867.8	330.6	2.2
Q2	15,012.8	335.7	2.2
Q3	15,176.1	337.0	2.2
Q4	15,294.3	345.6	2.3

Source: Bureau of Economic Analysis, Department of Commerce

<http://www.bea.doc.gov/bea/newsrel/gdpnewsrelease.htm> (see table 3 in pdf)



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



Period	Total	Less Than 25 Years	25 to 29 Years	30 to 34 Years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Older
Annual Data								
1971 ¹	848	NA	NA	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA	NA	NA
1973	1,575	282	320	438	191	49	76	218
1974 ^r	1,554	351	395	321	(15)	134	(75)	448
1975	1,358	39	305	366	181	(38)	162	342
1976	1,704	11	484	78	341	(81)	332	539
1977	1,275	114	87	570	255	85	149	14
1978	1,888	229	213	451	487	(303)	403	409
1979	1,300	122	81	84	359	(17)	101	570
1980 ²	3,446	228	573	935	652	69	241	749
1981	1,592	(127)	262	387	482	40	179	368
1982	1,159	(333)	11	163	864	(189)	243	400
1983	391	(415)	(60)	(163)	694	(151)	127	359
1984 ^r	1,372	(237)	332	350	549	169	54	156
1985	1,499	(20)	(160)	388	912	105	(55)	328
1986	1,669	65	144	252	516	471	(221)	441
1987	1,021	(306)	(129)	221	706	112	16	402
1988 ^r	1,645	109	(44)	163	624	389	(10)	414
1989	1,706	109	16	287	625	418	(53)	304
1990	517	(294)	(201)	(251)	602	496	(276)	440
1991	965	(239)	(177)	28	750	237	(5)	371
1992	1,364	(23)	(433)	120	474	796	36	394
1993 ³	750	398	46	1	84	866	(406)	(239)
1994	681	8	(387)	47	431	424	34	124
1995	1,883	179	(72)	(193)	621	753	36	559
1996	637	(162)	(46)	(181)	312	418	177	121
1997	1,391	(122)	293	(204)	597	835	68	(78)
1998	1,510	275	(184)	(97)	120	704	603	89
1999	1,346	335	56	(270)	25	611	499	92
2000	831	90	1	(193)	(13)	769	21	156
2001	1,364	305	(87)	62	(191)	942	300	35
2002 ⁴	1,371	119	141	205	(561)	207	967	302
2003	792	81	(3)	(73)	(196)	249	673	61
2004	1,495	127	316	(177)	(225)	461	787	206
2005	1,878	11	319	(266)	87	526	844	359
2006	1,209	34	175	(175)	(277)	482	666	302
2007	565	(96)	183	(89)	(418)	172	576	238
2008	414	(264)	(134)	(65)	(238)	147	583	376
2009	623	(128)	38	45	(506)	228	447	499
2010 ⁵	582	(43)	(31)	154	(564)	(42)	651	458
2011	657	(36)	(61)	393	(320)	(388)	730	345
Quarterly Data								
2010								
Q4	521	119	87	165	39	(226)	91	247
2011								
Q1	(316)	(57)	111	(24)	(262)	(108)	138	(108)
Q2	279	(96)	(173)	246	76	(7)	187	44
Q3	160	(49)	52	(19)	(276)	31	64	356
Q4	536	141	(195)	246	300	(318)	155	209

*Units in thousands. NA = Not available.

^r Implementation of new March Current Population Survey (CPS) processing system.

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

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

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

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

⁵ Beginning in 2010, CPS data weighted based on the vintage 2009 housing estimates.

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

**Exhibit 23. Net Change in Number of Households by Type of Household:
1972–Present***



Period	Total	Families ⁶				Non-Family Households		One-Person Households	
		Husband-Wife		Other Male Headed	Other Female Headed	Male Headed	Female Headed	Male	Female
		With Children	Without Children						
Annual Data									
1972 ¹	1,898	NA	NA	NA	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA	NA	NA	NA
1974 ^r	1,554	NA	NA	NA	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA	NA	NA	NA
1977	1,275	(191)	366	36	206	199	109	223	326
1978	1,888	(228)	114	103	497	126	93	713	470
1979	1,300	(91)	396	53	182	143	131	112	375
1980 ²	3,446	426	1,024	115	485	240	60	502	592
1981	1,592	56	126	201	377	184	9	287	353
1982	1,159	(393)	730	53	322	(50)	81	229	189
1983	391	(2)	278	31	65	87	33	(31)	(73)
1984 ^r	1,372	(60)	234	21	427	142	14	35	562
1985	1,499	(178)	447	189	233	(12)	62	436	319
1986	1,669	458	125	187	81	171	71	363	213
1987	1,021	75	529	96	235	43	95	(39)	(12)
1988 ^r	1,645	(107)	244	344	243	62	51	557	249
1989	1,706	135	290	0	196	213	99	390	385
1990	517	(123)	341	30	5	(124)	97	(144)	435
1991	965	(66)	(104)	28	373	143	(1)	401	191
1992	1,364	(53)	363	114	430	115	12	163	220
1993 ³	750	550	83	44	364	37	87	(169)	(247)
1994	681	207	(128)	(145)	340	170	185	(4)	57
1995	1,883	250	439	308	(182)	28	(80)	700	421
1996	637	(333)	43	286	295	11	169	148	20
1997	1,391	153	(117)	340	270	204	37	154	349
1998	1,510	246	467	61	(136)	(143)	89	568	356
1999	1,346	(211)	663	63	139	280	132	(44)	323
2000	831	149	392	48	(98)	58	165	215	(97)
2001	1,364	(45)	23	255	38	71	87	434	503
2002 ⁴	1,371	(109)	649	156	97	(41)	13	339	275
2003	792	9	332	56	106	35	31	157	65
2004	1,495	(27)	470	305	231	55	(7)	221	246
2005	1,878	(60)	362	201	487	85	62	461	284
2006	1,209	30	187	48	152	89	97	439	165
2007	565	(141)	277	(22)	83	82	(85)	247	124
2008	414	(361)	340	94	(45)	61	(51)	196	173
2009	623	(296)	378	202	232	90	119	24	(125)
2010 ⁵	582	(138)	(185)	200	345	74	200	66	21
2011	657	(513)	186	93	189	83	99	274	251
Quarterly Data									
2010 Q4	521	(11)	109	147	35	227	132	101	(220)
2011 Q1	(316)	(598)	284	86	(289)	18	39	58	90
Q2	279	9	(335)	(144)	461	(69)	(48)	79	325
Q3	160	161	274	132	183	(75)	(11)	(320)	(185)
Q4	536	310	242	(99)	(200)	127	46	227	(114)

*Units in thousands. NA = Not available.

^r Implementation of new March Current Population Survey (CPS) processing system.

¹ Data from 1972 to 1979 weighted based on the 1970 decennial census.

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

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

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

⁵ Beginning in 2010, CPS data weighted based on the vintage 2009 housing estimates.

⁶ Primary families only.

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



Exhibit 24. Net Change in Number of Households by Race and Ethnicity of Householder: 1972–Present*



Period	Total	Non-Hispanic				Hispanic
		White Alone	Black Alone	Other Race Alone	Two or More Races ⁶	
Annual Data						
1972 ¹	1,898	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA
1974 ^r	1,554	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA
1977	1,275	832	288	22	NA	133
1978	1,888	1,356	190	119	NA	223
1979	1,300	1,115	96	102	NA	(13)
1980 ²	3,446	2,367	488	198	NA	393
1981	1,592	903	244	223	NA	222
1982	1,159	890	129	66	NA	74
1983	391	218	(37)	105	NA	105
1984 ^r	1,372	434	299	58	NA	581
1985	1,499	938	250	94	NA	217
1986	1,669	954	283	102	NA	330
1987	1,021	527	116	173	NA	205
1988 ^r	1,645	1,053	255	113	NA	224
1989	1,706	947	382	109	NA	268
1990	517	428	(49)	115	NA	23
1991	965	540	156	(18)	NA	287
1992	1,364	590	397	218	NA	159
1993 ³	750	(518)	183	312	NA	774
1994	681	590	(6)	(114)	NA	209
1995	1,883	1,307	387	(182)	NA	373
1996	637	(72)	(156)	660	NA	204
1997	1,391	308	509	288	NA	286
1998	1,510	696	363	87	NA	365
1999	1,346	641	89	145	NA	470
2000	831	242	245	85	NA	259
2001	1,364	677	186	206	NA	296
2002 ⁴	1,371	(83)	(108)	624	NA	946
2003	792	(526)	17	(436)	NA	622
2004	1,495	752	264	184	44	250
2005	1,878	876	286	177	53	489
2006	1,209	408	198	121	25	455
2007	565	(150)	163	203	(70)	420
2008	414	(5)	222	19	4	165
2009	623	316	131	88	40	49
2010 ⁵	582	264	78	83	19	137
2011	657	(56)	111	102	49	457
Quarterly Data						
2010						
Q4	521	41	73	146	(27)	288
2011						
Q1	(316)	(137)	(72)	(67)	30	(67)
Q2	279	110	86	71	(4)	16
Q3	160	(176)	(38)	33	21	318
Q4	536	364	26	35	(21)	134

*Units in thousands. NA = Not available.

^r Implementation of new March Current Population Survey (CPS) processing system.

¹ Data from 1972 to 1979 weighted based on the 1970 decennial census.

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

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

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

⁵ Beginning in 2010, CPS data weighted based on the vintage 2009 housing estimates.

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

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

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



Period	Total ³	Seasonal	Total Year Round	Total Vacant Year Round	For Rent	For Sale Only	Other Vacant	Total Occupied	Owner	Renter
Annual and Biennial Data										
1970 ¹	68,672	973	67,699	4,207	1,655	477	2,075	63,445	39,886	23,560
1971	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1972	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1973	75,969	676	75,293	5,956	1,545	502	3,909	69,337	44,653	24,684
1974	77,601	1,715	75,886	5,056	1,630	547	2,879	70,830	45,784	25,046
1975	79,087	1,534	77,553	5,030	1,489	577	2,964	72,523	46,867	25,656
1976	80,881	1,565	79,316	5,311	1,544	617	3,150	74,005	47,904	26,101
1977	82,420	1,704	80,716	5,436	1,532	596	3,308	75,280	48,765	26,515
1978	84,618	1,785	82,833	5,667	1,545	624	3,498	77,167	50,283	26,884
1979	86,374	1,788	84,586	6,014	1,600	677	3,737	78,572	51,411	27,160
1980	88,207	2,183	86,024	5,953	1,497	755	3,701	80,072	52,516	27,556
1980 ¹	88,411	1,718	86,693	NA	NA	NA	NA	80,390	51,795	28,595
1981 ²	91,561	1,950	89,610	6,435	1,634	812	3,989	83,175	54,342	28,833
1983	93,519	1,845	91,675	7,037	1,906	955	4,176	84,638	54,724	29,914
1985	99,931	3,182	96,749	8,324	2,518	1,128	4,678	88,425	56,145	32,280
1987	102,652	2,837	99,818	8,927	2,895	1,116	4,916	90,888	58,164	32,724
1989	105,661	2,881	102,780	9,097	2,644	1,115	5,338	93,683	59,916	33,767
1990 ¹	102,264	NA	NA	NA	NA	NA	NA	91,947	59,025	32,923
1991	104,592	2,728	101,864	8,717	2,684	1,026	5,007	93,147	59,796	33,351
1993	106,611	3,088	103,522	8,799	2,651	889	5,258	94,724	61,252	33,472
1995	109,457	3,054	106,403	8,710	2,666	917	5,128	97,693	63,544	34,150
1997	112,357	3,166	109,191	9,704	2,884	1,043	5,777	99,487	65,487	34,000
1999	115,253	2,961	112,292	9,489	2,719	971	5,799	102,803	68,796	34,007
2000 ¹	119,628	NA	NA	NA	NA	NA	NA	105,719	71,249	34,470
2001	119,116	3,078	116,038	9,777	2,916	1,243	5,618	106,261	72,265	33,996
2003	120,777	3,566	117,211	11,369	3,597	1,284	6,488	105,842	72,238	33,604
2005	124,377	3,845	120,532	11,661	3,707	1,401	6,553	108,871	74,931	33,940
2007	128,203	4,402	123,801	13,109	3,852	2,017	7,240	110,692	75,647	35,045
2009	130,112	4,618	125,494	13,688	4,018	2,108	7,562	111,806	76,428	35,378
2010 ¹	131,705	4,649	127,056	14,988	4,138	1,897	8,953	116,716	75,986	40,730
Quarterly Data										
2010⁴										
Q4	131,975	4,332	127,643	14,217	4,003	2,068	8,146	113,427	75,406	38,022
2011										
Q1	132,110	4,615	127,495	14,382	4,104	2,006	8,272	113,111	75,092	38,018
Q2	132,232	4,571	127,661	14,271	3,947	1,960	8,364	113,390	74,706	38,684
Q3	132,353	4,376	127,977	14,428	4,239	1,863	8,326	113,550	75,250	38,299
Q4	132,474	4,512	127,962	13,876	4,058	1,782	8,036	114,086	75,315	38,771

*Components may not add to totals because of rounding. Units in thousands. NA = Not available.

¹ Decennial Census of Housing.

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

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

⁴ Beginning in the third quarter of 2010, the housing inventory estimates are based on vintage 2009 housing unit control totals. The CPS data have also been revised back to 2000 based on vintage 2009 housing unit controls.

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

<http://www.census.gov/hhes/www/hvs.html> (see table 4)



Exhibit 26. Rental Vacancy Rates: 1979–Present

Period	All Rental Units	Metropolitan Status ¹				Regions				Units in Structure		
		Inside Metro Area	In Central City	Suburbs	Outside Metro Area	North- east	Mid- west	South	West	One	Two or More	Five or More
Annual Data												
1979	5.4	5.4	5.7	5.1	5.4	4.5	5.7	6.1	5.3	3.2	6.6	7.6
1980	5.4	5.2	5.4	4.8	6.1	4.2	6.0	6.0	5.2	3.4	6.4	7.1
1981	5.0	4.8	5.0	4.6	5.7	3.7	5.9	5.4	5.1	3.3	6.0	6.4
1982	5.3	5.0	5.3	4.6	6.2	3.7	6.3	5.8	5.4	3.6	6.2	6.5
1983	5.7	5.5	6.0	4.8	6.3	4.0	6.1	6.9	5.2	3.7	6.7	7.1
1984	5.9	5.7	6.2	5.1	6.4	3.7	5.9	7.9	5.2	3.8	7.0	7.5
1985	6.5	6.3	6.6	6.0	7.1	3.5	5.9	9.1	6.2	3.8	7.9	8.8
1986	7.3	7.2	7.6	6.6	8.2	3.9	6.9	10.1	7.1	3.9	9.2	10.4
1987	7.7	7.7	8.3	6.9	7.8	4.1	6.8	10.9	7.3	4.0	9.7	11.2
1988	7.7	7.8	8.4	7.0	7.3	4.8	6.9	10.1	7.7	3.6	9.8	11.4
1989	7.4	7.4	7.9	6.6	7.7	4.7	6.8	9.7	7.1	4.2	9.2	10.1
1990	7.2	7.1	7.8	6.3	7.6	6.1	6.4	8.8	6.6	4.0	9.0	9.5
1991	7.4	7.5	8.0	6.8	7.3	6.9	6.7	8.9	6.5	3.9	9.4	10.4
1992	7.4	7.4	8.3	6.4	7.0	6.9	6.7	8.2	7.1	3.9	9.3	10.1
1993	7.3	7.5	8.2	6.6	6.5	7.0	6.6	7.9	7.4	3.8	9.5	10.3
1994	7.4	7.3	8.1	6.4	7.7	7.1	6.8	8.0	7.1	5.2	9.0	9.8
1995	7.6	7.6	8.4	6.6	7.9	7.2	7.2	8.3	7.5	5.4	9.0	9.5
1996	7.8	7.7	8.2	7.0	8.7	7.4	7.9	8.6	7.2	5.5	9.3	9.6
1997	7.7	7.5	8.1	6.9	8.8	6.7	8.0	9.1	6.6	5.8	9.0	9.1
1998	7.9	7.7	8.2	7.1	9.2	6.7	7.9	9.6	6.7	6.3	9.0	9.4
1999	8.1	7.8	8.4	7.2	9.6	6.3	8.6	10.3	6.2	7.3	8.7	8.7
2000	8.0	7.7	8.2	7.2	9.5	5.6	8.8	10.5	5.8	7.0	8.7	9.2
2001	8.4	8.0	8.6	7.4	10.4	5.3	9.7	11.1	6.2	7.9	8.9	9.6
2002	8.9	8.7	9.2	8.2	10.2	5.8	10.1	11.6	6.9	8.0	9.7	10.4
2003	9.8	9.6	10.0	9.2	10.6	6.6	10.8	12.5	7.7	8.4	10.7	11.4
2004	10.2	10.2	10.8	9.5	10.2	7.3	12.2	12.6	7.5	9.3	10.9	11.5
2005	9.8	9.7	10.0	9.4	10.5	6.5	12.6	11.8	7.3	9.9	10.0	10.4
2006	9.7	9.7	10.0	9.3	10.0	7.1	12.4	11.6	6.8	10.0	9.8	9.9
2007	9.7	9.8	10.0	9.6	9.3	7.0	11.5	12.3	6.7	9.6	10.0	10.3
2008	10.0	10.0	10.2	9.7	10.4	6.9	10.8	13.0	7.5	9.8	10.4	10.8
2009	10.6	10.7	11.1	10.2	10.4	7.2	10.7	13.7	9.0	9.8	11.3	12.3
2010	10.2	10.3	10.7	9.8	9.9	7.7	10.9	12.7	8.3	9.6	10.8	11.6
2011	9.5	9.5	9.9	9.0	9.5	7.4	10.2	12.0	7.0	9.0	10.0	10.4
Quarterly Data												
2010 Q4	9.4	9.5	9.8	9.1	9.1	7.5	9.6	11.5	7.9	8.9	9.9	10.5
2011 Q1	9.7	9.6	9.8	9.3	10.0	6.8	10.2	12.5	7.3	9.2	10.1	10.5
Q2	9.2	9.2	9.6	8.6	9.1	6.8	10.3	11.4	6.8	8.5	9.7	10.0
Q3	9.8	9.8	10.4	9.1	9.7	8.0	10.5	12.2	7.3	9.2	10.4	10.8
Q4	9.4	9.4	9.6	9.1	9.2	7.8	9.7	12.0	6.6	8.9	9.8	10.1

¹ The Census Bureau has changed to the Office of Management and Budget's new designation of metropolitan areas as core-based statistical areas effective January 2005. The new statistical area definitions and data are not comparable with the previous ones.

<http://www.census.gov/hhes/www/hvs.html> (see detail tables, tables 2 and 3)

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



Period	Total	Less Than 25 Years	25 to 29 Years	30 to 34 Years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Over
Annual Data								
1982	64.8	19.3	38.6	57.1	70.0	77.4	80.0	74.4
1983	64.6	18.8	38.3	55.4	69.3	77.0	79.9	75.0
1984	64.5	17.9	38.6	54.8	68.9	76.5	80.0	75.1
1985	63.9	17.2	37.7	54.0	68.1	75.9	79.5	74.8
1986	63.8	17.2	36.7	53.6	67.3	76.0	79.9	75.0
1987	64.0	16.0	36.4	53.5	67.2	76.1	80.2	75.5
1988	63.8	15.8	35.9	53.2	66.9	75.6	79.5	75.6
1989	63.9	16.6	35.3	53.2	66.6	75.5	79.6	75.8
1990	63.9	15.7	35.2	51.8	66.3	75.2	79.3	76.3
1991	64.1	15.3	33.8	51.2	65.8	74.8	80.0	77.2
1992	64.1	14.9	33.6	50.5	65.1	75.1	80.2	77.1
1993	64.5	15.0	34.0	51.0	65.4	75.4	79.8	77.3
1993 ¹	64.0	14.8	33.6	50.8	65.1	75.3	79.9	77.3
1994	64.0	14.9	34.1	50.6	64.5	75.2	79.3	77.4
1995	64.7	15.9	34.4	53.1	65.2	75.2	79.5	78.1
1996	65.4	18.0	34.7	53.0	65.5	75.6	80.0	78.9
1997	65.7	17.7	35.0	52.6	66.1	75.8	80.1	79.1
1998	66.3	18.2	36.2	53.6	66.9	75.7	80.9	79.3
1999	66.8	19.9	36.5	53.8	67.2	76.0	81.0	80.1
2000	67.4	21.7	38.1	54.6	67.9	76.5	80.3	80.4
2001	67.8	22.5	38.9	54.8	68.2	76.7	81.3	80.3
2002 ²	67.9	22.9	38.8	54.9	68.6	76.3	81.1	80.6
2003	68.3	22.8	39.8	56.5	68.3	76.6	81.4	80.5
2004	69.0	25.2	40.2	57.4	69.2	77.2	81.7	81.1
2005	68.9	25.7	40.9	56.8	69.3	76.6	81.2	80.6
2006	68.8	24.8	41.8	55.9	68.9	76.2	80.9	80.9
2007	68.1	24.8	40.6	54.4	67.8	75.4	80.6	80.4
2008	67.8	23.6	40.0	53.5	67.0	75.0	80.1	80.1
2009	67.4	23.3	37.7	52.5	66.2	74.4	79.5	80.5
2010	66.8	22.8	36.8	51.6	65.0	73.5	79.0	80.5
2011	66.2	22.6	34.6	49.8	63.5	72.7	78.5	80.9
Quarterly Data								
2010 Q4	66.5	22.9	35.9	52.6	63.9	72.7	79.0	80.5
2011 Q1	66.4	22.3	35.2	50.3	64.4	73.1	78.6	80.9
Q2	65.9	21.9	34.7	49.4	63.8	72.3	77.8	80.8
Q3	66.3	23.5	34.4	49.9	63.4	72.7	78.6	81.1
Q4	66.0	22.7	34.1	49.6	62.3	72.7	79.0	80.9

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

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

Source: Census Bureau, Department of Commerce

<http://www.census.gov/hhes/www/housing/hvs/hvs.html> (see detail tables, table 7)



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



Period	Total	Region				Metropolitan Status ^{4,5}		
		Northeast	Midwest	South	West	Inside Metro Area		Outside Metro Area
						Central City	Outside Central City	
March Supplemental Data								
1983 ¹	64.9	61.4	70.0	67.1	58.7	48.9	70.2	73.5
1984	64.5	60.7	69.0	67.2	58.5	49.2	69.8	72.6
1985	64.3	61.1	67.7	66.7	59.4	NA	NA	NA
1986	63.8	61.1	66.9	66.7	57.8	48.3	71.2	72.0
1987	64.0	61.4	67.1	66.9	57.9	48.7	70.9	72.5
1988	64.0	61.9	67.0	65.9	59.0	48.7	71.1	72.1
1989	64.0	61.6	67.6	66.3	58.5	48.7	70.4	73.1
1990	64.1	62.3	67.3	66.5	58.0	48.9	70.1	73.5
1991	64.0	61.9	67.3	66.1	58.8	48.3	70.4	73.2
1992	64.1	62.7	67.0	65.8	59.2	49.0	70.2	73.0
1993 ²	64.1	62.4	67.0	65.5	60.0	48.9	70.2	72.9
Annual Averages of Monthly Data								
1994	64.0	61.5	67.7	65.6	59.4	48.5	70.3	72.0
1995	64.7	62.0	69.2	66.7	59.2	49.5	71.2	72.7
1996	65.4	62.2	70.6	67.5	59.2	49.7	72.2	73.5
1997	65.7	62.4	70.5	68.0	59.6	49.9	72.5	73.7
1998	66.3	62.6	71.1	68.6	60.5	50.0	73.2	74.7
1999	66.8	63.1	71.7	69.1	60.9	50.4	73.6	75.4
2000	67.4	63.4	72.6	69.6	61.7	51.4	74.0	75.2
2001	67.8	63.7	73.1	69.8	62.6	51.9	74.6	75.0
2002 ³	67.9	64.3	73.1	69.7	62.5	51.7	74.7	75.4
2003	68.3	64.4	73.2	70.1	63.4	52.3	75.0	75.6
2004	69.0	65.0	73.8	70.9	64.2	53.1	75.7	76.3
2005	68.9	65.2	73.1	70.8	64.4	54.2	76.4	76.3
2006	68.8	65.2	72.7	70.5	64.7	54.3	76.1	75.9
2007	68.1	65.0	71.9	70.1	63.5	53.6	75.5	75.1
2008	67.8	64.6	71.7	69.9	63.0	53.2	75.1	75.2
2009	67.4	64.0	71.0	69.6	62.6	52.8	74.6	74.7
2010	66.8	64.1	70.8	69.0	61.4	52.1	74.0	74.5
2011	66.1	63.6	70.2	68.3	60.5	51.3	73.5	73.9
Quarterly Averages of Monthly Data								
2010 Q4	66.5	64.1	70.5	68.5	61.0	52.0	73.6	74.1
2011 Q1	66.4	63.9	70.4	68.4	60.9	51.4	73.8	74.1
Q2	65.9	63.0	70.0	68.2	60.3	51.1	73.2	73.5
Q3	66.3	63.7	70.3	68.4	60.7	51.6	73.4	74.3
Q4	66.0	63.7	70.0	68.3	60.1	51.2	73.4	73.8

NA = Not available.

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

² Beginning in 1993, Current Population Survey (CPS) data weighted based on the 1990 decennial census.

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

⁴ From 1983 and 1984, the metropolitan data reflect 1970 definitions. From 1985 to 1994, the metropolitan data reflect 1980 definitions. Beginning in 1995, the metropolitan data reflect 1990 definitions.

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

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

<http://www.census.gov/hhes/www/hvs.html> (see table 6)

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



Period	Non-Hispanic				Hispanic
	White Alone	Black Alone	Other Race Alone	Two or More Races ⁴	
March Supplemental Data					
1983 ¹	69.1	45.6	53.3	NA	41.2
1984 ^r	69.0	46.0	50.9	NA	40.1
1985	69.0	44.4	50.7	NA	41.1
1986	68.4	44.8	49.7	NA	40.6
1987	68.7	45.8	48.7	NA	40.6
1988 ^r	69.1	42.9	49.7	NA	40.6
1989	69.3	42.1	50.6	NA	41.6
1990	69.4	42.6	49.2	NA	41.2
1991	69.5	42.7	51.3	NA	39.0
1992	69.6	42.6	52.5	NA	39.9
1993 ²	70.2	42.0	50.6	NA	39.4
Annual Averages of Monthly Data					
1994	70.0	42.5	50.8	NA	41.2
1995	70.9	42.9	51.5	NA	42.0
1996	71.7	44.5	51.5	NA	42.8
1997	72.0	45.4	53.3	NA	43.3
1998	72.6	46.1	53.7	NA	44.7
1999	73.2	46.7	54.1	NA	45.5
2000	73.8	47.6	53.9	NA	46.3
2001	74.3	48.4	54.7	NA	47.3
2002 ³	74.7	48.2	55.0	NA	47.0
2003	75.4	48.8	56.7	58.0	46.7
2004	76.0	49.7	59.6	60.4	48.1
2005	75.8	48.8	60.4	59.8	49.5
2006	75.8	48.4	61.1	59.9	49.7
2007	75.2	47.8	60.3	59.0	49.7
2008	75.0	47.9	59.8	57.8	49.1
2009	74.8	46.6	59.7	56.0	48.4
2010	74.4	45.9	58.8	55.6	47.5
2011	73.8	45.4	58.0	54.9	46.9
Quarterly Averages of Monthly Data					
2010 Q4	74.2	45.3	58.9	58.6	46.8
2011 Q1	74.1	45.2	58.1	57.2	46.8
Q2	73.6	44.7	57.5	54.6	46.6
Q3	73.8	46.1	58.4	52.4	47.6
Q4	73.7	45.5	57.8	55.3	46.6

NA = Not available.

^r Implementation of new March Current Population Survey (CPS) processing system.

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

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

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

⁴ Beginning in 2003, the CPS respondents were able to answer more than one race.

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



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

Period	Married Couples		Other Families		Other
	With Children	Without Children	With Children	Without Children	
March Supplemental Data					
1983 ¹	75.0	80.8	38.3	67.5	44.5
1984 ^r	74.2	80.9	39.1	66.4	44.6
1985	74.0	81.1	38.6	65.4	45.0
1986	73.4	81.4	38.0	65.7	43.9
1987	73.8	81.6	37.6	66.3	43.9
1988 ^r	73.9	81.7	38.0	64.9	44.6
1989	74.3	82.0	35.8	64.4	45.6
1990	73.5	82.2	36.0	64.3	46.6
1991	73.0	83.0	35.6	65.6	46.8
1992	73.4	83.0	35.1	64.9	47.3
1993 ²	73.7	82.9	35.5	63.9	47.1
Annual Averages of Monthly Data					
1994	74.3	83.2	36.1	65.3	47.0
1995	74.9	84.0	37.7	66.2	47.7
1996	75.8	84.4	38.6	67.4	48.6
1997	76.5	84.9	38.5	66.4	49.2
1998	77.3	85.4	40.4	66.0	49.7
1999	77.6	85.7	41.9	65.8	50.3
2000	78.3	86.1	43.2	65.8	50.9
2001	78.8	86.6	44.2	66.1	51.7
2002 ³	78.6	86.8	43.5	66.3	52.3
2003	79.1	87.0	43.8	66.5	52.7
2004	79.7	87.7	45.3	67.8	53.5
2005	80.3	87.5	45.2	67.4	53.3
2006	79.9	87.6	45.2	67.6	53.4
2007	79.4	87.5	44.2	65.7	52.7
2008	78.9	87.1	43.3	66.1	52.7
2009	78.0	86.7	42.4	65.4	52.6
2010	76.4	86.6	41.6	66.0	52.8
2011	75.2	86.4	40.7	65.8	52.4
Quarterly Averages of Monthly Data					
2010 Q4	76.2	85.9	40.7	66.7	52.9
2011 Q1	76.3	86.3	41.7	64.8	52.3
Q2	75.1	86.5	39.9	65.3	52.3
Q3	74.9	86.8	40.5	66.0	52.7
Q4	74.6	86.2	40.4	67.0	52.2

^r Implementation of new March Current Population Survey (CPS) processing system.

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

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

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

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

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