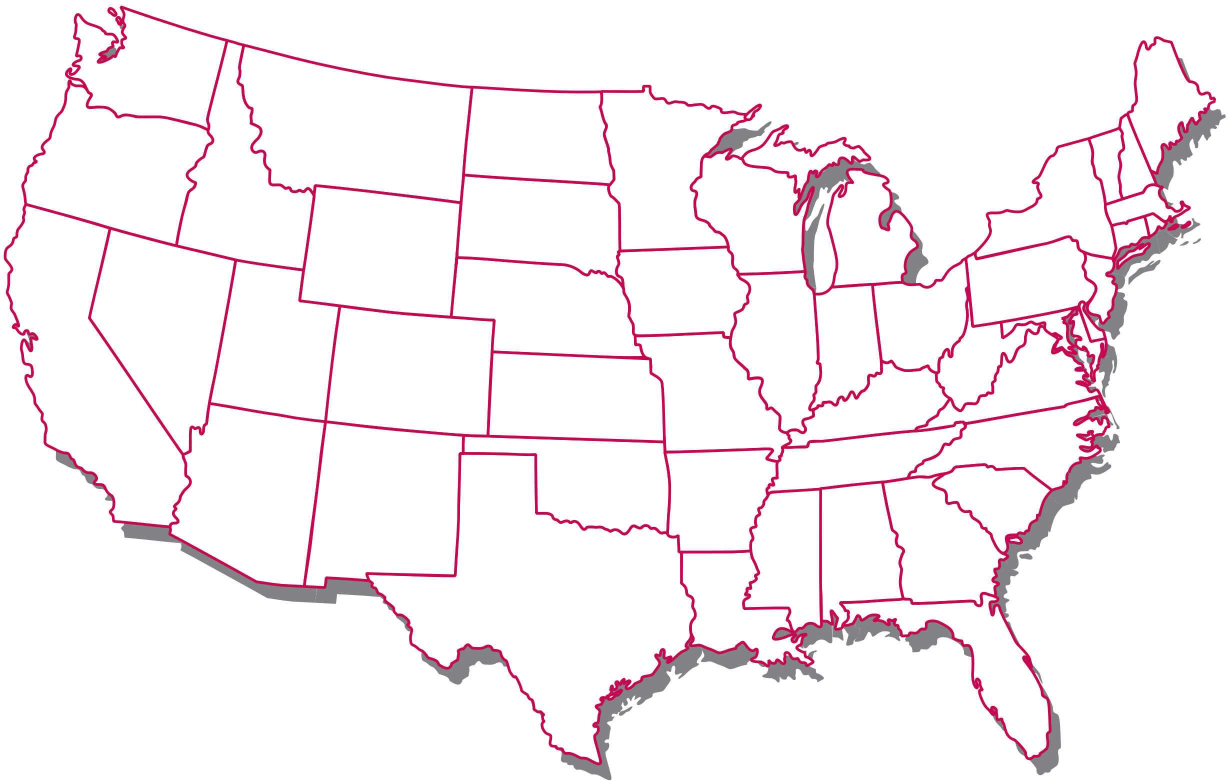
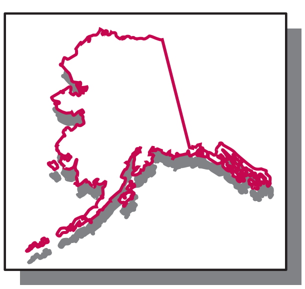
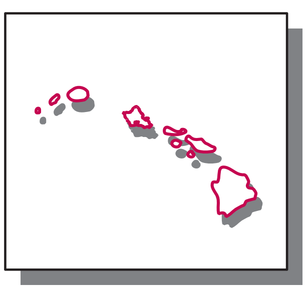
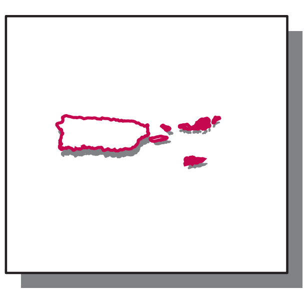
Regional Activity





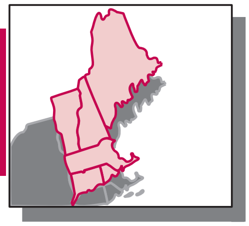




The following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends within each region of HUD management. Also included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

Regional Reports

New England



HUD Region I*

During the 12 months ending September 2009, average nonfarm employment in the New England region declined by 196,000 jobs, or 2.8 percent, to 6.9 million jobs compared with the number of jobs recorded during the previous 12 months. This net loss exceeds all of the 195,000 jobs gained from 2004 through 2008. For the 12 months ending September 2009, only the education and health services sector reported growth, indicating an increase of 22,000 jobs, or 1.7 percent. Massachusetts accounted for 50 percent of the regional increase in the sector; most of the additional 10,900 jobs in the sector were due to an expansion of hospital services. The construction, manufacturing, professional and business services, and trade sectors accounted for 86 percent of the jobs lost in the region; the four sectors combined lost 168,300 jobs, with each sector declining by about 40,000 jobs.

All states in the region reported job losses during the 12 months ending September 2009. The largest decline occurred in Massachusetts, which lost 86,000 jobs, or 2.6 percent. Losses were highest in the professional and business services sector at 23,000 jobs, or 4.7 percent, and the trade sector, at 19,000 jobs, or 3.9 percent. Connecticut lost 52,000 jobs, a 3.0-percent decline, including the loss of 12,000 jobs in the construction sector, an 18.3-percent decline, as commercial and residential development slowed considerably. Job losses in New Hampshire totaled 11,400, a 1.8-percent decrease, with losses attributed mainly to the construction and manufacturing sectors; employment in the service-providing sectors remained flat. The unemployment rate in New England during the 12 months ending September 2009 was 7.8 percent, up from 4.9 percent during the previous 12-month period. Average unemployment rates for the states ranged from 5.9 percent in New Hampshire to 11.2 percent in Rhode Island.

Sales housing markets have been soft in general throughout most of the region. Although sales levels in the third quarter of 2009 were higher than in the third quarter a year earlier, the level of sales during the 12 months ending September 2009 was still below the level during the previous 12 months. According to the Massachusetts Association of REALTORS® (MAR), during the 12 months ending September 2009, existing home sales were down 3 percent to 35,000 units and the median home sales price was down 10 percent to $290,000 compared with the sales volume and price during the prior 12 months. The inventory of existing homes in September 2009 totaled about 29,000 listings, a decrease in the number of homes for sale, which reflects an improvement of 12 percent from the inventory in the previous 12-month period and which represents only a 7-month supply of unsold homes, down from a 10-month supply a year earlier. During the past 12 months, the average number of days a home was listed on the market decreased from 134 to 124 days. In Connecticut, The Warren Group reported that about 23,000 existing homes were sold during the 12 months ending September 2009, down 13 percent from the 26,100 units sold in the previous 12 months. During the 12 months ending September 2009, the median sales price of an existing home in Connecticut was $241,000, down 13 percent from the price a year earlier. According to the Rhode Island Association of REALTORS® (RIAR), during the 12 months ending September 2009, existing home sales in Rhode Island totaled 7,150 units, up 8 percent from the price recorded during the previous 12 months but down 10 percent from the level of sales during the 12 months ending September 2007. During the 12 months ending September 2009, the median sales price was about $199,000, down 19 percent.

The Maine Real Estate Information System, Inc., reported that in Maine, during the 12 months ending September 2009, existing home sales fell only 4 percent to total about 9,600 homes, but the median sales price fell 11 percent to $164,100. According to the Northern New England Real Estate Network (NNEREN), Inc., the number of existing homes sold in New Hampshire also declined only 4 percent to 10,000 homes during the 12 months ending September 2009, but the median sales price fell 12 percent to $214,000.

According to the Federal Housing Finance Agency, home prices in the New England region for the 12 months ending August 2009 decreased by only 3 percent compared with prices recorded for the same period ending August 2008. New England ranked in the middle of the nine Census regions and just below the 4-percent price decrease recorded nationally. The S&P/Case-Schiller® Home Price Index for August 2009 indicates that the Boston metropolitan area, where home prices have increased for 5 consecutive months, ranked fourth in the nation for the lowest 1-year rate of price decline, down slightly more than 4 percent as of August 2009. During the same period, the composite index of 20 metropolitan areas was down more than 11 percent.

Condominium markets in New England remained soft. Declines in sales and median prices were considerably greater than in the existing single-family home sales

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

market. According to the MAR, during the 12 months ending September 2009, condominium sales in Massachusetts totaled 14,200 units, down 12 percent from the number sold during the previous 12 months, and the median sales price was $254,300, down 8 percent. In Connecticut, The Warren Group reported that, during the 12-month period ending September 2009, condominium sales totaled 6,850 units, down 29 percent and the median sales price declined by about 12 percent to $179,000. During the 12 months ending September 2009, condominium sales in Rhode Island, as reported by the RIAR, totaled only 1,050 units, down 27 percent, and the median sales price was $183,500, down more than 16 percent. In New Hampshire, according to the NNEREN, condominium sales declined by nearly 18 percent to 2,400 units and the median sales price fell about 11 percent to $164,700.

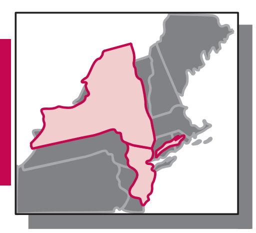
Declining home sales and falling prices led to significant decreases in single-family construction activity, as measured by the number of homes permitted. Based on preliminary data, during the 12 months ending September 2009, new single-family home construction declined by 34 percent to 9,350 homes permitted compared with the nearly 14,300 homes permitted during the previous 12-month period. The largest absolute decrease occurred in Massachusetts, where permits were issued for 3,700 homes, down 30 percent. New home construction decreased by 44 percent to 1,800 in Connecticut and by 40 percent to 1,300 in New Hampshire. In Maine, permits were issued for approximately 1,500 new homes, down 30 percent from the number issued during the previous 12 months. In Rhode Island, construction was down 29 percent to 700 homes compared with the 975 homes permitted during the previous year. During the past year, new home construction fell in all major metropolitan areas in the region, including decreases of 45 percent to 600 homes in Hartford, 38 percent to 2,500 homes in Boston, and 34 percent to 900 homes in Providence.

Multifamily building activity, as measured by the number of units authorized by permits, declined in all states in the New England region during the 12-month period ending September 2009 compared with the previous 12-month period, based on preliminary data. The number of multifamily permits issued in the region declined by 37 percent to about 5,350 units, representing less than one-half the average number permitted annually between 2000 and 2008. During the 12 months ending September 2009, of all states in the region, Massachusetts had the largest decline, down about 52 percent, to 2,325 units permitted. Decreases in other states ranged from 2 percent in Connecticut, with 1,700 units permitted, to nearly 56 percent in Maine, with about 200 units permitted. The only major New England metropolitan market to record a significant increase was Fairfield County, Connecticut, where the number of multifamily units permitted was up 73 percent to about 1,200 units, with about one-third expected to be sales units. Despite employment declines in the financial services sector in New York City and Fairfield County, the rental market in Fairfield County has remained stable.

A number of large metropolitan areas in New England have had soft rental markets with high vacancy rates and declining or flat rents, resulting from increasing rental construction since 2005, minimal job growth in 2007, and job losses in 2008. More than 8,900 new rental units were added in the Boston market during 2007 and 2008, and an additional 3,850 units are expected to be completed in 2009. According to Reis, Inc., as of the third quarter of 2009, the apartment vacancy rate in the Boston metropolitan area was 6.3 percent, up from 6.1 percent a year ago and 5.8 percent 2 years ago. The average asking rent in Boston during the third quarter of 2009 was about $1,700, down 2 percent from a year ago. Impacted by job losses in the financial services sector, the apartment vacancy rate in Fairfield County increased from 4.9 percent a year ago to 5.3 percent, and the average asking rent was down 3 percent to about $1,750. The apartment vacancy rate in Providence during the third quarter of 2009 was 9.2 percent, up from 8.0 percent a year ago. The average rent was down more than 2 percent to about $1,250.

Compared with markets in the larger metropolitan areas, a number of smaller metropolitan market areas have had fewer additions to the rental inventory and have more balanced markets. Worcester, Massachusetts, and New Haven, Connecticut, had vacancy rates of 3.8 and 2.5 percent, respectively, and recorded rent decreases of 1 percent or less during the past 12 months. In Portland, Maine, and Nashua-Manchester, New Hampshire, vacancy rates were 3.7 and 4.5 percent, respectively, and rents were also down 1 percent or less.

NEW YORK/ NEW JERSEY



HUD Region II

Nonfarm employment in the New York/New Jersey region began to decline in October 2008, a trend that continued into the third quarter of 2009. Total nonfarm employment in the region decreased by 252,800 jobs, or 2 percent, to an average of 12.6 million jobs during the 12-month period ending September 2009 compared with an increase of 60,200 jobs, or 0.5 percent, during the previous 12 months. During the 12 months ending September 2009, nonfarm employment in New York decreased by 140,500 jobs, or 1.6 percent, to 8.7 million. In New Jersey, the rate of decline was even greater, with 112,300 jobs lost, as nonfarm employment decreased 2.8 percent to nearly 4 million.

Job losses occurred in most major employment sectors in both states during the 12 months ending September 2009. Significant losses occurred in both the professional and business services and the manufacturing sectors, in which 66,400 and 60,600 jobs were lost, respectively. Layoffs in the professional and business services sector affected both New York and New Jersey, resulting in job losses of 33,800 and 32,600, or decreases of 2.9 and 5.3 percent, respectively, from the number of jobs reported during the previous 12 months. Manufacturing sector employment declined 7 percent in New York with the loss of 35,400 jobs and 8 percent in New Jersey, where 25,200 jobs were eliminated. The only significant employment growth occurred in the education and health services sector, which increased by 40,600 jobs, or nearly 2 percent regionwide. This growth included an increase of 31,000 jobs, or 1.9 percent, in New York and 9,600 jobs, or 1.6 percent, in New Jersey. Government sector employment also increased slightly in the region, up 0.4 percent to 2.2 million.

The economy of New York City continued to decline due to ongoing restructuring in the financial activities sector. Since the fourth quarter of 2008, extensive job losses have occurred in the city. During the 12-month period ending September 2009, nonfarm employment in the city decreased by 62,800 jobs, or nearly 2 percent, to 3.7 million jobs compared with the number of jobs during the same period a year ago. Manufacturing sector employment declined 12 percent to 85,400, with the loss of 11,800 jobs. Employment in the financial activities, professional and business services, and information sectors also declined. For the 12-month period ending September 2009, these three sectors accounted for 45,800 jobs lost, of which 25,800 jobs, or more than 50 percent, were in the financial activities sector. The education and health services sector was one of the few sectors in the city's economy to grow, adding 17,500 jobs, or an increase of 2.4 percent, to total 733,200 jobs.

The average annual unemployment rate in the New York/New Jersey region increased significantly from 5.0 to 7.9 percent during the 12-month period ending September 2009. The unemployment rate increased from 5.0 to 7.9 percent in New York State, from 5.1 to 8.3 percent in New York City, and from 4.9 to 8.2 percent in New Jersey.

The employment losses continue to adversely affect home sales in the New York/New Jersey region. In the 12-month period ending September 2009, the New York State Association of REALTORS® reported a 12-percent decline in single-family home sales (excluding parts of New York City) to 72,215 homes compared with homes sales during the same period a year earlier. According to the Greater Capital Association of REALTORS®, home sales in the Albany-Schenectady-Troy metropolitan area declined 14 percent to 7,490 homes. Similarly, the Buffalo Niagara Association of REALTORS® reported a 6-percent decline in existing single-family/condominium sales to 9,960 units, and the Greater Rochester Association of REALTORS® reported a 10-percent decrease in sales to 10,230 homes. Although median sales prices continue to decline in most of the region, the rate of decline is slowing. In New York, the median sales price of an existing home decreased 6 percent from $218,000 to $205,000 in the third quarter of 2009 compared with the price during the same quarter a year ago. In the Albany-Schenectady-Troy metropolitan area, the median sales price declined less than 1 percent to $185,000 in September 2009 compared with the price in September 2008. The median sales price of an existing home in the Rochester metropolitan area declined 3 percent to $120,850 in the third quarter of 2009. Conversely, in September 2009, the median sales price of an existing home in the Buffalo-Niagara Falls metropolitan area increased approximately 4 percent to $114,900 compared with the price in the same month a year earlier.

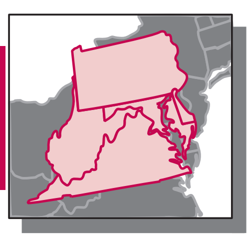
The weak New York City job market continues to affect the Manhattan condominium/co-op market, which remains soft. According to Prudential Douglas Elliman Real Estate, during the third quarter of 2009, existing condominium/co-op sales in Manhattan decreased 16 percent from 2,654 to 2,230 units compared with the number of sales during the same quarter a year earlier. Time-on-the-market increased nearly 25 percent from 134 to 167 days, but the listing inventory decreased 5 percent to 8,390 units. In the third quarter of 2009, the median sales price of an existing condominium/co-op decreased 8 percent to $850,000 compared with the price during the same quarter a year earlier.

Sales market conditions in New Jersey remain soft. According to the New Jersey Association of REALTORS®, 3,300 fewer single-family home sales were recorded in the second quarter of 2009 (the latest data available), a 10-percent reduction from the 33,500 sales recorded during the same quarter of 2008. In Northern New Jersey, the highest priced and most active region in the state, sales declined nearly 12 percent to 14,600 homes. Sales declined 13 percent to 7,350 homes in Central New Jersey and 4 percent to 8,280 homes in Southern New Jersey. During the second quarter of 2009, the median sales price of an existing home in New Jersey declined 14 percent to $312,100 compared with the price during the same quarter a year earlier. In Northern New Jersey, the median sales price of an existing home decreased 16 percent to $368,600. The median sales price of an existing home in both Central New Jersey and Southern New Jersey declined approximately 10 percent to $313,900 and $214,700, respectively.

During the 12-month period ending September 2009, housing construction in the New York/New Jersey region declined significantly from a year earlier. For the 12-month period ending September 2009, single-family home construction, as measured by the number of building permits issued, declined 32 percent to 12,760 homes compared with the number of homes permitted during the previous 12 months, based on preliminary data. This construction activity decline included a 36-percent decrease in the number of single-family homes permitted in New York to 5,800 homes and a 28-percent decrease in New Jersey to 6,950 homes. The number of multifamily units permitted in the region declined 76 percent to 13,200 units, including an 81-percent reduction in New York to 8,175 units and a 61-percent decline in New Jersey to 5,025 units.

Apartment vacancy rates increased in most New York and New Jersey metropolitan areas, including the tight New York City market, during the third quarter of 2009, according to Reis, Inc. In many Downstate New York areas, rent concessions and rent reductions have been used to maintain occupancy. During the third quarter of 2009, the apartment vacancy rate in New York City increased to 2.9 percent, up from 2.1 percent during the third quarter of 2008. During the third quarter of 2009, apartment vacancy rates increased from 2.9 to 3.9 percent in Central New Jersey and from 3.5 to 4.9 percent in Northern New Jersey. Although markets generally remained balanced, vacancy rates also increased in most Upstate New York metropolitan areas. According to data from Reis, Inc., apartment vacancy rates increased from 4.0 to 5.4 percent in the Buffalo metropolitan area, from 3.5 to 3.8 percent in the Syracuse metropolitan area and from 3.6 to 4.2 percent in the Rochester metropolitan area. During the third quarter of 2009, average monthly apartment asking rents in New York City declined nearly 6 percent to $2,765 from a year earlier. Monthly rents also decreased approximately 1 percent in both Central New Jersey and Northern New Jersey to $1,148 and $1,500, respectively. In the Buffalo metropolitan area, the average monthly asking rent during the third quarter of 2009 declined nearly 1 percent to $723 compared with the rent recorded during the same quarter a year ago. Nominal rent increases of less than 1 percent were reported in the Syracuse and Rochester metropolitan areas, where monthly rents increased to $684 and $753, respectively.

Mid-Atlantic



HUD Region III

After 5 years of expansion, the economy in the Mid-Atlantic region began to contract during the first quarter of 2009. During the 12 months ending September 2009, the decline continued as the region lost nearly 295,300 jobs compared with the gain of 54,100 jobs during the 12-month period ending September 2008. During the current 12-month period, the average employment in the region totaled 13.8 million, down from 14.1 million a year ago. Only two sectors reported growth during the recent 12-month period. The education and health services sector grew by 49,400 jobs, or 2.3 percent, down from the gain of 60,900 jobs reported during the 12 months ending September 2008. The government sector, as a whole, grew by 24,600 jobs, or 1.0 percent, slightly fewer jobs than the 24,900 jobs gained in 2008; however, the federal government subsector reported a gain of 15,600 jobs, more than three times the increase of 5,100 jobs during the 12 months ending September 2008. The addition of 9,300 jobs in the Washington, D.C. metropolitan area accounted for 60 percent of the current regional employment growth in the federal government subsector.

Regional job gains were overshadowed by losses of 91,450 jobs in the manufacturing sector, 75,400 jobs in the construction sector, and 72,200 jobs in the wholesale and retail trade subsectors, representing declines of 8.0, 10.6, and 3.6 percent, respectively. The professional and business services sector, which was the second largest growth sector in the region during the 12 months ending September 2008 with an increase of 27,100 jobs, reported losses of 51,600 jobs during the most recent 12 months. All states in the region reported job losses. The largest decline of 128,700 jobs, or 2.2 percent, occurred in Pennsylvania, where an increase of 24,100 jobs in the education and health services sector and a modest increase of 6,450 jobs in the government sector were offset by losses in all other sectors. Virginia and Maryland lost 84,400 jobs, or 2.2 percent, and 52,800 jobs, or 2.0 percent, respectively. In Virginia, the loss was attributed primarily to the decline of 28,600 jobs in the construction sector, 21,100 jobs in the manufacturing sector, and 13,700 jobs in the professional and business services sector. In Maryland, losses of 22,500 jobs in the construction sector and 14,800 jobs in the retail trade subsector led the overall decline. Only the District of Columbia reported an increase in the total number of jobs, up 4,600 jobs, or 0.6 percent, from a year earlier; the gain is attributed to an increase of 4,400 jobs in the education and health services sector and 3,750 in the federal government subsector. The economies of all the major metropolitan areas in the region contracted, with the Philadelphia metropolitan area reporting the largest decline of 70,000 jobs.

During the 12 months ending September 2009, the average unemployment rate in the Mid-Atlantic region increased from 4.3 to 7.1 percent, the highest rate recorded for the region during the current decade. Rates among the states in the region ranged from 6.1 percent in Virginia to 7.4 percent in Pennsylvania. The rate in the District of Columbia, at 9.5 percent, was the highest rate in the region.

During the 12 months ending September 2009, the decline in total home sales in the region was significantly smaller than the decline reported during the previous year.

According to the Maryland Association of REALTORS®, nearly 45,000 existing homes were sold in Maryland during the 12 months ending September 2009 compared with the 46,500 homes sold during the 12 months ending September 2008. The 3-percent decline in sales during the 12 months ending September 2009 was an improvement on the 33-percent decline reported during the same period in 2008. The average home sales price declined to $309,000 during the recent 12 months, down 10 percent from the $345,500 reported a year earlier. The average monthly inventory of homes for sale declined 14 percent during the 12 months ending September 2009, a decrease of 7,000 from the nearly 49,000 homes for sale during the same period in 2008. In the Baltimore metropolitan area, 20,450 homes were sold during the recent 12-month period at an average price of $285,480, reflecting a 10-percent decrease in the number of sales and an 8-percent decrease in price from the previous year.

The Virginia Association of REALTORS® reported that the number of existing home sales in the state declined by less than 4 percent from the number of sales in the previous year, to 81,600 homes during the 12 months ending September 2009. Between September 2008 and September 2009, the median sales price declined 10 percent, to $230,400. In the Richmond metropolitan area, the number of sales declined 11 percent to 8,680 homes for the 12-month period ending September 2009 and the median home price declined nearly 12 percent to $202,300.

The resale markets in Pennsylvania, West Virginia, and Delaware also showed smaller declines during the 12 months ending June 2009 (the most recent data available) compared with the sales volume reported in the previous year. According to the NATIONAL ASSOCIATION OF REALTORS®, during the second quarter of 2009, homes were sold at an annual rate of 146,400 in Pennsylvania, 24,400 in West Virginia, and 11,200 in Delaware, a decline of 15, 6, and 3 percent, respectively, compared with the number sold in the second quarter of 2008. The Washington, D.C. market reported an annual rate of 7,600 homes sold, a nearly 6-percent increase from the rate reported during the previous year.

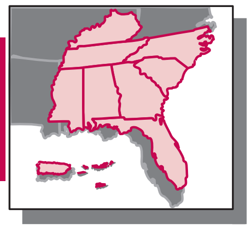
The economic decline in the Mid-Atlantic region and the reduction in home sales resulted in decreased construction activity, as measured by the number of permits issued. Based on preliminary data, new single-family home construction declined by 27 percent, to 46,350 homes, during the 12 months ending September 2009. The largest decline in the region was in Pennsylvania, where permits were issued for 10,430 homes, representing 36 percent fewer than the number issued during the 12 months ending September 2008. New home construction decreased 40 percent in West Virginia to 1,380, 23 percent in Virginia to 13,980, and 16 percent in Maryland to 7,050 during the period ending September 2009. In Delaware, 2,460 permits were issued for new homes during the 12 months ending September 2009, down nearly 18 percent from the 2,990 homes permitted in 2008. All major metropolitan areas in the region reported declines in new home construction. The number of building permits issued for single-family homes declined 40 percent to 4,440 homes in the Philadelphia metropolitan area, 23 percent to approximately 5,300 homes in the Baltimore metropolitan area, and 13 percent to 8,170 homes in the Washington, D.C. metropolitan area.

During the 12 months ending September 2009, multifamily building activity, as measured by the number of units permitted, declined in all states in the Mid-Atlantic region. Approximately 10,900 units were permitted in the region, a decline of 43 percent from a year earlier. The number of multifamily units permitted during the 12 months ending September 2009 decreased by 57 percent to 2,300 units in Maryland, by 40 percent to 2,290 in Pennsylvania, by 36 percent to 4,950 in Virginia, and by 16 percent to 570 in Delaware compared with the number of permits issued in those states during the 12 months ending September 2008. In West Virginia, the number of multifamily units permitted declined 85 percent from 1,130 to 164 units. The District of Columbia reported the only increase, permitting 620 multifamily units, up from 410 units during the 12-month period ending September 2008. Multifamily building activity declined in all of the largest metropolitan areas in the region. During the 12-month period ending September 2009, the Washington, D.C. metropolitan area reported 2,980 new units permitted, approximately 3,600 fewer than during the previous year. In both the Philadelphia and Baltimore metropolitan areas, the number of multifamily units permitted decreased by 55 percent, to 1,710 and 1,230 units, respectively.

Rental market conditions in the three largest metropolitan areas softened slightly during the 12 months ending September 2009. According to Delta Associates, the apartment vacancy rate in the Philadelphia metropolitan area increased from 8.6 to 9.9 percent. Vacancy rates are highest, at 15.2 percent, in the southern New Jersey counties. Currently, rents average $1,535 for the Philadelphia metropolitan area as a whole and $1,950 in Philadelphia's Center City. In the Baltimore metropolitan area, conditions remain soft in the city and the southern portions of the metropolitan area but are balanced in the northern and western suburbs. Delta Associates reported that the vacancy rate for Class A apartments increased minimally from 6.2 to 6.9 percent and average rents increased from $1,423 to $1,440 and range from $1,043 in Harford County to $1,664 in Baltimore City. The Washington, D.C. metropolitan area rental market conditions remain balanced, but the market softened during the 12 months ending September 2009. Delta Associates reported a combined vacancy rate for Class A garden and highrise apartments of 4.4 percent in September 2009, up from 3.1 percent from a year earlier. Approximately 4,900 new units were being marketed in the metropolitan area as of September 2009 with concessions increasing from 4 to 6 percent of rent compared with concessions offered a year earlier. During the

12-month period ending September 2009, the average rent for a Class A garden apartment was $1,377, relatively unchanged from the rent reported during the same period ending September 2008, and the average rent for a unit in a Class A highrise building was $2,166, nearly 4 percent higher than the $2,089 reported a year earlier.

Southeast/ Caribbean



HUD Region IV

The economy of the Southeast/Caribbean region continued to contract during the third quarter of 2009 after peaking in 2007. During the 12-month period ending September 2009, nonfarm employment in the region decreased by more than 1.1 million jobs, or 4.2 percent, to approximately 25.8 million jobs compared with the number of jobs recorded during the previous 12-month period. During the past 12 months, employment decreased in every sector except the education and health services and the government sectors, which recorded increases of 53,800 and 18,300 jobs, or 1.6 and 0.4 percent, respectively. The largest employment declines occurred in the manufacturing, construction, and trade sectors, which recorded decreases of 285,500 jobs, 207,900 jobs, and 195,700 jobs, or 10, 15, and 4.4 percent, respectively. During the period, total employment fell in each of the eight states in the region and Puerto Rico. Decreases of 379,200 jobs in Florida, 181,900 in Georgia, and 170,600 in North Carolina accounted for approximately two-thirds of the job losses in the region. During the past 12 months, the unemployment rate in the region averaged 9.7 percent, a 3.8-percentage point increase from the average rate of 5.9 percent recorded during the preceding 12 months; the unemployment rate increased in every state in the region and in Puerto Rico, ranging from a low of 8.7 percent in Alabama to a high of 14.4 percent in Puerto Rico.

Most local sales housing markets in the region are soft because of weak economic conditions and more restrictive credit standards. In Florida, the sales market remains soft but existing home sales increased during the third quarter of 2009. According to the Florida Association of REALTORS®, during the 12 months ending September 2009, 148,900 existing single-family homes were sold statewide, an increase of 24 percent compared with the number sold during the same period a year ago. During the past year, the number of condominium units sold in the state increased by 27 percent, to 48,050 units. Continuing reductions in sales prices of both single-family homes and condominium units contributed to the rise in sales volume. The median price of a single-family home sold in Florida declined from $196,500 during the first 9 months of 2008 to $143,600 during the first 9 months of 2009, or by 27 percent. During the same period, the median price of a condominium unit sold in the state decreased by 37 percent to $109,000.

According to the Alabama Center for Real Estate, during the 12 months ending September 2009, approximately 37,300 homes were sold, a 21-percent decline compared with the 47,200 homes sold in the state during the same period a year ago. During the 12 months ending September 2009, the average inventory of unsold homes decreased by 6 percent to 40,900 homes, representing approximately a 13-month supply based on the number of homes sold during that period. During the past year, the number of days a home remained on the market increased by 17 to 150 and the average sales price declined by 8 percent to $145,200.

Data from South Carolina REALTORS® indicate that, during the 12 months ending September 2009, the number of homes sold in the 15 reported areas of the state fell from 50,400 to 40,000 homes, a 21-percent drop. Declines ranged from 11 percent in Beaufort to 29 percent in the Piedmont region, just outside Charlotte, North Carolina, and across the South Carolina border. During the first 9 months of 2009, the median price of a home sold in South Carolina was $142,000, down 8 percent from the median price recorded in the first 9 months of 2008. The median price declined in all 15 reported areas, ranging from a decline of less than 1 percent in Florence to a decline of nearly 19 percent in Hilton Head.

According to data from the North Carolina Association of REALTORS®, during the 12 months ending September 2009, the number of existing homes sold in the state declined by 25,200, or 25 percent, to 76,050 homes and the average price of a home sold decreased by 7 percent to $202,000. The number of homes sold decreased in 19 of 20 areas, for which 24 months of data are available. Only Brunswick, which recorded significant declines in existing home sales from 2005 to 2007, posted an increase in sales of 11 percent to 1,850 homes during the past 12 months. During the period, the number of existing homes sold declined by 29 percent to 21,100 in Charlotte and by 25 percent to 10,300 in Greensboro. In Raleigh, the number of new and existing homes sold fell 27 percent to 18,850. Average home prices declined by 9 percent to $202,400 in Charlotte, by 8 percent to $160,200 in Greensboro, and by 6 percent to $227,500 in Raleigh.

In Tennessee, during the 12 months ending September 2009, sales of single-family homes and condominium units decreased in the Knoxville, Memphis, and Nashville metropolitan areas. Single-family home sales decreased by 20 percent to 8,900 homes in Knoxville, 19 percent to 10,250 homes in Memphis, and 25 percent to 16,600 homes in Nashville. The number of condominium units sold in the three areas decreased by 34 percent to 950 units, 26 percent to 420 units, and 38 percent to 2,400 units, respectively. During the past year, the average price of a single-family home decreased by 7 percent to $173,500 in Knoxville and 4 percent to $146,600 in Memphis. The average price of a condominium unit decreased by 5 percent to $163,300 in Knoxville and 17 percent to $129,900 in Memphis. In Nashville, the median price of a single-family home sold in September 2009 decreased by nearly 6 percent to $160,000 and the median price of a condominium unit sold decreased by 4 percent to $142,500, compared with median prices recorded in September 2008.

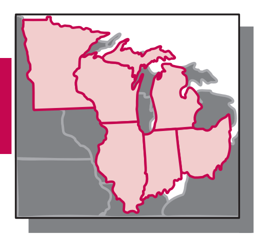
In Kentucky, according to the Greater Louisville Association of REALTORS®, during the 12 months ending September 2009, a total of 9,550 single-family homes and townhomes were sold in the Louisville metropolitan area, down 11 percent compared with the number sold during the previous 12-month period; the number of condominium units sold decreased by 22 percent to 1,150 units. During the past year, the median price of a single-family home, townhome, or condominium unit sold in the Louisville metropolitan area was $131,500, 3 percent below the median price recorded during the previous year. The Lexington-Bluegrass Association of REALTORS® reported that 6,650 single-family homes were sold in Lexington during the 12 months ending September 2009, 11 percent fewer than the number sold during the previous 12 months. The average price of a home sold decreased by 4 percent to $166,200. During the past 12 months, 560 condominium units and townhomes were sold in Lexington, down 30 percent compared with the number sold during the previous 12 months; the median price decreased 8 percent to $134,600.

Single-family homebuilding activity, as measured by the number of building permits issued, declined rapidly in the Southeast/Caribbean region during the past 12 months as builders continued to curtail production in response to slower home sales and large inventories of unsold new and existing homes in most markets. Based on preliminary data, during the 12 months ending September 2009, 100,100 homes were permitted in the region, a decrease of 73,500 homes, or 42 percent, when compared with the number permitted during the 12-month period ending September 2008. Single-family home production declined in all states in the region, with decreases ranging from 30 percent in Alabama to 53 percent in Georgia. North Carolina, Florida, and Georgia accounted for more than two-thirds of the regional decline, with decreases of 19,850, 17,400, and 13,750 homes, respectively. Multifamily construction activity, as measured by the number of units permitted, also declined significantly in the region during the past year. Preliminary data indicate the number of multifamily units permitted declined by 39,200 units, or 53 percent, to 35,300 units. All states in the region reported fewer multifamily units permitted during the past year as apartment and condominium builders continued to reduce production in response to the declining economy and soft sales and rental housing markets throughout most areas of the region. As with single-family home production, the largest multifamily reductions occurred in Florida, Georgia, and North Carolina, which recorded decreases of 15,150, 6,700, and 6,450 units, respectively, and accounted for 72 percent of the total decline for the region.

Apartment markets remained soft throughout the region. According to Reis, Inc., during the third quarter of 2009, apartment vacancy rates increased in 18 of the 19 Southeast/Caribbean region markets surveyed compared with vacancy rates recorded during the third quarter of 2008. The lone exception was Chattanooga, Tennessee, where the vacancy rate fell 1 percentage point from the rate recorded a year earlier to 7.3 percent due to increased rental demand resulting from the ongoing construction of the $1 billion Volkswagen Group of America, Inc., assembly plant scheduled to open in early 2011. During the third quarter of 2009, vacancy rates above 10 percent were reported in 9 of the markets, including 2 of the 3 North Carolina markets surveyed. In the Greensboro–Winston-Salem market, the vacancy rate increased 3.9 percentage points to 12.6 percent, the largest increase of any regional markets surveyed. In Charlotte, the vacancy rate increased by 3.3 percentage points to 10.5 percent during the period. In South Carolina, current vacancy rates of 12.9, 12.0, and 11.4 percent were recorded in the Columbia, Charleston, and Greenville markets, respectively. In Atlanta, the vacancy rate increased to 11.1 percent, a 1.8-percentage-point increase compared with the rate recorded during the third quarter of 2008. The highest apartment vacancy rate posted in the region during the third quarter of 2009 was in Jacksonville, Florida, where the rate increased to 13.3 percent compared with 11.2 percent during the same quarter of 2008. In the past year, softer market conditions dampened rent increases throughout the region, with changes in average rent ranging from a decrease of 3.5 percent in Miami to an increase of 0.8 percent in Louisville. Average rent increased in 7 of the markets surveyed, although increases in 6 of those markets were below 0.5 percent.

Midwest

HUD Region V



Economic conditions in the Midwest region continued to slow during the third quarter of 2009, marking the sixth consecutive quarter of job losses. During the 12-month period ending September 2009, nonfarm employment decreased by 998,000 jobs, or 4.1 percent, to an average of 23.2 million jobs. Job losses were widespread, with only the education and health services sector recording job growth, with the addition of 71,400 jobs, an increase of 2.1 percent. Sectors with significant job losses included manufacturing, professional and business services, and construction, which declined by 396,000, 162,700, and 131,900 jobs, respectively, or 11.7, 5.4, and 12.9 percent. In the manufacturing sector, 30 percent of the loss was attributed to declines in transportation equipment manufacturing. Every state in the region lost jobs, ranging from 85,300 jobs, or 3.1 percent, in Minnesota to 263,100 jobs, or 6.3 percent, in Michigan. Illinois job losses totaled 219,300, or 3.7 percent, while 217,700 jobs, or 4.0 percent, were lost in Ohio. For the 12 months ending September 2009, the average unemployment rate in the region was 9.6 percent, up from 6.1 percent for the 12-month period ending September 2008. Unemployment rates ranged from 7.8 percent in Wisconsin to 12.8 percent in Michigan.

Slow economic growth contributed to weakness in the existing home sales market in the Midwest region. According to data from the NATIONAL ASSOCIATION OF REALTORS®, during the second quarter of 2009, the annual rate of existing home sales in the region declined by nearly 4 percent to 829,600 homes compared with the rate of sales during the second quarter of 2008. The annual rate of existing home sales activity was stabilizing in some states, with gains of 10.0 and 12.7 percent reported in Michigan and Minnesota, respectively, but declines continued in the other states. Foreclosures continued to affect the home sales market in the region, according to data from RealtyTrac®, with every state except Michigan recording a higher rate of foreclosure activity than the national average foreclosure rate recorded during the third quarter of 2009.

Home sales markets, in general, are soft but appear to be stabilizing in most major metropolitan areas of the Midwest region. According to data from the Ohio Association of REALTORS®, during the 12-month period ending September 2009, existing home sales declined 15 percent in Ohio to 98,800 homes compared with the number of homes sold during the 12-month period ending September 2008; the average sales price declined 9 percent to $128,400. In Cincinnati, during the 12 months ending September 2009, home sales declined 8 percent from the 12-month period ending September 2008 to 17,900 homes and the average sales price declined 10 percent to $150,200. In Columbus, home sales declined 11 percent to 19,000 and the average sales price declined 6 percent to $157,500. According to the Illinois Association of REALTORS®, during the 12 months ending September 2009, the number of existing homes and condominiums sold declined by 14 percent in the state to 97,700 and the average sales price declined by almost 17 percent to $212,100. In the Chicago metropolitan area, the number of existing home sales, including condominiums, was 62,650, a decline of 14 percent, and the average sales price declined nearly 19 percent to $261,900, reflecting a market that is still soft.

In Indiana, data from the Metropolitan Indianapolis Board of REALTORS® indicate that, during the 12 months ending September 2009, existing home sales declined 12 percent to 23,550 homes and the average sales price declined 6 percent to $136,300. Similarly, in Wisconsin, during the 12 months ending September 2009, existing home sales in major metropolitan areas decreased compared with the number sold during the 12 months ending September 2008. According to multiple listing services (MLSs) in Milwaukee and Madison, sales of existing homes in the metropolitan areas fell by 9 and 7 percent, respectively, and average sales prices fell by 13 and 8 percent, respectively.

Home sales in Michigan and Minnesota rose, despite weak economic conditions in each state, partly due to incentive programs and seller price reductions, reflecting stabilizing markets. According to the Michigan Association of REALTORS®, during the 12 months ending September 2009, approximately 108,400 existing homes were sold statewide, an increase of nearly 9 percent compared with the 99,850 existing homes sold in the 12-month period ending September 2008. The average sales price in Michigan, for the 12 months ending September 2009, was approximately $99,450, 20 percent less than the average sales price recorded in the 12 months ending September 2008. In Minnesota, during the 12 months ending September 2009, the Minneapolis-St. Paul metropolitan area recorded an 11-percent increase in existing home sales, to 42,300, and the average sales price declined 18 percent to $203,300.

In response to declining home sales, single-family home construction, as measured by the number of building permits issued, decreased in the Midwest during the 12 months ending September 2009, falling by 34 percent to 39,800 homes permitted, based on preliminary data. The number of single-family homes permitted was the lowest annual figure in the past 24 years and represented only 40 percent of the average annual figure of 99,700 single-family homes permitted during the previous three 12-month periods ending in September. Single-family construction activity declined in all states in the region during the 12 months ending September 2009, with declines in Illinois and Michigan of 48 and 39 percent, respectively, accounting for nearly one-half of the 20,900 fewer homes permitted in the region. In Chicago, the number homes permitted declined by 70 percent to 5,680 homes. In Detroit, 1,185 homes were permitted, 52 percent fewer than the number permitted during the 12 months ending September 2008.

Declines in the number of single-family homes permitted also occurred in the other states in the Midwest region during the 12 months ending September 2009, with Wisconsin down 33 percent to 6,225 homes, Indiana down 31 percent to 8,275, Minnesota down 28 percent to 5,725, and Ohio down 27 percent to 8,825. Major metropolitan areas registered similar declines, with Minneapolis down 36 percent and Cleveland, Cincinnati, and Columbus down 37, 26, and 20 percent, respectively.

In the Midwest region, multifamily construction, as measured by the number of units permitted, declined by

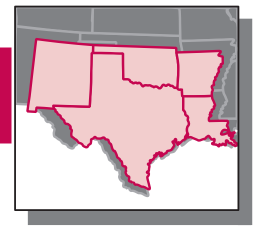
55 percent to 13,400 units during the 12 months ending September 2009, based on preliminary data. The number of multifamily units permitted during the past 12 months was down 74 percent from the average of 50,950 units permitted annually between 2003 and 2008. Multifamily production was down in all states in the region, ranging from a 39-percent decline in Indiana and Ohio to a 72-percent decline in Illinois. The decline in Illinois was entirely due to activity in the Chicago metropolitan area, where the number of multifamily units permitted declined 82 percent from 10,650 during the 12 months ending September 2008 to 1,925 during the 12 months ending September 2009. Most other metropolitan areas in the Midwest region reported declines in the number of multifamily units permitted, including a decline of 61 percent to 730 units in the Minneapolis metropolitan area and declines of 70 and 51 percent in Cincinnati and Columbus, respectively. In Detroit and Milwaukee, the declines were 82 and 68 percent, respectively, to 130 and 530 units. In Cleveland, the number of multifamily units permitted increased by 20 percent to 450 units for the 12 months ending September 2009; nearly all of the units contributing to the increase were apartments.

Apartment market conditions, in general, have been balanced in major metropolitan areas of the Midwest region but have been softer than they were a year ago. According to Reis, Inc., the vacancy rate in the Chicago metropolitan area increased from 5.2 percent in the third quarter of 2008 to 6.7 percent in the third quarter of 2009, while the average market rent decreased 1 percent to approximately $990. In the Chicago Loop submarket, the vacancy rate increased to 12 percent in the third quarter of 2009 compared with 7.6 percent for the third quarter of 2008, while the market rent decreased almost 5 percent to $1,525. Conditions softened in the Chicago Loop submarket as a result of the addition of 1,250 newly constructed apartments and an increase in condominium conversions. Appraisal Research Counselors reported more than 1,600 condominium units for rent in the submarket on the MLS as of the second quarter of 2009, approximately 70 percent more than in the second quarter of 2008. The job losses in downtown Chicago are also influencing the rental market in the Chicago Loop.

Rental housing market conditions in Minneapolis have softened during the past year but remain relatively balanced. According to GVA Marquette Advisors, the Twin Cities metropolitan area vacancy rate was 6.4 percent in the third quarter of 2009 compared with 4.1 percent in the third quarter of 2008, while the average rent was approximately $910, down from $920. In the downtown Minneapolis submarket, the average rent was reported at $1,150 during the third quarter of 2009, compared with $1,175 reported in the third quarter of 2008, while the vacancy rate increased from 4.5 percent to nearly 8 percent. Other metropolitan areas in the region reported softening in the apartment market as well. Data from Reis, Inc., indicated vacancy rates rose in Columbus, Cincinnati, and Cleveland to 8.5, 7.6, and 6.8 percent, respectively, in the third quarter of 2009, compared with rates of 7.6, 6.4, and 5.3 percent in the third quarter of 2008. The market rent remained stable in Cincinnati and Columbus at $710 and $680 but decreased in Cleveland to $735, down from $740. The apartment vacancy rate in Detroit, where conditions have been softening, increased from 6.6 to 7.6 percent and the market rent decreased from $840 to $830. The market in Indianapolis has been soft; the vacancy rate increased from 7.2 to 9.2 percent and the average market rent declined 1 percent to $670.

Southwest

HUD Region VI



Economic conditions in the Southwest region weakened significantly during the 12 months ending September 2009 as average nonfarm employment decreased by 164,000 jobs, or 1 percent, to 16 million jobs. In contrast, during the 12 months ending September 2008, nonfarm employment in the region increased by 2.2 percent, or 348,000 jobs. During the past year, gains in three employment sectors, totaling 139,000 jobs, were offset by a combined total of 303,000 jobs lost in the remaining nine sectors. The education and health services sector recorded the largest growth among employment sectors in the region, adding 73,000 jobs, an increase of 3.6 percent, with job creation in medical services, research, and health insurance. Employment in the government sector, primarily in the local subsector, was up 54,900 jobs, or 1.9 percent, in the region, where all states recorded increases. The leisure and hospitality sector added 11,200 jobs, up 0.7 percent. During the 12 months ending September 2009, softening housing and commercial construction markets have resulted in a decrease in the construction sector of 53,300 jobs, or 5.4 percent, compared with a gain of 40,600 jobs, or 4.3 percent, during the 12 months ending September 2008. The manufacturing sector, which recorded declines in all states in the region, lost 94,000 jobs, or 6.5 percent.

Job losses occurred in every state in the Southwest region during the 12 months ending September 2009. For the first time in this decade, all five states in the region simultaneously recorded a 12-month period of job decline. During the 12 months ending September 2009, Texas lost 105,900 jobs, or 1.0 percent, led by declines of more than 50,000 jobs each in both the manufacturing and construction sectors. Employment in Louisiana decreased by 2,600 jobs, or 0.1 percent, as job gains of more than 2 percent each in the construction and the education and health services sectors were offset by losses of a combined 12,300 jobs in the manufacturing and trade sectors. In Oklahoma, employment decreased by 15,500 jobs, or 1.0 percent, during the 12 months ending September 2009, led by losses of 11,200 jobs in the manufacturing sector and 7,600 jobs in the professional and business services sector. Employment in New Mexico declined for the third consecutive quarter and was down by 17,800 jobs, or 2.1 percent, for the 12 months ending September 2009. In Arkansas, employment declined by 22,100 jobs, or 1.8 percent, with declines in the manufacturing, trade, and transportation and utilities sectors accounting for nearly 80 percent of the total loss. For the 12 months ending September 2009, the unemployment rate in the region increased to 6.6 percent compared with 4.4 percent for the previous 12 months. The average unemployment rates ranged from a low of 5.8 percent in Oklahoma to a high of 6.9 percent in Texas; New Mexico, Louisiana, and Arkansas recorded rates of 6.0, 6.3, and 6.6 percent, respectively.

Sales housing market conditions in the Southwest region were soft, as moderating economic conditions led to declines in the number of homes sold and to an increased inventory of unsold homes. Home sales continued to decline in Texas during the past quarter and are currently at their lowest level since mid-2003, according to data from the Real Estate Center at Texas A&M University. During the 12 months ending September 2009, approximately 204,800 homes were sold in Texas, down 16 and 28 percent from the 12 months ending September 2008 and September 2007, respectively. The number of homes sold declined in all major Texas markets during the 12 months ending September 2009, while the number of months of unsold inventory in the state increased approximately 9 percent, from 6.4 to 7 months. Declines in home sales among the major Texas markets ranged from 14 percent in San Antonio to 21 percent in Fort Worth. Houston, Dallas, and Austin recorded declines of 16, 17, and 18 percent, respectively. The average home sales price in the state decreased 4 percent to $185,100 during the 12 months ending September 2009, continuing a trend that began in late 2008. Dallas and Houston recorded the largest drops in average home prices among major Texas markets, falling 5 percent in each area to $201,300 and 197,700, respectively. The average price decreased 4 percent in Fort Worth to $138,600 and by 3 percent in Austin to $236,700. The average price of homes sold in San Antonio remained essentially unchanged at $181,100.

Home sales decreased by double-digit percentages in a number of markets in states elsewhere in the region during the 12 months ending September 2009. According to the New Orleans Metropolitan Association of Realtors®, sales were down 15 percent to 7,875 homes and the average price dropped approximately 4 percent to $198,800. In Baton Rouge, the number of sales decreased 16 percent to 6,650, based on data from the Greater Baton Rouge Association of REALTORS®, and the average price declined approximately 5 percent to $192,700. The Greater Albuquerque Association of REALTORS® reported that the number of sales was down 15 percent in Albuquerque to 6,225 homes, approximately 50 percent below the peak level of sales recorded in mid-2006, while the average sales price declined by 10 percent to $214,100, continuing a pattern of accelerating decreases that began in mid-2008. According to the Oklahoma City Metropolitan Association of REALTORS®, the number of homes sold in Oklahoma City was down 13 percent to 15,200 and the average price declined 3 percent to $149,500. In Tulsa, home sales declined 10 percent to 10,500, according to the Greater Tulsa Association of REALTORS®, and the average price decreased 8 percent to $144,200. According to the Arkansas REALTORS® Association, home sales for the state declined by 12 percent to 22,300 during the 12 months ending August 2009 (the most recent data available) and the average price dropped by 3 percent to $148,800. Home prices were down approximately 2 percent in Little Rock to $161,300 and down 12 percent in Fayetteville to $166,000.

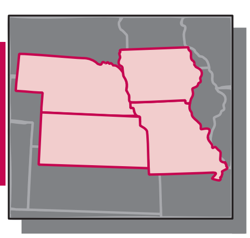
In the Southwest region, an increased inventory of unsold homes resulted in decreased single-family construction activity, as measured by the number of single-family building permits issued. During the 12 months ending September 2009, the total number of single-family homes permitted in the region was 71,700, a decline of 19,150 homes, or 21 percent, compared with the number permitted during the previous 12 months, based on preliminary data. Texas recorded a 23-percent decrease in the number of single-family homes permitted, down 14,950, to 51,450 homes. In other states in the region, declines ranged from 10 percent in Louisiana to 25 percent in New Mexico. Oklahoma and Arkansas recorded declines of 19 and 22 percent, respectively.

Rental housing market conditions continued to soften over the past year in the largest metropolitan areas in Texas because builders only recently responded to declining job growth by reducing apartment construction activity. According to ALN Systems, Inc., the apartment vacancy rate in Austin was 11.6 percent for the 12 months ending September 2009, up from 7.7 percent during the 12 months ending September 2008, and the average rent increased 2 percent to $870. In Dallas, the apartment vacancy rate increased from 9.2 to 11.3 percent during the 12 months ending September 2009 as average rents increased 2 percent to $820. Rental markets in Fort Worth and Houston remained very soft with vacancy rates of 12.4 and 12.3 percent, respectively. Average rents in Fort Worth increased by 1 percent to $720. Average rents in Houston increased 4 percent to $780, partly due to the completion of more than 20,000 additional units, during the 12 months ending September 2009, with rents well above the average. In San Antonio, during the 12 months ending September 2009, the vacancy rate rose to 11.7 percent from 9.9 percent during the 12-month period ending September 2008 and average rents increased 2 percent to $730. Corpus Christi had one of the lowest vacancy rates in Texas, at 8.8 percent, during the most recent 12 months, with an average rent of $710.

Rental housing market conditions were soft in large metropolitan areas in other states throughout the Southwest region. The rental market in Albuquerque began to soften during the past year. According to Reis, Inc., the apartment vacancy rate in Albuquerque increased to 7 percent in the third quarter of 2009, up from 5.4 percent a year earlier. The average rent in Albuquerque increased 1 percent to $710. In Little Rock, for the third quarter of 2009, the apartment vacancy rate was 8.3 percent, up from 6.5 percent a year earlier and the average rent remained essentially unchanged at $640. In Oklahoma City, the apartment vacancy rate rose from 8.1 percent in the third quarter of 2008 to 9.6 percent in the third quarter of 2009 and average rents increased 2 percent to $550. In Tulsa, the vacancy rate increased from 7.7 percent for the third quarter of 2008 to 9.2 percent for the same period in 2009 and average rents remained essentially unchanged at $580. Rental market conditions in New Orleans changed substantially as the apartment rental vacancy rate increased to 13 percent during the third quarter of 2009, according to the Greater New Orleans Multi-Family Report©, up significantly from the 8 percent recorded a year earlier. During the third quarter of 2009, the average rent in New Orleans was down 3 percent to $830 compared with the rent recorded during the third quarter of 2008.

As a result of soft apartment markets in many large metropolitan areas, multifamily construction activity, as measured by the number of units permitted, decreased in the Southwest region during the 12 months ending September 2009, based on preliminary data. The 19,300 units permitted during the 12 months ending September 2009 reflect a 62-percent decline compared with the number of units permitted during the 12-month period ending September 2008. The number of multifamily units permitted in Texas declined 66 percent, down 27,950 units to 14,300. Louisiana also recorded a decline of 66 percent, or 2,775 units, to 1,425. In the other states in the region, declines in the number of multifamily units permitted ranged from 19 percent in Oklahoma to 22 and 25 percent in Arkansas and New Mexico, respectively.

Great Plains



HUD Region VII

The weakening of the economy in the Great Plains region that started in the first quarter of 2009 continued during the third quarter of 2009. During the 12 months ending September 2009, nonfarm employment decreased by 124,500 jobs, or 1.9 percent, to 6.6 million jobs compared with the number of jobs in the region during the 12 months ending September 2008. During the 12-month period ending September 2009, growth occurred in only two employment sectors; the education and health services sector grew by 16,450 jobs, or 1.8 percent, primarily due to increased employment in the healthcare and social assistance industry, and the government sector increased by 14,800 jobs, or 1.3 percent, primarily as a result of hiring in the local government subsector. During the same period, the manufacturing sector lost 63,500 jobs, or 7.8 percent, and employment in the construction sector declined by 24,800 jobs, or 7.5 percent. In the four-state region, the government is the leading employment sector, accounting for more than 1.1 million jobs, or approximately 17 percent of the region's total jobs. During the 12 months ending September 2009, nonfarm employment declined in all four states in the region. Nebraska had the lowest rate of job loss at 11,900 jobs, or 1.2 percent, while Missouri had the largest number of job losses at 55,900 jobs, or 2 percent. Nonfarm jobs in Iowa and Kansas declined by 30,000 and 26,700 jobs, or 2 and 1.9 percent, respectively.

Unemployment rates throughout the Great Plains region have continued to increase significantly, a trend that began in January 2009. The average unemployment rate in the region rose from 4.6 percent for the 12 months ending September 2008 to 6.7 percent for the 12 months ending September 2009. Unemployment rates for the four states ranged from 4.5 percent in Nebraska to 8.4 percent in Missouri, with Iowa and Kansas reporting rates of 5.4 and 6.2 percent, respectively. Although the rates in each state rose significantly during the past 12 months, they remained below the national 12-month average unemployment rate of 8.5 percent.

Existing home sales in the region began to decline in 2006 and continued to decline in 2009. According to the NATIONAL ASSOCIATION OF REALTORS®, for the second quarter of 2009, the annual rate of existing home sales for the four states in the region declined 8 percent to approximately 231,200 homes compared with the rate reported for the second quarter of 2008. Missouri and Kansas reported sales declines of 12 and 17 percent, respectively. Home sales in Iowa and Nebraska rose 2 and 6 percent, respectively. According to the Federal Housing Finance Agency's House Price Index, the index for the second quarter of 2009 for the region dropped by an average of 1.2 percent compared with the index for the second quarter of 2008. In the four states, decreases ranged from 0.1 percent in Nebraska to 2.8 percent in Missouri. The home price index declines recorded in the region were significantly lower than the 6-percent national decline recorded during the second quarter of 2009.

All major metropolitan areas in the region recorded declines in existing home sales during the 12 months ending September 2009, according to data from local

REALTORS® associations and BlockShopper®. During this period, sales housing market conditions were soft in Omaha, Wichita, Des Moines, St. Louis, and Kansas City. Sales of existing homes in the Omaha area decreased by 4 percent to 7,300 homes and the average existing home price declined more than 2 percent to $150,000. In the Wichita area, existing home sales fell by 18 percent to 7,250 homes; however, the average price increased by 3 percent to $122,600. The number of existing home sales in the Des Moines area decreased by 10 percent, from 8,250 to 7,400 homes, and the average price declined by 4 percent to $162,600. Existing home sales in the greater St. Louis area decreased by 11,400 to 23,100 homes and the average existing home price declined more than 22 percent to $149,400. The number of existing home sales in the Kansas City area declined from 24,050 to 21,950 homes and the average price decreased by 6 percent to $142,500. Foreclosed properties represent a growing proportion of the homes available for sale in Kansas City. According to AOL Real Estate, during the 12 months ending September 2009, more than 70 percent of the homes listed for sale in Kansas City were foreclosures compared with less than 50 percent during the 12-month period ending September 2008. AOL Real Estate also reported that, in the 12 months ending September 2009, more than 45 percent of the listings in both St. Louis and Omaha were foreclosures, compared with less than 30 percent a year earlier. During the 12 months ending September 2009, the average number of days an existing home remained on the market exceeded 90 days in Des Moines, Kansas City, and St. Louis, the same as a year earlier, and the average number of days required to sell an existing home in Omaha exceeded 60 days, the same as a year earlier.

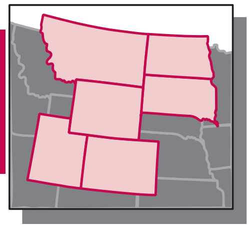
New home sales also declined in the major metropolitan areas in the region. According to data from local REALTORS® associations and BlockShopper®, new home sales in Omaha and St. Louis declined by 52 percent to 850 homes and by 47 percent to 450 homes, respectively, during the 12 months ending September 2009. Kansas City had a slightly smaller rate of decline of 39 percent, to 2,400 homes, and Wichita declined 35 percent to 1,050 homes. Although sales were down, the average price of a new home increased by more than 2 percent to $302,200 in Kansas City, by more than 11 percent to $241,600 in Wichita, and by 5 percent to $245,600 in Omaha. In St. Louis, new home prices declined by 12 percent to $221,000.

As new home sales continue to decline in most areas of the region, single-family home construction, as measured by the number of building permits issued, also continues to decline. During the 12-month period ending September 2009, according to preliminary data, approximately 16,600 single-family homes were permitted, 24 percent fewer than the number permitted during the 12-month period ending September 2008. Declines in single-family building activity were recorded in each of the four states, ranging from 10 percent to 3,800 homes permitted in Nebraska to 34 percent to 5,000 homes permitted in Missouri. The rising unemployment rate, the declines in new home sales, and a high proportion of foreclosure sales all contributed to the continued steep decline in building activity in Missouri that started in 2006. The number of single-family homes permitted in Iowa and Kansas declined by 16 and 31 percent to 4,600 and 3,200 homes, respectively.

Multifamily construction in the Great Plains region, as measured by the number of units permitted, decreased by 45 percent to 6,450 units during the 12 months ending September 2009, based on preliminary data. Three of the four states in the region recorded a slowdown in the number of units permitted. The only state that had an increase in the number of multifamily units permitted was Iowa, which increased by 8 percent to 1,650 units. The largest percentage decline occurred in Nebraska, where the number of units permitted totaled 650 units, a 72-percent decrease compared with the number permitted during the 12-month period ending September 2008. In Missouri, the number of multifamily units permitted declined by 52 percent to 2,500 units. The number of units permitted in Kansas was down 39 percent to 1,650 units. According to the McGraw-Hill Construction Pipeline database, during the 12-month period ending September 2009, most of the multifamily units permitted in Wichita, Kansas City, St. Louis, and Omaha were marketed as rental apartments, with proportions of rental units ranging from 93 percent in Omaha to 100 percent in St. Louis and Wichita. This trend reflects the softer condominium home sales markets throughout the region.

The rental markets in all the larger metropolitan areas in the region were balanced in the third quarter of 2009, although rental vacancy rates increased in all areas during this period compared with the rates recorded in the third quarter of 2008. According to Reis, Inc., the apartment vacancy rate in Des Moines increased from 5.5 percent in the third quarter of 2008 to 6.5 percent in the third quarter of 2009. In Omaha, for the 12-month period ending September 2009, the apartment vacancy rate was 7.3 percent, up from 5.1 percent a year earlier. The rents in Des Moines and Omaha both increased by less than 1 percent to $700. The rental vacancy rate in Wichita increased from 6.7 percent in the third quarter of 2008 to 7.7 percent in the third quarter of 2009, and the average monthly rent remained at $510. Vacancy rates increased from less than 7 percent to more than 8 percent in both St. Louis and Kansas City, although conditions in both markets remained relatively balanced. During the 12-month period ending September 2009, rents remained unchanged at $730 in St. Louis and $700 in Kansas City. According to AXIOMETRICS INC., during the 12-month period ending September 2009, rental concessions increased in both St. Louis and Kansas City compared with concessions offered during the 12 months ending September 2008. As a percentage of asking rents, rental concessions increased in St. Louis from 2 to 6 percent and in Kansas City from approximately 4 to 8 percent.

Rocky Mountain



HUD Region VIII

The economy of the Rocky Mountain region continued to weaken in the third quarter of 2009, but there are indications that economic conditions are beginning to stabilize. The decline in seasonally adjusted nonfarm employment slowed considerably during the third quarter of 2009, down by 0.6 percent, or 29,400 jobs, from the third quarter of 2008 compared with a 1-year decline of 1.3 percent, or 67,100 jobs, for the second quarter of 2009. The average level of nonfarm employment for the 12-month period ending September 2009 was 5 million, down 113,500 jobs, or 2.2 percent, compared with employment levels for the previous 12-month period. During the 12-month period ending September 2009, regionwide employment declines occurred in nearly every sector, with two-thirds of the job losses recorded in the construction, manufacturing, and professional and business services sectors. The government and the education and health services sectors were the only ones to record gains, increasing by 20,800 jobs, or 2.3 percent, and 18,700 jobs, or 3.2 percent, respectively. During the 12-month period ending September 2009, the states with the largest employment declines were Colorado and Utah, which lost 71,500 jobs, or 3.0 percent, and 34,700 jobs, or 2.8 percent, respectively. In Montana, South Dakota, and Wyoming, nonfarm employment was down by 6,100, 3,500, and 1,300 jobs, respectively, representing declines of 1.4, 0.9, and 0.4 percent, respectively. Nonfarm employment in North Dakota increased by 1 percent, or 3,600 jobs, due to a relatively stable energy-related industry and less volatility in the construction sector, making the state's job growth rate during this period the fastest in the nation.

The declining economy has weakened labor markets throughout the Rocky Mountain region. During the 12 months ending September 2009, the average unemployment rate in the region was 5.9 percent, up from 3.9 percent for the same period a year earlier. Average unemployment rates were up in all states, but the rates for the region were all well below the average national rate of 8.5 percent. The unemployment rate in Colorado increased the most, rising by 2.4 percentage points from a year ago. The 4-percent unemployment rate in North Dakota was the lowest in the region, followed by rates in South Dakota and Wyoming, at 4.5 and 4.8 percent, respectively. Colorado had the highest rate, at 6.9 percent, followed by Montana and Utah, at 6 and 5.1 percent, respectively.

During the second quarter of 2009 (the most recent data available), existing single-family home sales activity in the Rocky Mountain region remained relatively stable after declining the previous eight quarters. According to the NATIONAL ASSOCIATION OF REALTORS®, the annualized average rate of existing home sales for the second quarter of 2009 was up 0.5 percent from the first quarter of 2009. Even so, for the 12 months ending June 2009, existing home sales averaged 178,500, down 16 percent compared with sales for the 12 months ending June 2008. Home sales dropped in all states in the region, with the greatest rates of decline, more than 20 percent, occurring in North Dakota and Wyoming, where relatively high sales activity was reported during the previous 12-month period. Home sales were down by approximately 18 percent in Utah, 15 percent in Montana, and 14 percent in Colorado. According to the Federal Housing Finance Agency's Housing Price Index, for the second quarter of 2009, the index for the Rocky Mountain region declined by an average of approximately 3 percent compared with the index for the second quarter of 2008. The index declined by 1 percent in Colorado and approximately 3 percent in Montana and Wyoming. Utah, with an 11.6-percent drop in the index, was the only state in the region to exceed the 6.1-percent decline recorded nationally. The index rose by 2.8 percent in North Dakota and 1 percent in South Dakota.

In the third quarter of 2009, the home sales markets in most of the region's metropolitan areas were soft, a trend that began about 2 years ago. On a positive note, during the 12 months ending September 2009, inventories of unsold homes have declined significantly. According to the Boulder Area REALTOR® Association, the average price for existing single-family homes in the Boulder metropolitan area was $410,000 for the 12 months ending September 2009, down 6 percent from the average price recorded for the previous 12 months. Single-family home sales for the 12 months ending September 2009 totaled about 2,500, representing a 23-percent decline. The Pikes Peak Association of REALTORS® reported that, for the Colorado Springs area, existing home sales were relatively unchanged from a year ago and the average sales price for single-family homes declined by 9 percent to $211,400. Metrolist, Inc., reported that, during the 12 months ending September 2009, the average single-family home price in Denver declined by 5 percent to $263,500 and sales were down by 16 percent compared with the price and sales volume recorded during the same period ending September 2008. Active listings of existing single-family homes in Boulder, Denver, and Colorado Springs were down 8, 17, and 20 percent, respectively. The large declines in inventories in Colorado Springs and Denver were due to reductions in homebuilding, relatively modest declines in existing home sales, and the decision of potential sellers to keep homes off the market until prices have stabilized. According to RealtyTrac® Inc., for the third quarter of 2009, foreclosure filings increased by 16 percent to 1,900 in Colorado Springs and by 2 percent to 9,200 in Denver compared with the third quarter of 2008. The higher rate of increase in Colorado Springs compared with the Denver area was due to the more recent softer market conditions, especially during the past 12 months.

During the 12-month period ending September 2009, home sales activity in Utah markets declined from the level of sales during the previous 12 months, but the unsold inventory of homes also decreased. According to NewReach, Inc., for the 12-month period ending September 2009, existing single-family home sales in the Salt Lake City area declined by 19 percent to 7,400 units, active listings were down 17 percent to 5,540 units, and the average home sales price declined by 7 percent to $257,300. In the Ogden-Clearfield area, for the 12-month period ending September 2009, existing single-family home sales declined by 16 percent to 4,400 units, the average sales price dropped by 6 percent to $199,700, and active listings were down 17 percent to 3,140 units. New home sales in the Salt Lake City area were down 20 percent and the average price decreased by 18 percent to $321,600. In the Ogden-Clearfield area, sales of new homes declined by 37 percent and the average sales price declined by 9 percent to $270,800.

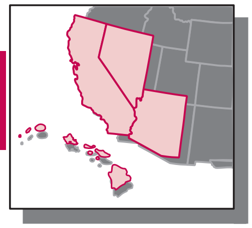
In response to decreased demand, homebuilding activity in the region continued a 3-year decline in the third quarter of 2009. During the 12-month period ending September 2009, single-family construction activity, as measured by the number of building permits issued, decreased by 8,700 units, or 34 percent, to 17,300, based on preliminary data. Permits were issued for an annual average of 76,100 single-family homes during the peak years of 2004 and 2005. In Colorado, the issuing of permits declined by about 4,600 units to 6,500 single-family homes during the 12-month period ending September 2009 and accounted for more than one-half of the total reduction in the region. Homebuilding activity in Colorado was affected by a 3-percent decline in employment, the largest job loss among the states in the region. In Utah, for the 12-month period ending September 2009, approximately 5,350 single-family homes were permitted, a decline of 1,750 homes compared with the number permitted during the previous 12-month period. In Montana and Wyoming, the number of single-family homes permitted for the 12-month period ending September 2009 declined by 38 and 39 percent, respectively, to 1,200 homes in each state. In South Dakota, for the 12-month period ending September 2009, permits for new single-family homes declined by 25 percent to 1,700 homes. In North Dakota, for the 12-month period ending September 2009, the number of single-family homes permitted was down by 300 homes, or 19 percent.

Rental housing market conditions during the third quarter of 2009 were mostly balanced to soft throughout much of the Rocky Mountain region. According to Reis, Inc., in the Salt Lake City area, during the third quarter of 2009, the apartment vacancy rate of 6 percent was up from the rate of 5 percent recorded a year ago and the average overall asking rent remained relatively unchanged at $750. During the third quarter of 2009, the apartment vacancy rate in Denver decreased 0.6 percentage points from the rate recorded during the second quarter of 2009 to 7.7 percent but was still up from the 6-percent rate recorded a year ago, according to Apartment Insights, published by Apartment Appraisers & Consultants. The average effective rent in Denver during the third quarter of 2009 was down 7 percent to $780 but was relatively unchanged from the rent recorded during the second quarter of 2009. With a large number of apartment units in the construction pipeline, the softening trend in the Salt Lake City and Denver areas is expected to continue for the next 12 months. The Colorado Springs rental market remained soft, but the vacancy rate decreased to 7.8 percent from the 9.2-percent rate recorded a year ago, according to Apartment Insights. The arrival of approximately 6,300 military transfers to Fort Carson Army Base, located south of Colorado Springs, during the second and third quarters of 2009 has contributed to the lower vacancy rate. The average effective rent in Colorado Springs was relatively unchanged during the 12-month period ending September 2009, at $635. According to the same survey, the vacancy rate in the Fort Collins area increased to 6.2 percent from 4.1 percent during the same quarter a year ago and the average rent was relatively unchanged at $780.

In the Rocky Mountain region, for the 12 months ending September 2009, multifamily construction, as measured by the number of units permitted, totaled 7,600 units, based on preliminary data, representing a decline of 31 percent from the same period a year ago. With the exception of Utah, all states in the region issued fewer permits during the 12 months ending September 2009 compared with the same period a year earlier due to weak economic conditions, soft condominium sales market conditions, and a large number of apartments under construction. In Colorado, the number of multifamily units permitted decreased by more than 70 percent, or 4,000 units, down to 1,670 units. Nearly the entire decline measured in Colorado occurred in the Denver area, where developers expect little improvement in the market and where approximately 2,000 condominiums and 4,600 apartments currently under construction are expected to become available during the next 12 months. Multifamily construction in Utah increased by 1,020 units, or 40 percent, during the 12-month period ending September 2009, compared with multifamily construction during the previous 12 months. The increase was attributed to additional apartment construction prompted by builders' responses to relatively tight market conditions that existed a year ago, primarily in the Salt Lake City area.

PACIFIC

HUD Region IX



Broad-based employment losses continue to affect the Pacific region. During the 12 months ending September 2009, nonfarm employment averaged 18.8 million jobs, reflecting a decline of 867,100 jobs, or 4.4 percent, compared with the number of jobs recorded during the previous 12 months. Due primarily to soft conditions in the real estate markets, the construction sector continued to lead job losses, down 219,800 jobs, or nearly 19 percent. The professional and business services sector and the retail trade subsector lost 158,000 and 142,900 jobs, decreases of 5.5 and 6.5 percent, respectively. Despite the overall contraction in nonfarm employment, the education and health services sector added 34,900 jobs, reflecting an increase of 1.6 percent.

Employment declined significantly in every state in the region during the 12 months ending September 2009. California payrolls decreased by 609,300 jobs, or 4 percent, to average 14.5 million positions. With the addition of 29,200 jobs, the education and health services sector was the only employment sector that grew. The construction sector continued to lead losses in the state, with a decrease of 140,900 jobs, or 17 percent. Employment contracted in the San Francisco Bay Area by 123,600 jobs, a 3.7-percent change, and in Southern California by 345,600 jobs, a 4-percent loss. During the same period, employment decreased in Hawaii by 18,300 jobs, a 2.9-percent change, to average 604,500 jobs.

In Arizona, during the 12 months ending September 2009, employment declined by 170,400 jobs, or 6.4 percent, to average 2.5 million jobs. Losses were concentrated in the construction and the professional and business services sectors, down 50,100 and 42,000 jobs, respectively. In contrast, the education and health services sector added 2,200 jobs and was the only sector in the state to post a gain. During the same period, declining tourism revenue and soft home sales markets in Nevada resulted in the loss of 69,200 jobs, a decrease of 5.4 percent, to average 1.2 million jobs. The construction and the leisure and hospitality sectors contracted the most, losing 24,400 and 20,500 jobs, respectively. Construction employment was affected by the cessation of the building activity for two Las Vegas hotel-casino resorts with a planned total of 8,725 rooms. In contrast, the education and health services and the natural resources and mining sectors posted gains of 2,700 and 300 jobs, respectively. The average unemployment rate in the region rose from 6.2 percent during the 12 months ending September 2008 to 10.2 percent during the 12 months ending September 2009. Unemployment rates ranged from a low of 6.5 percent in Hawaii to a high of 10.7 percent in both California and Nevada.

Home sales volume increased throughout most major markets in the Pacific region because buyers were attracted by falling home sales prices, low interest rates, and buyer incentive programs. According to the California Association of REALTORS®, during the 12 months ending September 2009, 543,500 existing homes were sold, a 45-percent gain compared with the number of homes sold in the state during the previous 12 months. During the third quarter of 2009, the median price of an existing home was $291,500, down 15 percent from the median price recorded during the same quarter a year earlier but up 17 percent compared with the median price posted during the first quarter of 2009. During the third quarter of 2009, foreclosed homes accounted for 43 percent of existing homes sold in California. The proportion of foreclosed homes to total sales has declined compared with 48 percent in the third quarter of 2008 and the peak level of 58 percent in the first quarter of 2009. In California, new home sales volume remained very slow through the second quarter of 2009. According to Hanley Wood LLC, during the 12 months ending June 2009, builders sold 29,000 new homes in the 30 largest California counties, a decline of nearly 40 percent compared with the 47,300 homes sold in those counties during the previous 12-month period. Sales housing markets are soft in most inland California metropolitan areas and relatively balanced in coastal California areas. In Honolulu, where conditions in the home sales market are also balanced, existing home sales declined 22 percent to 5,600 homes sold in the 12 months ending September 2009. In the third quarter of 2009, the median price of a single-family home sold fell 5 percent to $587,000 and the median price of a condominium also fell 5 percent to $302,300.

Existing home sales volume continued to increase in both Phoenix and Las Vegas. According to the Phoenix Housing Market Letter, during the 12 months ending September 2009, 85,900 existing homes were sold in Phoenix, a 62-percent gain compared with the number sold during the previous 12-month period. During the third quarter of 2009, the median price of an existing home declined 27 percent to $131,800 compared with the median price recorded during the same quarter in 2008. The median price has increased 7 percent since the quarterly low of $123,300 recorded in the second quarter of 2009. The Las Vegas Housing Market Letter reported that, during the 12 months ending September 2009, existing home sales in Las Vegas increased 58 percent to 41,200 homes compared with 26,100 homes sold in the previous 12 months. The sales volume has increased since the recent low of 22,300 homes sold in the 12 months ending June 2008. From the third quarter of 2008 to the third quarter of 2009, the median price of an existing home declined by 40 percent, or nearly $80,000, to $124,100. The proportion of foreclosed homes to total sales has increased in Phoenix and Las Vegas and has placed downward pressure on prices. From the third quarter of 2008 to the same quarter of 2009, the share of foreclosed home sales increased from 50 to 57 percent in Phoenix and from 63 to 69 percent in Las Vegas. According to the Phoenix Housing Market Letter and the Las Vegas Housing Market Letter, during the 12 months ending September 2009, sales of new homes in Phoenix and Las Vegas declined approximately 55 percent in both areas, to 11,700 and 5,800 homes, respectively.

Due to significant price pressures from the increased sales of foreclosed homes, builders throughout the Pacific region continue to reduce the pace of new construction, as measured by the number of single-family building permits issued. During the 12 months ending September 2009, based on preliminary data, 40,750 single-family homes were permitted in the region, reflecting a nearly 40-percent decrease compared with the number of homes permitted during the preceding 12 months. In Nevada, the number of single-family homes permitted fell by 53 percent, or 4,825, to total 4,325 homes during the 12 months ending September 2009. During the same period, in Arizona, the number of homes permitted declined by 40 percent, or 7,825, to total 11,550 homes. In California and Hawaii, the number of single-family homes permitted decreased by 35 and 36 percent to total 23,000 and 1,900 homes, respectively.

Rental vacancy rates increased in all major areas in the Pacific region from the third quarter of 2008 to the third quarter of 2009. Although average rents were lower, the San Francisco Bay Area rental market remained balanced as conditions eased from a previously tight market. Reis, Inc., reports that, from the third quarter of 2008 to the third quarter of 2009, the apartment rental vacancy rate increased from 3.7 to 4.7 percent in the San Francisco submarket, from 3.3 to 4.8 percent in the San Jose submarket, and from 4.1 to 5.8 percent in the Oakland submarket. During the third quarter of 2009, all submarkets recorded decreases in average rents compared with rents recorded in the third quarter of 2008. The average rent declined in the Oakland submarket by more than 2 percent to $1,353, in the San Francisco submarket by more than 5 percent to $1,824, and in the San Jose submarket by nearly 7 percent to $1,487. In Sacramento, the rental market was slightly soft, with a current vacancy rate of 7.2 percent, up from the 5.4-percent rate recorded during the third quarter of 2008, and the current average rent was $918, nearly a 3-percent decrease from the rent recorded during the third quarter of 2008.

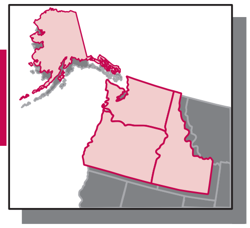
The Southern California rental markets were also balanced in the third quarter of 2009, even though rental vacancy rates increased and rents declined. From the third quarter of 2008 to the third quarter of 2009, rental vacancy rates increased in all counties except Riverside and Santa Barbara Counties. In San Diego, Los Angeles, and San Bernardino Counties, the rental vacancy rate increased by 0.5 percentage point to 5.0, 5.5, and 7.0 percent, respectively. The vacancy rate increased from 4.5 to 5.5 percent in Ventura County and from 4.5 to 6.0 percent in Orange County. Slower household formation and households doubling up during the employment weakness have led to the increased vacancy rates. Vacancy rates in Riverside and Santa Barbara Counties remained unchanged, at 8 percent and less than 5 percent, respectively. Reis, Inc., reported that, during the third quarter of 2009, the average rent in Southern California was $1,384, reflecting a 3-percent decrease compared with the average rent of $1,428 recorded in the third quarter of 2008.

Other major rental housing markets in the Pacific region continued to be affected by the weak employment conditions and the increase in rental inventory during the past several years. According to Reis, Inc., the Phoenix market was soft, with a vacancy rate of 11.9 percent in the third quarter of 2009, up from the 10.4-percent rate recorded in the third quarter of 2008. The average asking rent in Phoenix declined nearly 2 percent to $767 in the third quarter of 2009. From the third quarter of 2008 to the same quarter of 2009, Reis, Inc., reported that the vacancy rate increased from 7.5 to 10.3 percent in Las Vegas, while the average rent decreased nearly 3 percent to $847. In the third quarter of 2009, the Honolulu rental market softened, with an overall estimated vacancy rate of 8 percent, up from the 4-percent rate recorded in the third quarter of 2008.

Multifamily construction activity, as measured by the number of units permitted, declined significantly in the Pacific region. During the 12 months ending September 2009, based on preliminary data, 18,650 multifamily units were permitted, a 65-percent drop compared with the number permitted during the previous 12-month period. The tighter credit market conditions that began in 2008 continue to affect new construction activity. During the 12 months ending September 2009, 1,850 and 3,000 units were permitted in Arizona and Nevada, respectively, representing 78- and 74-percent declines, compared with the number permitted during the previous 12-month period. In California, during the 12 months ending September 2009, permits were issued for 12,900 multifamily units, a 59-percent decline compared with the number permitted during the previous 12-month period. In Hawaii, during the 12 months ending September 2009, 890 multifamily units were permitted, a 43-percent decline compared with the number permitted during the previous 12-month period.

NORTHWEST

HUD Region X



The weakening economic conditions that began in the Northwest region in 2007 grew worse during the 12 months ending September 2009. During that period, nonfarm employment in the region declined by 186,000 jobs, or 3.3 percent, to an average of 5.5 million jobs compared with the number of jobs recorded during the 12 months ending September 2008. Washington led the regional decline with the loss of 81,000 jobs, a 2.7-percent decrease that brought nonfarm employment to an average of 2.9 million jobs. In Oregon, losses totaled 78,200 jobs, a 4.5-percent decrease that resulted in an average of 1.7 million nonfarm jobs. In Idaho losses amounted to 28,300 jobs, a 4.5-percent decline, resulting in an average of 624,600 nonfarm jobs. In Alaska, employment increased by 1,500 jobs, or 0.5 percent, to average 322,600 nonfarm jobs; the growth was partly due to hiring in energy-related industries.

During the 12 months ending September 2009, the government and the education and health services sectors were the only ones in the region to gain jobs, up 15,000 and 13,000 jobs, respectively. Employment in the government sector increased by 5,300 jobs in Washington, 4,300 in Oregon, 2,400 in Idaho, and 1,100 in Alaska. Employment growth in the education and health services sector totaled 6,000 jobs in Washington, 6,900 in Oregon, 1,000 in Idaho, and 1,000 in Alaska. Despite the gains, the addition of the 28,000 jobs regionwide in the two sectors represented less than 60 percent of the number of jobs added in the same sectors during the 12 months ending September 2008.

Employment declines in the Northwest region occurred in nearly every sector, with three-fourths of the losses recorded in the manufacturing, construction, and trade sectors. Oregon and Washington accounted for most of the 52,600 manufacturing jobs lost in the region, both down by approximately 24,000 jobs due mainly to layoffs at Daimler AG and Intel Corporation in Oregon and at The Boeing Company and related suppliers in Washington. In Idaho, layoffs in the semiconductor industry contributed to the loss of 7,000 jobs in the manufacturing sector. The continued slowdown in residential and commercial building in much of the region contributed to a loss of more than 50,000 jobs, a 13-percent decline, in the construction sector. During the 12 months ending September 2009, Washington and Oregon registered the greatest losses in construction jobs, down 24,100 and 15,900 jobs, respectively, compared with the number of construction jobs during the previous 12 months. In the past year, Idaho lost 6,900 construction jobs and Alaska lost 600. In the trade sector, employment declined by 44,400 jobs, or 5 percent, across the region, with most of the losses occurring in Washington, down 20,100 jobs, and Oregon, down 16,900 jobs.

An increase of 250,000 unemployed people caused the regional average unemployment rate to increase from 5.1 to 8.9 percent between the 12 months ending September 2008 and September 2009. During the most recent 12-month period, the average unemployment rate, which increased in every state in the region, was 10.7 percent in Oregon, 8.3 percent in Washington, 7.9 percent in Alaska, and 7.4 percent in Idaho.

The slow economic conditions continued to negatively affect the sales housing markets in the Northwest region. In Washington, according to the Northwest Multiple Listing Service, during the 12 months ending September 2009, the combined Puget Sound metropolitan areas of Seattle, Tacoma, Bremerton, and Olympia recorded an average sales price decline of 15 percent to $369,100 and a sales volume decline of 18 percent to 38,000 homes sold compared with the average price and sales volume recorded in the four areas during the previous 12 months. In the Seattle metropolitan area, during the past 12 months, 23,700 homes were sold, a 20-percent decline compared with the number sold during the 12 months ending September 2008. The average price of a home in the Seattle metropolitan area declined by 14 percent to $433,400, 20 percent below the peak price of nearly $540,000 recorded during the 12 months ending July 2007. In the Tacoma and Bremerton metropolitan areas, average prices declined by 21 and 12 percent to $246,000 and $298,400, respectively. Home sales declined by 17 percent in the Tacoma area and by 11 percent in the Bremerton area. In the Olympia metropolitan area, the average price declined 7 percent to $273,900 and sales declined 14 percent to 3,500 homes.

Oregon sales market conditions also remained soft during the 12 months ending September 2009. According to data from the local multiple listing services, the number of new and existing single-family homes sold in the 11 largest markets in Oregon totaled 37,100, a 26-percent decline compared with the number sold during the previous 12 months. During the same period, the average price decreased by 17 percent to $258,800. In the Portland-Vancouver-Beaverton, Oregon-Washington metropolitan area, the number of new and existing homes sold totaled 21,700, down 32 percent compared with the number sold during the 12 months ending September 2008, and the average price decreased 15 percent to $286,200. In Idaho, sales of new and existing homes in the 19 counties covered by the Intermountain Multiple Listing Service declined to 8,500 homes, down 9 percent from the number sold during the 12-month period ending September 2008, and the average price decreased 17 percent to $174,500. In the Boise metropolitan area, during the 12 months ending September 2009, sales of new and existing homes totaled 6,900 units, an

8-percent decline compared with the number sold during the previous 12 months, and the average price decreased by 19 percent to $180,000. According to the Alaska Multiple Listing Service, Inc., during the 12 months ending September 2009, the number of new and existing homes sold in Anchorage totaled 2,100, a 9-percent decline from the number sold during the same period a year ago, and the average price decreased 2 percent to $321,700.

The soft sales housing market conditions throughout the Northwest region continued to cause builders to reduce home construction activity, as measured by the number of single-family building permits issued. Based on preliminary data, during the 12 months ending September 2009, the number of homes permitted in the region declined by 11,800 to 18,600 homes, a 39-percent decrease compared with the number of homes permitted during the 12 months ending September 2008. During the past year, the number of single-family homes permitted in the region totaled 8,900 in Washington, a decline of 6,000 homes, or 38 percent; totaled 3,600 in Idaho, a decline of 2,100 homes, or 37 percent; and totaled 4,600 in Oregon, a decline of 3,400 homes, or 43 percent compared with the number permitted during the previous year. In Alaska, during the 12-month period ending September 2009, single-family construction activity remained relatively stable at 550 homes permitted.

Multifamily construction activity, as measured by the number of units permitted, slowed considerably in the Northwest region during the 12 months ending September 2009. Based on preliminary data, during the period, the number of units permitted in the region totaled 6,800, 63 percent below the number of units permitted during the previous 12 months. Washington, where the number of multifamily units permitted fell by 8,200, or 67 percent, to a total of 4,100 units, accounted for most of the regional decline of 11,400 units. In Oregon, 1,700 multifamily units were permitted, 2,900 fewer than the number permitted during the 12 months ending September 2008, and, in Idaho, multifamily activity declined by 300 units to a total of 700 units permitted. In Alaska, multifamily construction activity totaled 300 units, relatively unchanged compared with the number of units permitted during the 12 months ending September 2008.

Rental housing market conditions softened throughout much of the Northwest region during the past year due to job losses and an increase in the number of sales units entering the rental market. According to data from The Apartment Vacancy Report published by Dupre+Scott Apartment Advisors, Inc., as of September 2009, the apartment rental vacancy rate in the Seattle metropolitan area was 6.8 percent, up from 5.2 percent a year ago, and the average asking rent for apartments was $990, down 5 percent from the average asking rent recorded as of September 2008. In the Tacoma metropolitan area, the apartment vacancy rate was 9.3 percent, up from 4.5 percent a year earlier, partly due to deployments at Fort Lewis Army Base. The average asking rent of $815 in the Tacoma area was relatively unchanged from the rent in September 2008. In the Olympia metropolitan area, the apartment vacancy rate increased to 8.6 percent from 3.4 percent, but the average monthly rent remained essentially the same, at $810. The Bremerton metropolitan area was still balanced, with an apartment vacancy rate of 4.7 percent, unchanged from a year ago, and the average rent was $860, a 1-percent increase compared with the rent in September 2008.

In the Portland-Vancouver-Beaverton metropolitan area, rental housing market conditions were soft as of the third quarter of 2009. According to RealFacts, the apartment vacancy rate was 7 percent, up from 5 percent in the third quarter of 2008. The average rent declined 2 percent to $865 over the same period. Because of limited new apartment construction, rental markets in the Oregon metropolitan areas of Medford, Salem, and Eugene-Springfield remained balanced with apartment vacancy rates of 5 percent, up from 4 percent a year ago. In the Boise metropolitan area, rental housing market conditions were soft during the third quarter of 2009, continuing a trend that began in mid-2007. According to Reis, Inc., as of the third quarter of 2009, the vacancy rate in the Boise Area was 8.7 percent, up from 5.4 percent as of the third quarter of 2008. The average rent was $690 in the Boise area, representing a decline of 3 percent during the past 12 months.

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

Boulder, Colorado

The Boulder metropolitan area consists of Boulder County in north-central Colorado, about 25 miles northwest of Denver. Boulder is home to the University of Colorado at Boulder (CU-Boulder), which has an enrollment of more than 30,000 students. According to a 2009 CU-Boulder study, the university has an annual impact of $4.7 billion on the state economy. The area is a center for high-tech industries, including software and aerospace and computer equipment, and is emerging as a center for renewable energy development. As of October 1, 2009, the population of the metropolitan area was estimated at 296,600, which reflects an average increase of 3,100, or 1.1 percent, a year over the past 3 years. Due to development restrictions in the city of Boulder, much of the population growth has been in nearby communities, such as the cities of Lafayette and Louisville, or in areas of northern Boulder County, such as the city of Longmont.

Leading employers in the metropolitan area include CU-Boulder, IBM Corporation, and Ball Aerospace & Technologies Corporation, with 6,900, 3,400, and 3,100 employees, respectively. In 2008, ConocoPhillips Company broke ground on a $1 billion-plus renewable energy research and training center that is scheduled to open in 2013 and expected to employ 7,000 workers by 2030. A Danish firm, Vestas Wind Systems A/S, recently completed a wind turbine production plant in Boulder County that is expected to employ 650 workers by 2011.

The national recession has contributed to a drop in employment in the Boulder metropolitan area in the past year. For the 12 months ending September 2009, nonfarm payrolls averaged about 163,800, a decline of 4,900 jobs, or 2.4 percent, compared with employment levels recorded for the previous 12 months. In contrast, during the 12 months ending September 2008, nonfarm payrolls increased by 3,200 jobs, or 1.9 percent, from the number of jobs recorded a year earlier. Employment sectors with significant recent job losses include professional and business services, manufacturing, and information, which declined by roughly 2,600, 1,150, and 550 jobs, respectively. Partly offsetting these losses, the state and local government subsectors together added about 950 jobs, and the education and health services sector added approximately 500 jobs.

The sales housing market is currently soft as a result of area job losses and tighter mortgage lending standards in the past year. According to the Boulder Area REALTOR® Association, during the 12 months ending August 2009, the number of single-family homes sold in Boulder County declined 23 percent to roughly 2,550, compared with 3,300 homes sold a year earlier. Average prices for single-family homes in the metropolitan area also fell during the most recent 12-month period, from about $442,800 to $409,600, a 7-percent decline. In the city of Boulder, during the past 12 months, prices for single-family homes averaged about $643,000, down from $663,300 a year earlier. During the 12 months ending August 2009, condominium sales in the metropolitan area totaled 1,050 units, a 17-percent decrease compared with the 1,250 units sold during the same period a year ago. Average prices for condominiums also fell slightly during that period, from about $256,300 to $252,800, a 1-percent decline.

With home sales declining, builders have cut back on single-family home construction, as measured by the number of single-family building permits issued. Based on preliminary data for the 12 months ending August 2009, roughly 120 single-family homes were permitted during the period, compared with 240 homes permitted during the previous 12 months. Single-family building activity in Boulder County peaked early in the decade, when about 2,000 homes a year were permitted. Activity has declined steadily since 2002; from 2006 through 2008, single-family construction levels averaged fewer than 400 homes a year. Because of a limited supply of developable land, approximately 80 percent of single-family construction in recent years has occurred in Longmont and surrounding areas in northern Boulder County. Starting prices for new single-family homes in those areas generally range from about $260,000 to $290,000, while prices for infill or custom homes in the city of Boulder typically start between $700,000 and $800,000.

Multifamily construction activity, as measured by the number of units permitted, has increased recently, but activity remains below levels recorded earlier in the decade. Based on preliminary data, during the 12 months ending August 2009, approximately 170 multifamily units were permitted, relatively unchanged compared with the number of units permitted during the previous 12 months. In contrast, from 2003 through 2007, multifamily building activity in the metropolitan area averaged approximately 275 units a year. More than two-thirds of multifamily units now under construction are rental units, but condominium units continue to represent a small but steady share of multifamily building. Starting prices for new condominiums and townhomes in the city of Boulder typically range from $200,000 to $240,000, but in Longmont and nearby areas of northern Boulder County, starting prices for new condominiums and townhomes range from $120,000 to $140,000.

Students represent the largest group of renters in the metropolitan area. Roughly 80 percent of CU-Boulder students live off campus, and rental conditions near CU-Boulder are normally tight. According to *Apartment Insights*, during the second quarter of 2009, the rental vacancy rate for areas near CU-Boulder was 4.7 percent, up from 4.5 percent during the same quarter a year ago.

Conditions are more balanced in the rest of the county. The overall rental vacancy rate for Boulder County in the second quarter of 2009 was 6.1 percent, up from 5.6 percent a year ago. Monthly rents average about $825 for a one-bedroom apartment, $1,000 for a two-bedroom apartment, and $1,250 for a three-bedroom apartment. Rents have increased by about 1 percent a year during the past 2 years.

Columbus, Ohio

The Columbus metropolitan area, which consists of eight counties in central Ohio, is the center of the state government, a hub for education and health services, and a growing base of regional transportation services. The city of Columbus is the state capital and home to The Ohio State University (OSU), which has an enrollment of 53,700 students at the Columbus campus. The university has an estimated economic impact of $4 billion annually on the state and $1.4 billion on the metropolitan area, according to OSU. As of October 1, 2009, the population of the metropolitan area is estimated at nearly 1.8 million; the city of Columbus accounts for approximately one-half of the total. The metropolitan area population increased by approximately 19,000, or 1.2 percent, from the level recorded a year ago.

During the 12 months ending September 2009, nonfarm employment in the metropolitan area averaged 927,900 jobs, a decrease of 15,700 jobs, or 1.7 percent, compared with nonfarm employment during the previous 12 months. During the most recent 12-month period, the manufacturing sector declined by 4,200 jobs, or 6 percent, with transportation equipment manufacturing accounting for nearly 25 percent of the jobs lost in the sector. The financial activities and the professional and business services sectors declined by 2,800 and 2,700 jobs, respectively. Employment in the transportation and warehousing sector declined by 1,600 jobs, or 3.5 percent. According to the Columbus Chamber of Commerce, the Columbus area is located within 1 day's drive of nearly 50 percent of the population of the United States and Canada. As a result, employment in the transportation and warehousing sector has been growing until recently; between 2000 and 2008, the sector increased by 12,300 jobs, or more than 36 percent.

Despite the overall decline in jobs in the metropolitan area, during the 12 months ending September 2009, the education and health services sector added 4,000 jobs, an increase of 3.5 percent. The Ohio State University Medical Center announced plans to start construction on a major expansion during the spring of 2010. Estimated to cost $1 billion and expected to open in 2014, the expansion will add 6,000 jobs to the medical center's current 11,700 positions and will support another 4,000 jobs in the metropolitan area. Leading employers in Columbus include The OSU, JPMorgan Chase & Co., and Nationwide Mutual Insurance Company, which employ 21,100, 14,700, and 11,750 people, respectively. During the past 12 months, resident employment in the metropolitan area has declined. As a result, the average unemployment rate increased to 7.6 percent during the 12 months ending September 2009, up from the 5.2-percent rate recorded during the previous 12 months.

The slowing local economy and tighter mortgage lending standards have negatively affected home sales in the area, resulting in soft sales housing market conditions. According to data from The Columbus Board of REALTORS®, during the 12 months ending August 2009, approximately 18,800 existing homes were sold in the Columbus metropolitan area, a 12-percent decrease compared with the 21,350 homes sold in the previous 12 months. During the most recent 12-month period, the average sales price of an existing home was $157,400, a 6-percent decline compared with the average price recorded during the same period a year ago. The average number of days a home remained on the market decreased from 114 during the 12 months ending August 2008 to 98 during the 12 months ending August 2009.

In response to slowing home sales, developers in the Columbus metropolitan area have decreased construction activity for single-family homes, as measured by the number of building permits issued. Based on preliminary data, during the 12-month period ending August 2009, 2,625 single-family homes were permitted, a 14-percent decline compared with the number of homes permitted during the previous 12-month period. Between 2006 and 2008, an average of 4,175 single-family homes a year were permitted. Prices for new three-bedroom, single-family homes in the city of Columbus start at approximately $120,000, but in the suburb of Delaware, in the north portion of the metropolitan area, prices for new two-bedroom, single-family homes start at approximately $140,000.

In downtown Columbus, the owner-occupied and rental housing inventory has grown by 4,200 units since 2002, according to the Columbus Downtown Development Corporation. As of the end of June 2009, nearly 400 condominium units were under construction and approximately 860 units were proposed. Prices for existing condominium properties in downtown Columbus start at approximately $125,000 for small one-bedroom units; two-bedroom condominium units typically are priced between $250,000 and $450,000.

The rental housing market in the Columbus metropolitan area is soft due to slower renter household growth and an increasing number of single-family homes available for rent. As of September 2009, the overall rental vacancy rate is estimated at 8.5 percent, down from approximately 11 percent as of September 2008. For the second quarter of 2009, the apartment vacancy rate in the Columbus metropolitan area was 8.0 percent, up from 7.4 percent for the same quarter of the previous year, according to data from Reis, Inc. The average effective rent, including rent concessions, was $630 in the second quarter of 2009, down slightly from an average of $640 recorded a year earlier. In downtown Columbus, vacancy rates and rents reflect a tighter rental market. During the second quarter of 2009, the vacancy rate was estimated at 3.9 percent, down from 4.3 percent recorded a year earlier. Average effective rents in downtown Columbus were estimated at $750 a month in the second quarter of 2009, up from an average of $740 in the same quarter of the previous year. An estimated 43,700 of The OSU's students live off campus and contribute to the tighter rental market conditions in the downtown area.

Multifamily construction activity, as measured by the number of units permitted, has decreased in the metropolitan area during the past 5 years. Based on preliminary data, during the 12 months ending August 2009, the number of multifamily units permitted totaled 1,125, a decline of more than 35 percent from the 1,750 units permitted during the previous 12 months. From 2000 to 2004, an average of 4,575 multifamily units a year were permitted, but the number of units permitted has declined each year since 2005.

Fort Worth, Texas

Located in North Central Texas 30 miles west of the city of Dallas, the Fort Worth metropolitan area comprises Johnson, Parker, Tarrant, and Wise Counties. As of September 1, 2009, the population of the metropolitan area is estimated at approximately 2.1 million, with 84 percent residing in Tarrant County. Since 2000, the population has increased by an average of 45,450, or 2.4 percent, annually because of strong economic growth and relatively affordable housing compared with the nearby Dallas metropolitan area. The city of Fort Worth, located in Tarrant County, accounts for approximately 33 percent of the metropolitan area population and is the fifth largest city in the state. American Airlines, headquartered in Fort Worth, is the leading private-sector employer in the metropolitan area, with 24,550 employees, followed by Texas Health Resources, Inc., with 18,450 employees.

After 4 years of economic expansion beginning in 2004, during which nonfarm employment in the Fort Worth metropolitan area had an average annual increase of 18,900 jobs, or 2.0 percent, the area began to lose jobs in the first quarter of 2008. During the 12-month period ending August 2009, nonfarm employment averaged 872,000 jobs, a loss of about 4,000 jobs, or 0.5 percent, compared with the number of jobs recorded during the previous 12 months. The most significant losses occurred in the manufacturing sector, which lost 4,500 jobs, a decrease of 4.6 percent, due to declines in the computer and electronic product manufacturing subsector.

Despite the overall decline in nonfarm employment during the 12 months ending August 2009, employment increased in three sectors. The education and health services sector increased by 3,625 jobs, or 3.7 percent, primarily as a result of expansions at a number of medical facilities, including the $12 million Baylor All Saints Medical Center at Fort Worth and the $6.3 million Baylor Regional Medical Center at Grapevine. The government sector increased by 760 jobs, or 0.6 percent, and the mining, logging, and construction sector increased by 610 jobs, or 0.9 percent. During the 12 months ending August 2009, the average unemployment rate in the metropolitan area was 6.5 percent, an increase from the 4.5-percent rate recorded during the previous 12-month period.

Conditions in the sales housing market are currently soft due to the declining economy and tighter mortgage lending standards. According to the Real Estate Center at Texas A&M University, during the 12 months ending August 2009, the number of new and existing attached and single-family homes sold totaled 8,275, a decrease of 20 percent from the 10,380 homes sold during the previous 12-month period. Home sales volume reached a peak in 2007, when 12,150 homes were sold in the metropolitan area. During the 12-month period ending August 2009, the average sales price of an existing home was approximately $146,900, up 0.5 percent compared with the average price recorded during the same period a year ago. During the past 12 months, the average price in Fort Worth was $64,000 lower than the average price of $211,400 recorded in the Dallas metropolitan area.

Home builders have responded to slowing sales by reducing production. Based on preliminary data, single-family home construction in the metropolitan area, as measured by the number of building permits issued, declined by 2,675 to 5,150 homes during the 12 months ending August 2009, a 3.4-percent decrease compared with the number of homes permitted during the previous 12 months. Building activity peaked in 2005, when 18,300 single-family homes were permitted. An estimated 2,150 homes currently are under construction in the metropolitan area. New home prices start at $120,000 for a three-bedroom, two-bath home with an attached two-car garage. Empty nesters, retirees, and young professionals moving into downtown Fort Worth are drawn by the area's nightlife, nearby cultural centers, and close proximity to employment centers. Approximately 775 condominiums have been constructed downtown since 2004. During the past 12 months, an estimated 110 condominiums were completed.

Rental housing market conditions in the Fort Worth metropolitan area are soft. According to ALN Systems, Inc., the apartment vacancy rate averaged 12.4 percent for the 12-month period ending August 2009, up from 11 percent for the same period a year ago. The vacancy rate has risen due to increases in the number of apartments entering the market and an increase in the number of single-family homes and condominiums being offered as rental units. Average effective apartment rents are estimated at $720 for a one-bedroom unit, $940 for a two-bedroom unit, and $1,120 for a three-bedroom unit. Apartment complexes are offering concessions that typically include 1 month's free rent, no security deposit, and a $99 move-in special.

The revitalization of downtown Fort Worth increased the inventory of rental units available in the downtown area from fewer than 1,100 in 2004 to approximately 2,900 units currently. An additional 440 rental units are under construction, and 430 more units are planned through 2012. Average monthly rents for newly constructed apartments in downtown Fort Worth start at $1,250 for a one-bedroom unit and $1,375 for a two-bedroom unit.

Multifamily construction activity in the metropolitan area, as measured by the number of units permitted, totaled 1,190 units, based on preliminary data, during the 12 months ending August 2009, down 69 percent compared with the number of units permitted during the same period a year ago. Multifamily development peaked in 2006, when 4,075 units were permitted in the Fort Worth metropolitan area. Between 2007 and 2008, an annual average of 3,500 multifamily units were permitted. An estimated 4,345 apartment units are currently under construction compared with the estimated 6,500 units under construction a year ago. New developments in the area include Broadstone Centerport, a 403-unit community; Watervue Apartment Homes, a 398-unit complex; and The Lofts at West 7th, a 341-unit community. Effective average rents in these three developments range from $640 to $780 for a one-bedroom unit and $850 to $1,100 for a two-bedroom unit.

Killeen-Temple-Fort Hood, Texas

The Killeen-Temple-Fort Hood metropolitan area is located in central Texas, approximately 60 miles north of Austin, and consists of Bell, Coryell, and Lampasas Counties. The cities of Killeen and Temple are located in Bell County and the Fort Hood Army post is located outside Killeen. As of September 1, 2009, the population of the metropolitan area is estimated at 386,000, an increase of 2 percent compared with the September 1, 2008, population estimate. More than 75 percent of the population increase recorded since 2000 has been from net natural change (resident births minus resident deaths).

Fort Hood, which is one of the largest Army installations for training and deploying soldiers, is the leading single-site employer in Texas. According to the Greater Killeen Chamber of Commerce, the base includes more than 57,300 soldiers and 5,580 civilian employees and has an annual economic impact of more than $7 billion on the metropolitan area. Fort Hood can house more than 18,000 soldiers in barracks and more than 6,500 in privatized, on-base housing units, which include single-family and multifamily homes.

The metropolitan area economy is strong. During the 12 months ending August 2009, total nonfarm employment increased by 2,100 jobs to 127,500, a 1.7-percent gain. Together, the government and the education and health services sectors account for slightly more than 40 percent of all nonfarm jobs in the area. The leading private-sector employer in the metropolitan area is Scott & White Memorial Hospital and Clinics, with 7,000 employees. During the 12 months ending August 2009, the education and health services sector added 1,300 jobs, a 7.6-percent increase compared with the number of jobs during the previous 12 months. At Fort Hood, construction of the new $1 billion Carl R. Darnall Army Medical Center is expected to start in September 2010 and be completed in 2013. It is unclear how many civilian jobs will be created when the facility is completed. During the 12 months ending August 2009, the government sector added 2,000 jobs, an increase of 6 percent. During the same period, the average unemployment rate was 6.1 percent, up from the 4.8-percent rate recorded during the same period a year ago.

The market for existing single-family homes in the metropolitan area is soft. According to the Real Estate Center at Texas A&M University, during the 12 months ending August 2009, sales of existing homes in Killeen and Fort Hood totaled 2,350 units, a decrease of 20 percent compared with the number sold during the previous 12 months. In Temple, sales totaled 1,650 units, a 10-percent decrease compared with sales recorded during the previous 12-month period. Despite the decline in sales, average home sales prices remained nearly unchanged. During the 12 months ending August 2009, prices averaged $126,500 in Killeen and Fort Hood and $140,600 in Temple.

As a result of the slower pace of home sales, home builders have cut back on new production. For the 12-month period ending August 2009, single-family construction activity, as measured by preliminary data on the number of building permits issued, totaled 1,500 homes, a decrease of nearly 11 percent compared with the number of homes permitted during the previous 12 months. From 2004 through 2007, an average of 2,800 single-family homes were permitted in the metropolitan area. In comparison, 1,900 homes were permitted annually from 2000 through 2003. Currently, prices for new homes start at $90,000 for a one-story, 1,100-square-foot home in Temple and $230,000 for a two-story, 3,000-square-foot luxury home in Killeen.

The metropolitan area rental housing market is currently soft with an estimated overall vacancy rate of 17 percent due to the high turnover of military-connected households. Concessions, which typically include 1 month of free rent, are prevalent in the market. According to a U.S. Department of Housing and Urban Development survey of local apartment communities, as of September 2009, the apartment market in Killeen was somewhat soft with an 8-percent vacancy rate. Apartment rents in Killeen average $630 for a one-bedroom unit and $770 for a two-bedroom unit. Three-bedroom units in Killeen are not as prevalent as they are in other areas because large military families live in homes on base. The Temple apartment market is currently balanced with a vacancy rate of 6.5 percent and average rents of $680, $800, and $1,000 for one-, two-, and three-bedroom units, respectively.

Apartment construction activity, as measured by the number of multifamily units permitted, decreased to 90 units during the 12-month period ending August 2009, based on preliminary data. In comparison, 900 units were permitted during the 12-month period ending August 2008. During the past 2 years, the pace of multifamily construction has dropped well below the annual average of 1,100 units permitted between 2004 and 2007. Condominiums are not a significant part of multifamily activity in the metropolitan area. The soft rental market conditions are expected to continue through 2010 due to the expected delivery of 200 additional units during the next 2 years.

Little Rock, Arkansas

The Little Rock metropolitan area consists of six counties in the eastern foothills of the Ozark Mountains in central Arkansas. As of October 1, 2009, the population of the metropolitan area is estimated at 683,600. This figure reflects a gain of 1 percent compared with population levels recorded as of October 1, 2008; approximately one-half of the growth is due to net in-migration. As a result of declining economic conditions, population growth moderated slightly during the past year compared with an estimated 1.4-percent growth rate recorded during the 12 months ending September 2008. Little Rock is the state capital and the most populous city in the metropolitan area, with a current estimated population of 190,000.

Economic conditions in the metropolitan area declined during the past year. During the 12-month period ending August 2009, nonfarm employment decreased by an average of 3,750 jobs, or 1.1 percent, compared with the number of jobs recorded during the previous 12 months, to 344,800 jobs. In comparison, employment grew by 1.2 percent between the 12-month periods ending August 2007 and August 2008. During the 12 months ending August 2009, nearly all employment sectors lost jobs. Although more than one-half of the total loss occurred in the professional and business services sector, approximately two-thirds of the 1,900 jobs lost in the sector are expected to be offset during the next year by the anticipated addition of 1,200 positions at a new personnel support center at Hewlett-Packard Development Company in Conway, which is expected to open in November 2009. During the past year, job growth occurred in only three employment sectors—education and health services, leisure and hospitality, and government. The education and health services sector gained 1,875 jobs, an increase of 3.9 percent, due to numerous hospital expansions. The leisure and hospitality sector increased by 360 jobs, or 2.7 percent, and the government sector increased by 490 jobs, or 0.7 percent, with gains occurring almost entirely in the federal government subsector. Reflecting overall job losses during the past year, the average unemployment rate increased from 4.2 percent during the 12 months ending August 2008 to 5.5 percent during the 12 months ending August 2009.

Sales housing market conditions in the metropolitan area remained soft during the past year for the second consecutive year. According to the Arkansas REALTORS® Association, during the 12 months ending July 2009, 7,550 new and existing homes were sold, down 15 percent compared with the number sold during the same period a year ago, and the average sales price declined by 2 percent to $160,900. The decrease in demand was primarily due to tighter lending standards combined with relatively moderate household and population growth stemming from job losses. During the 12 months ending July 2008, the number of homes sold also declined by 15 percent and the average price declined by 4 percent compared with sales activity and prices recorded a year earlier. During the past year, the slower pace of home sales caused single-family homebuilding activity, as measured by the number of building permits issued, to continue to decline. Based on preliminary building permit data, during the 12-month period ending August 2009, single-family home construction declined by an estimated 370 homes, or 20 percent, to a total of 1,500 homes. During the same period a year ago, home construction declined by almost 40 percent compared with construction levels recorded during the previous year. Single-family homebuilding activity peaked between 2004 and 2006, when an average of 3,850 homes were permitted annually.

An estimated 300 single-family homes are currently under construction in the Little Rock metropolitan area. In Conway, homes being built at the Village at Hendrix, a mixed-use development, are slated for completion in 3 years and include 52 single-family homes, 62 townhomes, and 75 apartments as well as retail space, restaurants, and public areas for community gatherings. Prices for single-family homes will range from $209,000 for a two-bedroom, 1,600-square-foot home to $435,000 for a four-bedroom, 3,200-square-foot home. During the 12 months ending August 2009, condominium construction totaled 200 units, compared with 180 units built during the same period a year ago. River Market Tower, a 20-story, 135-unit condominium development in the River Market District in downtown Little Rock, was completed in June 2009. A typical 1,200-square-foot unit at River Market Tower is priced at an average of $376,400. Nearly one-fourth of the units at River Market Tower have sold since completion.

Multifamily construction activity, as measured by the number of units permitted, has been stable in the metropolitan area during the past year. Based on preliminary building permit data, an estimated 1,000 multifamily rental units were permitted during the 12 months ending August 2009, practically unchanged compared with the number of units permitted during the same period a year ago. During the past 12 months, apartment construction accounted for about 85 percent of multifamily building activity, consistent with recent history. From 2006 to 2007, an average of only 500 multifamily units were permitted annually, down significantly compared with an average of 1,100 units permitted annually between 2000 and 2005. Currently, an estimated 700 apartments are under construction and another 800 units are in the pipeline in the metropolitan area. The 168-unit Pointe at Conway apartment development, which is expected to be completed in 2009, will offer units ranging from 750 to 1,300 square feet and renting at rates between $600 and $850 a month.

Metropolitan area rental housing market conditions are currently soft compared with more balanced conditions recorded a year ago. Softening conditions are due to new apartment units coming on line, combined with decreased demand because of moderating household growth. According to Reis, Inc., during the second quarter of 2009, the apartment vacancy rate was 8.7 percent, up from 6.9 percent during the same period of 2008. The average rent was essentially unchanged, at $640, while the portion of apartment complexes offering concessions remained unchanged, at approximately one-third. Typical rental concessions include 1 month's free rent on new 12-month leases.

Miami-Miami Beach-Kendall, Florida

The Miami-Miami Beach-Kendall Metropolitan Division consists of Miami-Dade County and is located on the southeast coast of Florida. Miami-Dade County is part of the Miami-Fort Lauderdale-Pompano Beach Metropolitan Statistical Area (MSA), the most populous MSA in Florida. Miami-Dade County accounts for approximately 40 percent of the MSA's 5.4 million population. As of October 1, 2009, the population in Miami-Dade County is estimated at approximately 2.4 million. The population has remained nearly unchanged from levels recorded a year ago due partly to lower net-migration resulting from increased unemployment. Since 2000, all the net in-migration to the Miami area has been international, with a large portion of migrants coming from the Caribbean islands and South America.

Employment in Miami-Dade County began a gradual decline in 2008 that accelerated into 2009. During the 12 months ending August 2009, nonfarm employment declined from 1,058,900 to 1,023,000, representing a decrease of 35,900 jobs, or 3.4 percent. The construction sector lost the largest number of jobs, accounting for approximately one-fourth of the total decline in employment. Construction employment decreased by 9,500 jobs, or approximately 18 percent, due to a major reduction in residential and commercial construction projects during the past year. The education and health services sector, which accounts for 15 percent of total employment in the county, was the only employment sector to grow during the recent 12-month period, increasing by 2,200 jobs, or 1.5 percent, when compared with the number of jobs recorded during the previous 12 months. Although the sector continued to grow, the annual growth rate slowed from an average of 3.4 percent recorded from 2000 to 2007.

The trade and the transportation and utilities sectors account for a combined 25 percent of all employment in Miami-Dade County. International trade has a large influence on the local economy due to the presence of Miami International Airport (MIA) and the Port of Miami, which account for an estimated 458,000 direct and indirect jobs in the local area. MIA is the leading airport in the country for international freight and has an annual economic impact of $26.7 billion on the local economy. The Port of Miami, known as the "Cruise Capital of the World" and the "Cargo Gateway to the Americas," has an annual economic impact of $17 billion on the local economy. During the 12 months ending August 2009, the trade sector lost 6,500 jobs and the transportation and utilities sector lost 1,900 jobs, when compared with employment levels during the previous 12 months.

Sales housing market conditions in Miami-Dade County remain soft because declining economic conditions have prevented a recovery; however, increased affordability from declining home sales prices has positively affected the number of homes sold. According to the Florida Association of REALTORS®, the median sales price of an existing single-family home decreased by approximately 30 percent, from $276,000 in August 2008 to $194,800 in August 2009. During this period, the median price of an existing condominium also decreased by approximately 30 percent, from $210,400 to $144,700. During the 12 months ending August 2009, sales of existing single-family homes increased approximately 50 percent, from 4,050 to 6,075 homes, and sales of existing condominiums increased approximately 30 percent, from 4,425 to 5,775 units, when compared with the number sold during the previous 12 months. Despite the increase in home sales, the market remains soft, partly because of the increased number of foreclosures. During the first three quarters of 2009, the number of foreclosure actions totaled approximately 18,850, a 35-percent increase when compared with the number of foreclosure actions recorded during the first three quarters of 2008, according to Condo Vultures® LLC.

According to civil court records for Miami-Dade County, the number of foreclosures increased from approximately

9,800 in 2007 to 56,000 in 2008. The number of foreclosures recorded in the first three quarters of 2009 is approximately 49,300, and the Miami-Dade County civil court expects the number to reach 75,000 by the end of the year. The substantial increase in the number of foreclosures has delayed deliveries of initial delinquent notices and foreclosure completions in the court system, making the depth of foreclosures in Miami-Dade County unknown. The prolonged foreclosure process, coupled with rising unemployment, is expected to delay recovery in the sales housing market. The state of Florida has the highest rate of seriously delinquent foreclosures in the nation, at approximately 17 percent of all mortgages as of the second quarter of 2009, according to the Mortgage Bankers Association.

Rental housing market conditions are slightly soft in Miami-Dade County. According to Reis, Inc., the apartment vacancy rate increased from 4.8 percent as of the second quarter of 2008 to 5.8 percent as of the second quarter of 2009. Despite the increase in vacancy, the rate in the Miami market is low compared with that of the rest of the South Atlantic region, which had an 8.8-percent vacancy rate as of the second quarter of 2009. The shadow market from condominiums has a significant effect on apartment market conditions, because renters occupy approximately one-half of all condominium units in the city of Miami, according to Goodkin Consulting/Focus Real Estate Advisors. In the Miami market, Class A properties, which are more affected by the condominium market, have a higher average vacancy rate, at 7.1 percent, compared with Class B and C properties, which have an average vacancy rate of 5.3 percent. The submarket with the largest number of apartments in the Miami market is South Beach, which has 77 properties consisting of approximately 17,100 units. As of the second quarter of 2009, South Beach had an average vacancy rate of 6.1 percent and the highest average asking rent in Miami, at approximately $1,550 a month. The average monthly asking rent throughout the Miami market was $1,090, down from $1,120 as of the second quarter of 2008.

Residential construction activity, as measured by the number of building permits issued, continued to decline in 2009 as sales and rental housing markets remained soft. Preliminary data show an approximate 65-percent decrease in the number of single-family homes permitted, from 1,525 to 550, during the 12 months ending August 2009. From 2006 to 2008, the number of single-family homes permitted averaged 3,625, compared with an average of 7,900 homes permitted from 2000 to 2005. During the 12 months ending August 2009, preliminary data on the number of multifamily units permitted show an approximate 50-percent decline, from 2,475 to 1,225. From 2002 to 2006, an estimated 85 percent of the 57,900 total multifamily units permitted were condominiums. Due to a growing inventory of unsold condominiums, during the 12 months ending August 2009, the percentage of multifamily units permitted for condominiums has decreased to less than 50 percent. According to Reis, Inc., during the first 6 months of 2009, no new apartments were completed and an estimated 1,225 condominiums were completed. Approximately 90 percent of the new condominiums were built in the South Beach submarket. As of September 2009, one condominium project with 211 units and four market-rate apartment projects with 477 units were under construction and are expected to be completed by the end of the year.

Provo-Orem, Utah

The Provo-Orem metropolitan area, located 45 miles south of Salt Lake City, consists of Utah and Juab Counties. As of October 1, 2009, the population of the metropolitan area is estimated at 560,000; this figure reflects an increase of 16,800, or 3.1 percent, since October 1, 2008, compared with an average increase of nearly 19,200, or 5.1 percent, annually since 2000. According to the Census Bureau, between 2000 and 2008, Provo-Orem was the third-fastest growing metropolitan area in the country. Relatively affordable housing compared with Salt Lake City, access to leading education and healthcare institutions, and, until recently, strong job gains have contributed to population growth in the area.

The education and health services sector historically has accounted for approximately 20 percent of local employment. The three leading employers in the Provo-Orem metropolitan area are Brigham Young University (BYU), with 5,100 employees; Utah Valley Regional Medical Center, with approximately 4,500 employees; and Utah Valley University (UVU), with 3,900 employees. During the fall 2009 semester, enrollment levels at BYU remained stable, at 33,000 students, compared with enrollment during the fall 2008 semester, while enrollment at UVU increased by 7 percent to 28,500 students. According to BYU and UVU, the schools have a combined estimated economic impact of $680 million on Utah County. Leading private-sector employers outside the education and healthcare industries include Utah Office Supply Company, Nestlé USA, and Novell, Inc.

During the 12 months ending August 2009, nonfarm employment in the metropolitan area declined by 6,300 jobs, or 3.3 percent, to an average of 183,700 jobs compared with the addition of 1,800 jobs, a 1.0-percent gain, during the previous 12 months. From 2003 to 2007, nonfarm employment increased by an average of 8,700 jobs, or 5.2 percent, a year, making it one of the fastest growing metropolitan areas in Utah. During the past 12 months, the mining, logging, and construction sector lost 3,800 jobs, primarily in the residential construction industry, accounting for 61 percent of the job losses in the metropolitan area during the period. Job losses occurred in every sector except the education and health services and the government sectors, which added 800 and 900 jobs, gains of 2.1 and 3.5 percent, respectively.

During the 12 months ending August 2009, the unemployment rate increased to an average of 4.4 percent, up from 3 percent during the 12 months ending August 2008.

As a result of the slowing economy and tighter credit conditions, the sales housing market in the Provo-Orem metropolitan area has become somewhat soft, although recent increases in the number of home sales indicate the market is recovering. According to data from the Utah County Association of Realtors®, during the 12-month period ending September 2009, approximately 4,000 new and existing single-family homes were sold in Utah County, an increase of 13 percent compared with the number sold during the previous 12-month period but still down significantly from the record 6,000 homes sold in 2006. Utah County home sales typically account for nearly 99 percent of the total home sales in the metropolitan area. The recent increase in sales activity is the result of reduced sales prices. After peaking at $289,200 in 2007, the average sales price of a single-family home in Utah County declined 8 percent to $251,400 during the 12-month period ending September 2009 compared with the average price during the previous 12 months.

In response to a growing inventory of homes, single-family construction activity, as measured by the number of building permits issued, has decreased in the metropolitan area in recent years. According to The University of Utah, construction activity has declined each year since 2006, when a record-setting 5,400 single-family homes were permitted. Based on preliminary data, during the 12 months ending August 2009, 960 single-family homes were permitted, a 20-percent decline compared with the number of homes permitted during the previous 12 months. Prices for new single-family three-bedroom, two-bathroom homes start at $160,000 in suburban areas and $200,000 in areas closer to Provo.

The condominium sales market in the Provo-Orem metropolitan area is also currently soft. During the 12 months ending September 2009, 720 condominium units were sold in Utah County, a decline of 16 percent when compared with the number of units sold during the previous 12-month period. According to the Utah County Association of Realtors®, after peaking at nearly $175,000 in 2008, the average price of a condominium in the metropolitan area declined 6 percent to $160,400 during the 12 months ending September 2009 compared with the average price recorded during the previous 12 months. During the 12-month period ending August 2009, condominium construction activity, as measured by the number of units permitted, decreased by 70 percent to 200 units, according to The University of Utah. Condominium construction activity has been declining since 2007, when a record 980 units were permitted. Since 2006, condominiums have averaged about 20 percent of residential sales volume and 20 percent of construction activity. Prices for new three-bedroom, two-bathroom condominium units start at $150,000 in suburban areas and $175,000 in areas closer to Provo.

The Provo-Orem metropolitan area rental housing market is currently tight due to the decline in construction activity that began in 2006. According to The University of Utah, apartment construction activity, as measured by the number of units permitted, peaked at 560 units in 2006 before declining to 330 units in 2007 and 80 units in 2008. During the 12-month period ending August 2009, apartment construction activity totaled 110 units, compared with 45 units permitted during the previous 12-month period. An average of 475 apartment units were built each year between 2003 and 2006. This large volume of units coming on line in a short period of time resulted in an average apartment vacancy rate of 8.2 percent in 2005 and 6.8 percent in 2006, according to Reis, Inc. As a result of decreased apartment construction activity in recent years, the average apartment vacancy rate declined to 3.8 percent in the second quarter of 2009. During the past year, the average apartment asking rent has remained relatively unchanged, at $770. As of the second quarter of 2009, average rents were $670 for a one-bedroom unit, $810 for a two-bedroom unit, and $890 for a three-bedroom unit. Students at BYU and UVU account for approximately one-third of total renter households in the metropolitan area.

Riverside-San Bernardino, California

The Riverside-San Bernardino metropolitan area consists of Riverside and San Bernardino Counties, which are located east of both Los Angeles and Orange Counties in Southern California. Riverside and San Bernardino Counties are the 11th and 12th most populous counties, respectively, in the nation. As of October 1, 2009, the populations of Riverside and San Bernardino Counties were estimated at 2.1 and 2.0 million, respectively. These figures reflect an increase of 34,550, or 1.6 percent, in Riverside County and 11,550, or 0.6 percent, in San Bernardino County since October 1, 2008. The current rates of population growth are down from the averages recorded between July 2005 and July 2007, when the populations of Riverside and San Bernardino Counties increased by average annual rates of 3.6 and 1.4 percent, respectively. Growth slowed in both counties because of the out-migration of people looking for employment in neighboring California counties, Arizona, and Nevada.

The economic decline throughout California has significantly affected the economy in the Riverside-San Bernardino metropolitan area. Between July 2006 and June 2008, nonfarm employment averaged 1.26 million jobs a year. Nonfarm employment began to decline in July 2008. During the 12-month period ending September 2009, nonfarm employment in the metropolitan area decreased by 75,700 jobs, or 6 percent, to 1.17 million jobs compared with the number of jobs during the same period a year earlier. During the past 12 months, nearly every employment sector lost jobs. Employment in the construction sector declined by 22,700 jobs, or 23.5 percent, due to reduced demand for new homes and commercial construction. In the transportation and warehousing sector, employment decreased by 3,400 jobs, or 5.2 percent, mainly due to the decline in cargo shipments traveling through the ports in adjoining Los Angeles County. The only significant increase occurred in the education and health services sector, which added 2,450 jobs, a gain of 1.9 percent, mostly resulting from the increase of 1,300 jobs in hospital employment. The Marine Corps Air Ground Combat Center is the leading employer in the metropolitan area, with more than 33,000 military and civilian workers. Loma Linda University Adventist Health Sciences Center is the second leading employer, with more than 12,000 workers. During the 12 months ending September 2009, the unemployment rate increased to an average of 12.5 percent compared with 7.4 percent recorded during the 12 months ending September 2008.

Sales housing market conditions are soft; however, the number of existing home sales is increasing as sales prices decline. According to DataQuick®, during the 12 months ending August 2009, the number of existing homes sold in Riverside County increased by 19,500 to 45,350 homes, a 75-percent gain compared with the number sold during the previous 12-month period. During the past 12 months, the number of existing homes sold in San Bernardino County increased by 16,250, or 98 percent, to 32,850 homes. Existing home sales in the metropolitan area started to decline in 2006 and, during the 12 months ending March 2008, were as low as 17,600 homes in Riverside County and 14,650 homes in San Bernardino County. During the 12-month period ending August 2009, the estimated median existing home price in Riverside County declined by $103,600, or 40 percent, to $155,800 compared with the price recorded during the previous 12 months. In San Bernardino County, the estimated median price declined by $97,950, or 39 percent, to $152,350. Sales of foreclosed homes are the primary reason for the price declines. During the 12 months ending August 2009, the proportion of foreclosures as a percentage of total existing home sales were as high as 68 and 63 percent in Riverside and San Bernardino Counties, respectively. Condominiums represent less than 10 percent of the existing home sales market in both counties.

In contrast to trends in the existing home sales market, new home sales have not started to improve. According to DataQuick®, during the 12-month period ending June 2009, new home sales in Riverside County fell by 4,400 to 5,850 homes, a 43-percent decline compared with the number sold during the previous 12 months. New home sales in San Bernardino County declined to 2,500 homes, down 50 percent, or 2,500 homes. During the 12 months ending June 2009, the estimated median new home price declined by $74,000, or 20 percent, to $300,250 in Riverside County and by $54,050, or 15 percent, to $307,050 in San Bernardino County. Builders in both counties continue to reduce prices and include features that had previously been extra-cost options.

Condominiums represent approximately 20 and 27 percent of the new home sales in Riverside and San Bernardino Counties, respectively. First-time homebuyers are attracted by the lower prices of new condominiums in both counties compared with the prices of new single-family detached homes. Condominiums are also an attractive option for the growing retirement population in Riverside County. During the 12-month period ending June 2009, estimated median sales prices of new condominiums in Riverside and San Bernardino Counties were $234,150 and $281,750, respectively. These prices represent declines of $54,550 in Riverside County and $64,800 in San Bernardino County compared with prices recorded during the 12 months ending June 2008.

The decline in new home sales in both counties resulted in a significant decrease in single-family construction, as measured by the number of building permits issued. Based on preliminary data, during the 12 months ending August 2009, 2,800 and 1,500 homes were permitted in Riverside and San Bernardino Counties, respectively; these figures represent a decline of 41 percent in both counties compared with the number permitted during the previous 12 months.

Builders also reduced single-family construction activity in both counties because of the large number of foreclosures. In several developments, reduced-priced foreclosure properties competed directly with newly constructed homes. According to data from the Real Estate Research Council of Southern California, during the 12-month period ending June 2009, the number of notices of default (the first step in a foreclosure process) recorded in Riverside County increased by 3,550, or 7 percent, to 56,050; during the same period, San Bernardino County recorded 45,100 notices of default, up by 5,000, or 12 percent, compared with the number of notices recorded during the previous 12-month period. In contrast, data from the Real Estate Research Council of Southern California show that both Riverside and San Bernardino Counties recorded fewer than 7,000 notices of default in 2005.

The rental housing market in the metropolitan area remains balanced. Between the third quarter of 2008 and the third quarter of 2009, the rental vacancy rate increased from 6.5 to 7 percent in San Bernardino County but remained unchanged, at 8 percent, in Riverside County. The recession, however, has affected rents. According to RealFacts, in the third quarter of 2009, average rents declined in both counties by about $70 to $1,100 compared with rents recorded during the third quarter of 2008.

Multifamily construction activity, as measured by the number of multifamily units permitted, declined in both counties during the 12 months ending August 2009 compared with the previous 12-month period based on preliminary data. The number of multifamily units permitted in Riverside County was 1,100, down 500 units or 31 percent, and in San Bernardino County was 650, down 550 units or 47 percent. More than 75 percent of the permits issued in each county were for rental units. The decline in the number of multifamily units permitted is primarily the result of tighter financial markets, the weaker economy, and the prospect of continued falling rents.

San Jose, California

Located at the southern end of the San Francisco Bay Area, the San Jose metropolitan area includes Santa Clara County and San Benito County. Widely known as "Silicon Valley," the area is one of the leading high-technology research and manufacturing centers in the nation. Major employers include Cisco Systems, Inc.; Lockheed-Martin Corporation; Intel Corporation; Hewlett-Packard Development Company; and Google. The leading employer in the metropolitan area is Stanford University, which enrolls 15,000 students, and its affiliates, Stanford Hospital & Clinics and Lucile Packard Children's Hospital at Stanford, which together employ more than 20,000 workers. As of October 1, 2009, the population of the San Jose metropolitan area is estimated at 1.93 million; this figure reflects a gain of 19,150, or 1.0 percent, in the past year, compared with an average annual increase of 29,000, or 1.6 percent, during the 3 previous years. The city of San Jose is the 3rd largest in California and the 10th largest in the country, with a population of approximately 1 million. Santa Clara County accounts for 97 percent of the current population of the metropolitan area.

Economic conditions have continued to weaken in the San Jose metropolitan area since mid-2008. During the 12 months ending August 2009, nonfarm employment declined by 26,900 jobs, or 2.9 percent, to an average of 890,600 jobs. In comparison, employment rose by 13,100 jobs or 1.5 percent, during the 12 months ending August 2008 and increased by an average of 16,400 jobs, or 1.9 percent, annually from 2005 through 2007. The decline in employment occurred in nearly all major sectors. In the past 12 months, the construction sector lost 6,000 jobs, a decrease of 13 percent, as a result of the decades-low level of residential building activity. The manufacturing sector lost 6,700 jobs, a decrease of 4 percent, because many electronics and semiconductor manufacturing firms laid off staff in response to decreased sales of computers and other electronic equipment. The professional and business services sector and the retail trade subsector declined by 6,300 and 4,500 jobs, respectively. The only major employment growth in the past year occurred in the education and health services sector, which added 1,900 positions, a gain of 1.8 percent, primarily in hospitals. The planned rebuilding and expansion of Stanford Hospital & Clinics and Lucile Packard Children's Hospital at Stanford will support future growth in this sector. The $2.5 billion project is expected to be completed by 2015 and to provide 3,000 additional jobs. During the 12 months ending August 2009, reflecting the declining economy, the unemployment rate in the metropolitan area averaged 9.7 percent, significantly above the national average of 8.2 percent. In comparison, the unemployment rate in the area averaged 5.4 percent during the previous 12 months.

Sales housing market conditions are soft in the San Jose metropolitan area as a result of the slowing economy and tight mortgage credit standards, although sales volume has begun to increase as home sales prices have declined. According to DataQuick®, during the 12 months ending September 2009, nearly 17,000 existing homes were sold, a 20-percent increase compared with the number sold during the previous 12 months but a 50-percent decrease compared with the recent peak of 33,500 homes sold in 2004. Sales volume rose as buyers responded to the dramatic 45-percent decline in the median price from a peak of $722,000 in the second quarter of 2007 to a recent low of $398,650 in the first quarter of 2009. Since then, the median price rose 15 percent to $457,000 in the third quarter of 2009. The inventory of unsold existing homes declined from 7,700 homes at the end of the third quarter of 2008 to 4,700 at the end of the third quarter of 2009. Increasing foreclosure activity has contributed to the decline in sales prices. During the 12 months ending June 2009, approximately 6,000 homes were foreclosed, twice the foreclosure volume recorded during the previous 12-month period. Despite the increase in the number of foreclosures, the foreclosure rate in the San Jose metropolitan area (1.9 percent of housing units) is significantly lower than that of California (2.9 percent of housing units).

During the 12-month period ending June 2009, according to The Gregory Group, new home sales in the San Jose metropolitan area totaled about 1,950, a decline of 28 percent compared with the number sold during the 12-month period ending June 2008. The median price of a new detached home in the area declined 19 percent to $695,000 during the second quarter of 2009. From 2007 through the second quarter of 2009, condominiums accounted for approximately 80 percent of new home sales; in comparison, from 2004 through 2006, condominiums accounted for 63 percent of new home sales. During the 12 months ending June 2009, the median price of new condominiums fell 17 percent to $445,000. Approximately 50 percent of the condominium units sold in the past 3 years were located in the city of San Jose. Due to the scarcity of vacant land available for subdivisions, most new sales housing in the area is developed on higher density infill sites or through the redevelopment of older commercial or manufacturing properties. Major highrise condominium complexes built in downtown San Jose during the past 3 years include City Heights, Axis, The 88, and Three Sixty Residences, which include a total of 863 units.

In response to declining new home sales and tight credit for construction financing, single-family homebuilding in the San Jose metropolitan area, as measured by the number of building permits issued, fell by 39 percent to just 400 homes, according to preliminary data for the 12 months ending August 2009. In comparison, an annual average of 2,500 homes were permitted in the area from 2000 to 2006. According to preliminary data, the number of multifamily units permitted declined by 16 percent to 1,300 during the 12 months ending August 2009. Current multifamily construction activity is far below the level recorded from 2000 to 2006, when an annual average of 3,600 multifamily units were permitted. According to the McGraw-Hill Construction Pipeline database, about 70 percent of the multifamily units permitted during the past 12 months were apartments. In comparison, apartments accounted for 54 percent of the units permitted from 2003 and 2006. Santa Clara County accounted for all but 3 percent of the total single-family and multifamily units permitted in the metropolitan area since 2000.

Conditions in the San Jose rental housing market moved from tight to balanced in the past year as a result of the declining economy and the increased number of apartment completions. According to Reis, Inc., the apartment vacancy rate remained below 4 percent in late 2007, reached a post-2000 low of 3.3 percent in the third quarter of 2008, and increased to 4.8 percent in the third quarter of 2009. Since the third quarter of 2008, the average rent has declined by 7 percent to a current rate of $1,487 after increasing by 5 percent during the previous year. Average rents are estimated at $1,375 for a one-bedroom unit, $1,750 for a two-bedroom unit, and $2,130 for a three-bedroom unit. Approximately two-thirds of apartment properties built since 2000 report concessions, ranging from 1/2 to 1 month's rent free on a 12-month lease. According to M/PF YieldStar, during the 12 months ending June 2009, approximately 1,200 apartment units were completed; 734 of these units were originally intended as for-sale condominiums. Fewer than 1,000 apartment units are currently under construction in the area. Despite the reduced supply pipeline, apartment vacancies are expected to increase moderately in the next year because of weak demand and slow absorption.

Washington, D.C.-Maryland-Virginia-West Virginia

The Washington metropolitan area comprises the District of Columbia (DC) and 15 counties and 6 independent cities in Maryland, Virginia, and West Virginia. As of October 1, 2009, the population of the metropolitan area is estimated at 5.4 million, representing an increase of approximately 1 percent, or 47,500, since October 1, 2008.

The federal government accounts for nearly 12 percent of the jobs in the Washington metropolitan area. During the 12 months ending August 2009, despite the addition of 9,025 federal government positions, average nonfarm employment declined by 16,050 jobs, or 0.5 percent, to slightly fewer than 3 million jobs. Two employment sectors added jobs; the professional and business services and the education and health services sectors added 6,800 and 5,250 jobs, up 1 and 2 percent, respectively, compared with employment in the sectors during the 12 months ending August 2008.

More than 16 million business and leisure travelers a year visit the nation's capital, generating more than $5.5 billion for the local economy, according to Destination DC, a contracting arm of the Washington Convention Center Authority. During the 12 months ending August 2009, the leisure and hospitality sector, which accounts for nearly 9 percent of current nonfarm employment, increased by 970 jobs, or 0.5 percent. Reflecting softer housing and credit markets and a lack of consumer confidence, the construction and retail trade sectors reported losses of 15,300 and 11,450 jobs, down 9 and 4 percent, respectively, from the sector employment averages recorded during the 12 months ending August 2008. The information sector, which has declined since 2002, lost 6,050 jobs during the 12 months ending August 2009.

Department of Defense contractors Lockheed Martin Corporation and Northrop Grumman Corporation, with 27,000 and 20,700 employees, respectively, are the leading private-sector employers in the metropolitan area. Other prominent private-sector employers include Science Applications International Corporation, with 17,425 employees; Inova Health System, with 15,600 employees; and Marriott International, Inc., with 14,300 employees. During the 12 months ending August 2009, the unemployment rate in the metropolitan area averaged 5.4 percent, up from 3.3 percent during the same period a year ago.

After posting declines in both existing home sales volume and sales prices in 2007 and 2008, the Washington metropolitan area sales housing market remained soft, with a current vacancy rate estimated at 2 percent, but conditions improved during the 12 months ending August 2009. Reduced prices, low interest rates, and tax incentives for first-time homebuyers helped stimulate sales. According to data from Metropolitan Regional Information Systems, Inc., during the 12 months ending August 2009, approximately 62,550 existing homes were sold, an increase of 15 percent compared with the 54,300 homes sold during the 12 months ending August 2008 but a decrease of 11 percent compared with the number sold during the same period ending August 2007. In the Virginia suburbs, the number of homes sold increased by 20 percent to 38,400 homes, and, in the Maryland suburbs, sales increased by 11 percent to 18,450 homes. Sales in DC declined by 2 percent to 5,250 homes, an improvement compared with the 30-percent decline in sales recorded during the 12 months ending August 2008. As sales volume increased, average home sales prices in the metropolitan area declined by 17 percent to $355,200. Average prices fell 16 percent to $351,250 in the Maryland suburban counties and were down 18 percent to $339,200 in the Virginia suburbs. Average prices in DC declined 10 percent to $500,300. In Jefferson County, West Virginia, during the 12-month period, the number of sales, at 500 homes, was relatively unchanged from the previous year; however, average prices declined by 20 percent to $209,200.

Approximately 17 percent of all existing homes sold in the metropolitan area during the 12 months ending August 2009 were condominiums. The percentage of total sales was relatively unchanged from the previous year. During the past year, 10,900 condominium units were sold, an increase of 13 percent compared with the number sold during the previous year. In the Virginia suburbs, 6,150 units were sold and average prices ranged from $250,000 in the Manassas area to $400,000 in areas closer to DC. In DC, 2,350 units were sold at an average price of $385,000. In the Maryland suburbs, 550 units were sold at an average price of approximately $250,000. In general, average prices for existing condominiums sold throughout the metropolitan area have declined 20 percent from prices recorded a year ago.

Although the existing home sales market improved slightly, the economic downturn and tighter lending practices within the construction industry for builders have slowed the development of new homes and apartments in the Washington metropolitan area., Based on preliminary data, single-family home construction activity, as measured by the number of building permits issued, declined by 11 percent, or 1,150 homes, to 8,750 during the 12-month period ending August 2009. That figure is 56 percent lower than the 20,100 homes permitted during the 12 months ending August 2007. New three-bedroom townhomes in DC are advertised for sale at $375,000 and new four-bedroom, single-family homes in communities adjacent to DC are advertised at $600,000. Homes farther away from DC, requiring a commute of 1 hour or more, are available at the mid-$300,000s. Based on preliminary data, multifamily construction activity, as measured by the number of units permitted, also decreased. During the 12 months ending August 2009, 2,950 units were permitted. In contrast, 6,600 units were permitted during the previous year and 8,250 units were permitted during the 12 months ending August 2007. Approximately 50 percent of the multifamily units currently under construction are condominiums. Prices for new luxury condominium lofts in DC begin at $400,000.

The rental housing market in the Washington metropolitan area is balanced, but it softened during the 12 months ending September 2009. According to Delta Associates, Class B apartment rental vacancy rates increased to 5.6 percent from 2.9 percent in September 2008 as tenants moved up to absorb the slightly more than 3,000 new Class A rental units that came on line during the 12-month period. Vacancy rates in Class A units rose from 3.1 to 4.4 percent and concessions increased 2 percentage points to more than 6 percent of rent. Nearly 4,900 new units are leasing as of September 2009 compared with nearly 6,800 units available as of September 2008. According to MPF Research, the average rent for all apartments in the metropolitan area was $1,339 during the second quarter of 2009, relatively unchanged from the average rent recorded a year earlier. During the second quarter of 2009, monthly rents averaged $1,228 for a one-bedroom unit, $1,392 for a two-bedroom unit, and $1,592 for a three-bedroom unit.

DC is the location of many of the redevelopment projects in the metropolitan area. According to the DC Urban Real Estate Digest, $22 billion worth of projects have been completed since 2001 and nearly $9 billion are currently under construction. Arbor Place, one of the larger projects planned for development, is a $1.1 billion mixed-use planned unit development slated to redevelop an area on New York Avenue, NE, near the United States National Arboretum. The project, which is planned for completion in 2014, is expected to include 3,500 residential units and 148,120 square feet of retail space.

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

HUD Region and State	2009 Through September			2008 Through September			Ratio: 2009/2008 Through September		
	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*
Connecticut	2,464	1,460	1,004	4,119	2,556	1,563	0.598	0.571	0.642
Maine	2,053	1,907	146	2,966	2,458	508	0.692	0.776	0.287
Massachusetts	5,050	3,153	1,897	7,917	4,094	3,823	0.638	0.770	0.496
New Hampshire	1,600	1,179	421	2,630	1,952	678	0.608	0.604	0.621
Rhode Island	638	452	186	820	640	180	0.778	0.706	1.033
Vermont	866	643	223	1,205	957	248	0.719	0.672	0.899
New England	**12,671**	**8,794**	**3,877**	**19,657**	**12,657**	**7,000**	**0.645**	**0.695**	**0.554**
New Jersey	8,779	5,108	3,671	15,461	7,106	8,355	0.568	0.719	0.439
New York	13,000	7,136	5,864	47,610	10,501	37,109	0.273	0.680	0.158
New York/New Jersey	**21,779**	**12,244**	**9,535**	**63,071**	**17,607**	**45,464**	**0.345**	**0.695**	**0.210**
Delaware	2,398	1,980	418	2,726	2,216	510	0.880	0.894	0.820
District of Columbia	727	136	591	494	231	263	1.472	0.589	2.247
Maryland	8,118	6,057	2,061	11,915	7,216	4,699	0.681	0.839	0.439
Pennsylvania	13,127	10,973	2,154	18,307	15,125	3,182	0.717	0.725	0.677
Virginia	16,314	12,758	3,556	21,945	16,393	5,552	0.743	0.778	0.640
West Virginia	1,514	1,274	240	2,546	1,906	640	0.595	0.668	0.375
Mid-Atlantic	**42,198**	**33,178**	**9,020**	**57,933**	**43,087**	**14,846**	**0.728**	**0.770**	**0.608**
Alabama	9,411	6,734	2,677	12,034	9,503	2,531	0.782	0.709	1.058
Florida	26,619	20,426	6,193	52,400	33,346	19,054	0.508	0.613	0.325
Georgia	13,166	10,866	2,300	29,157	21,127	8,030	0.452	0.514	0.286
Kentucky	5,360	4,224	1,136	8,455	5,382	3,073	0.634	0.785	0.370
Mississippi	5,657	3,943	1,714	8,668	5,931	2,737	0.653	0.665	0.626
North Carolina	26,526	19,088	7,438	46,837	34,139	12,698	0.566	0.559	0.586
South Carolina	12,042	10,542	1,500	21,847	17,082	4,765	0.551	0.617	0.315
Tennessee	10,989	8,998	1,991	17,523	13,424	4,099	0.627	0.670	0.486
Southeast/Caribbean	**109,770**	**84,821**	**24,949**	**196,921**	**139,934**	**56,987**	**0.557**	**0.606**	**0.438**
Illinois	8,123	6,236	1,887	18,541	10,400	8,141	0.438	0.600	0.232
Indiana	9,320	7,426	1,894	13,471	9,779	3,692	0.692	0.759	0.513
Michigan	5,203	4,758	445	8,686	7,297	1,389	0.599	0.652	0.320
Minnesota	6,738	5,067	1,671	8,660	6,841	1,819	0.778	0.741	0.919
Ohio	9,843	8,130	1,713	17,075	13,341	3,734	0.576	0.609	0.459
Wisconsin	8,072	6,241	1,831	12,964	8,688	4,276	0.623	0.718	0.428
Midwest	**47,299**	**37,858**	**9,441**	**79,397**	**56,346**	**23,051**	**0.596**	**0.672**	**0.410**
Arkansas	5,186	3,193	1,993	6,810	4,090	2,720	0.762	0.781	0.733
Louisiana	9,969	8,541	1,428	13,672	9,478	4,194	0.729	0.901	0.340
New Mexico	3,652	3,192	460	5,011	4,273	738	0.729	0.747	0.623
Oklahoma	6,470	5,371	1,099	7,996	6,644	1,352	0.809	0.808	0.813
Texas	65,739	51,425	14,314	108,661	66,396	42,265	0.605	0.775	0.339
Southwest	**91,016**	**71,722**	**19,294**	**142,150**	**90,881**	**51,269**	**0.640**	**0.789**	**0.376**
Iowa	4,978	4,144	834	5,819	4,509	1,310	0.855	0.919	0.637
Kansas	4,550	2,701	1,849	5,987	3,798	2,189	0.760	0.711	0.845
Missouri	6,143	4,384	1,759	10,128	6,138	3,990	0.607	0.714	0.441
Nebraska	4,066	3,670	396	5,468	3,954	1,514	0.744	0.928	0.262
Great Plains	**19,737**	**14,899**	**4,838**	**27,402**	**18,399**	**9,003**	**0.720**	**0.810**	**0.537**
Colorado	7,449	5,783	1,666	15,877	10,182	5,695	0.469	0.568	0.293
Montana	1,422	1,141	281	2,144	1,760	384	0.663	0.648	0.732
North Dakota	2,399	1,471	928	2,339	1,351	988	1.026	1.089	0.939
South Dakota	2,631	1,885	746	3,514	2,593	921	0.749	0.727	0.810
Utah	8,794	5,210	3,584	8,727	6,167	2,560	1.008	0.845	1.400
Wyoming	1,381	980	401	2,131	1,667	464	0.648	0.588	0.864
Rocky Mountain	**24,076**	**16,470**	**7,606**	**34,732**	**23,720**	**11,012**	**0.693**	**0.694**	**0.691**
Arizona	10,676	9,601	1,075	21,722	15,507	6,215	0.491	0.619	0.173
California	25,312	18,132	7,180	50,026	26,396	23,630	0.506	0.687	0.304
Hawaii	2,058	1,584	474	3,360	2,172	1,188	0.613	0.729	0.399
Nevada	5,430	3,443	1,987	12,277	6,242	6,035	0.442	0.552	0.329
Pacific	**43,476**	**32,760**	**10,716**	**87,385**	**50,317**	**37,068**	**0.498**	**0.651**	**0.289**
Alaska	742	483	259	770	581	189	0.964	0.831	1.370
Idaho	4,243	3,585	658	6,283	5,637	646	0.675	0.636	1.019
Oregon	5,846	4,378	1,468	10,515	6,825	3,690	0.556	0.641	0.398
Washington	12,928	9,792	3,136	23,708	14,769	8,939	0.545	0.663	0.351
Northwest	**23,759**	**18,238**	**5,521**	**41,276**	**27,812**	**13,464**	**0.576**	**0.656**	**0.410**
United States	**435,781**	**330,984**	**104,797**	**749,924**	**480,760**	**269,164**	**0.581**	**0.688**	**0.389**

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

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

CBSA	CBSA Name	2009 Through September		
		Total	Single Family	Multifamily*
26420	Houston-Sugar Land-Baytown, TX	21,054	17,017	4,037
19100	Dallas-Fort Worth-Arlington, TX	16,158	10,736	5,422
35620	New York-Northern New Jersey-Long Island, NY-NJ-PA	12,387	4,564	7,823
47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	9,184	6,970	2,214
12420	Austin-Round Rock, TX	7,134	5,348	1,786
38060	Phoenix-Mesa-Scottsdale, AZ	7,100	6,447	653
42660	Seattle-Tacoma-Bellevue, WA	5,684	3,692	1,992
31100	Los Angeles-Long Beach-Santa Ana, CA	5,672	2,559	3,113
16740	Charlotte-Gastonia-Concord, NC-SC	5,655	3,241	2,414
12060	Atlanta-Sandy Springs-Marietta, GA	4,820	4,055	765
37980	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	4,658	3,535	1,123
41700	San Antonio, TX	4,648	4,250	398
16980	Chicago-Naperville-Joliet, IL-IN-WI	4,565	3,259	1,306
29820	Las Vegas-Paradise, NV	4,518	2,813	1,705
45300	Tampa-St. Petersburg-Clearwater, FL	4,468	3,057	1,411
40140	Riverside-San Bernardino-Ontario, CA	4,292	3,345	947
26900	Indianapolis, IN	4,286	2,792	1,494
41620	Salt Lake City, UT	4,045	1,205	2,840
14460	Boston-Cambridge-Quincy, MA-NH	3,997	2,122	1,875
47260	Virginia Beach-Norfolk-Newport News, VA-NC	3,933	2,155	1,778
41180	St. Louis, MO-IL	3,802	3,148	654
27260	Jacksonville, FL	3,778	2,472	1,306
12580	Baltimore-Towson, MD	3,746	2,324	1,422
39580	Raleigh-Cary, NC	3,701	3,317	384
34980	Nashville-Davidson--Murfreesboro, TN	3,540	3,073	467
36740	Orlando-Kissimmee, FL	3,484	2,713	771
19740	Denver-Aurora, CO	3,167	2,030	1,137
33460	Minneapolis-St. Paul-Bloomington, MN-WI	3,029	2,573	456
33100	Miami-Fort Lauderdale-Miami Beach, FL	2,899	1,595	1,304
38900	Portland-Vancouver-Beaverton, OR-WA	2,852	2,256	596
18140	Columbus, OH	2,803	2,078	725
36540	Omaha-Council Bluffs, NE-IA	2,761	2,483	278
17140	Cincinnati-Middletown, OH-KY-IN	2,744	2,418	326
46140	Tulsa, OK	2,688	2,076	612
17900	Columbia, SC	2,638	2,026	612
21340	El Paso, TX	2,623	2,072	551
41860	San Francisco-Oakland-Fremont, CA	2,487	1,586	901
40060	Richmond, VA	2,456	2,090	366
32580	McAllen-Edinburg-Mission, TX	2,363	2,159	204
36420	Oklahoma City, OK	2,350	2,203	147
16700	Charleston-North Charleston, SC	2,343	2,176	167
41740	San Diego-Carlsbad-San Marcos, CA	2,336	1,306	1,030
26620	Huntsville, AL	2,310	1,735	575
35380	New Orleans-Metairie-Kenner, LA	2,227	1,691	536
38300	Pittsburgh, PA	2,208	1,905	303
30780	Little Rock-North Little Rock, AR	2,181	1,209	972
40900	Sacramento--Arden-Arcade--Roseville, CA	2,165	1,872	293
22180	Fayetteville, NC	2,107	1,281	826
12940	Baton Rouge, LA	2,017	1,933	84
20500	Durham, NC	2,016	1,049	967

*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