

COMPREHENSIVE MARKET ANALYSIS REPORTS



Policy Development & Research

**Analysis of the
Buffalo-Niagara Falls,
New York**

Housing Market

As of July 1, 2005



ECONOMIC RESEARCH

U.S. Department of Housing and Urban Development

Foreword

This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the "as-of" date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD wishes to express its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

This analysis takes into consideration changes in the economic, demographic, and housing inventory characteristics of the market area during three periods: from 1990 to 2000, from 2000 to the as-of date of the analysis—July 1, 2005 (Current date)—and from the Current date to a Forecast date—July 1, 2008. In the analysis, 1990 and 2000 refer to the dates of the decennial census—April 1 unless specified otherwise. This analysis presents counts and estimates of employment, population, households, and housing inventory as of the 1990 Census, 2000 Census, Current date, and Forecast date. For purposes of this analysis, the forecast period is 36 months.

The prospective demand expressed in the analysis should not be construed as a forecast of building activity; rather, it presents the prospective housing production that would maintain a reasonable balance in the demand-supply relationship given the market conditions on the as-of date of the analysis. This analysis was prepared by William Coyner, the Division's field economist in HUD's Buffalo, New York Office, based on fieldwork conducted in May 2005. Questions regarding the findings and conclusions of the analysis may be addressed to Mr. Coyner at 716-551-5755, ext. 5004, and at william_coyner@hud.gov.

Housing Market Area

The Buffalo-Niagara Falls, New York Housing Market Area (HMA) includes Erie and Niagara Counties in western New York State. For purposes of this analysis, the HMA has been divided into two submarket areas: Erie County and Niagara County.

Summary

Since 1990, population loss in the HMA has stabilized, declining by less than 2 percent between 1990 and 2000. This rate of loss is significantly less than rates during the 1970s and 1980s. From 2000 through the Current date, total population declined at an average annual rate of 2,100 to 1,159,000. Population losses continue to occur in the central cities of Buffalo and Niagara Falls.

During the 12 months before the Current date, total nonfarm employment in the HMA was estimated at 547,500, up 700 jobs, or 0.2 percent, from a year ago. It is anticipated that the economy of the HMA will improve slightly, gaining 1,000 jobs during the 3-year forecast period ending July 1, 2008.

Housing prices in the HMA are very affordable. In the 12-month period through June 2005, the median price of an existing home in the HMA increased approximately 3 percent to \$93,500. Sales of existing homes in the HMA have increased during the past several years.

As of the Current date, the rental housing market in the HMA is balanced in the newer rental housing and considerably softer in the older housing stock.

Demand for approximately 3,950 units of sales housing and 850 units of rental housing is expected in the HMA during the 3-year forecast period through July 1, 2008. A significant portion of this demand represents replacement housing needs due to both losses from the housing inventory and functional obsolescence.

Economy of the Area

Since 1990, employment levels in the HMA have fluctuated considerably. Between 1990 and 1993, the HMA lost 20,100 jobs, predominantly in the manufacturing sector. From 1994 to 2000, however, total nonfarm employment increased. From 2000 through 2003, a period that coincided with the national recession in 2001, nonfarm employment in the HMA again contracted by 12,500 jobs, or 2.2 percent. As a result, the unemployment rate also increased from 4.8 to 6.6 percent during this period.

In 2004, the economy began to improve once again. Total nonfarm employment, however, still remained below the level attained in 2000. During the 12-month period ending June 2005, total nonfarm employment in the HMA increased by 700 jobs, or approximately 0.1 percent. Although manufacturing employment continued to decline, these losses were offset by growth in service-providing industries, primarily financial activities and professional and business services. A slightly improving economy resulted

in a decline in the average annual unemployment rate from 6.1 to 5.4 percent in the 12-month period ending July 2005.

Approximately 12 percent of the workforce in the HMA is engaged in manufacturing, which continues to lose jobs. In particular, the manufacturing sector is concentrated in the domestic automotive industry, including the General Motors Powertrain plant in Tonawanda and the Ford Stamping Plant in Hamburg. Recently, General Motors Corporation announced plans to reduce its national employment by 25,000, but the possible impact on the HMA remains unknown.

Leading employers in the HMA include General Motors Corp.; Ford Motor Company; American Axle & Manufacturing; Kaleida Health; Moog, Inc.; Fisher-Price; HSBC Bank USA; Manufacturers & Traders Trust Company; Delphi Corporation; First Niagara Bank; Seneca Nation of Indians; Wal-Mart Associates, Inc.; Topps Markets, LLC; Wegmans Food Markets, Inc.; BlueCross and BlueShield; the State University of New York at Buffalo; as well as several large area hospitals and federal, state, and local government.

The economy also recently benefited from the establishment of a Government Employees Insurance Company (GEICO) regional service center in the area. In March 2004, GEICO opened a temporary service center in the town of Amherst, which is ultimately expected to create 2,500 new jobs.

Development plans also exist for the Lake Erie waterfront. The proposed \$750 million "Outer Harbor Project" involves a plan to convert a vacant 120-acre parcel located south of the city of Buffalo into a mixed-use residential and commercial development. The residential component involves a plan for more than 1,000 housing units, including apartments, townhomes, and condominiums. The commercial portion will contain a 360-slip marina, a 300,000-square-foot convention center, a sports arena, a 4,500-seat theater, an aquarium, 200,000 square feet of commercial office space, a 150-suite hotel, and a 500-room luxury hotel.

In Niagara County, casino gaming has been the primary growth industry. On December 31, 2002, the Seneca Nation of Indians opened its first casino in the former Niagara Falls Convention Center, which created approximately 2,500 jobs. In addition, a 26-story, 600-room spa hotel is under construction adjacent to the casino. By December of 2005, the hotel is expected to generate 1,000 new jobs. The Seneca Nation of Indians also plans to construct another casino in downtown Buffalo.

Employment in the HMA during the 3-year forecast period is expected to improve slightly due to continued growth in service-providing industries, including the financial activities, professional and business services, and leisure and hospitality sectors. Through July 1, 2008, total nonfarm employment in the HMA is expected to increase by 1,000 jobs. Trends in average annual labor force, resident employment and unemployment, and nonfarm wage and salary employment by industry sector are presented in Tables 1 and 2, respectively.

Household Incomes

HUD's Economic and Market Analysis Division estimates that the 2005 median family income for the Buffalo-Niagara Falls, New York Metropolitan Statistical Area was \$56,950. This income level represents a 2.5 percent compound annual rate of increase from the 2000 Census median family income of \$49,146.

Population

Because of limited employment growth, continued out-migration, and an aging population, the total population of the HMA declined by approximately 1 percent since 2000. The population of the HMA is currently estimated at 1,159,000. Population trends in the HMA and the submarkets are presented in Table 3.

Between 1990 and 2000, the population in the HMA declined by 1.6 percent to 1,170,111. Ninety-five percent of this loss occurred in Erie County, where population decreased by 18,267, or 1.9 percent. During the same period, the population in Niagara County declined by 910, or 0.4 percent.

From 1990 to 2000, population in the HMA declined at an average annual rate of 1,920 as a result of extensive net out-migration. This out-migration was most evident among young adults between 25 to 29 years old and retirement-age seniors. During the 1990s, average net out-migration from the HMA of 5,040 annually exceeded net natural increase (resident births minus resident deaths) of 3,120 people. Since 2000, net natural increase in the HMA has averaged 2,600 annually. Between 1990 and 2000, total population in the central cities of Buffalo and Niagara Falls each declined by more than 10 percent to 292,649 and 55,593, respectively. Continued net out-migration from the central cities is expected during the 3-year forecast period.

Between 2000 and the Current date, net out-migration from the HMA averaged 5,300 a year. Because of the slight improvement in the economy expected during the forecast period, net out-migration is anticipated to decline to an average of approximately 5,100 annually. It is estimated that by the Forecast date the population of the HMA will be approximately 1,153,000.

Households

Although total population in the Buffalo-Niagara Falls HMA declined between 1990 and 2000, households increased by an average of 700 annually. As of the Current date, an estimated 472,000 households reside in the HMA, an increase of 600 households annually since 2000. A similar level of household formation is anticipated during the 3-year forecast period. Through June 1, 2008, the number of households in the HMA is expected to increase to 473,800. Annual trends in household change from 1990 through the Forecast date in the HMA and the submarkets are presented in Table 3.

Housing Inventory

In 2000, approximately 66 percent of all households in the Buffalo-Niagara Falls HMA were homeowners. As of the Current date, this ratio increased to 67 percent. Between 1990 and 2000, the total housing inventory in the HMA grew at an average annual rate of approximately 1,900 housing units. Since 2000, the housing inventory in the HMA has increased at an average annual rate of approximately 1,500 units to a total of 519,500 units as of the Current date.

Between 1990 and 1999, residential construction in the HMA averaged approximately 2,930 units a year. Of this total, single-family building permit activity averaged 2,150 units annually, representing approximately 75 percent of total housing construction. Between 2000 and the Current date, permits were issued for 16,640 new residential units in the HMA. Approximately 78 percent of these permits were for single-family housing. Almost 80 percent of this development occurred in Erie County. Since 2000, building permit activity in Niagara County has averaged 540 units annually, 95 percent of which have been issued for single-family housing.

A summary of the counts for the housing inventory, occupancy, and vacancy by tenure for 1990, 2000, and the Current date is presented in Table 4. Annual trends in residential building permit authorizations in the HMA from 1990 through July 1, 2005 for both single-family and multifamily housing are presented in Table 5.

Housing Vacancy Conditions

Between 1990 and 2000, vacancy rates in the HMA increased significantly. During this period, available vacant units in the HMA increased by approximately 12,400, the sales vacancy rate increased from 0.8 to 1.8 percent, and the rental vacancy rate increased from 6.4 to 9.2 percent. The sales vacancy rate is currently estimated at 2.0 percent, and the renter vacancy rate is estimated to be 10.2 percent. The higher rental vacancy rate is due in part to the continued shift of the number of renter households moving to homeownership in recent years.

Sales Market Conditions

Sales housing in the Buffalo-Niagara Falls HMA continues to be affordable. In the past few years, low residential mortgage interest rates have supported increased demand and record levels of housing sales. Except for a decline in 2002, housing sales in the HMA have increased every year since 1997. In 2004, home sales in the HMA increased 3.8 percent to a record of 10,330 transactions. During the 12 months ending June 2005, the median price for an existing home in the HMA increased by 3 percent to \$93,500. Sales volume during this period increased by approximately 1 percent compared with the previous 12 months. According to the New York State Association of REALTORS®, the median price of an existing single-family home in Erie County was \$101,500 in 2004; in Niagara County, the median price of a home was \$80,000.

Prices for new single-family housing units in the HMA typically start at approximately \$150,000. Much of the custom-built housing in suburban communities of the HMA is priced between \$325,000 and \$500,000. The most expensive housing development is occurring in northern suburban towns, including Amherst and Clarence. Prices tend to be lower in southern Erie County, ranging from \$170,000 to \$200,000. In the southern part of the county, housing construction is most prevalent in Hamburg, West Seneca, and Orchard Park. Most single-family housing development in Niagara County is concentrated in Lockport, Pendleton, and Wheatfield and is priced between \$150,000 and \$200,000.

Rental Market Conditions

Conditions in the rental market are currently balanced to soft, depending on age, rent level, and location. Rental vacancy rates in the central cities of Buffalo and Niagara Falls are estimated to be greater than 10 percent and conditions are somewhat soft. Currently, apartment vacancy rates in suburban properties are estimated to range between 5 and 10 percent.

Between 1996 and 1998, multifamily housing construction averaged more than 1,000 units annually. Since 1999, however, multifamily housing construction has declined to an average of approximately 600 units a year. Before 2000, virtually no market-rate rental housing development had occurred in the city of Buffalo in at least 10 years. Several adaptive reuse projects, however, began production in 2000. A few of these developments are upscale high-end loft rentals with rents ranging from \$1,000 to \$2,000 a month. While these rents exceed those in the most upscale suburban developments, market absorption in most of these properties has been relatively fast.

The New York State Division of Housing and Community Renewal has financed the construction of a number of affordable rental housing developments in the HMA using the Low-Income Housing Tax Credit Program. Since 2000, an estimated 1,000 multifamily rental units have been constructed in the HMA using tax-credit financing. These developments include both general occupancy and age-restricted units. Because of the strong demand for affordable rentals, these properties have leased up very quickly and most maintain applicant waiting lists.

Suburban rental housing markets have been relatively soft during the past few years; however, in the past 6 months conditions have improved. Fewer management agents are offering rent concessions and some are implementing modest rent increases.

Forecast Housing Demand

Forecast housing demand in the Buffalo-Niagara Falls HMA is expected to result from a combination of replacement housing needs and limited household growth. Based on anticipated household growth and current housing market conditions, estimates indicate a demand for approximately 4,800 additional housing units in the HMA during the 3-year forecast period. This figure would include 3,950 sales and 850 rental units through July 1, 2008.

It is estimated that 60 percent of the sales demand will be for homes priced less than \$260,000. This 3-year construction estimate would allow for a reasonable balance between demand and supply conditions in the HMA.

A qualitative distribution of forecast demand for market-rate rental units by bedroom size and monthly rent levels is shown in Table 6. The distribution of demand by bedroom size is based on characteristics of renter households and the rental inventory as of the 2000 Census and rental housing production since 2000. During the 3-year forecast period, it is estimated that demand will exist for approximately 330 one-bedroom units, 420 two-bedroom units, and 100 three-bedroom units. Table 7 presents estimated qualitative demand for new market-rate sales housing.

Table 1
Labor Force and Employment
Buffalo-Niagara Falls HMA
1990 to July 1, 2005

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Labor Force	587,200	587,000	584,300	578,700	579,600	576,700	577,700	585,700	582,600	577,400
Employment	556,400	544,600	540,400	536,600	544,600	545,700	548,200	554,400	550,900	546,600
Unemployment	30,900	42,400	43,800	39,100	35,100	30,900	29,600	31,300	31,700	30,900
Rate (%)	7.2	7.5	7.5	6.8	6.0	5.4	5.1	5.3	5.4	5.3

	2000	2001	2002	2003	2004	Previous 12 Mos. ^a	Current 12 Mos. ^b
Labor Force	571,800	564,700	572,200	571,200	571,500	584,200	585,700
Employment	544,100	534,200	537,500	533,700	534,500	548,500	554,000
Unemployment	27,700	30,500	34,800	37,500	37,000	35,700	31,700
Rate (%)	4.8	5.4	6.1	6.6	6.5	6.1	5.4

^a Statistics are for the 12-month period through June 2004.

^b Statistics are for the 12-month period through June 2005.

Note: Numbers may not add due to rounding.

Source: New York State Department of Labor, Division of Research & Statistics

Table 2
Nonfarm Employment by Industry
Buffalo-Niagara Falls HMA
1990 to July 1, 2005 (1 of 2)

Employment Sector	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total Nonfarm	548,000	533,400	528,600	527,900	534,600	539,400	539,400	544,400	545,600	554,200
Goods-Producing	115,800	107,900	104,900	102,500	102,400	105,400	105,800	104,900	104,000	104,400
Nat. Resources, Mining, Const.	22,400	20,300	18,900	18,900	18,700	19,700	20,300	19,700	19,300	20,400
Manufacturing	93,400	87,600	86,000	83,600	83,700	85,700	85,500	85,300	84,700	84,000
Durable Goods	57,600	53,700	52,400	50,500	50,900	53,500	54,000	54,400	53,700	53,500
Nondurable Goods	35,800	33,900	33,600	33,100	32,800	32,200	31,500	30,900	31,000	30,500
Service-Providing	432,200	425,500	423,700	425,400	432,200	434,000	433,600	439,500	441,600	449,900
Trade	95,300	90,600	88,900	88,600	88,400	88,900	88,100	89,000	88,300	88,100
Wholesale Trade	23,900	23,400	23,800	24,400	23,400	23,500	23,200	23,900	24,000	23,300
Retail Trade	71,400	67,200	65,100	64,200	65,000	65,400	64,900	65,100	64,300	64,800
Transportation & Utilities	38,300	37,600	38,200	38,500	39,400	39,900	40,200	40,400	40,600	42,000
Information	10,800	10,400	10,000	10,500	10,300	10,200	9,800	10,100	10,300	10,400
Financial Activities	30,400	29,100	28,700	28,300	28,900	28,700	28,900	29,300	29,300	29,700
Professional & Business Svcs.	47,800	46,800	47,500	48,100	50,100	49,800	50,400	53,800	56,300	60,600
Education & Health Services	72,700	74,900	77,000	79,000	80,400	82,500	83,300	83,900	83,100	83,800
Leisure & Hospitality	47,400	47,900	46,500	45,800	46,400	45,900	45,600	46,000	46,200	46,600
Government	89,600	88,200	86,900	86,600	88,300	88,100	87,300	87,000	87,500	88,700
Federal	10,900	10,500	10,500	10,400	10,400	10,300	10,300	10,500	10,400	10,400
State	22,900	21,400	20,400	20,300	21,200	21,000	20,100	20,100	20,300	20,400
Local	55,900	56,300	56,000	55,800	56,800	56,800	56,900	56,400	56,800	57,900

Note: Numbers may not add to totals due to rounding.

Source: New York State Department of Labor, Division of Research & Statistics—North American Industry Classification System (NAICS)

Table 2
Nonfarm Employment by Industry
Buffalo-Niagara Falls HMA
1990 to July 1, 2005 (2 of 2)

Employment Sector	2000	2001	2002	2003	2004	Previous 12 Mos.	Current 12 Mos.
Total Nonfarm	558,300	549,900	548,100	545,800	547,500	546,800	547,500
Goods-Producing	104,500	99,100	92,800	88,300	86,800	87,100	86,500
Nat. Resources, Mining, Const.	20,800	20,800	20,500	19,900	20,300	20,100	20,700
Manufacturing	83,700	78,200	72,300	68,400	66,500	67,000	65,800
Durable Goods	53,300	48,800	44,600	41,700	40,400	40,700	39,900
Nondurable Goods	30,400	29,400	27,700	26,700	26,100	26,600	25,800
Service-Providing	453,800	450,900	455,300	457,500	460,700	459,700	461,000
Trade	88,600	87,800	85,700	84,400	84,500	84,500	84,500
Wholesale Trade	22,800	23,800	23,200	22,800	22,800	22,900	22,800
Retail Trade	65,800	64,000	62,500	61,600	61,700	61,600	61,700
Transportation & Utilities	42,700	43,100	42,200	41,400	40,600	40,800	40,800
Information	9,900	10,900	10,600	9,900	9,800	9,900	9,700
Financial Activities	29,900	31,200	33,200	33,900	35,000	34,500	35,300
Professional & Business Svcs.	61,500	60,900	61,800	62,700	64,100	63,400	64,500
Education & Health Services	83,500	80,300	81,600	83,100	84,100	83,800	84,300
Leisure & Hospitality	46,700	45,100	47,200	47,000	47,300	47,100	47,400
Government	91,000	91,600	93,000	95,100	95,300	95,700	94,500
Federal	10,800	10,400	10,600	10,500	10,600	10,500	10,300
State	20,900	21,700	22,600	22,600	22,700	22,700	22,800
Local	59,200	59,500	61,900	61,900	62,100	62,600	61,400

Note: Numbers may not add to totals due to rounding.

Source: New York State Department of Labor, Division of Research & Statistics—NAICS

Table 3
Population and Household Trends
Buffalo-Niagara Falls HMA
April 1, 1990 to July 1, 2008

	April 1, 1990	April 1, 2000	Current Date	Forecast Date	Average Annual Change					
					1990 to 2000		2000 to Current		Current to Forecast	
					Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Population										
Buffalo-Niagara Falls HMA	1,189,288	1,170,111	1,159,000	1,153,000	(1,900)	0.2	(2,100)	(0.2)	(2,000)	(0.2)
Erie County	968,532	950,265	939,500	933,700	(1,800)	0.2	(2,000)	(0.2)	(1,900)	(0.2)
Niagara County	220,756	219,846	219,500	219,300	(100)	0.1	(100)	(0.1)	(100)	(0.1)
Households										
Buffalo-Niagara Falls HMA	461,803	468,719	472,000	473,800	700	0.2	600	0.1	600	0.1
Erie County	376,994	380,873	382,500	383,700	400	0.1	300	0.1	400	0.1
Niagara County	84,809	87,846	89,500	90,100	300	0.4	300	0.3	200	0.2

Notes: Rate of change is calculated on a compound basis.
Average annual changes rounded for comparison.

Sources: 1990 and 2000—U.S. Census Bureau
Current and Forecast—Estimates by analyst

Table 4
Housing Inventory, Tenure, and Vacancy
Buffalo-Niagara Falls HMA
1990, 2000, and July 1, 2005

	Buffalo-Niagara Falls HMA			Erie County			Niagara County		
	1990	2000	Current	1990	2000	Current	1990	2000	Current
Total Housing Inventory	492,516	511,583	519,500	402,131	415,868	422,100	90,385	95,715	97,400
Occupied Units	461,803	468,719	472,000	376,994	380,873	382,500	84,809	87,846	89,500
Owners	297,902	310,164	316,500	240,179	248,767	253,400	57,723	61,397	63,100
%	64.5	66.2	67.0	63.7	65.3	66.2	68.1	69.9	70.5
Renters	163,901	158,555	155,600	136,815	132,106	129,200	27,086	26,449	26,400
%	35.5	33.8	33.0	36.3	34.7	33.8	31.9	30.1	29.5
Vacant Units	30,713	43,134	47,500	25,137	34,995	39,700	5,576	7,869	7,800
For Sale	2,456	5,596	6,400	1,981	4,489	5,200	475	1,107	1,200
Rate (%)	0.8	1.8	2.0	1.7	1.8	2.0	2.3	1.8	2.0
For Rent	11,188	16,020	17,600	9,632	12,673	14,400	1,556	3,347	3,200
Rate (%)	6.4	9.2	10.2	8.3	8.8	10.2	7.7	11.2	11.0
Other Vacant	17,069	21,518	23,500	13,524	17,833	20,100	3,545	3,415	3,400

Sources: 1990 and 2000—U.S. Census Bureau
 Current and Forecast—Estimates by analyst

Table 5
Residential Building Permit Activity
Buffalo-Niagara Falls HMA
1990 to July 1, 2005 (1 of 2)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Buffalo-Niagara Falls HMA										
Total	3,640	2,717	3,467	2,750	3,047	2,387	2,973	2,741	2,882	2,664
Single-family	2,770	2,131	2,430	2,421	2,309	2,020	1,961	1,661	1,823	2,014
Multifamily	870	586	1,037	329	738	367	1,012	1,080	1,059	650
Erie County										
Total	2,743	1,945	2,733	2,132	2,453	1,821	2,336	2,330	2,371	2,221
Single-family	2,145	1,563	1,851	1,877	1,808	1,581	1,514	1,276	1,364	1,589
Multifamily	598	382	882	255	645	240	822	1,054	1,007	632
Niagara County										
Total	897	772	734	618	594	566	637	411	511	443
Single-family	625	568	579	544	501	439	447	385	459	425
Multifamily	272	204	155	74	93	127	190	26	52	18

Source: U.S. Census Bureau, Building Permits Survey

Table 5
Residential Building Permit Activity
Buffalo-Niagara Falls HMA
1990 to July 1, 2005 (2 of 2)

	2000	2001	2002	2003	2004	2005 ^a	Current 12 Mos. ^b
Buffalo-Niagara Falls HMA							
Total	2,672	2,784	2,960	2,925	2,510	814	2,000
Single-family	1,903	2,116	2,481	2,395	1,856	639	1,360
Multifamily	769	668	479	530	654	175	640
Erie County							
Total	2,183	2,253	2,387	2,312	1,932	613	1,637
Single-family	1,446	1,593	2,017	1,876	1,413	515	1,074
Multifamily	737	660	370	436	519	98	563
Niagara County							
Total	489	531	573	613	578	201	363
Single-family	457	523	464	519	443	124	286
Multifamily	32	8	109	94	135	77	77

^a Residential building permit authorization data for 2005 is through June 2005.

^b The current 12-month period extends through June 2005.

Source: U.S. Census Bureau, Building Construction Survey

Table 6
Estimated Qualitative Demand for New Market-Rate Rental Housing
Buffalo-Niagara Falls HMA
July 1, 2005 to July 1, 2008

One Bedroom		Two Bedrooms		Three Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
800	330	1,000	420	1,200	100
850	290	1,050	350	1,250	90
900	260	1,100	320	1,300	80
950	240	1,150	290	1,350	70
1,000	210	1,200	250	1,400	60
1,050	180	1,250	210	1,450	50
1,100	150	1,300	178	1,500	40
1,200	120	1,400	140	1,600	30
1,300	90	1,500	90	1,700	20
1,400	80	1,600	60	1,800	20
1,500	60	1,700	40	1,900	10
or higher		or higher		or higher	

Source: Estimates by analyst

Table 7
Estimated Qualitative Demand for New Market-Rate Sales Housing
Buffalo-Niagara Falls HMA
July 1, 2005 through July 1, 2008

Price Range (\$)		Units of Demand
From	To	
150,000	174,999	1,100
175,000	199,999	900
200,000	249,999	620
250,000	299,999	475
300,000	349,999	350
350,000	699,999	295
700,000	and higher	210
Total		3,950

Source: Estimates by analyst