



U.S. Housing Market Conditions

May 2007

SUMMARY

Economic growth in the first quarter of 2007 was significantly lower than growth performance of the fourth quarter of 2006. The labor situation in the first quarter saw continued job growth and low unemployment. Mortgage interest rates remain close to 6 percent and actually declined slightly in the first quarter of 2007. Housing affordability improved as sales prices of existing homes slipped. Housing market performance was weak in the first quarter of 2007, with falling production levels and weak new home sales. Inventories of new and existing homes available for sale are at very high levels, with enough houses available to last more than 7 months. The homeownership rate declined to 68.4 percent in the first quarter of 2007.

Housing Production

Housing production was off in the first quarter of 2007, especially when compared with the first quarter of 2006. Single-family building permits, starts, and completions were down 4 to 10 percent from the fourth quarter of 2006 and down 21 to 33 percent from the first quarter of 2006. The numbers of permits, starts, and completions have declined for four or more consecutive quarters. Shipments of manufactured homes declined in the first quarter and remained below the 100,000-unit annual rate.

- In the first quarter of 2007, builders took out permits for 1,556,000 (SAAR) new housing units, down 0.3 percent from the fourth quarter of 2006 and down 27.4 percent from the first quarter of 2006. Single-family building permits were issued for 1,118,000 (SAAR) housing units in the first quarter of 2007, down 4.1 percent from the fourth quarter of 2006 and down 30.7 percent from the first quarter of 2006. Both total and single-family permits have declined for six consecutive quarters.

- Construction was started on 1,474,000 (SAAR) new housing units in the first quarter of 2007, down 5.4 percent from the fourth quarter of 2006 and down 30.6 percent from the first quarter of 2006. Single-family housing starts equaled 1,177,000 (SAAR) units in the first quarter of 2007, down 4.6 percent from the fourth quarter of 2006 and down 32.6 percent from the first quarter of 2006. Both total and single-family starts have declined for four consecutive quarters.
- In the first quarter of 2007, construction was completed on 1,702,000 (SAAR) new homes, down 10.8 percent from the fourth quarter of 2006 and down 18.8 percent from the first quarter of 2006. Single-family housing completions were 1,378,000 in the first quarter of 2007, down 10.3 percent from the fourth quarter of 2006 and down 21.2 percent from the first quarter of 2006. Both total and single-family completions have declined for four consecutive quarters.
- Manufacturers shipped 94,000 (SAAR) new manufactured homes in the first quarter of 2007, down 3.8 percent from the fourth quarter of 2006 and down 36.4 percent from the fourth quarter of 2006.

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Housing Marketing

Sales of new homes declined in the first quarter of 2007 while sales of existing homes increased slightly. Sales prices were mixed. New home sales prices increased from those recorded during the first and fourth quarters of 2006, but existing home prices decreased from those in the first and fourth quarters of 2006. Inventories of new and existing homes available for sale at the end of the first quarter of 2007 remain at high levels, especially relative to current sales volume. Builders were slightly more optimistic overall in the first quarter regarding current sales expectations, future sales expectations, and prospective buyer traffic.

- During the first quarter of 2007, builders sold 856,000 (SAAR) new single-family homes, down 13.7 percent from the fourth quarter of 2006 and down 23.0 percent from the first quarter of 2006. This level of sales is the lowest quarterly value since the second quarter of 2000 and the seventh consecutive quarterly decline.
- REALTORS® sold 6,413,000 (SAAR) existing homes in the first quarter of 2007, up 2.4 percent from the fourth quarter but down 6.6 percent from the first quarter of 2006.
- The median sales price for new homes sold in the first quarter of 2007 was \$252,200, up 2.8 percent from the fourth quarter of 2006 and up 1.8 percent from the first quarter of 2006. The average sales price increased 7.6 percent from the fourth quarter of 2006 and increased 5.6 percent from the first quarter of 2006 to \$322,400. The price of a constant-quality new home was estimated to be \$275,200 in the first quarter of 2007, up 2.5 percent from the fourth quarter of 2006 and up 5.0 percent from the first quarter of 2006.
- Existing homes sold during the first quarter of 2007 had a median price of \$213,800, down 2.5 percent from the fourth quarter of 2006 and down 1.7 percent from the first quarter of 2006. The average price was \$260,300, down 2.1 percent from the fourth quarter of 2006 and down 1.7 percent from the first quarter of 2006.
- At the end of the first quarter of 2007, the inventory of new homes available for sale was 545,000, up 1.7 percent from the fourth quarter of 2006 but down 1.4 percent from the first quarter of 2006. This inventory, the fourth highest since this data series began in 1963, would support

7.8 months of sales at the current sales pace, up 1.6 months from the end of the fourth quarter of 2006 and up 1.7 months from the end of the first quarter of 2006. The inventory of existing homes available for sale was 3,745,000 at the end of the first quarter of 2007, up 8.6 percent from the fourth quarter of 2006 and up 17.1 percent from the first quarter of 2006. This inventory would support 7.3 months of sales at the current sales pace, up 0.7 month from the fourth quarter of 2006 and up 1.7 months from the first quarter of 2006.

- Home builders were more optimistic in the first quarter of 2007 than they were in the fourth quarter of 2006 but were still less optimistic than they were a year earlier, according to the National Association of Home Builders/Wells Fargo composite Housing Market Index. The index was 37 in the first quarter, up 5 index points from the fourth quarter of 2006 but down 19 index points from the first quarter of 2006. All three components of the composite index improved—current sales expectations were up 4 points, future sales expectations were up 5 points, and prospective buyer traffic was up 4 points.

Affordability and Interest Rates

In the first quarter of 2007, the interest rate for 30-year, fixed-rate mortgages averaged 6.22 percent, down 3 basis points from the fourth quarter of 2006 and down 2 basis points from the first quarter of 2006. The first quarter value of 6.22 percent is the 13th lowest value ever reported by the Freddie Mac Primary Mortgage Market Survey since it began reporting this data in 1971. Housing affordability improved slightly from the past quarter and from the first quarter of 2006, according to the index published by the NATIONAL ASSOCIATION OF REALTORS®. The composite index indicates that, in the first quarter of 2007, the family earning the median income (\$58,615) had 114.7 percent of the income needed to purchase the median-priced (\$212,300) existing home, using standard lending guidelines. This value is up 5.2 points from the fourth quarter of 2006 and up 4.9 points from the first quarter of 2006. This slight improvement in the first quarter is attributable to a 3.1-percent decline in the median house price, an increase of 0.6 percent in the median family income, and a 10-basis-point decrease in the interest rate. The improvement from the first quarter of 2006 resulted from a 1.7-percent decrease in the median house price, a



5-basis-point decrease in the mortgage interest rate, and a 3.0-percent increase in the median family income. Despite this improvement in affordability, homeownership declined. The national homeownership rate in the first quarter of 2007 was 68.4 percent, down 0.5 percentage point from the fourth quarter of 2006 and down 0.1 percentage point from the first quarter of 2006.

Multifamily Housing

The multifamily (5+ units) sector was mixed in the first quarter of 2007. The issuance of building permits increased while starts and completions declined. The absorption of new rental units was near the record low set in the previous quarter, and the vacancy rate increased to near the historical high of 10.4 percent.

- In the first quarter of 2007, builders took out building permits for 365,000 (SAAR) new multifamily units, up 12.1 percent from the fourth quarter of 2006 but down 16.6 percent from the first quarter of 2006.
- Builders started construction on 267,000 (SAAR) new multifamily units in the first quarter of 2007, down 7.5 percent from the fourth quarter of 2006 and down 22.3 percent from the first quarter of 2006.
- Builders completed 287,000 (SAAR) new multifamily units in the first quarter of 2007, down 9.6 percent from the fourth quarter of 2006 and down 1.1 percent from the first quarter of 2006.
- The rental vacancy rate in the first quarter of 2007 was 10.1 percent, up 0.3 percentage point from the fourth quarter of 2006 and up 0.6 percentage point from the first quarter of 2006. The record-high quarterly vacancy rate of 10.4 percent was set in the first quarter of 2004.
- Market absorption of new rental apartments improved in the first quarter of 2007. Of the 33,000 new apartments completed in the fourth quarter of 2006, 57 percent were leased or absorbed within the first 3 months following completion. This absorption rate is historically low, and nearly equal to the all-time low of 52 percent recorded in the third quarter 2006.

FIRST-TIME HOMEBUYERS: UPDATE FROM THE 2005 AMERICAN HOUSING SURVEY

In 2005, there were nearly 75 million homeowners in the United States, representing nearly 69 percent of all households. During the past decade, homeownership rates have risen fairly steadily from 64.0 percent in 1994. Historically low interest rates, real income growth, steady employment levels, and the introduction of new mortgage lending programs aimed at lower income and younger families have contributed to this growth in homeownership. The February 2004 issue of *U.S. Housing Market Conditions* contained the article, "First-Time Homebuyers: Update From the 2001 American Housing Survey." This current article updates and extends the first-time homebuyer information in that article, using the more recent 2005 American Housing Survey (AHS). First-time homebuyers are households that moved in the year preceding the interview and answered "no" to the question, "Did you ever own a home before?" According to the AHS, about 6.4 million homeowners moved into their housing units within the year before the AHS interview, and nearly 2.5 million, or 38 percent, of these homeowners were first-time homebuyers.

This article examines the characteristics of the 2005 AHS sample of first-time homebuyers, comparing them with other recent homebuyers (that is, repeat homebuyers) and with other homeowners (that is, homeowners who had not moved in the year before the interview).

Compared with other recent homebuyers and other homeowners, first-time homebuyers are younger, more often foreign born, and more likely to be minorities. They live less frequently in traditional families (for example, husband-wife families). First-time homebuyers are more likely to live in the Northeast and West or in the central cities of metropolitan areas and less likely to live outside

metropolitan areas. Although first-time homebuyers mostly purchase single-family detached structures, they are more likely to purchase townhouses, apartments in multifamily condominium or cooperative buildings, and manufactured (mobile) homes than are other recent homebuyers and other homeowners. Their housing units tend to be smaller and of more modest value than those of other homeowners. First-time homebuyers more often require mortgage financing, take out smaller mortgages, and more often rely on Federal Housing Administration (FHA) mortgage insurance and Department of Veterans Affairs (VA) guarantees. In general, first-time homebuyers in 2005 were very similar to first-time homebuyers in 2001.

The American Housing Survey

Every other year, the Census Bureau conducts the national version of the AHS. This national sample includes about 60,000 housing units. Occupants provide information to the Census Bureau's field interviewers.¹ The AHS collects extensive information on the housing structure and unit; social, demographic, and economic characteristics of the occupants; equipment in the unit; housing costs and mortgage information; condition and quality of the housing unit; neighborhood features and qualities; commuting and labor force information; remodeling and improvements; and moving and relocation data. Because the AHS is a statistical sample, the estimates presented here are subject to sampling and non-sampling errors, and the reader should consider the nature of the data when reading the discussion of the results.

Demographic Characteristics of First-Time Homebuyers

First-time homebuyers surveyed for the 2005 AHS were nearly twice as likely to be minorities as were other recent homebuyers and other homeowners. Exhibit 1 shows that 34.6 percent of first-time homebuyers were minority households: 10.9 percent were non-Hispanic, Black; 7.4 percent were non-Hispanic of other races; and 16.4 percent were Hispanic. In contrast, only 19.0 percent of other recent homebuyers were minorities: 4.3 percent were non-Hispanic, Black; 4.4 were non-Hispanic of other races; and 10.3 percent were Hispanic. Little



Exhibit 1. Homebuyers by Race and Ethnicity, 2005

Race and Ethnicity	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
White, non-Hispanic	1,615,288	65.4	3,214,516	81.0	54,831,856	80.0
Black, non-Hispanic	269,546	10.9	170,833	4.3	5,886,072	8.6
Other, non-Hispanic	181,761	7.4	174,710	4.4	2,853,028	4.2
Hispanic	404,837	16.4	409,885	10.3	4,937,635	7.2
All	2,471,432	100.0	3,969,944	100.0	68,508,591	100.0

difference in the minority representation was apparent among other recent homebuyers and other homeowners; that is, 19.0 percent and 20.0 percent, respectively. Within the minority group, however, non-Hispanic, Black householders have a higher representation among other homeowners (8.6 percent) than among other recent homebuyers (4.3 percent.) Minority representation among all three groups has increased since 2001. The minority representation increased from 31.7 to 34.6 percent among first-time homebuyers, from 17.4 to 19.0 percent among other recent homebuyers, and from 18.2 to 20.0 percent among other homeowners.

In 2005, first-time homebuyers were more likely than other recent homebuyers and other homeowners to be foreign born, both citizens and noncitizens. Exhibit 2 shows that 17.5 percent of first-time homebuyers were foreign born, with 6.4 percent being naturalized citizens and 11.1 percent noncitizens. The exhibit also shows that 11.4 percent of other recent homebuyers and 8.6 percent of other homeowners are foreign born. Foreign-born noncitizens show the sharpest contrast in representation across the three homeowner groups. First-time homebuyers

are much more likely to be foreign-born noncitizens (11.1 percent) than are other recent homebuyers (4.7 percent) or other homeowners (3.1 percent). When compared with 2001 data, the 2005 data show increases in the representation of foreign-born households among first-time homebuyers. The sharpest difference is in the representation of foreign-born noncitizens among first-time homebuyers. In 2001, 8.3 percent of first-time homebuyers were foreign-born noncitizens; in 2005, this figure increased to 11.1 percent.

First-time homebuyers are less likely to be traditional husband-wife families than are other recent homebuyers and other homeowners. Exhibit 3 shows that, in 2005, 51.6 percent of first-time homebuyers were husband-wife families compared with 64.7 percent of other recent homebuyers and 62.4 percent of other homeowners. First-time homebuyers are more likely to be nontraditional family households headed by other males and other females (such as families in which heads are widowed, divorced, separated, or single or are married but have a spouse who is absent for some other reason). Among first-time homebuyers, 5.5 percent were families headed

Exhibit 2. Homebuyers by Citizenship, 2005

Citizenship	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
Native, born in the United States	1,956,786	79.2	3,445,875	86.8	61,307,641	89.5
Native, born in Puerto Rico or U.S. outlying area	71,019	2.9	42,527	1.1	940,798	1.4
Native born abroad of U.S. parent(s)	11,571	0.5	29,429	0.7	357,565	0.5
Foreign born, U.S. citizen by naturalization	158,550	6.4	264,180	6.7	3,791,028	5.5
Foreign born, not a U.S. citizen	273,505	11.1	187,932	4.7	2,111,557	3.1
All	2,471,431	100.0	3,969,943	100.0	68,508,589	100.0

Exhibit 3. Homebuyers by Family and Household Type, 2005

Family and Household Type	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
Husband-wife families	1,274,418	51.6	2,567,840	64.7	42,780,348	62.4
Other male-headed families	135,612	5.5	142,815	3.6	2,312,922	3.4
Other female-headed families	256,967	10.4	333,338	8.4	6,151,971	9.0
Male-headed (nonfamily) households	521,370	21.1	441,021	11.1	7,214,128	10.5
Female-headed (nonfamily) households	283,064	11.5	484,930	12.2	10,049,221	14.7
All	2,471,431	100.0	3,969,944	100.0	68,508,590	100.0

by other males and 10.4 percent were families headed by other females. In comparison, 3.6 percent of other recent homebuyers were families headed by other males and 8.4 percent were families headed by other females. Among other homeowners, families headed by other males and other females amounted to 3.4 and 9.0 percent, respectively.

First-time homebuyers are more likely to be non-family households due to the increased representation of male-headed (nonfamily) households among first-time homebuyers.² Exhibit 3 shows that, in 2005, male-headed (nonfamily) households accounted for 21.1 percent of all first-time homebuyers compared with 11.1 percent of other recent homebuyers and 10.5 percent of all other homeowners. Female-headed (nonfamily) households accounted for nearly equal portions of first-time and other recent homebuyers (11.5 and 12.2 percent, respectively) but represented a slightly higher percentage of other homeowners (14.7 percent). Between 2001 and 2005, the portion

of first-time homebuyers who were male-headed (nonfamily) households increased from 16.4 to 21.1 percent and the portion of first-time homebuyers who were traditional husband-wife families decreased from 54.3 to 51.6 percent.

First-time homebuyers are considerably younger than other recent homebuyers and other homeowners. Exhibit 4 shows that, in 2005, 65.7 percent of first-time homebuyers were under age 35 compared with 21.4 percent of other recent homebuyers and 11.9 percent of other homeowners. This pattern holds true for each of the three age subgroups—under age 25, ages 25 to 29, and ages 30 to 34. Median ages also indicate the more youthful composition of the first-time homebuyer group. Although other recent homebuyers had a median age of 45 and other homeowners were the oldest of the three homeowner categories, with a median age of 53, first-time homebuyers had a median age of just 31. The 2005 age distribution shows a slight movement toward

Exhibit 4. Homebuyers by Age of Householder, 2005

Age of Householder	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
Under 25	453,227	18.3	66,915	1.7	916,462	1.3
25 to 29	700,410	28.3	253,831	6.4	2,455,371	3.6
30 to 34	469,317	19.0	530,027	13.4	4,782,374	7.0
35 to 44	491,311	19.9	1,118,434	28.2	13,806,406	20.2
45 to 64	325,318	13.2	1,532,974	38.6	29,242,961	42.7
65 and over	31,848	1.3	467,763	11.8	17,305,016	25.3
All	2,471,431	100.0	3,969,944	100.0	68,508,590	100.0
Median		31		45		53



younger first-time homebuyers compared with the 2001 data; the February 2004 article reported that 63.0 percent of first-time homebuyers were under age 35.

Household size does not appear to differ among the three groups of homeowners, as shown in Exhibit 5. In 2005, first-time homebuyers and other homeowners both had median household sizes of 2.8 people, while other recent homebuyers had a slightly larger median household size of 2.9 people. Few differences exist in the median household size for the three groups when compared with the 2001 results.

The household incomes of first-time homebuyers are considerably lower than those of other recent homebuyers but nearly equal to the household incomes of other homeowners. Exhibit 6 shows that, in 2005, first-time homebuyers had a median income of \$52,826, other recent homebuyers had a median income of \$69,797, and other homeowners had a median income of \$56,561. Although 52 percent of first-time homebuyers and 55 percent of other homeowners had incomes above \$50,000, 64.1 percent of

other recent homebuyers had incomes of more than \$50,000. These patterns for all three homeowner groups closely follow those reported for 2001.

Location of First-Time Homebuyers

First-time homebuyers are less likely to live in the Northeast but more likely to live in the West than are other homeowners. On the other hand, these first-time homebuyers are more likely to live in the Northeast and Midwest than are other recent homebuyers. Exhibit 7 shows that, in 2005, 37.2 percent of other homeowners lived in the South, 18.1 percent lived in the Northeast, 24.6 percent lived in the Midwest, and 20.1 percent lived in the West. First-time homebuyers are distributed in a similar manner except for a smaller share in the Northeast (14.5 percent) and a larger share in the West (23.6.) Compared with other recent homebuyers, first-time homebuyers were more likely to live in the Northeast

Exhibit 5. Homebuyers by Number of People in Household, 2005

Number of People in Household	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
One	520,793	21.1	741,908	18.7	14,941,553	21.8
Two	850,846	34.4	1,326,064	33.4	24,499,202	35.8
Three	422,809	17.1	696,072	17.5	11,017,393	16.1
Four	332,003	13.4	724,412	18.2	10,850,697	15.8
Five	230,911	9.3	335,553	8.5	4,719,135	6.9
Six	74,657	3.0	88,341	2.2	1,590,926	2.3
Seven	39,411	1.6	57,594	1.5	889,683	1.3
All	2,471,430	100.0	3,969,944	100.0	68,508,589	100.0
Median		2.8		2.9		2.8

Exhibit 6. Homebuyers by Household Income, 2005

Household Income (\$)	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
Less than 25,000	405,750	16.4	578,573	14.6	14,823,789	21.6
25,000 to 49,999	774,386	31.3	847,186	21.3	16,356,551	23.9
50,000 to 99,999	983,389	39.8	1,412,339	35.6	23,426,604	34.2
100,000 and more	307,906	12.5	1,131,846	28.5	13,901,646	20.3
All	2,471,431	100.0	3,969,944	100.0	68,508,590	100.0
Median		\$52,826		\$69,797		\$56,561

Exhibit 7. Homebuyers by Census Region, 2005

Census Region	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
Northeast	358,455	14.5	452,683	11.4	12,431,204	18.1
Midwest	624,634	25.3	854,747	21.5	16,880,457	24.6
South	905,776	36.6	1,638,927	41.3	25,458,247	37.2
West	582,566	23.6	1,023,587	25.8	13,738,683	20.1
All	2,471,431	100.0	3,969,944	100.0	68,508,591	100.0

(14.5 percent compared with 11.4 percent) and Midwest (25.3 compared with 21.5 percent) and less likely to live in the South (36.6 percent compared with 41.3 percent) and the West (23.6 percent compared with 25.8 percent.)

First-time homebuyers are slightly more likely to live in central cities of metropolitan areas and slightly less likely to live outside metropolitan areas than are other recent homebuyers. Exhibit 8 shows that, in 2005, 29.7 percent of first-time homebuyers lived in central cities compared with 21.5 percent of other recent homebuyers and 22.1 percent of other homeowners. Residing outside metropolitan areas was the choice of 27.2 percent of first-time homebuyers, 38.3 percent of other recent homebuyers, and 26.6 percent of other homeowners. For each homeowner group, most households lived in suburban areas—43.1 percent of first-time homebuyers, 40.2 percent of other recent buyers, and 51.3 percent of other homeowners. Significant shifts in preferences away from suburban locations in favor of locations outside metropolitan statistical areas have occurred since 2001. In 2005, first-time and other recent homebuyers were less likely to live in suburban locations (43.1 and 40.2 percent, respectively) than they were in 2001 (54.4 and 55.1 percent, respectively).

Types of Housing Purchased by First-Time Homebuyers

Although first-time homebuyers, like most Americans, generally live in single-family, detached homes, they are more likely to live in townhouses (single-family, attached), manufactured (mobile) homes, and multi-family units than are other recent homebuyers and other homeowners. Exhibit 9 shows that, in 2005, 70.8 percent of first-time homebuyers lived in single-family, detached units compared with 80.5 percent of other recent homebuyers and 82.9 percent of other homeowners. First-time homebuyers are more likely to live in single-family, attached units (9.5 percent) than are other recent homebuyers (5.8 percent) or other homeowners (5.1 percent). They also are more likely to live in multifamily structures (9.9 percent) than are other recent homebuyers (5.3 percent) or other homeowners (4.8 percent).³ Finally, first-time homebuyers and other recent homebuyers are more likely (9.8 percent and 8.5 percent, respectively) to live in manufactured (mobile) homes than are other homeowners (7.2 percent). Since 2001, some changes have occurred in the distribution of homeowners by

Exhibit 8. Homebuyers by Location of Home, 2005

Location of Home	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
Inside metropolitan statistical area						
Central city	735,195	29.7	853,329	21.5	15,120,460	22.1
Suburban area	1,064,139	43.1	1,596,852	40.2	35,134,903	51.3
Outside metropolitan statistical area	672,097	27.2	1,519,763	38.3	18,253,227	26.6
All	2,471,431	100.0	3,969,944	100.0	68,508,590	100.0



Exhibit 9. Homebuyers by Home Structure Type, 2005

Home Structure Type	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
Single-family, detached	1,749,388	70.8	3,194,759	80.5	56,783,420	82.9
Single-family, attached	235,125	9.5	228,477	5.8	3,512,384	5.1
Multifamily						
2 to 4 units	73,562	3.0	85,399	2.2	1,351,168	2.0
5 to 9 units	44,600	1.8	35,487	0.9	417,545	0.6
10 to 19 units	57,811	2.3	24,697	0.6	471,656	0.7
20 to 49 units	23,931	1.0	27,448	0.7	399,364	0.6
50 or more units	43,662	1.8	36,228	0.9	650,398	0.9
Manufactured house	243,352	9.8	337,449	8.5	4,922,656	7.2
All	2,471,431	100.0	3,969,944	100.0	68,508,591	100.0

structure type. First-time homebuyers are less likely to live in manufactured housing units (9.8 percent in 2005 compared with 12.9 percent in 2001) and more likely to live in multifamily housing units (9.9 percent in 2005 compared with 7.1 percent in 2001.)

Condominium and cooperative forms of ownership are more prevalent among first-time homebuyers than among other recent homebuyers and other homeowners. Exhibit 10 shows that, in 2005, 11.9 percent of first-time homebuyers and 7.5 percent of other recent homebuyers lived in condominiums or

cooperatives compared with only 5.3 percent of other homeowners. Since 2001, a slight increase has occurred in the proportion of first-time homebuyers choosing condominiums or cooperatives (11.9 percent in 2005 compared with 11.0 percent in 2001).

Compared with other recent homebuyers and other homeowners, first-time homebuyers tend to live in housing units containing fewer rooms. Exhibit 11 indicates that, in 2005, 17.8 percent of first-time homebuyers purchased homes with four or fewer

Exhibit 10. Homebuyers by Ownership Type, 2005

Condominium or Cooperative Ownership	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
Yes	293,040	11.9	298,518	7.5	3,609,039	5.3
No	2,178,391	88.1	3,671,426	92.5	64,899,552	94.7
All	2,471,431	100.0	3,969,944	100.0	68,508,591	100.0

Exhibit 11. Homebuyers by Number of Rooms, 2005

Number of Rooms	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
Four or fewer	439,026	17.8	368,764	9.3	7,122,229	10.4
Five	711,250	28.8	769,959	19.4	15,465,240	22.6
Six	651,299	26.4	902,985	22.7	17,947,116	26.2
Seven	344,805	14.0	698,328	17.6	12,048,031	17.6
Eight or more	325,051	13.2	1,229,908	31.0	15,925,974	23.2
All	2,471,431	100.0	3,969,944	100.0	68,508,590	100.0
Median		6.1		6.9		6.7

rooms, considerably above the rates for other recent homebuyers (9.3 percent) and other homeowners (10.4 percent). The same pattern holds true for homes with five rooms, which were purchased by 28.8 percent of first-time homebuyers, 19.4 percent of other recent homebuyers, and 22.6 percent of other homeowners. Only 13.2 percent of first-time homebuyers occupied large housing units with eight or more rooms, compared with 31.0 percent of recent homebuyers and 23.2 percent of other homeowners. The median number of rooms also reflects the purchase of smaller homes by first-time homebuyers—6.1 rooms compared with 6.9 rooms for other recent homebuyers and 6.7 rooms for other homeowners. Between 2001 and 2005, no major shift occurred in the number of rooms contained in housing units purchased by first-time homebuyers, with one exception: they purchased a higher proportion of units that had eight or more rooms (13.2 percent in 2005 compared with 11.9 percent in 2001) and purchased a lower proportion of units with seven or fewer rooms (14.0 percent in 2005 compared with 16.6 percent in 2001.)

First-time homebuyers are more likely to live in smaller housing units than are other recent homebuyers and other homeowners. Exhibit 12 shows that, in 2005, 30.0 percent of first-time homebuyers lived in smaller units with two or fewer bedrooms compared with 18.1 percent of other recent homebuyers and 21.3 percent of other homeowners. Likewise, first-time homebuyers are less likely to occupy larger units with four or more bedrooms (19.4 percent) compared with other recent homebuyers (34.6 percent) and other homeowners (26.6 percent). The median number of bedrooms also shows that first-time homebuyers (3.4 bedrooms) live in smaller housing units than do other recent homebuyers (3.7 bedrooms) and other homeowners (3.6 bedrooms). Despite these trends, first-time

homebuyers made a shift into larger units with four or more bedrooms between 2001 and 2005; 19.4 percent of first-time homebuyers purchased units with four or more bedrooms in 2005 compared with 16.6 percent in 2001.

First-time homebuyers and other recent homebuyers are more likely to live in newer housing (units built in 2000 or later) than are other homeowners. Exhibit 13 shows that, in 2005, 20.2 percent of first-time homebuyers and 33.4 percent of other recent homebuyers owned homes built in 2000 or later, which are significantly higher percentages than the 7.6 percent of other homeowners who lived in newer housing. Although both recent homebuyer groups are more likely to live in newer units than are other homeowners, first-time homebuyers tend to live in housing that is slightly older than the units occupied by other recent homebuyers. For example, in 2005, 21.5 percent of first-time homebuyers lived in units built before 1950 while only 11.9 percent of other recent homebuyers lived in units of a similar age. In terms of the median year that housing was built, other recent homebuyers lived in the newest housing (1988), followed by first-time homebuyers (1977) and other homeowners (1973).

Compared with other recent homebuyers and other homeowners, first-time homebuyers tend to live in less expensive housing units. Exhibit 14 shows that, in 2005, 31.8 percent of first-time homebuyers occupied homes valued at less than \$100,000, compared with 18.8 percent of other recent homebuyers and 29.8 percent of other homeowners. The median home values also show that first-time homebuyers have modest dwellings. Median home values were \$113,869 for first-time homebuyers, \$151,862 for other recent homebuyers, and \$123,955 for other homeowners. The 2001 data revealed that first-time homebuyers also selected lower valued

Exhibit 12. Homebuyers by Number of Bedrooms, 2005

Number of Bedrooms	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
None	0	0.0	3,555	0.1	32,725	0.0
One	149,122	6.0	98,079	2.5	1,549,988	2.3
Two	593,308	24.0	617,148	15.5	13,025,320	19.0
Three	1,249,263	50.5	1,875,829	47.3	35,690,736	52.1
Four or more	479,738	19.4	1,375,334	34.6	18,209,822	26.6
All	2,471,431	100.0	3,969,945	100.0	68,508,591	100.0
Median		3.4		3.7		3.6



Exhibit 13. Homebuyers by Year Unit Was Built, 2005

Year Unit Was Built	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
1919 or earlier	158,196	6.4	145,281	3.7	4,544,221	6.6
1920–29	101,585	4.1	83,989	2.1	2,509,652	3.7
1930–39	120,292	4.9	105,875	2.7	2,906,995	4.2
1940–49	151,721	6.1	135,809	3.4	4,168,761	6.1
1950–59	229,916	9.3	236,706	6.0	8,005,224	11.7
1960–69	214,377	8.7	297,633	7.5	8,709,993	12.7
1970–79	377,819	15.3	623,382	15.7	12,859,940	18.8
1980–89	306,585	12.4	424,159	10.7	8,970,351	13.1
1990–99	311,268	12.6	592,476	14.9	10,609,122	15.5
2000 or later	499,672	20.2	1,324,633	33.4	5,224,333	7.6
All	2,471,431	100.0	3,969,943	100.0	68,508,592	100.0
Median year		1977		1988		1973

Exhibit 14. Homebuyers by Value of Home, 2005

Value of Home (\$)	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
Less than 50,000	315,271	12.8	320,257	8.1	6,774,704	9.9
50,000 to 99,999	471,520	19.1	426,315	10.7	13,635,965	19.9
100,00 to 149,999	536,920	21.7	555,938	14.0	11,417,981	16.7
150,000 to 249,999	593,635	24.0	894,202	22.5	14,939,566	21.8
250,000 and more	554,086	22.4	1,773,233	44.7	21,740,374	31.7
All	2,471,432	100.0	3,969,945	100.0	68,508,590	100.0
Median		113,869		151,862		123,955

homes earlier in the decade. In 2001, 43.4 percent of first-time homebuyers and 30.4 percent of other recent homebuyers selected homes valued at less than \$100,000.

First-Time Homebuyers' Mortgages

Of all the homeowner groups, first-time homebuyers are the least likely not to have a mortgage on their home. Exhibit 15 shows that, in 2005, 19.9 percent of first-time homebuyers reported not having a mortgage, while 24.5 percent of other recent homebuyers and 42.0 percent of other homeowners reported not having a mortgage. These proportions changed little between 2001 and 2005.

One of the most common sources of downpayments for homeowners is the proceeds of the sale of their previous home. In 2005, about 53 percent of other

recent homebuyers and 32.8 percent of other homeowners reported the source of their downpayments as the sale of a previous home, as shown in Exhibit 16. First-time homebuyers, of course, do not have access to this downpayment source. Exhibit 16 also shows the percentage distributions across the remaining sources of downpayments, revealing that the distributions differ mainly between two sources of downpayments: savings or cash on hand and no downpayment. The proportion of first-time homebuyers not making a downpayment was 23.7 percent compared with 17.0 percent for other recent homebuyers and 11.8 percent for other homeowners. Savings or cash on hand was the source of downpayments for 58.2 percent of first-time homebuyers, 63.9 percent for other recent homebuyers, and 70.1 percent for other homeowners. The other sources of downpayments were used fairly equally by the three groups. The major shifts that occurred between 2001 and 2005 were in the proportions of first-time homebuyers using savings or cash on hand or not making a downpayment. In 2001, 70.3 percent of

Exhibit 15. Homebuyers With or Without Mortgages, 2005

Mortgages on This Property?	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
Yes	1,979,633	80.1	2,997,025	75.5	39,701,991	58.0
No	491,798	19.9	972,919	24.5	28,806,599	42.0
All	2,471,431	100.0	3,969,944	100.0	68,508,590	100.0

Exhibit 16. Homebuyers by Source of Downpayment, 2005

Source of Downpayment	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
Sale of previous home if sold during 12 months prior to purchase of new home	NA	NA	2,006,481	53.2	21,062,694	32.8
Savings or cash on hand	1,337,638	58.2	1,125,416	63.9	30,220,892	70.1
Sale of other investment	27,864	1.2	41,272	2.3	668,884	1.6
Borrowing, other than a mortgage on this property	123,169	5.4	105,395	6.0	2,316,895	5.4
Inheritance or gift	80,102	3.5	40,393	2.3	1,499,967	3.5
Land where building was built used for financing	1,325	0.1	11,725	0.7	576,241	1.3
Other (specify)	181,885	7.9	139,166	7.9	2,724,725	6.3
No downpayment	545,021	23.7	298,745	17.0	5,097,145	11.8
All, excluding sale of previous home in past year	2,297,004	100.0	1,762,112	100.0	43,104,749	100.0

NA = Not applicable.

first-time homebuyers used savings or cash on hand and 11.8 percent made no downpayment, while in 2005, 58.2 used savings or cash on hand and 23.7 did not make a downpayment.

First-time homebuyers originate smaller mortgages than other recent homebuyers do, but they have larger mortgages than other homeowners do. Exhibit 17 shows that, in 2005, 34 percent of first-time homebuyers, 26.4 percent of other recent homebuyers, and 49.3 percent of other homeowners carried original mortgages of less than \$100,000. The low amount of initial mortgages that other homeowners carry reflects mortgages and purchases made over the past several decades. The median mortgage values also show that first-time homebuyers with a median mortgage amount of \$125,518 had smaller mortgages than did other recent homebuyers, who had a median mortgage of \$161,130 but had larger initial mortgages than did other homeowners, who had a median mortgage of \$101,497.

Between 2001 and 2005 the median mortgage amounts increased for all three groups as did the proportions of homeowners who had mortgages of \$250,000 and more.

The mortgage interest rates being paid by first-time homebuyers are very similar to those paid by all homeowners. Exhibit 18 shows the 2005 distribution of interest rate categories across the three homeowner groups. The three distributions were very similar, with first-time homebuyers (median interest rate of 5.70 percent) paying slightly more than other recent homebuyers (5.65 percent) but less than other homeowners (5.77). The major difference between 2001 and 2005 is that the interest rates reported in 2005 were 150 to 170 basis points lower than those reported in 2001.

First-time homebuyers are much more likely to have FHA-insured or VA-guaranteed mortgages than are other recent homebuyers or other homeowners.



Exhibit 17. Homebuyers by Amount of First Mortgage When Acquired, 2005

Amount of First Mortgage When Acquired (\$)	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
Less than 50,000	239,566	12.0	318,696	10.5	7,773,059	18.9
50,000 to 74,999	212,543	10.7	274,307	9.0	6,607,189	16.1
75,000 to 99,999	232,124	11.6	210,993	6.9	5,854,796	14.3
100,000 to 124,999	307,066	15.4	360,524	11.8	5,007,131	12.2
125,000 to 149,999	249,529	12.5	253,225	8.3	3,674,654	8.9
150,000 to 174,999	170,130	8.5	234,415	7.7	3,143,342	7.7
175,000 to 199,999	94,864	4.8	224,992	7.4	1,924,437	4.7
200,000 to 224,999	114,155	5.7	226,143	7.4	1,817,115	4.4
225,000 to 250,000	73,511	3.7	142,926	4.7	997,876	2.4
250,000 and more	299,460	15.0	797,992	26.2	4,270,219	10.4
All	1,992,948	100.0	3,044,213	100.0	41,069,818	100.0
Median		\$125,518		\$161,130		\$101,497

Exhibit 18. Homebuyers by Interest Rate, 2005

Interest Rate (%)	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
5 or less	425,180	21.3	581,798	19.1	8,818,014	21.5
5 $\frac{1}{8}$ to 5 $\frac{1}{2}$	335,771	16.8	662,571	21.8	6,460,495	15.7
5 $\frac{1}{8}$ to 6	583,572	29.3	936,169	30.8	9,571,349	23.3
6 $\frac{1}{8}$ to 6 $\frac{1}{2}$	253,251	12.7	385,856	12.7	4,600,994	11.2
6 $\frac{1}{8}$ to 7	186,952	9.4	258,075	8.5	4,801,436	11.7
7 $\frac{1}{8}$ to 7 $\frac{1}{2}$	46,457	2.3	61,290	2.0	1,929,971	4.7
7 $\frac{1}{8}$ to 8	64,048	3.2	63,572	2.1	1,886,545	4.6
8 $\frac{1}{8}$ to 8 $\frac{1}{2}$	14,248	0.7	30,663	1.0	576,419	1.4
8 $\frac{1}{8}$ to 9	34,810	1.7	13,469	0.4	923,599	2.2
More than 9	48,657	2.4	50,753	1.7	1,500,895	3.7
All	1,992,946	100.0	3,044,216	100.0	41,069,717	100.0
Median		5.70		5.65		5.77

Exhibit 19 shows the 2005 distribution of mortgage types across the three homeowner groups. FHA-insured mortgages were reported by 16.9 percent of first-time homebuyers, 7.7 percent of other recent homebuyers, and 10.9 percent of other homeowners. First-time homebuyers used FHA insurance nearly twice as often as other recent homebuyers or other homeowners did. First-time homebuyers also used VA-guaranteed mortgages (5.2 percent) more often than other recent homebuyers (3.5 percent) and other homeowners (4.2 percent). In 2005, FHA and VA continued to be popular sources of mortgage credit for first-time borrowers although less popular than they were in 2001.

First-time homebuyers pay lower monthly housing costs than other recent homebuyers do but pay higher costs than other homeowners do.⁴ Exhibit 20 shows that, in 2005, 46.9 percent of first-time homebuyers, 40.3 percent of other recent homebuyers, and 58.7 percent of other homeowners had monthly housing costs of less than \$1,000. Median monthly housing costs also follow this pattern: the amounts were \$1,055 for first-time homebuyers, \$1,219 for other recent homebuyers, and \$828 for other homeowners. Much of the difference in monthly housing costs can be traced to higher initial mortgages for first-time homebuyers and other recent homebuyers (as shown in Exhibit 17) and the fact that

Exhibit 19. Homebuyers by Type of First Mortgage, 2005

Type of First Mortgage	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
FHA	325,900	16.9	226,309	7.7	4,140,634	10.9
VA	100,681	5.2	102,116	3.5	1,605,707	4.2
FmHA	27,170	1.4	22,789	0.8	314,341	0.8
Other	1,473,889	76.5	2,574,450	88.0	31,884,617	84.0
All	1,927,640	100.0	2,925,664	100.0	37,945,299	100.0

FHA = Federal Housing Administration.
 VA = Department of Veterans Affairs.
 FmHA = Farmers Home Administration.

Exhibit 20. Homebuyers by Monthly Housing Costs, 2005

Monthly Housing Costs (\$)	First-Time Homebuyers		Other Recent Homebuyers		Other Homeowners	
	Number	Percent	Number	Percent	Number	Percent
Less than 250	136,424	5.5	235,687	5.9	6,975,761	10.2
250 to 499	364,961	14.8	495,824	12.5	14,336,483	20.9
500 to 749	283,346	11.5	429,403	10.8	10,216,752	14.9
750 to 999	374,693	15.2	437,207	11.0	8,708,382	12.7
1,000 to 1,249	345,736	14.0	441,439	11.1	7,279,676	10.6
1,250 to 1,499	286,736	11.6	417,560	10.5	5,603,360	8.2
1,500 to 1,749	194,540	7.9	305,396	7.7	4,222,404	6.2
1,750 to 1,999	112,378	4.5	302,341	7.6	3,144,655	4.6
2,000 or more	372,617	15.1	905,087	22.8	8,021,119	11.7
All	2,471,431	100.0	3,969,944	100.0	68,508,592	100.0
Median		1,055		1,219		828

many people in the other homeowners group did not have mortgages (Exhibit 16). The major difference between the 2001 and 2005 monthly housing cost results is that costs were \$100 to \$200 higher for all homeowner groups in 2005 than they were in 2001.

Notes

¹ The survey was called the Annual Housing Survey from 1973 to 1983 and the American Housing Survey (AHS) from 1985 to 2005. Copies of the 1973 to 2005 reports are available on the Internet at <http://www.census.gov/prod/www/abs/h150.html>. Information on the AHS is available at the HUD USER website (<http://www.huduser.org/datasets/ahs.html>) or at the Census Bureau website (<http://www.census.gov/hhes/>

[www/ahs.html](http://www.ahs.html)). The latter two websites also provide information on ordering printed copies of the reports.

² Nonfamily households consist of individuals living alone or with nonrelatives only.

³ In smaller multifamily structures (building with two to four and five to nine units), many households may be landlords/owners living in rental apartment buildings they own rather than cooperative and condominium occupants.

⁴ Monthly housing costs for owner-occupied units include monthly payments for all mortgages, installment loans or contracts, real estate taxes, property insurance, homeowner association fees, cooperative and condominium fees, mobile home park fees, land rent, and utilities.



U.S. Housing Market Conditions is published quarterly by the U.S. Department of Housing and Urban Development, Office of Policy Development and Research.

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National Data

HOUSING PRODUCTION



Permits[★]

Permits for construction of new housing units were unchanged in the first quarter of 2007, at a seasonally adjusted annual rate (SAAR) of 1,556,000 units, but were down 27 percent from the first quarter of 2006. One-unit permits, at 1,118,000 units, were down 4 percent from the level of the previous quarter and down 31 percent from a year earlier. Multifamily permits (5 or more units in structure), at 365,000 units, were 12 percent above the fourth quarter of 2006 but 17 percent below the first quarter of 2006.


	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,556	1,560	2,142	—	– 27
One Unit	1,118	1,166	1,614	– 4	– 31
Two to Four	73	68	91	+ 7**	– 20
Five Plus	365	325	437	+ 12	– 17

*Components may not add to totals because of rounding. Units in thousands.
Source: Census Bureau, Department of Commerce



Starts*

Construction starts of new housing units in the first quarter of 2007 totaled 1,474,000 units at a seasonally adjusted annual rate, a statistically insignificant 5 percent below the fourth quarter of 2006 and 31 percent below the first quarter of 2006. Single-family starts, at 1,177,000 units, were a statistically insignificant 5 percent lower than the previous quarter and 33 percent lower than the first-quarter level of the previous year. Multifamily starts totaled 267,000 units, a statistically insignificant 8 percent below the previous quarter and a statistically insignificant 22 percent below the same quarter in 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,474	1,559	2,123	- 5**	- 31
One Unit	1,177	1,234	1,747	- 5**	- 33
Five Plus	267	288	343	- 8**	- 22**

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


**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Under Construction*

Housing units under construction at the end of the first quarter of 2007 were at a seasonally adjusted annual rate of 1,195,000 units, a statistically insignificant 4 percent below the previous quarter and 16 percent below the first quarter of 2006. Single-family units stood at 760,000, a statistically insignificant 6 percent below the previous quarter and 23 percent below the first quarter of 2006. Multifamily units were at 402,000, down a statistically insignificant 1 percent from the previous quarter and down a statistically insignificant 1 percent from the first quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,195	1,247	1,420	- 4**	- 16
One Unit	760	805	983	- 6**	- 23
Five Plus	402	407	408	- 1**	- 1**

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


**This change is not statistically significant.

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



Completions*

Housing units completed in the first quarter of 2007, at a seasonally adjusted annual rate of 1,702,000 units, were down 11 percent from the previous quarter and down 19 percent from the same quarter of 2006. Single-family completions, at 1,378,000 units, were down 10 percent from the previous quarter and down 21 percent from the rate of a year earlier. Multifamily completions, at 287,000 units, were a statistically insignificant 10 percent below the previous quarter and a statistically insignificant 1 percent below the same quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,702	1,907	2,095	- 11	- 19
One Unit	1,378	1,536	1,750	- 10	- 21
Five Plus	287	317	290	- 10**	- 1**

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


**This change is not statistically significant.

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



Manufactured (Mobile) Home Shipments*

Shipments of new manufactured (mobile) homes were at a seasonally adjusted annual rate of 94,000 units in the first quarter of 2007, which is 4 percent below the previous quarter and 36 percent below the rate of a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Manufacturers' Shipments	94	97	147	- 4	- 36

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

Source: National Conference of States on Building Codes and Standards




HOUSING MARKETING



Home Sales*

Sales of new single-family homes totaled 856,000 units at a seasonally adjusted annual rate (SAAR) in the first quarter of 2007, down 14 percent from the previous quarter and down 23 percent from the first quarter of 2006. The number of new homes for sale at the end of the first quarter of 2007 was 545,000 units, a statistically insignificant 2 percent above the previous quarter but a statistically insignificant 1 percent lower than a year ago. At the end of March 2007, inventories represented a 7.8 months' supply at the current sales rate, denoting an increase of 26 percent above the previous quarter and an increase of 28 percent over the first quarter of 2006.

Sales of existing homes for the first quarter of 2007 reported by the NATIONAL ASSOCIATION OF REALTORS® totaled 6,413,000 (SAAR), up 2 percent from the previous quarter but down 7 percent from the first quarter of 2006. The number of units for sale at the end of this year's first quarter was 3,745,000, 9 percent higher than the previous quarter and 17 percent higher than the same quarter a year ago. At the end of March 2007, a 7.3 months' supply of units remained, which is 11 percent higher than the previous quarter and 30 percent higher than a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
New Homes Sold	856	992	1,111	- 14	- 23
For Sale	545	536	553	+ 2**	- 1**
Months' Supply	7.8	6.2	6.1	+ 26	+ 28
Existing Homes					
Existing Homes Sold	6,413	6,263	6,863	+ 2	- 7
For Sale	3,745	3,450	3,198	+ 9	+ 17
Months' Supply	7.3	6.6	5.6	+ 11	+ 30

*Units in thousands.

**This change is not statistically significant.


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



Home Prices

The median price of new homes sold during the first quarter of 2007 was \$252,200, up a statistically insignificant 3 percent over the previous quarter and up a statistically insignificant 2 percent from the first quarter of 2006. The average price of new homes sold during the first quarter of 2007 was \$322,400, 8 percent higher than the previous quarter and a statistically insignificant 6 percent higher than the same quarter a year ago. The price adjusted to represent a constant-quality house was \$275,200, a statistically insignificant 2 percent higher than the previous quarter and a statistically insignificant 5 percent higher than the first quarter of 2006. The values for the set of physical characteristics used for the constant-quality house are based on 1996 sales.

The median price of existing homes sold in the first quarter of 2007 was \$213,800, down 3 percent from the previous quarter and down 2 percent from the first quarter of 2006, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of existing homes sold, \$260,300, was 2 percent lower than the previous quarter and 2 percent lower than the first quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
Median	\$252,200	\$245,400	\$247,700	+ 3**	+ 2**
Average	\$322,400	\$299,600	\$305,300	+ 8	+ 6**
Constant-Quality House¹	\$275,200	\$268,600	\$262,200	+ 2**	+ 5**
Existing Homes					
Median	\$213,800	\$219,300	\$217,600	- 3	- 2
Average	\$260,300	\$265,900	\$264,700	- 2	- 2

**This change is not statistically significant.

¹Effective with the release of the first quarter 2001 New Home Sales Price Index in April 2001, the Census Bureau began publishing the Fixed-Weighted Laspeyres Price Index on a 1996 base year. (The previous base year was 1992.) "Constant-quality house" data are no longer published as a series but are computed for this table from price indexes published by the Census Bureau.




Housing Affordability

Housing affordability is the ratio of median family income to the income needed to purchase the median-priced home based on current interest rates and underwriting standards, expressed as an index. The NATIONAL ASSOCIATION OF REALTORS® composite index of housing affordability for the first quarter of 2007 shows that families earning the median income have 114.7 percent of the income needed to purchase the median-priced existing single-family home. This figure is 5 percent higher than the previous quarter and 4 percent higher than the first quarter of 2006.

The increase in the first quarter 2007 housing affordability index reflects current changes in the market place. The national average home mortgage interest rate of 6.42 is 10 basis points lower than the previous quarter. The median sales price of existing single-family homes declined to \$212,333, 3 percent lower than the previous quarter and 2 percent lower than the first quarter of 2006. Median family income increased 0.6 percent from the previous quarter to \$58,615, a 3.0 percent gain over the previous year's first quarter.

The first quarter 2007 fixed-rate index of housing affordability increased 5 percent from both the previous quarter and the first quarter of 2006. The adjustable-rate index was 4 percent higher than both the previous quarter and the first quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Composite Index	114.7	109.4	109.8	+ 5	+ 4
Fixed-Rate Index	114.5	109.2	108.9	+ 5	+ 5
Adjustable-Rate Index	116.2	111.3	112.1	+ 4	+ 4


Source: NATIONAL ASSOCIATION OF REALTORS®



Apartment Absorptions

In the fourth quarter of 2006, 33,000 new, unsubsidized, unfurnished, multifamily (five or more units in structure) rental apartments were completed, down a statistically insignificant 3 percent from the previous quarter but up 29 percent from the fourth quarter of 2005. Of the apartments completed in the fourth quarter of 2006, 57 percent were rented within 3 months. This absorption rate is a statistically insignificant 10 percent higher than the previous quarter but a statistically insignificant 10 percent lower than the same quarter a year ago. The median asking rent for apartments completed in the fourth quarter was \$1,037, a statistically insignificant drop of 5 percent from the previous quarter but a statistically insignificant gain of 5 percent over the fourth quarter of 2005.

For all of 2006, 117,200 rental apartments were completed, a statistically insignificant increase of 4 percent over 2005. Of these rental apartments, 58 percent were rented within 3 months. This absorption rate is a statistically insignificant 8 percent lower than the previous year. The median asking rent in 2006 was \$1,039, an increase of 10 percent over 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Apartments Completed*	33.0	33.9	25.6	- 3**	+ 29
Percent Absorbed Next Quarter	57	52	63	+ 10**	- 10**
Median Rent	\$1,037	\$1,088	\$984	- 5**	+ 5**

*Units in thousands.

Sources: Census Bureau, Department of Commerce, and Office of Policy


**This change is not statistically significant.

Development and Research, Department of Housing and Urban Development



Manufactured (Mobile) Home Placements

Manufactured homes placed on site ready for occupancy in the fourth quarter of 2006 totaled 101,300 units at a seasonally adjusted annual rate, a statistically insignificant 9 percent below the level of the previous quarter and 17 percent below the fourth quarter of 2005. The number of homes for sale on dealers' lots at the end of the fourth quarter totaled 40,000 units, a statistically insignificant 3 percent above the previous quarter and 8 percent above the same quarter of 2005. The average sales price of the units sold in the fourth quarter was \$64,900, unchanged from the previous quarter but a statistically insignificant 1 percent above the price in the fourth quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Placements*	101.3	111.3	122.0	- 9**	- 17
On Dealers' Lots*	40.0	39.0	37.0	+ 3**	+ 8
Average Sales Price	\$64,900	\$64,800	\$64,000	—	+ 1**

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

**This change is not statistically significant.


Note: Percentage changes are based on unrounded numbers.

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



Builders' Views of Housing Market Activity

The National Association of Home Builders (NAHB)/Wells Fargo conducts a monthly survey focusing on builders' views of the level of sales activity and their expectations for the near future. NAHB uses these survey responses to construct indices of housing market activity. (The index values range from 0 to 100.) For the first quarter of 2007, the current market activity index for single-family, detached houses stood at 37, up 4 points from the previous quarter but down 24 points from the first quarter of 2006. The index for future sales expectations, at 50, was up 5 points from the fourth quarter of 2006 but fell 14 points from the first quarter of 2006. Prospective buyer traffic had an index value of 28, which is up 4 points from the previous quarter but down 12 points from the first quarter of the past year. NAHB combines these separate indices into a single housing market index that mirrors the three components quite closely. For the first quarter of 2007, this index stood at 37, which is 5 points higher than the fourth quarter of 2006 but 19 points lower than the first quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Housing Market Index	37	32	56	+ 15	- 34
Current Sales Activity—Single-Family Detached	37	33	61	+ 12	- 40
Future Sales Expectations—Single-Family Detached	50	45	64	+ 11	- 22
Prospective Buyer Traffic	28	24	40	+ 17	- 30


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

HOUSING FINANCE



Mortgage Interest Rates

The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac decreased to 6.22 percent in the first quarter of 2007, 3 basis points lower than the previous quarter and 2 basis points lower than the first quarter of 2006. Adjustable-rate mortgages (ARMs) in the first quarter of 2007 were going for 5.47 percent, 3 basis points below the previous quarter but 16 basis points above the first quarter of 2006. Fixed-rate, 15-year mortgages, at 5.96 percent, were unchanged from the fourth quarter of 2006 but were up 11 basis points from the first quarter of 2006.


	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Conventional, Fixed-Rate, 30-Year	6.22	6.25	6.24	—	—
Conventional ARMs	5.47	5.50	5.31	- 1	+ 3
Conventional, Fixed-Rate, 15-Year	5.96	5.96	5.85	—	+ 2

Source: Federal Mac



FHA 1-4 Family Mortgage Insurance*

Applications for FHA mortgage insurance on 1-4 family homes were received for 164,500 (not seasonally adjusted) properties in the first quarter of 2007, up 8 percent from the previous quarter but down 2 percent from the first quarter of 2006. Total endorsements or insurance policies issued totaled 120,700, unchanged from the fourth quarter of 2006 but up 5 percent from the first quarter of 2006. Purchase endorsements, at 58,100 were down 14 percent from the previous quarter and down 16 percent from the first quarter of 2006. Endorsements for refinancing increased to 62,600, up 18 percent from the fourth quarter of 2006 and up 36 percent from the first quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Applications Received	164.5	152.4	168.7	+ 8	- 2
Total Endorsements	120.7	120.4	115.2	—	+ 5
Purchase Endorsements	58.1	67.5	69.0	- 14	- 16
Refinancing Endorsements	62.6	53.0	46.2	+ 18	+ 36


*Units in thousands of properties.

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



PMI and VA Activity*

Private mortgage insurers issued 411,100 policies or certificates of insurance on conventional mortgage loans during the first quarter of 2007, up 8 percent from the fourth quarter of 2006 and up 25 percent from the first quarter of 2006; these numbers are not seasonally adjusted. The Department of Veterans Affairs (VA) reported the issuance of mortgage loan guaranties on 30,900 single-family properties in the first quarter of 2007, down 3 percent from the previous quarter and down 3 percent from the first quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total PMI Certificates	411.1	382.1	329.8	+ 8	+ 25
Total VA Guaranties	30.9	31.9	31.7	- 3	- 3

*Units in thousands of properties.


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



Delinquencies and Foreclosures

Total delinquencies for all loans past due were at 4.95 percent in the fourth quarter of 2006, up 6 percent from the third quarter of 2006 and up 5 percent from the fourth quarter of 2005. Delinquencies for sub-prime loans past due were at 13.33 percent, up 6 percent from the third quarter of 2006 and up 15 percent from the fourth quarter of the previous year. For the fourth quarter of 2006, 90-day delinquencies for all loans were at 0.96 percent, up 2 percent from the third quarter of 2006 but down 6 percent from the fourth quarter a year ago. Subprime loans that were 90 days past due stood at 3.13 percent at the close of 2006, up 6 percent from the third quarter of 2006 and up 6 percent from the end of 2005. During the fourth quarter of 2006, 0.54 percent of all loans entered foreclosure, an increase of 17 percent from the third quarter of 2006 and an increase of 29 percent from the fourth quarter of the previous year. In the subprime loan category, 2.00 percent began foreclosure in the fourth quarter of 2006, an increase of 10 percent over the third quarter of 2006 and 36 percent over the fourth quarter of 2005.

The annual data for 2006 shows that all loans that were past due increased to 4.61 percent, an increase of 4.0 percent from 2005. Loans past due for 90 days were at 0.96 percent for 2006, an increase of 8.0 percent over the previous year. Foreclosures for 2006 increased 12.0 percent for the year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total Past Due (%)					
All Loans	4.95	4.67	4.70	+ 6	+ 5
Subprime Loans	13.33	12.56	11.63	+ 6	+ 15
90 Days Past Due (%)					
All Loans	0.96	0.94	1.02	+ 2	- 6
Subprime Loans	3.13	2.96	2.94	+ 6	+ 6
Foreclosures Started (%)					
All Loans	0.54	0.46	0.42	+ 17	+ 29
Subprime Loans	2.00	1.82	1.47	+ 10	+ 36

Source: National Delinquency Survey, Mortgage Bankers Association




HOUSING INVESTMENT



Residential Fixed Investment and Gross Domestic Product*

Residential Fixed Investment (RFI) for the first quarter of 2007 was at a seasonally adjusted annual rate of \$687.2 billion, 4 percent below the value from the fourth quarter of 2006 and 15 percent below the first quarter of 2006. As a percentage of the Gross Domestic Product (GDP), RFI for the first quarter of 2007 was 5.0 percent, 0.3 percentage point below the previous quarter and 1.2 percentage points below the same quarter a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
GDP	13,632.6	13,458.2	13,008.4	+ 1	+ 5
RFI	\$687.2	\$717.1	\$808.5	- 4	- 15
RFI/GDP (%)	5.0	5.3	6.2	- 6	- 19

*Billions of dollars.


Source: Bureau of Economic Analysis, Department of Commerce

HOUSING INVENTORY



Housing Stock*

At the end of the first quarter of 2007 the estimate of the total housing stock, 127,266,000 units, was up a statistically insignificant 0.5 percent from the fourth quarter of 2006 and up a statistically insignificant 1.5 percent above the first quarter of 2006. The number of occupied units decreased a statistically insignificant 0.2 percent from the fourth quarter of 2006 but increased a statistically insignificant 0.4 percent from the first quarter of 2006. Owner-occupied units decreased a statistically insignificant 1.0 percent from the fourth quarter of 2006 but increased a statistically insignificant 0.2 percent above the previous year's first quarter. Rentals increased a statistically insignificant 1.5 percent from the previous quarter and increased a statistically insignificant 0.8 percent from the first quarter of 2006. Vacant units were up 5.0 percent from last quarter and up 9.2 percent from the first quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Housing Units	127,266	126,651	125,373	+ 0.5**	+ 1.5**
Occupied Units	109,704	109,932	109,289	- 0.2**	+ 0.4**
Owner Occupied	75,006	75,763	74,883	- 1.0**	+ 0.2**
Renter Occupied	34,698	34,169	34,406	+ 1.5**	+ 0.8**
Vacant Units	17,562	16,719	16,084	+ 5.0	+ 9.2

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

**This change is not statistically significant.

Source: Census Bureau, Department of Commerce




Vacancy Rates

The homeowner vacancy rate for the first quarter of 2007, at 2.8 percent, was up a statistically insignificant 0.1 percentage point from the fourth quarter of 2006 and was up 0.7 percentage point from the first quarter of 2006.

The 2007 first quarter national rental vacancy rate, at 10.1 percent, was up a statistically insignificant 0.3 percentage point from the previous quarter and up a statistically insignificant 0.6 percentage point from the same quarter a year ago.

The 2006 annual homeowner vacancy rate was 2.4 percent, up 0.5 percentage point from 2005. In 2006, the annual rental vacancy rate was 9.7 percent, down a statistically insignificant 0.1 percentage point from the previous year.

 FOR RENT	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Homeowner Rate	2.8	2.7	2.1	+ 4**	+ 33
Rental Rate	10.1	9.8	9.5	+ 3**	+ 6**

**This change is not statistically significant.


Source: Census Bureau, Department of Commerce



Homeownership Rates

The national homeownership rate for all households was 68.4 percent in the first quarter of 2007, down 0.5 percentage point from the previous quarter and down a statistically insignificant 0.1 percentage point from the first quarter of 2006. The homeownership rate for minority households, at 51.3 percent, decreased a statistically insignificant 0.1 percentage point from the fourth quarter of 2006 but increased a statistically insignificant 0.3 percentage point from the first quarter of 2006. The 61.8-percent homeownership rate for young married-couple households was down 1.1 percentage points from the fourth quarter of 2006 and down 0.6 percentage point from the first quarter of 2006.

The 2006 annual homeownership rate for all households was 68.8 percent, down a statistically insignificant 0.1 percentage point from 2005. Annual homeownership rates for minority households were unchanged at 51.3 percent and for young married-couple households were down a statistically insignificant 0.2 percentage point to 63.1 percent from the annual 2005 figure.

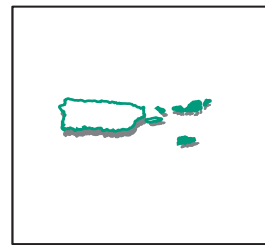
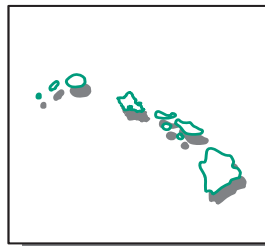
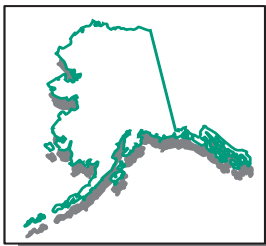
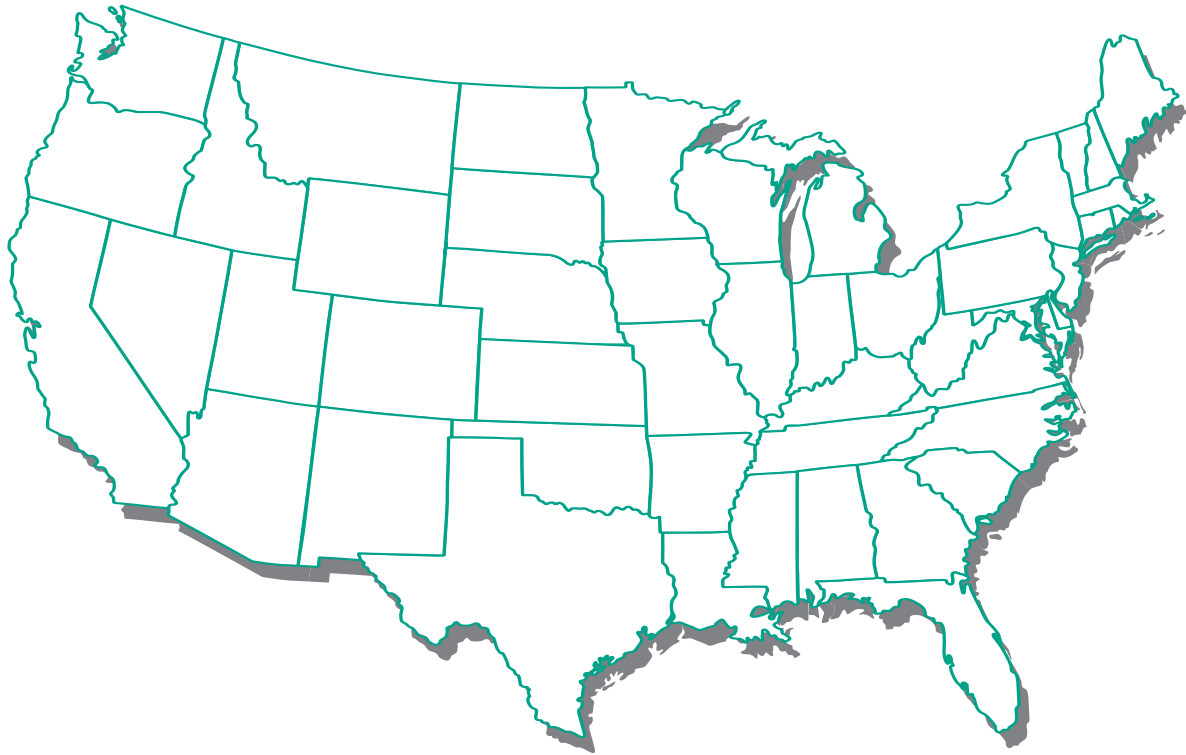
	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Households	68.4	68.9	68.5	- 0.7	- 0.1**
Minority Households	51.3	51.4	51.0	- 0.2**	+ 0.6**
Young Married-Couple Households	61.8	62.9	62.4	- 1.7	- 1.0

**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Regional Activity

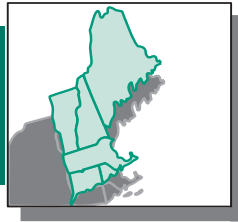


The following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends within each region of HUD management. Also included 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



Continuing the moderately increasing rate of growth since 2003, nonfarm employment in the New England region averaged 7.0 million jobs, a net increase of 62,600 jobs, or 0.9 percent, during the 12 months ending March 2007 compared with the previous 12 months. Massachusetts increased employment by 1.0 percent, accounting for more than half the net job gains in the region. Connecticut supported a job increase of 1.1 percent, accounting for 18,200 jobs. The northern New England states of Maine, New Hampshire, and Vermont grew at only about half the rate of the region as a whole. Goods-producing sectors lost a total of 10,400 jobs, or 1.0 percent, during the same period, with only Connecticut gaining jobs in construction and manufacturing. New Hampshire lost 4,000 jobs, 3.5 percent of its goods-producing job base, due primarily to losses in manufacturing employment. Service-providing sectors accounted for all the net job growth in the region, with a gain of 73,000 jobs, or 1.2 percent. Massachusetts and Connecticut accounted for almost 80 percent of the increase in service-providing jobs, with gains of 1.4 percent and 1.3 percent, respectively. More than 50,000 of the new service-providing jobs in the region, or 65 percent, were in the professional and business services and education and health services sectors.

The Boston-Cambridge-Quincy Metropolitan New England City and Town Area (NECTA) had the most significant job growth in the region, resulting from an increase in nonfarm employment by 26,600 jobs to 2.5 million, or 1.1 percent, during the 12-month period ending March 2007 compared to the previous 12 months. The professional and business services and education and health services sectors generated the most jobs, 10,100 and 12,900, respectively. Significant job growth also occurred in the Fairfield County, Connecticut area, which is composed of primarily the Bridgeport-Stamford-Norwalk Metropolitan NECTA and the Danbury Metropolitan NECTA. Nonfarm employment increased by 5,200 jobs to 287,000, also a 1.1 percent increase from the previous 12 months. Financial activities associated with the New York financial community accounted for about 25 percent of the job growth.

During the 12 months ending March 2007, the average unemployment rate in the region was 4.6 percent, unchanged from the previous 12-month period. New Hampshire and Vermont maintained the lowest unemployment rates at 3.5 percent and 3.7 percent, respectively. Connecticut continues to show the most improvement in reducing unemployment, with its average rate falling to 4.3 percent from 4.7 percent during the 12-month period ending March 2007. The Massachusetts average annual unemployment rate increased from 4.8 to 5.0 percent during the past year because the improving economy encouraged more people to enter the labor market seeking employment opportunities.

Continuing the trend of the past 2 years or more, 12-month average sales and median sales prices declined in most New England areas. Home sales activity in the first quarter of 2007 may indicate stabilization of some markets. According to the Massachusetts Association of REALTORS® (MAR), single-family sales for the 12 months ending March 2007 totaled approximately 42,350 homes, down 13 percent from the previous 12 months but up 3 percent compared with the first quarter of 2006. The median sales price for the 12 months ending March 2007 was \$348,400, down 3 percent from the previous 12 months. The Rhode Island Association of REALTORS® (RIAR) reported that single-family sales in that state totaled about 8,250 homes for the 12 months ending March 2007, down 12 percent compared with the previous 12-month period. The median single-family sales price for the recent 12 months was \$280,500, down only 2 percent compared with the previous year. According to the Maine Real Estate Information System, Inc. (MREIS), single-family sales in Maine totaled about 13,200 for the 12 months ending March 2007, down 9 percent from the previous year; however, the median sales price was \$193,050, relatively unchanged compared with the previous 12 months. In Connecticut, where the latest data available is for 2006, the Connecticut Association of REALTORS® (CAR) reported sales of existing homes and condominiums were down about 10 percent to 72,700 units for all of 2006 compared with 2005. The median sales price for single-family units was approximately \$311,700, down only 1 percent from the previous year.

Condominium sales in the region continued to decline during the 12 months ending March 2007, although some markets began to reverse this trend in the first quarter of 2007. In Massachusetts, MAR reported sales of approximately 20,425 condominium units, a decrease of 11 percent from the previous 12-month period; however, sales were up 5 percent in the first quarter of 2007 compared with the first quarter of 2006. The

median sales price was down only 1 percent to \$274,450 during the recent 12 months but was up in 3 of the last 6 months. The Listing Information Network, Inc. (LINK) reported that sales of condominium units in downtown Boston were down 8 percent to 662 units in the first quarter of 2007 compared with the first quarter of 2006, but the median sales price was up 4 percent to \$479,000. Condominium sales in Rhode Island were down 12 percent to 1,885 units during the 12 months ending March 2007, according to RIAR, but were up 4 percent during the first quarter of 2007 compared with the first quarter of 2006. The median sales price, at approximately \$221,225 for the 12 months ending March 2007, was down slightly more than 1 percent compared with the previous year.

In the New England region, according to the Office of Federal Housing Enterprise Oversight (OFHEO), price appreciation for the fourth quarter of 2006 was 2.3 percent compared with the fourth quarter of 2005. This increase is in sharp contrast to the 11-percent average annual increase from 2000 through 2005. New England ranked last of the nine regions, with the Rocky Mountain region posting the highest increase at 9 percent and the entire United States averaging 6 percent. The New England state with the highest rate of appreciation was Vermont at 6 percent.

As rising interest rates and tighter lending standards combined with the effects of significant long-term price appreciation and modest job growth during the past 2 years, overall building activity, as measured by the number of building permits issued, has declined considerably. Single-family homebuilding activity in the region declined more than 24 percent to 31,400 units during the 12 months ending March 2007 compared with 41,500 units during the previous 12-month period. Connecticut, Maine, Massachusetts, and New Hampshire all posted declines of more than 20 percent, with units permitted in Massachusetts declining almost 30 percent from 14,450 to 10,150 homes. Vermont and Rhode Island had more modest declines of 17 and 18 percent, respectively, and the Providence, Hartford, and Boston metropolitan areas had declines ranging from 20 to 28 percent. The Worcester and Manchester-Nashua metropolitan areas had declines of 37 and 41 percent, respectively, as the migration of households seeking more affordable new homes farther from the Boston urban core began to slow.

For the 12-month period ending March 2007, multifamily building activity declined significantly in all states except Massachusetts, where 9,000 units were permitted, virtually unchanged from the previous 12-month period. The number of units permitted increased by 1 percent in the Boston metropolitan area, which accounts for more than 90 percent of the multifamily activity in Massachusetts. Rising construction costs and recent moderate job growth have tempered the plans for additional large-scale developments throughout much of the region during the near term.

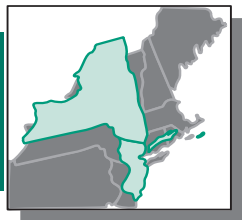
The performance of the New England rental markets has been mixed over the past 2 years. Data recently released from the Census Bureau indicates that the 2006 average rental vacancy rate for New England was 6.6 percent, up from 6.4 percent in 2005, but down from the 6.7 percent rate in 2004. The increased level of vacancies is primarily due to the continued growth of the rental inventory in the Boston metropolitan area. At 3.6 percent, Vermont's rental vacancy rate was the lowest state in the nation, due, in part, to the very tight rental market in the Burlington metropolitan area.

In the Boston metropolitan area, Reis, Inc., reported that the apartment rental vacancy rate was 5.9 percent in the first quarter of 2007, up from 5.1 percent a year earlier. The recent increase in the vacancy rate is due primarily to the more than 4,100 new rental units completed during the past 6 months. It is anticipated that another 4,100 rental units will be added to the inventory during the remainder of 2007. In spite of the increases in inventory and high vacancy rates, the Reis, Inc., asking price index increased more than 4 percent to \$1,650 in the first quarter of 2007 compared with a year earlier.

Unlike the Boston market, the Fairfield County, Connecticut rental market has experienced minimal additions to the rental inventory. According to Reis, Inc., no major additions were completed during 2006 and only 600 units are scheduled for completion in 2007. Accordingly, the rental vacancy rate in the first quarter of 2007 was 3 percent, down from 3.5 percent the previous year. The asking rent index of \$1,707, one of the highest in the nation, was up 1.9 percent from the first quarter of 2006.



NEW YORK/ NEW JERSEY



During the 12-month period ending March 2007, average nonfarm employment in the New York/New Jersey region increased by 114,500 jobs, or approximately 1 percent, to 12.7 million jobs. During this period, nonfarm employment increased by 83,200 jobs in New York, an increase of 1 percent to 8.6 million, and by 31,300 jobs in New Jersey, an increase of 0.8 percent to 4.1 million. Total service-providing employment in the region increased by 119,800, or 1 percent, primarily due to growth in the professional and business services, education and health services, and financial activities sectors, which offset the loss of 18,900 manufacturing jobs. In the 12-month interval ending March 2007, the average annual unemployment rate in the region declined from 4.8 to 4.4 percent compared with a year ago. In New York, the unemployment rate decreased from 4.9 to 4.4 percent, but the rate in New Jersey remained stable at 4.5 percent.

Employment increased in all Downstate New York metropolitan areas and in most of New Jersey. In the 12 months ending March 2007, job growth ranged from a low of 0.6 percent in the Putnam-Rockland-Westchester area to 1.7 percent in New York City. Conversely, employment trends in Upstate New York metropolitan areas lagged, with gains of less than 0.5 percent in the Albany-Schenectady-Troy and Syracuse metropolitan areas and job losses in the Buffalo-Niagara Falls and Rochester areas. Nonfarm employment in New Jersey increased approximately 1 percent in most metropolitan areas; however, the Trenton-Ewing area, a small metropolitan area consisting of Mercer County, grew more rapidly, at 2.4 percent, with employment gains occurring primarily in professional and business services and state government. During the past year, nonfarm employment in the Atlantic City, Vineland-Millville-Bridgeton, and Bergen-Hudson-Passaic metropolitan areas all remained stable.

During the 12-month period ending March 2007, 60,700 jobs were created in New York City, which accounted for more than 50 percent of the total nonfarm jobs created in the region. Because of increased construction in the city, employment grew in the natural resources, mining, and construction sector by approximately 5 percent to 119,600 jobs through

March 2007 compared with a year ago. During this period, employment in both the leisure and hospitality sector and the financial activities sector increased 3 percent to 285,100 jobs and 461,500 jobs, respectively. According to the Federal Reserve Board's "Beige Book," Manhattan's commercial office market has tightened during the past 12 months and asking rents are up approximately 20 percent from a year ago.

Reflecting mixed employment trends, housing market characteristics varied throughout the region. With the exception of the New York City housing market, however, most housing markets in New York and New Jersey softened in response to reduced sales and a corresponding increase in available inventory. According to data from the NATIONAL ASSOCIATION OF REALTORS®, existing single-family home sales in the New York/New Jersey region declined 9 percent from 504,200 units to 457,500 units between 2005 and 2006. In New York, existing single-family home sales declined by 16,400 units, or 5 percent, during this period. The number of existing home sales in New Jersey declined by approximately 30,000 units, or 16 percent, to 153,300 units, with sales decreasing throughout the state. These reductions ranged from 12 percent, or 9,400 units, in Northern New Jersey to a 21-percent decline, or 10,800 units, in Central New Jersey. During the same period, the New Jersey Association of REALTORS® reported that the median price of an existing single-family home increased to \$362,900, or 5 percent, from a year ago. In Northern New Jersey and Southern New Jersey, the median price of an existing home increased 6 percent in both areas to \$452,400 and \$233,300, respectively.

Housing demand in New York City remains strong. According to Prudential Douglas Elliman, Inc., the median price of a Manhattan apartment in the first quarter of 2007 increased 1 percent to \$835,000 compared with a year ago. Sales transactions increased by more than 70 percent to 3,480 units, but both the amount of time on the market and the size of the listing inventory decreased. The number of housing units available for sale in the city decreased 14 percent to approximately 5,900 units, and the amount of time on the market decreased 6 percent to 131 days.

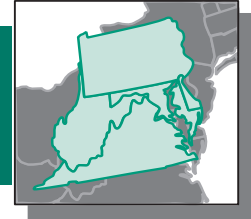
Home sales markets in Upstate New York softened during the 12 months ending March 2007 compared with the 12 months ending March 2006, with lower numbers of sales and slower rates of price increases. According to the Greater Capital Association of REALTORS®, existing single-family home sales in the Albany-Schenectady-Troy metropolitan area declined by 3 percent to 9,900 units compared with a year ago, although the median price increased approximately

3 percent to \$189,000. The Buffalo-Niagara Association of REALTORS® indicated that 9,850 homes were sold in the area, an 8-percent decrease from a year ago, with the median price of single-family and condominium units increasing approximately 2 percent to \$100,500. In the Rochester metropolitan area, the Greater Rochester Association of REALTORS® indicated that total sales decreased approximately 4 percent to 11,570 units compared with a year ago but the median price of an existing single-family home increased 2 percent to \$114,700.

Due to a softening in existing housing markets, residential construction, as measured by the number of building permits issued, declined significantly throughout the New York/New Jersey region. During the 12-month period ending March 2007, 83,700 units were permitted in the region, a decrease of approximately 14 percent compared with the high level of residential activity that occurred a year ago. Single-family housing permits declined by 22 percent to approximately 35,400 units, and multifamily permits decreased 7 percent to 48,300 units, with lower construction levels occurring in both states. During the 12 months ending March 2007, the number of housing units permitted in New York declined 11 percent to 54,400 units, with a 20-percent decrease in single-family units to 19,800 units and a 5-percent decline in multifamily development to 34,600 units. During this period, housing construction in New Jersey declined 19 percent to 29,300 units, with a 24-percent reduction in single-family construction to 15,600 units and a 12-percent decline in multifamily housing to 13,700 units.

During the first quarter of 2007, rental markets were tight and low vacancy rates put upward pressure on rents in New York City and Central/Northern New Jersey. In New York City, average monthly asking rents increased 7 percent to \$2,605 compared with a year ago, but the apartment vacancy rate decreased from 2.8 to 2.5 percent. Monthly apartment asking rents increased 4 percent to \$1,096 in Central New Jersey and 3 percent to \$1,414 in Northern New Jersey, with vacancy rates of 3.6 percent and 4.4 percent, respectively. Upstate New York is characterized by more balanced rental market conditions and lower rent increases. According to Reis, Inc., apartment rents increased between 2 and 3 percent in the Buffalo, Syracuse, and Rochester areas compared with a year ago. Monthly rents ranged from \$645 in Syracuse to \$714 in Rochester. During this same period, apartment vacancy rates declined slightly in the Buffalo and Syracuse metropolitan areas but remained stable in the Rochester area. Currently, all three housing market areas are balanced, with apartment vacancy rates of approximately 5 percent.

MID-ATLANTIC



The economy of the Mid-Atlantic region continued to grow during the 12 months ending March 2007 but at a slower pace than during the previous year. Nonfarm employment increased by 147,325 jobs, or 1 percent, to an average of 13,982,500, down from the 1.5-percent increase that occurred during the 12 months ending March 2006. The professional and business services and education and health services sectors grew more than any other sectors, at 2.5 and 2.3 percent, respectively. The decline in new homebuilding was reflected in the construction sector, which added only 13,000 jobs compared with the 31,900 added during the previous year. The largest increase in the number of jobs among the states in the region was in Virginia, where the addition of 53,000 jobs reflected a significantly slower annual growth when compared with the 79,000 jobs added in the previous year. Pennsylvania, the largest state in the region, reported total job gains of almost 50,200, approximately 8,050 fewer than were added in 2006. Both states accounted for a combined loss of 13,100 jobs in the manufacturing sector, or 70 percent of the total regional decline in manufacturing. The unemployment rate in the Mid-Atlantic region declined from 4.3 to 4.0 percent during the 12 months ending March 2007.

Moderate increases in interest rates and tighter lending practices combined to reduce the number of existing home sales throughout the region during the past 12 months. Inventories of homes listed for sale and the number of days homes remained on the market both increased. According to the Maryland Association of REALTORS®, the average monthly inventory of homes for sale during the 12 months ending March 2007 rose to approximately 37,850 homes, 73 percent more than the average monthly inventory during the same period ending in 2006. Almost 77,400 existing homes were sold in Maryland during the year, a decrease of 20 percent compared with the 97,200 homes sold during the 12 months ending March 2006. The average home sales price increased 4 percent, to \$360,200, a significant change from the 18-percent rise between 2005 and 2006. In the Baltimore metropolitan area, almost 35,800 homes were sold at an average price of \$313,700, reflecting an 18-percent decrease in sales but a 5-percent increase in price since March 2006.



Slower economic growth and higher home prices impacted the existing home market in Virginia. The Virginia Association of REALTORS® reported approximately 110,760 existing home sales during the 12 months ending March 2007, 18 percent fewer than the number of homes sold during the 12 months ending March 2006. The average home price was \$280,750, slightly more than 4 percent higher than a year ago. The average number of days on the market increased 25 percent to 114 days from 92 days a year ago. Sales activity in the southern half of the state was stronger than in the north. The number of sales in the Richmond metropolitan area remained stable at 16,020 for the 12-month period; the average home price increased by 9 percent to \$269,550. In the Northern Virginia market, average home prices have been among the highest in the Mid-Atlantic region during the past 5 years. During the 12 months ending March 2007, the number of sales declined by 28 percent to 25,950 homes. The average number of days that homes remained on the market more than doubled to 77 days in the counties close to Washington, D.C., and to 103 days in those farther out. During the 12 months ending March 2007, the average price of a home in Northern Virginia decreased more than 3 percent to \$529,500.

According to the NATIONAL ASSOCIATION OF REALTORS®, the resale market in Pennsylvania, West Virginia, Delaware, and Washington, D.C., softened as buyers responded to increased interest rates, higher home prices, and tighter loan standards. A total of 245,100 homes were sold in Pennsylvania during 2006 (the most recent data available for the state), indicating a decline of 17 percent compared with 2005. Declines of 20, 18, and 22 percent, respectively, were also reported in West Virginia, Delaware, and Washington, D.C., where 29,300, 15,500, and 8,400 homes, respectively, were sold.

As economic expansion in the region slowed during the 12 months ending March 2007, overall homebuilding activity, as measured by the number of building permits issued, declined significantly. Single-family homebuilding activity declined by almost 25 percent to 93,660 homes permitted during the 12-month period compared with 125,550 during the previous year. Production decreased by 29 percent in both Maryland and Virginia, where 17,360 and 35,375 homes, respectively, were permitted during the period. In Pennsylvania, 31,280 permits for new homes were issued, down 20 percent from the 38,900 homes permitted in 2006. Production declined in all major metropolitan areas in the region. The number of building permits issued for single-family homes declined in the Washington, D.C. metropolitan area nearly 29 percent to 17,200 homes, in the Philadelphia metropolitan area slightly more than 29 percent

to 10,780 homes, and in the Baltimore metropolitan area 34 percent to 5,700 homes.

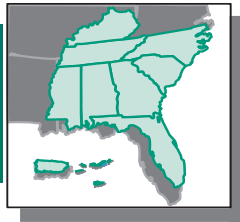
During the 12 months ending March 2007, multifamily building activity declined in all states in the Mid-Atlantic region except in Maryland and Delaware. Approximately 24,650 units were permitted in the region, a decline of 10 percent from a year ago. Delaware reported permits issued for 1,400 units, an increase of 6 percent above the number permitted through March 2006. Maryland had an increase of 4,200 units permitted, to a total of 9,200 units, 83 percent greater than the number permitted a year ago. Multifamily building activity declined in all the largest metropolitan areas in the region except Baltimore, where production increased by 525 to 1,900 units. In the Washington, D.C. and Philadelphia metropolitan areas, the two largest rental markets in the region, the number of multifamily units decreased 27 percent to 8,000 units and 28 percent to 3,700 units, respectively.

Rental market conditions softened slightly among the three largest markets in the Mid-Atlantic region during the 12 months ending March 2007. In the Baltimore metropolitan area, Delta Associates reported that the vacancy rate for Class A apartments increased in the northern suburbs to 5 percent in March 2007 from slightly less than 4 percent a year ago. Rental market conditions tightened in the southern suburbs as the vacancy rate declined to 6 percent from almost 8 percent in March 2006. Although conditions remain soft in Baltimore city, during the year the vacancy rate decreased more than 6 points, from nearly 17 percent to 10 percent. The pipeline of new units expected to be available in the city during the next 3 years has declined from 3,800 in March 2006 to 1,750 currently; if the pipeline does not increase, conditions in the rental market will likely return to balanced.

In the Philadelphia metropolitan area, the rental market tightened but remains somewhat soft. According to Delta Associates, the apartment vacancy rate fell from 9.5 percent in March 2006 to slightly above 8 percent in March 2007. At 9.4 percent, down from 10.3 percent a year ago, the vacancy rate is highest in the suburban Pennsylvania counties, where 425 units in recently completed projects have yet to be leased and another 425 units are expected to begin marketing during the next 3 months. In Center City Philadelphia, the vacancy rate declined from more than 8 percent in March 2006 to 7.8 percent currently. Only one project is currently in initial lease-up, but the vacancy rate is not expected to decline in the near term because another 500 units will be marketed for rent during the next quarter.

The rental market softened slightly but remained strong in the Washington, D.C. metropolitan area during the 12 months ending March 2007. Delta Associates reported a vacancy rate for Class A garden apartments of 7 percent compared with approximately 4 percent a year ago. The primary cause of the increase was the introduction of 1,800 new units into the Northern Virginia submarket. The apartment vacancy rates for Class A highrise units in the Northern Virginia and suburban Maryland submarkets increased from 2 percent and 1 percent, respectively, in March 2006 to the current 7-percent and 3-percent rates, respectively, as of March 2007. The Class A highrise apartment vacancy rate declined slightly in Washington, D.C., to 10 percent currently from 12 percent a year ago. Approximately 18,100 new rental units are planned for delivery in the metropolitan area during the next 3 years.

SOUTHEAST/ CARIBBEAN



The economy of the Southeast/Caribbean region continued its 4-year expansion during the first quarter of 2007, though at a slower pace. Average nonfarm employment increased to 26,909,300 in the 12 months ending March 2007, a gain of 471,600 jobs, or 1.8 percent, compared with the 12 months ending March 2006. In the two preceding 12-month periods ending in March, the rates of growth exceeded 2 percent and the number of new jobs averaged 610,100 annually. The professional and business services, education and health services, and construction sectors continued to lead the expansion, with gains of 113,200, 86,500, and 76,400 jobs, respectively. Manufacturing employment continued to decline, with 43,500 fewer jobs than in the previous 12 months. The decline resulted primarily from a loss of 45,600 jobs in nondurable goods operations.

Average nonfarm employment during the past 12 months increased in all eight states in the region compared with the preceding 12 months, but a net decline of 1.1 percent was recorded in Puerto Rico. Florida and North Carolina accounted for almost 60 percent of the growth in the region, with gains of 172,000 and 106,000 jobs, respectively. In North Carolina, the 2.7-percent increase in employment exceeded the 2-percent rates recorded during the preceding 2 years. The growth was led by strong gains in the education and health

services and business and professional services sectors. In Florida, the 2.2-percent rate of increase was substantial but was less than the near 4-percent rates of increase recorded during the preceding 2 years.

The unemployment rate for the region averaged 4.8 percent during the 12 months ending March 2007 compared with the 5.1-percent rate for the preceding 12 months. Statewide unemployment rates decreased in all states and in Puerto Rico. Alabama and Florida had the lowest unemployment rates in the region, at 3.5 and 3.3 percent, respectively.

Despite an expanding economy, single-family homebuilding in the region, as measured by the number of building permits issued, slowed significantly during the 12 months ending March 2007. Building permits were issued for 398,500 homes in the region during the period, a decrease of 124,600 units, or 24 percent, compared with the 12-month period ending March 2006. Single-family home production fell in all states except Mississippi, where building permits increased by 13 percent to 13,425 as rebuilding from Hurricane Katrina continued. A 10-percent decline in permits issued during the first 3 months of 2007 compared with the same period last year, however, indicates Mississippi homebuilding is also slowing. The decline in homebuilding activity has been especially steep in Florida, where slower home sales and rising inventories of new and existing unsold homes have caused home builders to curtail building activity. The number of single-family building permits issued in the state fell by 86,950, or 42 percent, to 120,200 during the past 12 months.

In general, existing home sales were down in the region during the 12 months ending March 2007 compared with the previous 12 months, although some markets continued to record sales increases. According to the Florida Association of REALTORS®, sales of existing single-family homes declined statewide by 29 percent to 166,600 during the past 12 months. Sales were down in all 20 markets for which data are available. The average sales price for single-family homes in the state increased by 1 percent to \$245,300 during the period, although price changes varied greatly among individual markets. Eight markets reported price increases while 12 reported price decreases. Condominium sales in Florida fell by 35 percent to 49,950 units during the past 12 months. All 20 markets recorded a decline except Tallahassee, where condominium sales increased from 356 to 455, and Panama City, where sales increased from 605 to 724. Condominium prices were also mixed. The statewide average sales price decreased by 1 percent to \$209,700, with 8 markets recording sales price increases and 11 markets recording price decreases.



The South Carolina Association of REALTORS® reports that the number of homes sold statewide during the 12 months ending March 2007 decreased by 8 percent to 67,900 units. The median sales price of homes sold during the first quarter of 2007 fell by 3 percent to \$152,000 compared with the corresponding figure for the first quarter of 2006. Most of the sales decline occurred in the four coastal markets of Myrtle Beach, Charleston, Beaufort, and Hilton Head Island, where insurance-related issues have dampened sales.

Data from the North Carolina Association of REALTORS®, Inc., indicate existing home sales were down slightly and the average sales price was up in 17 markets in the state during the 12 months ending March 2007 compared with the preceding 12 months. The number of existing homes sold in these markets during the past 12 months decreased by 1 percent to 135,000. The average price in the markets increased by 3 percent from \$209,900 to \$217,000. Charlotte had a 4-percent decline in home sales to 39,000 for the period, and the average price of homes increased 19 percent to \$250,800. The number of home sales increased by 4 percent to 17,650 in the Greensboro area and the average sales price increased 2 percent to \$178,400. New and existing home sales increased by less than 1 percent in Raleigh to 36,350, and the average price increased by 7 percent to \$231,500.

In Tennessee, the three largest metropolitan areas reported decreases in sales of single-family homes during the 12-month period ending March 2007 compared with the preceding 12 months. Sales decreased 6 percent to 14,900 units in Knoxville, 3 percent to 31,350 units in Nashville, and 1 percent to 17,250 units in Memphis. Conversely, the increasing popularity of in-town living contributed to an increase in condominium sales during the past 12 months in all three areas. In Nashville, the most active area for condominium sales in the state, the number of condominiums sold increased by 22 percent to 5,075 units during the past 12 months.

In Alabama, home sales statewide were down 3 percent to 58,900, although the average sales price increased by 6 percent to \$158,200 during the 12 months ending February 2007, according to the Alabama Real Estate Research and Education Center. The slowing sales led to a 32-percent increase in the average monthly inventory of unsold homes to 34,700 for the past 12 months.

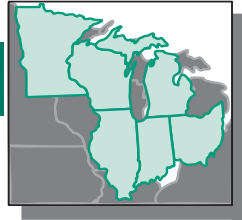
Multifamily construction in the region, as measured by the number of building permits issued, was down overall during the past 12 months but varied widely among individual markets. During the 12 months ending March 2007, the number of multifamily units

permitted in the region declined by 21,650, or 17 percent, to 109,300 units. In Florida, the number of multifamily units permitted decreased by 23,600 units, or 33 percent, as apartment and condominium builders curtailed construction plans in response to rising unsold condominium inventories and softer rental markets. North Carolina recorded the largest gain in the region during the past 12 months—2,600 units—as condominium and apartment activity accelerated in each of the three largest metropolitan areas in the state. The number of multifamily units permitted in Greensboro increased by 910, or 74 percent, to 2,150 units. In Charlotte, the number of multifamily units permitted increased by 1,700, or 51 percent, to 5,050 units, while in Raleigh, permits more than doubled to 3,625 units. Rapidly expanding economies and improving apartment markets led to the increased activity in all three areas.

Apartment market conditions also varied considerably within the region. According to M/PF YieldStar, the Atlanta area apartment market weakened during the first quarter of 2007, although overall the market remains relatively balanced. The apartment vacancy rate increased from 5.5 percent in the first quarter of 2006 to 6.4 percent in the first quarter of 2007. For the first time since the second quarter of 2002, negative annual absorption was recorded in the market. M/PF YieldStar reports that 230 fewer apartment units were occupied in the first quarter of 2007 compared with the same quarter last year. New apartment deliveries continue to be comparatively modest, with 6,164 units added during the past year, relatively unchanged from the previous year but well below the annual average of 13,900 units that were added between 1999 and 2003. During the past 12 months, M/PF YieldStar identified approximately 2,700 apartment units that were removed from the inventory as a result of demolition and condominium conversions. Despite the recent softening in the market, effective rents increased by 3 percent during the past year to an average of \$786 a month in the first quarter of 2007.

Reports released by RealData, Inc., during the first quarter of 2007 indicate the major apartment markets in North Carolina are strengthening. In Charlotte, the apartment vacancy rate declined from 8.8 percent in February 2006 to 7.3 percent in February 2007. Rents averaged \$712, an increase of 6 percent from a year earlier. More than 3,000 units were under construction in February 2007, up from 2,278 units under construction in February 2006. Despite the large number of units in the construction pipeline, the vacancy rate is expected to decline further during the next year as strong household growth continues.

MIDWEST



The level of employment remained stable in the Midwest region during the first quarter of 2007. In the 12 months ending March 2007, nonfarm employment increased by 66,000 jobs, or 0.2 percent, compared with an increase of 170,000 jobs in the previous 12-month period. Hiring in the education and health services, leisure and hospitality, and professional and business services sectors added 36,000, 14,000, and 56,000 jobs, respectively, which offset losses in the manufacturing and government sectors of 72,000 and 8,000 jobs, respectively. Five of the six states in the region recorded job gains; Michigan was the exception. According to a March 2007 forecast by the University of Michigan, losses of approximately 35,000 jobs in the manufacturing sector are expected in the state during 2007 because of continued restructuring of the automobile industry.

The economy in Illinois has been strengthening since 2003, with nonfarm employment increasing by 41,000 jobs annually during the past 36 months. The education and health services, leisure and hospitality, and professional and business services sectors led the expansion with gains of 20,000, 13,000, and 12,000 jobs, respectively, in the 12 months ending March 2007. The average unemployment rate in the region decreased to 5.2 percent for the 12 months ending March 2007, down from 5.5 percent in the previous 12-month period. Unemployment rates ranged from a low of 4.2 percent in both Illinois and Minnesota to a high of 6.5 percent in Michigan.

Sales of existing homes in the region declined in 2006, primarily because of higher interest rates. According to the NATIONAL ASSOCIATION OF REALTORS®, sales activity decreased 6 percent to 1.1 million existing homes in 2006 compared with the previous year. Activity was down in all states of the region, except in Indiana, where the number of homes sold increased by 6 percent, primarily because existing home sales prices have increased at a slower pace in the state, keeping homes relatively more affordable. Preliminary information for the first quarter of 2007 indicates that sales of existing homes continued to slow in most areas of the region compared with the first quarter of 2006. The Ohio Association of

REALTORS® reported that sales eased in the first quarter because of rising interest rates and unfavorable weather. In the 12 months ending March 2007, 138,600 existing homes sold in the state, down 5 percent compared with high sales recorded in the previous 12-month period. The average sales price for existing homes in the state decreased by 2 percent to \$152,000 during this period. In the Columbus, Cleveland, and Cincinnati metropolitan areas, existing home sales were down 4, 6, and 7 percent, respectively.

The Illinois Association of REALTORS® also reported that poor weather in the first quarter of 2007 contributed to the slowdown in existing home sales. Sales activity for the 12 months ending March 2007 decreased 12 percent, but the average sales price remained relatively unchanged at \$200,000. In the Chicago metropolitan area, sales of existing homes in the past 12 months were down 17 percent to 110,000 homes and declined 13 percent from the 127,000 homes sold annually in the past 3 years.

In Michigan, continued job losses dampened sales of existing homes throughout the state. Sales activity was down 11 percent in the 12 months ending February 2007, and the average sales price declined 2 percent to \$147,000 compared with the previous 12-month period. Contributing to the decline in sales activity was a 10-percent decrease in the Detroit metropolitan area. In the Minneapolis-St. Paul metropolitan area, sales activity was down 18 percent, but the average sales price of existing homes increased by 2 percent to \$278,000. The strengthening economy in the metropolitan area, however, is expected to cause existing sales to increase in 2007. In Wisconsin, sales of existing homes in major market areas continued to ease in the first quarter of 2007 compared with the first quarter of 2006. Sales activity in the Madison and Milwaukee areas decreased 6 and 8 percent, respectively, according to multiple listing services in the two areas during the past 12 months. In the Indianapolis metropolitan area, sales activity was down 5 percent but the average sales price of existing homes was unchanged at \$152,000.

Single-family construction in the region, as measured by the number of building permits issued, continued to decline during the first quarter of 2007 in response to slower sales and increasing inventories of unsold homes. In the 12 months ending March 2007, the number of single-family building permits issued was down 38 percent to approximately 151,000 units and was 25 percent below the 202,000 units averaged annually in the past 3 years. Activity was down in all states in the region, ranging from a 28-percent decline in both Ohio and Wisconsin to a 36-percent decline in Michigan. The



number of building permits issued for single-family homes in Illinois, Indiana, and Minnesota was down 29, 30, and 35 percent, respectively.

In the Chicago metropolitan area, new home sales slowed in the first quarter of 2007 despite the strengthening of the local economy. In suburban Chicago, new home sales were down 25 percent in the first 3 months of 2007 compared with the same period in 2006. Builders have responded by curtailing construction plans. During the 12 months ending March 2007, the number of building permits issued for single-family homes in the metropolitan area was down 30 percent to 25,600 units compared with the previous 12-month period. Home builders in the Indianapolis area also are scaling back residential construction during 2007 because of the increased inventory of unsold new homes and higher interest rates. The number of single-family building permits issued in the metropolitan area during the 12 months ending March 2007 decreased 28 percent to 8,300 units compared with the previous 12-month period. In Minneapolis-St. Paul, building permits were issued for approximately 11,000 single-family homes, down 35 percent from the preceding 12 months.

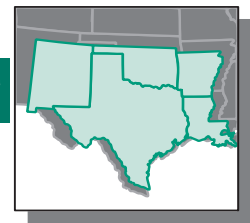
Multifamily construction in the Midwest region, as measured by the number of building permits issued, was down 22 percent to 47,000 units for the 12-month period ending March 2007 and was 13 percent below the annual average of 54,000 units permitted in the past 3 years. Activity was down in all states and most major markets in the region. In the Chicago metropolitan area, the number of multifamily building permits issued was unchanged at 18,000 units because condominium construction in downtown Chicago remains strong at approximately 6,000 units despite slower condominium sales since July 2006. Multifamily housing construction in Ohio declined by 3,900 units to 6,700 units in the 12 months ending March 2007. Much of the decline occurred in the Cincinnati and Columbus metropolitan areas, where multifamily building permit activity in both areas was down by approximately 1,000 units. Multifamily permits declined by 2,700 units in both Indiana and Wisconsin. Multifamily building activity in Minnesota and Michigan showed smaller declines of 1,200 and 2,000 units, respectively.

The market for all types of housing for seniors has been very active in the Midwest region. The American Seniors Housing Association's *2006 Construction Report* ranked Chicago first among the 75 largest metropolitan areas in the country for construction of senior housing. Approximately 3,100 units for seniors were under construction in the Chicago area, which represented 40 percent of the 7,600 units under con-

struction in the region. These developments for seniors include 2,400 apartment units, 2,200 independent-living units, 1,600 nursing home beds, and 1,400 assisted living beds.

Most major apartment markets in the region were balanced to tight as of the first quarter of 2007. In the nine Midwest market areas surveyed by Reis, Inc., all but the Detroit market area recorded modest declines or no change in apartment vacancy rates compared with the first quarter of 2006. Because of the slow economy, the Detroit apartment market, with a vacancy rate of 7.4 percent, is expected to remain somewhat soft in 2007. By contrast, the soft Indianapolis apartment market, in which the vacancy rate is 9.7 percent, is expected to tighten in 2007 because of a strengthening local economy, steady population growth, and a small number of new apartments expected to come on line. Downtown Chicago's apartment market remained balanced to tight in the first quarter of 2007. The apartment vacancy rate was 5 percent, unchanged from the first quarter of 2006. The apartment vacancy rate in suburban Chicago also held steady at 5 percent in the first quarter of 2007. In Minneapolis-St. Paul, the apartment vacancy rate fell from 5.8 percent in the first quarter of 2006 to 4.7 percent in the first quarter of 2007. In response to the tightening apartment market, rents increased by 2 percent. In Ohio, modest rent increases of 2 to 3 percent are anticipated in 2007 for the Cincinnati, Columbus, and Cleveland metropolitan areas because of increased demand for apartments and the small number of units expected to enter the rental markets during the year.

SOUTHWEST



Nonfarm employment in the Southwest region totaled nearly 15.6 million jobs during the 12 months ending March 2007. The total represents a gain of 375,000 positions, or 2.5 percent, compared with the 12 months ending March 2006. The largest increases occurred in the professional and business services and construction sectors, with gains of 89,000 and 52,000 jobs, respectively. Texas, with a 3-percent growth rate, accounted for 78 percent of the total gain for the region. Gains in Texas were also bolstered by an increase of 12 percent in natural resources and mining, 4 percent

in leisure and hospitality, and 3 percent in manufacturing. The number of jobs in New Mexico and Oklahoma each rose more than 2 percent. In Oklahoma, growth was led by an 18-percent, or 6,500-job, increase in the natural resources and mining sector. Employment in Arkansas was up 1.5 percent, with strong gains in education and health services and government offsetting losses in manufacturing. The number of jobs in Louisiana increased by 10,000, or 0.6 percent, during the 12 months ending March 2007.

The average unemployment rate in the Southwest region decreased to 4.2 percent for the 12 months ending March 2007, down from 4.8 percent in the previous 12 months. Unemployment rates decreased in all states in the region except in Arkansas. Slower employment growth in Arkansas, combined with more people seeking jobs, resulted in an increase of the unemployment rate from 5.0 to 5.2 percent. In Texas, the unemployment rate was at its lowest level since 2001, declining from 5.3 to 4.8 percent. In New Mexico and Oklahoma, the unemployment rate averaged 4 percent. The largest declines in the unemployment rate occurred in Louisiana, with the rate decreasing from 6.4 to 3.9 percent as the local economy continues to recover from the impact of Hurricanes Katrina and Rita.

Stimulated by strong employment growth, existing home sales continued to set new records in Texas. According to data from the Real Estate Center at Texas A&M University, about 287,800 homes were sold during the 12 months ending March 2007. The number of home sales represents a 5-percent increase compared with the previous 12-month period. The average home sales price for the state was up 5 percent to \$186,100. Among the larger metropolitan areas in the region, the Fort Worth area had the lowest average selling price at \$137,350 but was up 2 percent from the previous year. Home sales in both Houston and Fort Worth during the past year were 7 percent higher. In Houston, with 81,000 home sales, the average price was \$196,800. The number of sales in San Antonio was up 3 percent to 25,500 homes, and the average price increased 8 percent to \$172,700. In Dallas, the number of sales was relatively unchanged at 61,300 homes and the average price rose 4 percent to \$211,800.

The number of homes sold in Oklahoma was unchanged at 53,600 during the 12 months ending March 2007 compared with the previous 12 months, according to the Oklahoma Association of REALTORS®. In the Tulsa area, sales were stable at 15,800 homes and the average price increased 2 percent to \$145,700. Sales fell by 2 percent to 19,700 homes in Oklahoma City, but the average price increased more than 12 percent to \$155,800. The

strong increase in price in Oklahoma City was because of fewer sales at the entry level and a relatively greater number of sales of higher priced homes. According to the Arkansas REALTORS® Association, the number of sales decreased by 10 percent, which was commensurate with slower employment and population growth. The average price for the 30,400 homes sold rose 3 percent to \$157,100. In the Fayetteville area, where the estimated sales vacancy rate is soft at 2.4 percent, sales declined 21 percent to 6,550 homes, but the average price increased by 5 percent to \$205,350. The number of homes sold in Little Rock decreased by 6 percent to 10,400 homes; the average price gained 2 percent to \$162,600. The lower sales levels during the past 12 months in Arkansas metropolitan areas followed record levels set in the previous 12 months. In Albuquerque, sales were down by 5 percent but the average price increased by 11 percent to \$230,300, according to the Albuquerque Metropolitan Board of REALTORS®.

In the Southwest region, following 4 successive years of record-setting levels of building permits, construction activity, as measured by the number of building permits issued, slowed considerably during the past 12 months. The slowdown in construction parallels national trends as tighter credit standards and rising levels of unsold inventory have made builders more cautious in delivering new product to the market. The total number of single-family homes permitted in the Southwest region was 202,300, a drop of 21,500, or 12 percent, compared with the total for the 12 months ending March 2006. The only state in the region that recorded an increase was Louisiana, where single-family building permits were up 2,400, or 11 percent. The increase was primarily due to hurricane-related rebuilding. In Texas, the 149,700 permits issued for single-family homes for the past 12 months were 12 percent lower than for the previous year. The number of single-family homes permitted was down more than 19 percent in Arkansas to 9,100 units and down 15 percent in Oklahoma to 13,100 units compared with the levels a year earlier. In New Mexico, the 10,200 homes permitted during the past 12 months were 25 percent less than during the previous 12 months.

Construction activity of homes was down or relatively unchanged in 45 of the 46 metropolitan areas in the region. The only metropolitan area that recorded an increase during the past 12 months was New Orleans; the number of homes permitted—4,800—was up 1,100, or 30 percent, compared with the previous 12 months.

No significant changes occurred in rental markets in the Southwest region during the first quarter of 2007. The strongest rental market of any metropolitan area in Texas was Austin. According to ALN Systems, Inc.



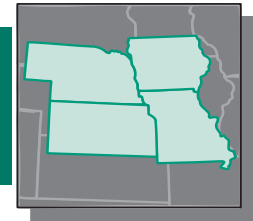
(ALN), the apartment vacancy rate in Austin was 6.8 percent for the past 12 months, down from 7.4 percent for the previous 12 months. In Dallas, the apartment vacancy rate remained at 10 percent for the past 12 months. The average rent has increased more than 3 percent to \$752, but this figure is up just \$11 from the average rent recorded in March 2003. Although the rental market in Fort Worth is still soft, the average apartment vacancy rate decreased slightly to an average of 11 percent for the past 12 months, according to ALN data. At the same time, the average rent increased by more than 3 percent, the largest 12-month gain in more than 4 years. The rental market in Houston also recorded a slight improvement but remained very soft at a vacancy rate of 11 percent. The average rent in Houston increased almost 4 percent to \$712 during the past 12 months. In San Antonio, the vacancy rate was relatively unchanged at 9.4 percent, while the average rent increased by 4 percent to \$679.

Elsewhere in the region, Reis, Inc., reported an apartment vacancy rate of 5.5 percent in Albuquerque, where conditions are balanced, and an average rent of \$659, a 4-percent increase. In Little Rock, the vacancy rate was 8.5 percent, up from 6.5 percent a year ago, and the average rent was \$603, up more than 2 percent. Tulsa and Oklahoma City have soft rental markets, with vacancy rates of 10.2 percent and 9.2 percent, respectively; both rates have remained relatively unchanged during the past year. Average rents were up nearly 3 percent to \$502 in Oklahoma City and up more than 3 percent to \$538 in Tulsa.

Despite soft markets in many metropolitan areas in the Southwest region, rental construction activity, as measured by the number of building permits issued, increased during the 12 months ending March 2007. The 2,500-unit gain in Louisiana occurred primarily in Baton Rouge, where the number of units permitted increased by 1,400, and in New Orleans, where the gain was more than 700 units. New Orleans is rebuilding following Hurricanes Katrina and Rita, while in Baton Rouge builders are responding to the influx of households from hurricane-impacted areas. The number of multifamily units permitted in Texas was up 15 percent to 44,600. Ongoing soft rental market conditions prompted builders to cut back construction by 40 percent in Arkansas to 2,800 units and by 30 percent in Oklahoma to 2,000 units. In Houston, the number of units increased by 5,400, or 52 percent, to 15,800 units, despite an 11-percent rental vacancy rate. The increase in production will likely keep rental market conditions soft in the metropolitan area. The number of units permitted in Dallas, another soft rental market, was up 3,100 to 13,450. In Fayetteville, Little Rock, and San Antonio, the number of units permitted was down by

more than 1,000 units. The cutback in construction activity will help tighten the soft markets in these areas. In New Mexico, the number of multifamily permits increased by 10 percent to 822.

GREAT PLAINS



The 3-year expansion of the Great Plains regional economy continued through the first quarter of 2007. During the 12-month period ending March 2007, nonfarm employment increased 1.4 percent to 6,602,300 jobs compared with the previous 12-month period. All employment sectors reported gains ranging from 1.0 to 1.6 percent. Missouri and Kansas led the region with increases of 33,500 and 24,700 jobs, respectively. Iowa followed with 20,200 jobs and Nebraska with 13,100. The job gains through the recent 12 months contributed to an average regional unemployment rate of 4.2 percent compared with 4.6 percent during the previous 12 months. The lowest unemployment rate of 3.0 percent was reported in Nebraska, while Missouri had the highest rate of 4.9 percent.

Higher mortgage interest rates and the moderate increase in home prices have slowed existing home sales in the region. According to the NATIONAL ASSOCIATION OF REALTORS® (NAR), the annual rate of sales in the region was down more than 7 percent to 313,000 for 2006 compared with 2005. The volume of sales was down almost 10 percent in both Missouri and Nebraska to 128,400 and 35,400 homes, respectively. Home sales declined by 5 percent to 72,500 units in Iowa and were down more than 3 percent to 76,700 units in Kansas. NAR reported a moderate increase in the median sales price for a sampling of metropolitan areas. The increase in the median home sales price can be partially attributed to fewer entry-level and more higher end homes sold. The median sales price in St. Louis was up by almost 5 percent to \$147,900, while the median price in Wichita was up more than 6 percent to \$114,900. The median sales price in Omaha increased by nearly 2 percent to \$138,400.

Beginning in early 2006, home builders in the region slowed single-family home production in response to an increase in unsold inventories and slower sales.

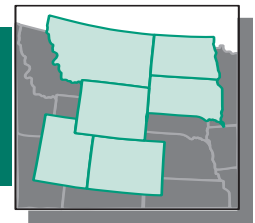
Local REALTOR® associations have reported an increase in residential listings. In Kansas City, nearly 19,500 homes were listed for sale in March 2007, up 5 percent from March 2006. During the same period, listings increased in Des Moines by 7 percent to almost 6,500. In Omaha, an increase of 11 percent was reported, with total listings climbing to approximately 5,800. Listings increased by 8 percent in Lincoln to about 2,100. The reduction in single-family home production has continued through the first quarter of 2007. During the 12-month period ending March 2007, single-family homebuilding activity, as measured by the number of building permits issued, was down almost 30 percent to 35,870 units compared with the previous 12-month period. The number of single-family homes permitted in Iowa and Kansas declined by 25 percent to 7,960 and 7,740, respectively. The number of single-family homes permitted decreased by 30 percent in both Missouri and Nebraska to 15,000 and 5,170, respectively. An estimated 9,100 homes are currently under construction throughout the region, with nearly 4,100 located in Missouri.

Rental markets in the larger metropolitan areas of the region are slowly improving but remain somewhat soft. In general, rental markets have improved because of a slowdown in apartment construction and because fewer renters are becoming homeowners. For the 12-month period ending March 2007, according to Reis, Inc., average annual apartment rental vacancy rates were unchanged or declined slightly compared with the previous year. The average vacancy rate in Kansas City was 7.3 percent, down from 8 percent a year earlier. In St. Louis, Wichita, and Omaha, the average vacancy rates were relatively unchanged at 7.9, 9.5, and 6.4 percent, respectively. Average monthly apartment rents were up 2 percent from a year ago in Kansas City, St. Louis, and Wichita to approximately \$700, \$660, and \$470, respectively. In Des Moines, according to a January 2007 CB Richard Ellis apartment survey, the average vacancy rate remained at 8.1 percent compared with a year earlier. Average rents were up slightly to \$470 for efficiency units, \$580 for one-bedroom units, \$670 for two-bedroom units, and \$900 for three-bedroom units.

Multifamily developers, faced with escalating land and construction costs coupled with relatively low rent levels, are exhibiting caution in starting new projects in the region. During the 12-month period ending March 2007, multifamily construction, as measured by the number of building permits issued, was relatively unchanged from a year ago and remained at 14,500 units. Missouri and Kansas, at 7,560 and 2,740 units, respectively, accounted for more than 70 percent of the total for the region. According to the McGraw-Hill

Construction Pipeline database, about 15,900 units are under way in the region; approximately 7,700 are apartment units and about 8,200 are for-sale condominiums and townhomes. Of the multifamily units under way, approximately 6,500 are in Missouri; about 3,100 are apartments and 3,400 are for-sale condominiums and townhomes. All units are expected to enter the market during the next 2 years.

ROCKY MOUNTAIN



The economy of the Rocky Mountain region continued its 3-year expansion during the first quarter of 2007. For the 12 months ending March 2007, average nonfarm employment increased by 146,600 jobs, or 3 percent, compared with the same period a year ago. The rate of growth in Utah during the past 12 months was 4.7 percent, or 55,000 jobs. Colorado followed closely with 50,400 jobs, or a 2.2-percent increase. Major employment advances in the construction, trade, and professional and business services sectors occurred in both Utah and Colorado. In Montana and Wyoming, job gains of 11,700 and 12,100 jobs, respectively, were supported by increases in the construction sector and natural resources and mining sector. The steady growth in North Dakota and South Dakota, with approximately 9,000 jobs each, enhanced the strong performance for the region. Because of strong employment growth, the average annual unemployment rate in the region declined from 4.3 to 3.6 percent for the 12 months ending in March 2007. The unemployment rate varied from 2.8 percent in Utah to 4.2 percent in Colorado.

Increasing demand for domestic energy sources continues to advance energy production and employment in the region. The region is responsible for 40 percent of the total coal production in the United States and has large natural gas and oil reserves. In Wyoming, the most energy-impacted state in the region, growth in the natural resources and mining sector added 3,600 new jobs during the 12 months ending March 2007, which is 30 percent of the total job gain for the state. In comparison, the region added approximately 10,000 natural resources and mining jobs. In addition to being involved in resource extraction, the region is active in several renewable energy projects. Colorado State University announced plans to build a wind farm that



will enable the campus to completely convert to renewable energy sources over the next 10 years.

Even with a stronger economy in the region, a tightening of credit standards and a large supply of homes on the market have contributed to a decline in single-family home construction in the region. For the 12-month period ending March 2007, single-family construction, as measured by the number of building permits issued, decreased by 21 percent to 61,570 homes compared with the previous 12 months. Although the number of single-family building permits issued decreased in all states through the first quarter of 2007, the decline in Colorado accounted for 75 percent, or 12,200 units, of the 16,300-unit decline for the region. The large drop in Colorado was because of the relatively higher level of building that occurred during the previous 12 months and the increased inventories of unsold homes.

Sales market conditions eased in the region in the fourth quarter of 2006. According to the NATIONAL ASSOCIATION OF REALTORS®, the average annual rate of existing home sales for 2006 was 248,200 units, a decrease of 3 percent compared with 2005. Except for Montana, South Dakota, and Utah, all states in the region recorded a decrease in existing home sales. In Utah, strong household growth, stimulated by one of the fastest growing economies in the nation, has helped maintain home sales activity. The decline in Colorado accounted for 6,700 units of the 8,000-unit reduction in existing home sales for the region.

Contributing to the relatively softer home sales market in Colorado has been the higher rate of home foreclosures compared with other states in the region. According to the fourth quarter 2006 National Delinquency Survey, the 1.5-percent foreclosure rate recorded in Colorado ranked seventh in the nation, well above the regional rate of 1.1 percent and the national rate of 1.2 percent. The high rate in Colorado has been driven by rising mortgage interest rates on adjustable-rate mortgages and subprime loans, which have been used in the state to a greater degree than in other states in the region.

Metropolitan area home sales markets in Colorado are generally characterized by falling sales volume, a slowing of price appreciation, and high levels of inventories of homes for sale. For the 12 months ending March 2007, according to the Denver Board of REALTORS®, existing single-family home sales fell by 7 percent from a year ago. The average sales price overall increased by 2 percent to \$315,500, although some submarkets have performed better than others. Denver area locations that have good access to employment centers, including the

south Interstate-25 corridor, the northwest Boulder Turnpike corridor, and downtown Denver, have maintained greater home sales activity and sales price increases than has the general market. The Colorado Springs Association of REALTORS® reported that existing sales activity was down 10 percent from last year and that the average single-family sales price increased by 2 percent to \$250,400. Active listings as of March 2007 for Colorado Springs and Denver are up by 20 percent from the more balanced market conditions of 2 years ago.

The sales market conditions for single-family homes in major metropolitan areas in Utah have eased but remain tight. The Salt Lake Board of REALTORS® reported that the volume of existing home sales for the 12 months ending March 2007 was 5 percent less than the volume for the same period a year earlier. Active listings are up by 20 percent to 7,500 units from the extremely low inventory 12 months earlier. Despite slower sales and increased inventories, the average sales price increased by 20 percent to \$279,000. Strong gains in home sales prices occurred because of the relatively low price gains since 2001 and the recent 2-year period of strong employment and household growth. The market is strongest for homes priced below \$300,000, while homes priced between \$400,000 and \$600,000 take the longest amount of time to sell. Home sales in the Provo-Orem area increased by 7 percent, while the average sales price was up by 21 percent to \$269,700. The growth in sales activity is down from the double-digit increases of the previous 2 years. Although the market has slowed in Salt Lake City and Provo-Orem, strong employment and household growth will continue to foster moderate levels of home sales activity and price increases during the next 12 months.

Renter household formations and reduced levels of apartment construction activity have led to improved rental market conditions in the region. According to the Denver Apartment Association's first quarter 2007 survey, the vacancy rate decreased by 0.3 percentage points from a year ago to 7.4 percent and the average contract rent was relatively unchanged at \$840. More importantly, as the market has continued to improve, the average value of rent concessions in Denver fell from 16 to 12 percent. The rental market in the Salt Lake City area continues to tighten. The apartment vacancy rate declined to 5.3 percent from 6.2 percent recorded a year ago, while the average rent increased by 5 percent to \$690. In the Colorado Springs area, the market remained soft because of ongoing troop deployments from Fort Carson Army Base. In the Reis, Inc., first quarter of 2007 survey, the apartment vacancy rate in Colorado Springs was relatively unchanged at 10.6 percent, while the average rent

increased slightly to \$680. The rental market in the Salt Lake City area continues to tighten because of the strong economy and renter household growth. The apartment vacancy rate declined to 5.3 percent from 6.2 percent recorded a year ago, while the average rent increased by 5 percent to \$690. Rental markets in most metropolitan areas of the region are expected to tighten during the next 12 months because of an increasing, but limited, level of apartment construction and due to growth in the population and the number of households.

Multifamily construction in the region, as measured by the number of building permits issued, was up 2,200 to 15,300 units for the 12 months ending March 2007. Gains in Colorado, Utah, and Wyoming more than offset losses in Montana, North Dakota, and South Dakota. Colorado recorded the largest gain in multifamily units permitted, increasing by 3,200 to 8,370 units during the past 12 months. Although condominiums account for a significant portion of multifamily construction, strengthening apartment market fundamentals and softening sales market conditions have prompted developers to build more apartment units. In the Denver area, developers are on pace to add 1,700 apartment units by the end of the year and another 2,400 units by end of the next year. The latter figure compares with the 740 units that were delivered last year but is well below the annual average of approximately 4,000 units recorded during the past 10 years.

PACIFIC



Economic growth in the Pacific region increased at a moderate pace through the first quarter of 2007. During the 12 months ending March 2007, nonfarm employment in the region increased by 453,000 jobs, or 2.4 percent, after gaining more than 512,000 jobs in the previous 12 months. The region accounted for nearly 20 percent of the new jobs added in the nation. Employment in the professional and business services and wholesale trade sectors rose by 4.3 and 3.7 percent, respectively, leading all sectors in percentage growth. Construction industry employment rose 3.5 percent after increasing more than 9 percent in the previous 12 months, primarily because of the slowing of residential building activity.

California employers added 264,000 jobs for a 1.8-percent gain in the 12 months ending March 2007, slightly less than the 2.0-percent increase in the previous year. The professional and business services sector added the most jobs, nearly 76,000 positions, for a 3.5-percent gain. Growing income levels and an increased interest in tourism contributed to the 44,000 jobs added in the leisure and hospitality industries. Employment in the San Francisco Bay Area rose by nearly 70,000 jobs, double the number added a year earlier, due largely to improvement in the growth of high-technology industries. In Arizona, employment increased by 123,800 jobs, or nearly 5 percent, with about 40 percent of the new jobs in the state being added in the professional and business services and construction sectors. Nevada employers added 50,800 new jobs, a 4.1-percent increase, including nearly 10,000 new jobs in the professional and business services sector and 7,800 in the leisure and hospitality sector. In Hawaii, continued high tourism supported 14,300 new jobs, a 2.4-percent increase.

The unemployment rate in the Pacific region declined to an average rate of 4.7 percent in the 12 months ending March 2007 from 5.0 percent in the previous year. Hawaii continued to have the lowest rate in the region, at 2.3 percent, while California maintained the highest rate, at 4.8 percent. Rates in Arizona and Nevada averaged 4.1 and 4.3 percent, respectively. All states in the region recorded a decline in unemployment rates from the previous 12 months, except Nevada, where the rate rose slightly.

Home sales slowed throughout the Pacific region during the past 12 months. The California Association of REALTORS® reported sales of 459,000 single-family existing homes in the 12 months ending March 2007, a decline of 23 percent from the previous year and below the average annual sales level of the past 10 years. The median sales price rose just 4 percent to \$564,500 in the past 12 months after 4 years of double-digit increases. During the first quarter of 2007, the average time to sell an existing home remained unchanged from the previous quarter at 67 days after increasing from 48 days in the first quarter of 2006. Total sales of both new and existing homes declined 23 percent in both Southern California and the San Francisco Bay Area during the past 12 months.

According to the Las Vegas Housing Market Letter, sales of new and existing homes in the Las Vegas area declined 21 and 32 percent, respectively, in the 12 months ending March 2007. The median sales price of existing homes has been relatively unchanged at approximately \$285,000 since the beginning of 2006, while the median price of new single-family homes has remained at about \$330,000 for the past 6 months. During the first quarter



of 2007, the unsold inventory of existing homes remained at record levels, averaging 25,450 units. Home sales also continued to slow in the Phoenix area. The Phoenix Housing Market Letter reported that sales of new and existing homes fell 15 and 37 percent, respectively, in the 12 months ending March 2007. During the same period, the median sales price was approximately \$254,000, virtually unchanged from the previous year. According to the Honolulu Board of REALTORS®, sales of existing homes declined nearly 20 percent to approximately 10,000 units in the current 12-month period. During that time, the median sales prices for single-family and condominium homes rose 3 and 10 percent, respectively, after both increased more than 25 percent in the previous 12 months.

Home construction activity continued to decline throughout the region in the 12 months ending March 2007 in response to lower sales and high unsold inventories. The construction of new homes, as measured by the number of single-family building permits issued, declined by more than one-third to 172,500 units in the past 12 months—the lowest level since 1998. In California, building permits for 94,700 new homes were issued, down 33 percent from the previous year. Homebuilding in Arizona fell 34 percent to 50,150 homes permitted and in Nevada declined 43 percent to 22,400 homes permitted, due to substantially lower building in Phoenix and Las Vegas. The number of new homes permitted in Hawaii was off 20 percent to 5,300 units.

Continued population growth, relatively expensive home prices, and moderate apartment construction levels supported tight to balanced rental market conditions in the Pacific region through the first quarter of 2007. According to Reis, Inc., the apartment vacancy rate in the San Francisco Bay Area increased to approximately 5 percent in the first quarter of 2007 compared with 4.5 percent a year earlier, reflecting more balanced market conditions. The San Jose apartment market was the tightest in the Bay Area, with an estimated rental vacancy rate of 4.5 percent since 2005, reflecting in part the resurgence of high-technology industry employment. The increase occurred primarily in the San Francisco submarket area, where the vacancy rate rose from 4 percent in the first quarter of 2006 to nearly 5 percent in the current quarter due to new apartment completions and a reduction in condominium conversions. The apartment vacancy rate in the Oakland-East Bay area remained relatively unchanged at about 5 percent. Average rents increased 6 percent in the San Francisco and Oakland areas and 8 percent in the San Jose area. In California's Central Valley, RealFacts apartment surveys of the Fresno and

Sacramento areas registered vacancy rates of 5 and 7 percent, respectively.

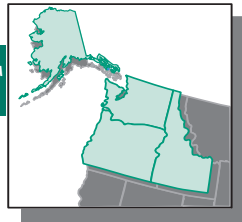
Rental market conditions remained tight throughout most of Southern California, reflecting limited apartment production and the inability of many renters to afford increasing home prices. In Los Angeles, Orange, and Ventura Counties, overall rental vacancy rates were approximately 4 percent. The rental vacancy rate in San Diego County remained at 4.5 percent, unchanged from a year ago. Southern Santa Barbara County had the lowest rental vacancy rate in the region, less than 4 percent, primarily because fewer than 150 new apartment units were completed in the area during the 12-month period ending March 2007. Rental market conditions in Riverside and San Bernardino Counties remained balanced, with vacancy rates of 7.5 and 6.5 percent, respectively, as the two counties continued to absorb the 4,000 units completed during the past 12-month period. According to the Consumer Price Index that covers most of Southern California, rents increased nearly 7 percent during the 12 months ending March 2007 compared with almost 6 percent during the previous year.

According to the Arizona Realty Studies survey, the apartment vacancy rate in Phoenix was 5.5 percent in the first quarter of 2007, an increase from less than 4 percent in early 2006. The higher rate reflected an increase in the number of new apartments undergoing initial lease-up and some reconversions of unsold condominiums to the rental market. The average rent in Phoenix rose nearly 5 percent in the past year, according to RealData, Inc. In Las Vegas, the Reis, Inc., apartment survey reported a vacancy rate of 5 percent in the first quarter of 2007 compared with an average of 4.5 percent in 2006. The average rent in the area rose approximately 4 percent in the past year compared with a gain of almost 5 percent in the previous year. The Honolulu rental market remained tight; the overall rental vacancy has remained at approximately 4 percent since the beginning of 2006.

Multifamily construction activity, as measured by the number of building permits issued, declined 15 percent in the past 12 months through March 2007, to 67,300 units, as builders responded to the slowdown in the sale of condominiums. Despite the decline, the level of activity remained relatively strong; the number of multifamily units authorized exceeded the average permit volume of the previous 5 years in every state except Nevada. California accounted for 47,200 units authorized, a decrease of 10 percent from the previous 12 months. Multifamily units permitted in Los Angeles rose 9 percent, accounting for nearly 30 percent of the

regional total. Arizona recorded 10,500 multifamily units, a decline of 14 percent, while multifamily permit issuance in Hawaii fell 24 percent to about 2,200 units. In Nevada, multifamily activity declined 38 percent, to 7,400 units, due to the major drop in Las Vegas condominium production.

NORTHWEST



Nonfarm employment in the Northwest region increased by 2.7 percent to average 5.5 million jobs during the 12 months ending March 2007 compared with the previous 12-month period. The reduced pace of hiring in sectors related to sales housing, such as residential construction and financial activities, contributed to a slight reduction in the rate of nonfarm job gains compared with the 3-percent increase that occurred during the 12-month period ending March 2006. During the 12 months ending March 2007, Idaho had the fastest rate of job growth at 4.4 percent, followed by Oregon and Washington, each at 2.6 percent, and Alaska, at 1.7 percent. In Idaho and Oregon, hiring in the retail trade, education and health services, and leisure and hospitality services sectors accounted for much of the employment gains. In Washington, gains in the professional and business services, commercial construction, and manufacturing sectors led job growth. The aerospace products and parts industry continued to increase manufacturing payrolls in Washington, a trend that started in late 2004, due to hiring at The Boeing Company. In Alaska, nonfarm employment increased by 5,300 jobs during the past 12 months ending March 2007, mainly due to hiring in the oil and gas industry and in the health services and retail trade industries. As a result of job growth, the regional unemployment rate declined from 5.4 percent to 5 percent in the 12 months ending March 2007.

Home sales markets throughout most of the Northwest region returned to more balanced conditions during the 12 months ending March 2007, following 3 years of rapid sales increases. In the Puget Sound area, which includes the Bremerton, Olympia, Seattle, and Tacoma metropolitan areas, sales of new and existing homes totaled 75,300 units, down 10 percent from the 12 months ending March 2006, based on data from the Northwest

Multiple Listing Service. In the Seattle and Tacoma areas, sales of new and existing homes declined 11 percent to 47,890 units and 13 percent to 16,975 units, respectively. In the Bremerton area, sales totaled 4,400 units, 12 percent below the total sold in the previous 12 months. The Olympia area had the only sales volume increase in the Puget Sound area, up 11 percent to 6,050 homes. The relative affordability of homes in the Olympia area, where the average sales price is \$287,350, a 9-percent gain from last year, contributed to the strong sales. The average sales price increased 9 percent in the Bremerton area to \$358,400, 13 percent in the Tacoma area to \$318,540, and 15 percent in the Seattle area to \$494,000. Gains in the average sales prices have moderated by approximately 10 percentage points, on average, in the Puget Sound area compared with 12-month sales price increases a year ago.

The number of sales of new and existing homes declined in Oregon during the 12 months ending March 2007, down 17 percent in major markets to 67,700 units compared with 81,800 in the previous 12 months, based on data from the RMLS™. In the Portland-Vancouver metropolitan area, 39,900 sales were recorded, down 9 percent. Despite the slower pace of sales, the average sales price increased 12 percent to \$301,350 in major Oregon markets. In the Portland-Vancouver area, the average sales price also increased 12 percent, from \$289,650 to \$322,850.

Markets in Idaho and Alaska also recorded declines in sales of new and existing homes over the past 12 months ending March 2007. Based on Intermountain Multiple Listing Service data, home sales declined from record levels in the previous 12 months, off 14 percent in the Boise-Nampa metropolitan area to 15,500 units and down 31 percent in central and southwest Idaho to 3,200 units. The average sales price in the Boise area for the 12 months ending March 2007 was \$234,100, a 6-percent increase compared with the previous 12 months. In Anchorage, home sales declined 3 percent to 3,050 units, according to data from the Alaska Multiple Listing Service, Inc., while the average sales price increased 8 percent to \$320,000.

The slower pace of home sales caused single-family homebuilding activity, as measured by the number of building permits issued, to decline throughout the Northwest region during the 12 months ending March 2007. Single-family building permits issued in the Northwest region totaled 67,800 units, down 19 percent from 83,787 units issued in the 12 months ending March 2006. The number of single-family building permits totaled 32,650 units in Washington and 19,500



in Oregon, down 17 percent and 19 percent, respectively. Single-family building permits totaled 14,200 units in Idaho, off 24 percent, and declined by 13 percent in Alaska to 1,500 units.

Rental market conditions tightened throughout the Northwest region during the past 12 months ending March 2007, mainly because of increased renter household demand stemming from strong job growth and rising prices in the sales market. In the Puget Sound area, the apartment rental vacancy rate was approximately 4.3 percent as of March 2007, down from 4.7 percent in March 2006, based on data from Dupre+Scott Apartment Advisors, Inc. The average rent increased nearly 7 percent to \$883 and property managers were projecting a 3.5-percent average increase in rents during the next 6 months. Properties offering concessions declined to 15 percent compared with 26 percent in March 2006. The apartment rental vacancy rate was approximately 4 percent in the Seattle metropolitan area, where conversions of rental units to condominiums during the past year reduced rental supply. Rental market conditions in the Puget Sound area were tightest in the Olympia area, with a 3.3-percent apartment vacancy rate, resulting from increased rental demand and few new rental units. In the Bremerton and Tacoma areas, military deployments from Naval Base Kitsap and Fort Lewis, respectively, increased the apartment rental vacancy rates during the past year. The Bremerton area rental vacancy rate rose from 4 percent to 7.8 percent between March 2006 and March 2007, while the Tacoma area increased from 4.8 percent to 5.8 percent during the same period.

Rental market conditions in the Portland area were balanced, with a 5-percent apartment rental vacancy rate, down from 6.5 percent in the first quarter of 2006. Rents increased 4 percent during the past 12 months and fewer properties offered concessions. Market conditions were tight in the Eugene-Springfield metropolitan area with an estimated 2-percent apartment rental vacancy rate, unchanged from a year ago. In the Boise metropolitan area, market conditions were balanced as the estimated apartment rental vacancy rate declined from 7 percent in the first quarter of 2006 to 6 percent as of the first quarter of 2007. The average rent in the Boise area increased nearly 7 percent during the past 12 months to approximately \$745. Rental market conditions in the central and eastern regions of Idaho and in the Lewiston area were balanced, with vacancy rates in the 5-percent range. Market conditions were tight in northern Idaho.

The tighter rental market conditions throughout much of the Northwest region resulted in an increase in multifamily building activity, as measured by the number of units permitted, during the 12 months ending March 2007 compared with the previous 12 months. The number of multifamily units permitted increased by 25 percent to 28,300 units. Washington accounted for most of the regional gain, up by 47 percent, or 5,200 units, to 17,550 units. Approximately 40 percent of the building activity in Washington was for condominiums in the Seattle area. In Oregon, multifamily building activity increased by 12 percent, or 800 units, to 7,350 units permitted. Multifamily building permit activity declined 18 percent in Alaska to 1,150 units and 2 percent in Idaho to 2,200 units.

Housing Market Profiles

Austin-Round Rock, Texas

The Austin-Round Rock metropolitan area is the economic and healthcare center of central Texas. The metropolitan area comprises Bastrop, Caldwell, Hays, Travis, and Williamson Counties and encompasses more than 4,600 square miles. The city of Austin, located in Travis County, is the state capital and home to The University of Texas at Austin. The city of San Marcos, located in Hays County, is approximately 30 miles south of Austin and is the home to Texas State University.

The economy in the Austin-Round Rock metropolitan area is strong. According to the Texas Workforce Commission, during the 12-month period ending February 2007, average nonfarm employment was 725,400 jobs, up 4.2 percent from the previous 12-month average. The government sector had the largest gain, adding 6,200 jobs. The retail sector followed, with a gain of 5,800 new jobs. As a result of the strong employment growth, the average unemployment rate declined from 4.4 to 4.0 percent.

The recent employment growth has contributed to a slight increase in net in-migration to the area. Local sources indicate many of the people migrating into the area are from the East Coast. Since January 1, 2004, the population of the metropolitan area has increased 31,700, or 2.3 percent, annually to an estimated 1,490,500 as of February 1, 2007. Corresponding with the increase in population, the number of households in the metropolitan area also increased significantly. As of February 1, 2007, an estimated 601,800 households are in the metropolitan area, up from 531,300 in January 1, 2004.

Employment growth is expected to remain strong over the next few years. As of the first quarter of 2007, the Greater Austin Chamber of Commerce has announced that 11 companies plan to expand or build new facilities in the area, adding approximately 1,500 new jobs. In addition, more than 2 million square feet of retail space are being developed in Bastrop County, one of the 10 fastest growing counties in the nation, according to the U.S. Census Bureau.

The University of Texas, Texas State University, and several smaller colleges and universities have a significant impact on the local economy and housing markets. The University of Texas employs

16,300 faculty and staff and, according to a study prepared by the University of Texas at San Antonio, has an economic impact on the area in excess of \$2.5 billion. Enrollment for the fall 2006 semester totaled 114,000 students in all the colleges and universities, approximately the same as the fall 2005 enrollment. Nearly 16,000 students reside in on-campus residence halls and university-owned apartments off campus. The remaining 98,000 students, comprising an estimated 35,600 student households, live in off-campus housing throughout the area.

Home builders and developers in the metropolitan area have cut back single-family construction, as measured by the number of building permits issued, because of the industrywide tightening of credit standards and rising interest rates. Single-family permits for the 12-month period ending February 2007 were down 9.6 percent to 16,600 homes compared with the previous 12-month period. Currently, about 4,200 single-family homes are under construction. Demand for new custom luxury homes has been increasing in western Travis County, northern Hays County, and western Williamson County. In western Travis County and northern Hays County, approximately 6,300 lots are being developed for homes expected to be priced at \$300,000 and above. Near Leander, in western Williamson County, more than 10,000 lots are being developed primarily for the move-up and custom home markets. Although some homes will be priced in the \$200,000s, the development will primarily include homes priced from \$300,000 to \$500,000.

Although a slowdown in construction in the new home market has occurred, the existing home sales market is tight. Strong household growth has contributed to a significant increase in existing home sales and higher prices. For the 12-month period ending February 2007, the Real Estate Center at Texas A&M University reported approximately 30,000 residential sales, up 9 percent compared with the previous 12-month period. The median sales price of a single-family home was \$177,400, up from \$165,600 during the same period a year ago.

The redevelopment of the site of the former Robert Mueller Municipal Airport (Mueller) is expected to add a substantial number of affordable housing units to the metropolitan area. After 10 years of planning and infrastructure work, housing construction is set to begin the summer of 2007. Located in north central Austin, the development is expected to include 1,500 single-family homes, 900 condominiums and townhomes, and 2,200 apartments. Of all the housing units, 25 percent will be restricted to households



earning less than 80 percent of the area median family income of \$69,300. The first phase of more than 340 affordable homes, priced from \$120,000 to \$160,000, is expected to be ready for occupancy in early 2008. Although a final completion date of the redevelopment of Mueller has not been announced, it could take up to 20 years to complete.

Multifamily development, primarily apartments, has increased in the metropolitan area. Nearly 9,400 units were permitted in the area for the 12-month period ending February 2007, compared with 6,600 the previous year. During the same period, in Williamson County, multifamily units permitted were up approximately 150 percent to 1,600. Strong employment growth in the county and the completion of the 183A tollway, which eases the commute into Austin, led to the increased demand for rental units. According to McGraw Hill Construction Pipeline data, approximately 80 percent of the 8,300 multifamily units under construction in the metropolitan area are apartments; the remaining 1,960 units are for-sale condominiums.

Even with the increase in apartment construction, the rental market is expected to remain relatively balanced. Recent household growth and fewer renters moving to homeownership have contributed to a lower rental vacancy rate and higher apartment rents. For the 12-month period ending February 2007, ALN Systems, Inc., reported an average apartment vacancy rate of 6.4 percent, down from 7.3 percent a year ago. During the same period, the average monthly rent increased from \$734 to \$785.

Burlington-South Burlington, Vermont

The Burlington-South Burlington, Vermont Metropolitan Statistical Area (MSA) consists of Chittenden, Franklin, and Grand Isle Counties and is located in the northwestern corner of the state, adjacent to Lake Champlain. The city of Burlington, with a population of nearly 40,000, is the largest city in Vermont and serves as a center for business, commerce, and government.

A declining economy after 2001 resulted in slower population growth compared with the 1990s. Between 1990 and 2000, the total population of the MSA increased 1.2 percent annually to 198,889. Population gains from net natural change (resident births minus resident deaths) and in-migration have slowed since 2000, resulting in an estimated October 1, 2006, population of 206,300, or a 0.6-percent annual increase.

In 2006, average annual nonfarm employment in the Burlington-South Burlington MSA remained unchanged from a year ago. Employment increased in 2006 with 600 new jobs in the professional and business services, education and health services, and leisure and hospitality sectors. These gains were offset by the loss of 250 manufacturing jobs and declines in the information and other services sectors. Despite the lack of growth, the MSA is characterized by a low unemployment rate, which is typically among the lowest in New England. During 2006, the average annual unemployment rate was 3.3 percent, relatively unchanged from a year ago.

The city of Burlington is the home of the University of Vermont (UVM) and Fletcher Allen Health Care, a large regional healthcare provider. Including the medical school, UVM had a fall 2006 enrollment of 10,800. Both student enrollment and investment in the area are continuing. University Heights, a \$60 million housing complex designed to house 800 students, was completed in September 2006. The Dudley H. Davis Student Center, a \$61 million construction project, is scheduled for a fall 2007 completion. Fletcher Allen Health Care, which serves both Vermont and Northern New York, is affiliated with the UVM College of Medicine. With 2006 revenues in excess of \$680 million and more than \$90 million in research grants, Fletcher Allen is a major contributor to the area economy. Other large employers include International Business Machines Corporation, Chittenden Bank, and IDX Systems Corporation.

The lack of employment growth combined with rising interest rates led to a recent decline in home sales. From 2000 through 2005, single-family home sales averaged 3,660 units a year. In 2006, home sales declined to 3,130 units, an 18-percent decrease when compared with the previous year. The slowing market has also impacted home prices. Between 2004 and 2005, the median price of a single-family home increased 13 percent to \$243,000. In 2006, for the first time in more than 10 years, the median price of a single-family home decreased, by approximately 5 percent to \$232,000. Average sales prices throughout the MSA for 2006 also indicated a slowdown in the single-family housing market compared with 2005. Local sources reported that the average sales price of a single-family home increased by less than 1 percent in both Chittenden and Grand Isle Counties to \$330,000 and \$268,000, respectively.

Builders responded to the slowdown in sales by reducing production. Since 2000, total housing construction in the MSA, as measured by the number of building permits authorized, averaged 950 units annually. Housing construction declined

13 percent in 2006 to 611 units compared with a year ago, including 446 single-family units, or approximately 73 percent of the total, and 165 multi-family units, primarily in Chittenden County. Two large-scale multifamily projects are nearing completion in the city of Winooski: Keen's Crossing apartments, a 213-unit rental property, which contains both affordable and market-rate units, and the Cascades Riverfront Condominiums, a 180-unit condominium property with prices starting at \$300,000. No other large multifamily housing projects were permitted in the MSA during the past 2 years.

Current rental market conditions in the MSA remain tight, and monthly rent levels continue to rise. In the past year average rents increased approximately 5 percent, with a two-bedroom apartment in the area typically renting for approximately \$1,000 a month, including utility costs. The rental market in the city of Burlington is particularly tight because approximately 50 percent of the students at UVM live in off-campus housing. Recent construction added more than 1,100 beds of student housing to the market, including 800 beds of on-campus housing and 312 beds in the city of Winooski. Although these additions to the rental housing supply have helped address student demand, the overall rental vacancy rate in the MSA remains extremely low at an estimated 3 percent.

Corpus Christi, Texas

The Corpus Christi metropolitan area, located on the Gulf of Mexico in south Texas, consists of Aransas, Nueces, and San Patricio Counties. The principal city of Corpus Christi, located in Nueces County, is the retail and tourism center of a 150-mile coastal region. According to the Corpus Christi Convention and Visitors Bureau, approximately 5 million people visit the metropolitan area annually, with tourism generating an annual economic impact of \$1 billion.

As of February 1, 2007, the population of the metropolitan area is estimated at 419,900, an increase of 1 percent annually since 2000. The population growth has been primarily from net natural increase (resident births minus resident deaths), which accounted for more than 80 percent of the growth during each of the past 2 years. Net migration was positive in 2003 for the first time since 1999. Steady job growth and affordable housing costs have resulted in increased net in-migration from surrounding areas, primarily from larger metropolitan areas within the state.

The economy in the metropolitan area is strong. Total nonfarm employment increased by 4,200 jobs to 174,300, a 2.5 percent gain, during the 12 months ending January 2007. As of January 2006, Christus Spohn Health System, with 4,500 employees, was the largest private-sector employer in the metropolitan area, according to the Corpus Christi Regional Economic Development Corporation. The education and health services sector employs approximately 26,000 people throughout the area. More than 700 new jobs were created in the manufacturing sector, a 6.6-percent increase, primarily in industrial machinery and cabling. Hiring in the leisure and hospitality sector was strong during the past 12 months. The sector added 700 jobs, an increase of 3.5 percent, with most hiring occurring in the core tourism industries such as restaurants, attractions, and hotel/motels.

One main economic driver in the area is the Port of Corpus Christi Authority (Authority), which has served the metropolitan area for more than 80 years. The Authority currently ranks as the 7th largest port in the United States in terms of tonnage. According to the Corpus Christi Metropolitan Planning Organization, the Authority accounts for approximately 11,900 direct jobs and nearly 28,000 indirect jobs in the metropolitan area. The jobs provide \$2.2 billion in income for families throughout the coastal region.

The market for existing single-family homes in the metropolitan area is tight as a result of steady population growth and strong job gains. According to the Real Estate Center at Texas A&M University, sales of existing homes during the 12 months ending January 2007 totaled 5,850 units, an increase of 16 percent compared with the previous 12 months. The average sales price increased to \$154,200, up 4 percent compared from a year ago.

During the 12 months ending January 2007, new home construction slowed to allow for the absorption of recently constructed units. The number of single-family homebuilding permits was down 5 percent to 1,700 compared with the record-setting level of 1,800 during the previous 12-month period ending January 2006. Activity during the past 24 months has been well above the average of the 2000-to-2004 period when nearly 1,175 permits were issued annually.

During the past 2 years, condominiums have become increasingly popular in the metropolitan area with both retirees and vacation homebuyers. Currently, several projects are under way. The Moorings at



Mustang Island, which began construction in 2005, is located on the southern edge of Port Aransas. The Moorings will feature 23 townhomes and 36 midrise condominiums, each with its own boat slip. The Moorings condominiums are currently priced at \$450,000 per unit and are expected to be completed by yearend 2007. Maravilla Del Mar, a planned 500-unit highrise condominium complex near Mustang Island State Park, will include three buildings, each of which is expected to be more than 30 stories high. Construction is expected to begin the summer of 2007, with completion by the summer of 2009. Unit prices start at \$400,000; penthouses are being sold for more than \$1.5 million.

The Corpus Christi metropolitan area apartment market is currently balanced and has been for several years. The vacancy rate decreased from 8 percent in April 2000 to 6 percent currently, according to Axiometrics Inc. Apartment rents in the area average \$590 for a one-bedroom unit, \$670 for a two-bedroom unit, and \$840 for a three-bedroom unit. Apartments account for approximately 40 percent of all rental units with the rest consisting of single-family homes and mobile homes. The current overall rental vacancy rate in the area is estimated to be 10 percent.

Apartment construction, as measured by the number of multifamily building permits issued, increased by 50 percent during the 12 months ending January 2007 compared with the previous 12-month period ending January 2006, rising to a record high of 930 units. During the past 4 years, multifamily building activity has been volatile, primarily in buildings with five or more units. Very little production in 2005 was followed by a large amount of construction in 2006, a replica of the pattern that occurred from 2003 to 2004. Apartment construction activity during the next 12 months is expected to slow to an estimated 500 units.

Indianapolis, Indiana

The Indianapolis metropolitan area, located in the center of Indiana, consists of 10 counties. The city of Indianapolis, nearly coterminous with Marion County, is the headquarters of Eli Lilly and Company, the leading private employer in the area, with 14,000 employees and a 2006 annual economic impact of \$2.2 billion dollars, according to the company. Indiana University-Purdue University at Indianapolis and FedEx are the second and third leading area employers, with 7,100 and 6,300 employees, respectively.

Population growth in the metropolitan area averaged 23,400 a year, or 1.5 percent annually, since the 2000 Census, resulting in an April 1, 2007, estimated population of 1,689,000. Population growth since 2000 has been evenly divided between net natural change (resident births minus resident deaths) and net in-migration. Migration into the Indianapolis area is mainly a result of job growth in high-paying service-providing employment sectors and a cost of living below the national average. More than two-thirds of the population growth since 2000 has been in the northwestern counties of Hamilton, Boone, and Hendricks. Located along Interstate-65 (I-65) and I-69, these suburban counties attract many dual-income households that are employed in nearby metropolitan areas such as Anderson and Lafayette and in Indianapolis.

The economy of Indianapolis has been growing at a relatively steady pace for the past 2 years. Nonfarm employment increased by 1.2 percent in 2005 and 1.4 percent in 2006 compared with an average annual rate of 0.7 percent between 2000 and 2004. In the 12 months ending February 2007, average nonfarm employment increased by 12,500 jobs, or 1.4 percent, to 902,500. The primary growth industries in the Indianapolis economy are in the service-providing sectors. During the past 12 months, employment in the professional and business services sector grew by 3,200 jobs, or 2.6 percent; the education and health services sector gained 4,000 jobs, or 3.7 percent; and the transportation and utilities sector added 1,400 jobs, or 2.8 percent. In 2007, Wellpoint Inc., the largest health insurer in the country, will add 600 jobs and an additional 600 jobs by 2011 at the corporation's Indianapolis headquarters.

Employment gains in the goods-producing sector have been modest during the current 12-month period. Employment increased by 400 jobs, or 0.2 percent. A slight 0.7-percent decline in manufacturing employment was offset by a 2.1-percent gain in construction employment. Current large construction projects include additional airport facilities for the \$214-million FedEx expansion, the new \$1-billion Lucas Oil Stadium built for the Indianapolis Colts, and multiple upgrades to the Indiana Convention Center. In manufacturing, new facilities at both Subaru of America, Inc., and Rolls-Royce North America will create 1,600 additional jobs by the end of 2008.

Despite a growing economy, the rate of single-family home construction, as measured by the number of building permits issued, declined significantly during the 12-month period ending

February 2007. Single-family building permits declined by 28 percent, to approximately 9,100 homes, after averaging nearly 13,000 homes permitted annually since 2000. Rising interest rates and a buildup of unsold new home inventory, which reached a record level of 2,300 units in December 2006, were the primary reasons for this decline. The average sales price for new homes was approximately \$206,000 in 2006, relatively unchanged from 2005. A growing proportion of new single-family home construction will occur in traditional neighborhood developments (TNDs), the newest suburban development concept in the area. TNDs are completely self-sustaining suburban communities, characterized by smaller homes built on interconnecting walkable streets and interspersed with retail, office, and green space. New TNDs in the Indianapolis metropolitan area include Anson in Boone County and Saxony and Gramercy in Hamilton County, all of which are currently under construction.

Conditions in the single-family home sales market remain balanced with continued strong demand during the past 12 months. According to the Metropolitan Indianapolis Board of REALTORS®, approximately 27,500 new and existing homes were sold in the metropolitan area in the 12 months ending February 2007, unchanged from the previous 12-month period. The median sales price for new and existing single-family homes also remained flat at \$125,500. The highest level of activity occurred in Marion County, with 13,700 sales during the current 12-month period ending February 2007. Boone County recently surpassed Hamilton County as the highest priced county in the metropolitan area, with an average sales price of \$258,800. Nearly one-third of the units built in Boone County in 2006 were priced in excess of \$325,000.

Condominium sales accounted for 8 percent of all new and existing home sales in the metropolitan area. During the 12 months ending February 2007, approximately 2,300 condominiums were sold, an increase of 1 percent from the previous 12 months. The median sales price increased by 2 percent to \$125,900 during the same period. More than 68 percent of all condominium sales occurred in Marion County, with many in downtown Indianapolis. Currently 8,300 condominiums are in downtown Indianapolis, with 400 additional units in the pipeline for 2007. Sales prices for mostly highrise, upscale condominium units average \$300,000.

Although the Indianapolis metropolitan area rental market is currently soft, market conditions should improve given limited new supply, steady population growth, and rising mortgage interest rates.

According to CB Richard Ellis, the vacancy rate declined from 11 percent in 2005 to 10 percent in 2006. Rents increased a modest 0.7 percent during the same period. Average rents for newer units are currently \$649, \$903, and \$1,046 for one-, two-, and three-bedroom units, respectively. Among area submarkets, the downtown Indianapolis area reports the lowest vacancy, at 5 percent. On average, the highest priced units are located in Hamilton County, where most units were built in upscale properties during the past 6 years.

Multifamily construction, as measured by the number of building permits issued, declined during the past 12-month period. Multifamily permits totaled approximately 2,300 units in the 12 months ending February 2007, a 25-percent decrease compared with the previous 12-month period. Excess vacancies in both the rental and condominium markets during 2006 led multifamily developers to scale back production. According to Marcus and Millichap, 960 rental units were added in 2006 and 740 rental units are anticipated to be completed in 2007, which is 30 percent fewer units than the annual average recorded since 2000. The most active submarket in 2006 was northwest Indianapolis, comprising Boone and Hendricks Counties, which added 350 units. For 2007, north suburban Hamilton County reported the largest pipeline of 680 units.

Oklahoma City, Oklahoma

The Oklahoma City Housing Market Area (HMA) includes seven counties in central Oklahoma. Oklahoma City, the state capital, is home to Tinker Air Force Base (AFB). The population of the HMA as of January 2007 is estimated at 1.2 million, an average annual increase of 14,300, or 1.3 percent, since July 2005. Net in-migration accounted for 46 percent of the population increase during that period compared with 42 percent since 2000.

Nonfarm employment averaged 567,900 for the 12 months ending January 2007, an increase of 11,000 jobs, or 2 percent, from the previous 12 months. Jobs have increased primarily due to hiring in the professional and business services sector and the education and health services sector. Nonfarm employment growth occurred in all sectors, except for the manufacturing sector, in which a loss of 2,700 jobs occurred, primarily due to the closure of a General Motors assembly plant in Oklahoma City in early 2006. Economic initiatives have attracted approximately 2,000 additional information sector



jobs in call centers for companies such as Hertz, Southwest Airlines, and Dell. Despite these gains, total employment in the sector remained at 13,600, unchanged during the past 24 months. The government sector accounts for approximately 113,000 jobs, 20 percent of total nonfarm employment. According to the Greater Oklahoma City Chamber of Commerce, approximately 38,000 people are employed by the state government, followed by 26,000 employed by the federal government at Tinker AFB. The base provides logistic services for the U.S. Air Force and has an economic impact on the HMA of \$800 million annually. The number of military personnel and the number of civilian employees are expected to remain near current levels based on recommendations from the Base Realignment and Closure Commission.

The 16 universities located in the HMA have a combined enrollment of more than 100,000 students. The largest, the University of Oklahoma (OU), contributes more than \$1 billion annually to the local economy, according to the OU Public Affairs Office. Approximately 23,000 students and 6,000 staff and faculty are at OU's main campus in Norman, Oklahoma, 19 miles south of downtown Oklahoma City.

Despite economic gains during the 12 months ending January 2007, the home sales market has softened slightly, primarily as a result of a slowdown in the sales of new homes. The overall estimated vacancy rate is 3 percent, up from 2.1 percent a year ago. At the end of 2006, the inventory of unsold homes was 7,770, an increase of nearly 1,700, or 21 percent, compared with the previous year. In response to higher vacancy rates, developers of single-family homes decreased production in mid-2006, as measured by the number of single-family building permits issued. During the 12 months ending January 2007, permits were issued for 6,725 homes, a 24-percent decrease from the record high of 8,375 permits issued a year earlier. An estimated 1,200 single-family homes remain under construction compared with approximately 1,700 homes a year ago, indicating a 29-percent decline. With the decline in production, the market is expected to absorb the excess unsold new home inventory within the next 12 months.

The demand for existing homes remains strong and the sales price for existing homes continues to increase. The average price of \$154,400 during the 12 months ending January 2007 was a gain of nearly \$17,000, or 12 percent, above the average price for the same period a year ago. According to the Oklahoma Board of REALTORS®, the number of sales for existing homes in the 12 months ending

January 2007 was 19,590, down less than 2 percent from the previous year.

Public-private partnerships have revitalized downtown Oklahoma City with retail, recreational, and residential centers being developed in an area called Bricktown. Office buildings that have been vacant since the 1980s have been converted to condominiums and apartments. Projects undertaken since the late 1990s include a new minor league baseball stadium, a 20,000-seat arena for sports and entertainment, and the Bricktown Canal, which extends through the entertainment district to the Canadian River and features lakes, parks, shops, restaurants, and hiking and biking trails.

Approximately 1,000 multifamily units are expected to be completed in downtown Oklahoma City, mainly in Bricktown, in 2007 compared with an average of 800 units a year since 2000. This new construction includes a 176-unit conversion of an office building into apartments. Apartment construction activity, as measured by building permits, has slowed during the 12 months ending January 2007, with only 457 multifamily units permitted compared with 550 units during the previous 12 months. Nearly 1,800 units were permitted in the 12 months ending January 2005. Multifamily permits during the past 12 months included fewer than 100 condominium units, primarily in downtown Oklahoma City.

Rental housing market conditions in the Oklahoma City HMA are soft. The current overall vacancy rate is 10 percent, relatively unchanged since 2000. According to data from Reis, Inc., in the fourth quarter of 2006, the average rents for one-bedroom, two-bedroom, and three-bedroom units were \$473, \$589, and \$649, respectively. Average effective rent increases of 5 percent occurred during 2006 despite more than 50 percent of surveyed complexes offering concessions. Typical rental concessions consist of 1 month's free rent prorated on a 13-month lease. In Norman, despite the impact of the large number of OU students, the average vacancy rate, at 10 percent, has been relatively unchanged during the past 2 years. Approximately 15,000 students account for about 70 percent of the renter households in the city. The overall rental market in the HMA is expected to tighten in 2007 due to the reduced number of apartments being constructed.

Phoenix, Arizona

The Phoenix metropolitan area, the leading economic and government center of Arizona, comprises Maricopa

and Pinal Counties. The Phoenix economy is highly diversified, with employment concentrations in aerospace and semiconductor manufacturing, financial services, and tourism. Major private employers include Banner Health, Wells Fargo, and Honeywell Aerospace. Arizona State University (ASU), which enrolls more than 60,000 students and employs more than 12,000 faculty and staff, has an annual economic impact of approximately \$3.8 billion.

Nonfarm employment in the Phoenix area averaged 1,910,000 jobs in the 12 months ending February 2007, an increase of 102,800 jobs, or 5.7 percent, from the previous 12-month period. In the past 2 years, Phoenix area employers led the nation in job creation. The professional and business services sector added 23,700 jobs in the current 12-month period, a gain of nearly 9 percent, notably in legal, employment, architectural, and planning services. Employment in the leisure and hospitality industries rose by nearly 10,000, or 5.7 percent, reflecting continued expansion of tourism and business travel. The education and health services sector contributed more than 10,000 new jobs, while employment in the construction industry rose 11.5 percent, by more than 19,000 jobs. Some of the largest construction projects in progress include a \$3 billion Intel semiconductor chip plant, the 167-bed Banner Gateway Medical Center in Gilbert, the \$600 million Phoenix Convention Center Phase Two, and more than 700 units of highrise condominiums in downtown Phoenix and Tempe. The unemployment rate in the Phoenix area averaged just 3.5 percent in the past 12 months, down from 4.0 percent in the preceding year.

Employment growth is expected to continue in the next several years, supported by a number of major developments. AAA (American Automobile Association) announced plans to build its regional center in Glendale, hiring about 1,400 people by early 2009. In Chandler, the completion of the new Intel Fab 32 semiconductor chip plant is expected to add 1,000 jobs by late 2007. In North Phoenix, USAA insurance and the Mortgage Lenders Network USA, Inc., expect to hire as many as 1,700 workers in 2007. The health services sector is expected to expand due to the completion of at least four new hospitals in 2007, with seven more in various phases of planning. Employment in downtown Phoenix will expand in the next several years due to the tripling in size of the Phoenix Convention Center, the building of a new 1,000-room Sheraton Hotel, the completion of the Valley Metro light rail system scheduled for December 2008, and the further buildout of the just-opened ASU downtown branch campus.

The Phoenix area continues to be among the highest in the nation for population growth due to its rapidly expanding employment base and a wide range of housing choices, attracting both job seekers and retirees. The metropolitan area population was estimated to be approximately 4.16 million as of January 2007, an annualized gain of 173,500, or 4.4 percent, since July 2005 compared with an average annual increase of 124,000 in the previous 5 years. Migration, primarily from California and other surrounding states, accounted for three-fourths of the increase. The population of Maricopa County rose nearly 130,000, more than any other county in the nation, to nearly 3.8 million. Pinal County population increased to 271,000, a gain of 31,000, or 13 percent, compared with an average annual increase of less than 12,000 in the previous 5 years. Approximately one-fourth of total metropolitan population growth occurred in Pinal County due to abundant land for development and more affordable home prices.

The Phoenix home sales market continues to slow to more normal levels of sales after several years of consecutive record levels. According to the Phoenix Housing Market Letter, sales of existing homes declined 36 percent to about 85,360 homes in the 12 months ending February 2007, compared with the near-record level of the previous 12 months. Unsold inventory averaged nearly 43,000 homes during this period, more than triple the average of 13,000 units in 2005, when the market was strongest. Between the first quarter of 2005 and the first quarter of 2007, the average time to sell an existing single-family home increased steadily from a low of 24 days to 95 days currently. The slow existing sales market and reduced investor demand also impacted sales of new homes, which declined 14 percent to nearly 50,000 homes in the 12 months ending February 2007 compared with the record sales volume in the preceding year. The sales market is currently soft but is expected to move toward more balanced conditions during 2007 and into 2008 due to continued rapid in-migration and a reduction in homebuilding activity.

The median sales price for existing homes has been relatively stable within a \$250,000 to \$260,000 range since early 2006, after increasing more than 40 percent in 2005. For the 12 months ending February 2007, the median sales price was approximately \$254,000, just 1 percent more than in the previous 12-month period. After rapid price increases in 2004 and 2005, the median price for a new home was up to approximately \$280,000 at the beginning



of 2007, an increase of just \$10,000 from a year earlier. Home prices in the Phoenix area have doubled in the past 5 years, according to the Office of Federal Housing Enterprise Oversight (OFHEO).

An increased desirability of urban living, a preference for a shorter commute to work, and the steep rise in single-family home prices all have contributed to increased demand for condominiums, townhouses, and other higher density home options. The share of existing condominium sales rose from 5 percent of the total resale market in 2003 to about 8 percent in 2006. During those intervening years, the median sales price of condominiums rose from \$104,000 to \$182,000, a 75-percent increase. The Arizona Real Estate Center of ASU reported that sales of condominiums and townhouses rose from 1,800 units in 2003 to 7,100 in 2006. Nearly 20,000 multifamily rentals converted to condominiums in the 2004 to 2006 period, though conversions had essentially halted by the end of 2006 due to the slowdown in the sales market. More than 500 units of highrise condominiums or lofts are under construction in downtown Phoenix, beginning at about \$300,000 for a one-bedroom residence. The 176-unit, 22-story first phase of the Centerpoint Condominiums development in Tempe is scheduled to open in 2008.

In response to the slowdown in new home sales and the rise in new home inventory, builders have significantly reduced home construction. Single-family home construction, as measured by the number of building permits issued, declined by nearly 18,800 homes, or 35 percent, to 34,200 homes in the 12 months ending February 2007 compared with the previous 12-month period, about equal to the average production level in the late 1990s. The search for lower cost land for subdivisions has led builders to shift production increasingly to the West Valley of Maricopa County and to Pinal County, which accounted for more than 20 percent of the building in the metropolitan area, up from less than 10 percent in 2001.

The Phoenix rental market remained balanced to tight in 2006. The Arizona Real Estate Center survey of large apartments reported an average vacancy rate of 4.5 percent, down from an average of 6.5 percent in 2005 and 8.5 percent in 2004. The decline in vacancy resulted from the increased demand associated with strong job and household growth, moderate apartment supply, the conversion of many rental units to condominiums, and the rapid increase in home prices over several years. The vacancy rate in the fourth quarter of 2006 has risen slightly to 5.3 percent due to the completion of new

apartments in the fourth quarter and some condominiums returning to the rental market. According to RealData, Inc., the average rent for apartment units in the Phoenix area in the fourth quarter of 2006 was \$790, a 6-percent increase from the previous year, the largest gain since the late 1990s. The average rent was \$692 for unfurnished, one-bedroom units; \$844 for two-bedroom units, and \$1,158 for three-bedroom units.

Multifamily construction activity, as measured by the number of building permits issued, declined 13 percent, or 1,200 units, to approximately 8,240 units in the 12 months ending February 2007, about the average annual volume of the previous 5 years. RealData, Inc., indicated that 3,400 of the units permitted in 2006 were in large rental complexes of at least 50 units, down from 5,600 permitted in 2005 and the lowest level since 1993. The drop in the number of rental units permitted was offset in part by an increase in permits for new condominiums. Due to the rapidly growing demand for rental units and moderate increased rental supply, the rental market is expected to remain balanced for at least the next 2 years.

Roanoke, Virginia

The Roanoke metropolitan area, located near the foothills of the Blue Ridge Mountains, comprises the counties of Botetourt, Craig, Franklin, and Roanoke and the cities of Salem and Roanoke. As of February 1, 2007, the estimated population of the metropolitan area was 296,500, an average increase of 1,200, or 0.4 percent, annually since 2000. The area is a transportation hub servicing Norfolk Southern Corporation (railroad), Advance Stores Company (auto parts distributor), and United Parcel Service. More than 70 local, state, and interstate trucking companies serve the Roanoke Valley. The area is also the regional medical center for western Virginia. Carilion Health System, which manages the largest hospital in the area, is the leading private sector employer, with approximately 9,700 employees.

The economy is recovering from job losses that occurred between 2001 and 2004. Within that period, nonfarm employment declined by 6,800 jobs, an average annual loss of 1.4 percent. Manufacturing layoffs accounted for 4,000 of those jobs, with nearly 1,600 in machinery manufacturing. Since 2004, the economy has rebounded and continues to grow. In the past 2 years, 5,400 jobs were added, or an average 1.7 percent annual growth. In the 12-month period

ending February 2007, nonfarm employment averaged 162,600 jobs, an increase of 2,300 jobs compared with the previous 12-month period. The fastest growing sectors were education and health services, with approximately 1,100 new jobs; professional and business services, with 700 additional jobs; and wholesale and retail trade, with more than 600 new jobs. The transportation and utilities sector averaged 8,625 jobs, relatively unchanged from a year ago. The average unemployment rate was 3.1 percent for the 12 months ending February 2007, a decline from 3.3 percent for the same period a year ago.

Employment is expected to steadily increase during the next 3 years. According to Roanoke Valley Economic Development Partnership, Inc., MW Manufacturers Inc. will expand its Rocky Mount headquarters in Franklin County, investing \$23 million and creating 175 new jobs in the next 2 years. McAirmaid's® Vliesstoffe GmbH & Co. KG, will spend \$85 million to open a manufacturing plant and corporate headquarters, employing 160 people within the next 20 months. Carilion Health System and Virginia Tech will begin construction in early 2008 of a joint medical school and research building in the Riverside Centre for Research and Technology of Roanoke city. According to the *Virginia Tech News*, the school will inaugurate its first class in 2009 or 2010.

An expanding economy and relatively low interest rates supported single-family home construction, as measured by the number of building permits issued in the area. During the 12-month period ending February 2007, approximately 1,330 single-family homes were permitted, with most of the construction in Franklin and Roanoke Counties. This number shows a slight decrease from the 1,450 homes permitted for the metropolitan area during the previous year. Currently, about 300 single-family homes are under construction in the Roanoke metropolitan area.

Continued economic growth has helped maintain a balanced sales market in the metropolitan area. According to the Virginia Association of REALTORS®, for the 12-month period ending February 2007, the average sales price for a home was \$211,362, an increase of \$8,024, or 4 percent, compared with the same period a year ago. The average number of days on the market remained unchanged at 67. The number of homes sold decreased slightly to 5,613 from 5,782 for the same period last year, a 3-percent decline. According to the House Price Index of the Office of Federal Housing Enterprise Oversight, based on repeated valuations of the same property

over time, homes continue to appreciate in the metropolitan area.

Multifamily development has occurred primarily in the counties of Franklin and Roanoke. During the 12 months ending February 2007, the construction of multifamily units, as measured by the number of permits authorized, has slowed, with only 42 units permitted, relatively unchanged from the previous 12 months. Of the 414 multifamily permits issued in the last 3 years, 56 percent have been for condominium units. In eastern Roanoke County, according to the McGraw-Hill Construction Pipeline database, a 128-unit condominium project is scheduled to be completed by September 2007. Also, a 95-unit active adult condominium development is expected to be completed by April 2007 in Roanoke city.

The rental market is currently balanced. The vacancy rate declined from 9.1 to 5.9 percent during the past 12 months, as reported by Real Data, Inc. Current average monthly rents for one-bedroom, two-bedroom, and three-bedroom units are \$563, \$635, and \$733, respectively. Rents have been increasing in the past 2 years by approximately 3.5 percent annually. Since few rental units are in the production pipeline, vacancy rates are expected to continue to decline in the next year. Currently, according to RealData, Inc., about 10 percent of the apartment communities are offering concessions, down from 15 percent last year.

Spokane, Washington

The Spokane metropolitan area consists of Spokane County and is located in eastern Washington along the Idaho border. Spokane, the second largest city in Washington, is the healthcare, business, and education hub for eastern Washington and northern Idaho. As of April 1, 2007, the population of the Spokane metropolitan area is estimated to be 451,400, up 1.3 percent in the last 12 months and 1.1 percent annually since 2000. Due to job growth and relatively affordable housing, 70 percent of the population increase in the past 2 years is attributable to net in-migration, primarily from northern California and western Washington.

The leading employer in the area is Fairchild Air Force Base (FAFB); 1 of every 11 jobs in Spokane County is related to the base, which employs 700 civilian and 2,494 military personnel. Including the spending of approximately 17,500 military retirees and the 500 employees of the Department of Veterans



Affairs, the annual economic impact of FAFB on the metropolitan area is nearly \$2 billion. Employment at the base has remained stable during the past several years and no changes are anticipated during the next 12 months.

Nonfarm employment increased at the fastest annual rate in more than a decade during 2006. Total nonfarm employment reached 214,000 jobs during the 12-month period ending February 2007, an increase of 6,700 jobs, or 3.2 percent, compared with the previous 12-month period. Employment gains were recorded in nearly every sector. The largest increase occurred in the construction sector, with more than 1,400 jobs added. The 11-percent increase in construction jobs has been supported by numerous commercial projects, including the development of Wal-Mart, Home Depot, and Target retail stores. The manufacturing sector added 900 jobs, almost double the number added in the previous 12-month period. Service-providing sectors that showed significant job gains during the 12 months ending February 2007 were the wholesale and retail trade sector and the professional and business services sector, with more than 1,200 and 1,000 additional jobs, respectively. The average unemployment rate decreased to 5.3 percent between March 2006 and February 2007 compared with the 5.6-percent average unemployment rate recorded for the previous 12 months.

Strong population growth and relatively low mortgage interest rates sustained single-family homebuilding activity at an average of 2,000 units between 2000 and 2005. After a record-setting 2005, with more than 3,550 single-family building permits issued, construction activity returned to a more normal level, with 2,647 permits issued. For the 12-month period ending March 2007, single-family building permits totaled 1,836, which is 20 percent below the previous 12-month period and closer to permit issuance levels in the early 2000s. Construction activity has occurred throughout Spokane County, but the southeast portion has been particularly attractive for single-family development because of its proximity to retail businesses and western Idaho recreational attractions. Sales prices for new three-bedroom, two-bath homes that include a basement and an attached garage start at approximately \$230,000.

According to the Spokane Association of REALTORS®, existing and new residential sales prices, which had risen an average of 6 percent annually for the first 4 years of this decade, rose by 18 percent in 2005 and 15 percent in 2006. Total residential sales increased annually by 10 percent between 2000 and

2005. In 2006, total sales decreased 7 percent to 7,221 homes compared with the record level of 7,781 homes in 2005, returning to 2004 sales levels. The sales decrease was partly attributable to rapidly rising sales prices and higher mortgage interest rates. Between April 2006 and March 2007, single-family home sales were about 10 percent below sales in the previous 12-month period, but the average single-family sales price increased from \$182,200 to \$203,600, or 11 percent.

Multifamily construction activity in Spokane, as measured by building permits, has averaged 875 units a year between 2000 and 2006. Nearly 85 percent of the multifamily development has been for apartments, with the remaining being for condominiums. Total multifamily construction during the 12-month period ending March 2007 was 945 units. Kendall Yards, a public-private, mixed-use development on 78 acres north of the Spokane River and downtown Spokane, will begin development in mid-May 2007. The development has been approved for up to 2,600 residential units to be constructed in a 10-year timeframe.

Renter household growth and recent moderate apartment production have resulted in tight rental market conditions in Spokane since 2004. According to December 2006 Summary Statistics from the Washington Center for Real Estate Research at Washington State University's College of Business, the Spokane apartment rental vacancy was 4.3 percent, which is below the 5.4-percent vacancy rate for the previous year. Tight market conditions supported an average rent increase of \$15, or nearly 3 percent, annually between 2004 and 2006. Average monthly rents for one-, two-, and three-bedroom units are \$487, \$689, and \$795, respectively. The South Hill and Spokane Valley submarkets, adjacent rental submarkets in the southern portion of Spokane County, are experiencing the strongest levels of demand. The South Hill submarket has an apartment rental vacancy rate of 4.2 percent and an average apartment rent of \$597, and the Spokane Valley submarket has an apartment rental vacancy rate of 3.8 percent and an average apartment rent of \$595.

St. Paul, Minnesota

The St. Paul Housing Market Area (HMA) is the eastern portion of the Minneapolis-St. Paul Metropolitan Area. The HMA consists of Ramsey County, which includes the city of St. Paul, and Anoka, Chisago, Dakota, and Washington Counties in Minnesota and St. Croix and Pierce Counties in

Wisconsin. St. Paul is the state capital and home to several private and public colleges and universities. As of March 2007, the population of the HMA is estimated at 1,494,000, an annual increase of 9,875, or 0.6 percent, since 2003. Among the largest private employers in the HMA are 3M, Medtronic, and Thomson West, with 16,000, 6,900, and 6,000 employees, respectively.

Resident employment in the HMA averaged 892,300 workers for the 12 months ending February 2007, an increase of 6,475, or 0.7 percent, from the previous 12 months. The number of employed residents exceeds the number of jobs in the HMA by more than 18 percent, indicating a significant net out-commutation from the HMA, much of it to Minneapolis and neighboring Hennepin County. The unemployment rate has been low, averaging 3.8 percent both for the 12 months ending February 2007 and for the preceding 12 months.

Service-providing industries account for more than 80 percent of the estimated 760,500 jobs in the area. The leading employment sector is education and health services, accounting for more than 20 percent of the total employment in the HMA. St. Paul has several hospitals employing a total of more than 15,000 workers. The largest of these are HealthEast-St. Joseph's Hospital, Regions Hospital, and United Hospital-Allina Health System. Among the private universities and colleges in St. Paul, the University of St. Thomas is the largest, with more than 7,000 students and 1,975 faculty and staff at its St. Paul campus. The impact of St. Thomas on the local economy is estimated at approximately \$275 million annually.

As the state capital and the location of a major campus of the University of Minnesota, St. Paul, with more than 13,000 workers in the state government sector, helps provide stability in the economy of the HMA. The University of Minnesota-St. Paul campus has an enrollment of 11,500 students and employs 2,625 faculty and staff members. In Pierce County, the University of Wisconsin-River Falls, which has more than 5,900 students, is the major local employer, with more than 900 faculty and staff.

After a robust home sales market for much of this decade, the existing home sales market has softened considerably in the 12 months ending March 2007. Sales of existing homes declined 18 percent to 22,077 for the period, compared with 26,962 for the previous 12 months. The average sales price for the most recent 12 months was \$258,400, relatively unchanged from a year ago. The market slowed from record sales levels and annual double-digit appreciations during the past several years because of the recent rise in

interest rates and high levels of new home construction.

Because of the soft sales market, the construction of single-family homes, as measured by the number of building permits issued, has slowed. For the 12 months ending February 2007, permits were issued for 5,350 single-family homes, compared with 8,625 units during the previous 12 months, or a decline of 38 percent. New single-family homes are priced from \$210,000 for starter homes and from \$350,000 to \$440,000 for move-up single-family homes.

Multifamily construction also has slowed because of the weak sales market. The number of building permits issued for multifamily housing showed a decline of 33 percent to 1,100 units for the most recent 12 months ending February 2007 compared with 1,650 units authorized in the previous 12 months. The decline is primarily a result of a reduction in the number of townhouses and condominiums permitted.

The rental market in the HMA is balanced to tight. According to GVA Marquette Advisors, the vacancy rate for apartments in March 2007 was 4.9 percent, down from 6.0 percent a year earlier. Average rents increased by more than 2 percent from \$842 in March 2006 to \$862 for March 2007. As a result of softer conditions in the early 2000s, builders have cut back production of new market-rate rental housing in the HMA since 2004. The limited rental housing that has been produced has primarily been mixed-income projects in St. Paul. The recent improvement in the rental market is a result of a sharp decline in construction of market-rate apartments and a downturn in the number of renters moving to homeownership during the most recent 12 months.

Ventura County, California

Ventura County is located on the Pacific Ocean between Santa Barbara County to the north and Los Angeles County to the south. The population of Ventura County was approximately 827,000 as of April 1, 2007. Net natural increase (resident births minus resident deaths) accounted for the entire population increase of 7,200, or about 1 percent, during the past 12 months. Net migration has been declining since 2001, as families with children moved to other California counties or out of the state to find lower priced housing. Also, as home values increased rapidly in recent years, many retirees chose to sell their homes and use their large



equity proceeds to purchase or rent comparable housing in lower cost areas.

The Ventura County economy added 6,500 jobs to total 298,800 jobs, a 2.2-percent increase, during the current 12-month period ending February 2007 compared with the preceding 12-month period. The construction sector had the largest rate of gain at 7.4 percent, or 1,400 jobs, followed by the professional and business services sector with an increase of 3.7 percent, or 1,400 jobs. Unemployment declined to 4.3 percent during the current 12-month period compared with 4.6 percent during the previous 12-month period ending February 2006.

Although the county is home to many biotechnology, insurance, and mortgage companies, especially in the southern portion of the county, the local economy remains dependent on the military, county and local government, and agricultural sectors. Naval Base Ventura County is the leading government employer, with a workforce of 6,000 civilian, 9,000 military, and 1,300 contractor personnel. Amgen, a biotechnology research firm is the leading private employer, with 10,000 employees. Other major private employers include Countrywide Financial Corporation; WellPoint, Inc.; and Verizon. In Ventura County's agricultural sector, where the total value of crops currently exceeds \$1 billion, the primary crops are lemons and oranges.

People who work in neighboring Los Angeles County have created a demand for move-up housing in the southern portion of Ventura County. More than 68,000 Ventura County residents commute to work in Los Angeles County. People who work in Santa Barbara County also affect the demand for housing in northern Ventura County. The median price for an existing detached home in southern Santa Barbara County was more than \$1 million in February 2007 compared with \$590,000 in the northern part of Ventura County. More than 9,000 residents of Ventura County commute to work in Santa Barbara County.

Historically low mortgage interest rates and population growth maintained the demand for new and existing homes during the first half of the 2000s. Since August 2005, sales activity has dropped significantly. High home prices combined with rising mortgage interest rates have resulted in fewer potential homebuyers qualifying for mortgages. According to DataQuick®, the 11,650 new and existing home sales recorded during the 12 months ending February 2007 were 26 percent, or 4,100 homes, less than the number recorded during the comparable period ending February 2006. New and existing home

sales averaged 17,300 annually between 2000 and 2005. The median price for new and existing homes for the 12-month period ending February 2007 was \$584,000, which was \$21,000, or 3.5 percent, less than during the previous 12-month period. The median home price started to decline in September 2006.

Builders responded to the slowing sales by reducing single-family building activity, as measured by the number of building permits issued, to only 1,300 homes from March 2006 to February 2007. This level of construction was 48 percent, or 1,200 homes, below the 2,500 single-family homes permitted during the previous 12-month period. Between 2000 and 2005, single-family construction activity averaged 2,500 homes annually.

The number of days required to sell a home has increased for all price ranges during the past 3 years. Three years ago, homes in all price ranges usually sold in less than 30 days at 5 percent or more above the listing price and with multiple offers. Currently, the number of days required to sell a home ranges between 60 and 120, often at 5 percent less than the original listing price. Before 2000, the number of days it took to sell a home was between 30 and 90, depending on price levels.

Between March 2006 and February 2007, more than 25 percent of the 10,000 existing home sales in Ventura County were condominiums. According to DataQuick, the February 2007 median price for an existing condominium was \$407,000 compared with \$619,000 for an existing single-family detached home.

New homes, especially condominiums, are no longer selling out before construction is completed. At the end of 2006, the number of unsold units under construction increased to approximately 450 homes. Between 2002 and 2005, the average year-end number of unsold units under construction was 120. More than 62 percent of the unsold new condominiums are located in the northern portion of the county. The unsold new single-family detached units are evenly split between the two parts of the county. The current countywide median new home price, including both single-family detached homes and condominiums, is approximately \$660,000.

Although sales have slowed and the median home prices have declined, the overall conditions in the homeowner market are tight. The current estimated owner vacancy rate is less than 1 percent and the 3-year forecast demand for homeowner units exceeds the current rate of production.

Multifamily construction activity, as measured by the number of building permits issued, declined

significantly during the past 12-month period ending February 2007. Multifamily permits totaled approximately 650 units, down 1,300 units, or 68 percent, from the previous 12-month period. All multifamily units currently under construction are rental apartments. Builders are waiting for the inventory of unsold condominiums to decline before starting construction on additional projects.

Rental market conditions are tight throughout the county. The average rental vacancy rate was 4 percent for the 12-month period ending February 2007, unchanged from the previous 12-month period. The units built in the first half of the 1980s represent approximately 9 percent of the current rental stock. These units have a vacancy rate of less than 4 percent and have a median rent of \$1,350. Units built since 2000 represent approximately 5 percent of the total rental stock. These newer units have a 6-percent vacancy rate and a median rent of \$1,700.

Rents countywide increased more than 6 percent during the past 12-month period ending February 2007 compared with the previous 12 months. The highest rent increases, more than 7 percent, were in the southern portion of the county, closest to employment centers in Los Angeles County. The low level of rental unit construction during the past 12-month period will continue to cause rents to increase. The median rent for a new two-bedroom apartment in Ventura County is currently \$1,650.

Washington, D.C.

The Washington, D.C. metropolitan area comprises the District of Columbia (DC) and 21 neighboring counties in Maryland, Virginia, and West Virginia. It is one of the strongest housing markets in the nation, but the fast-paced growth experienced during 2004 and 2005 moderated during the past year.

The population in the metropolitan area is estimated to be approximately 5.3 million as of February 2007, an increase of 1.6 percent annually since 2000. Of the residents in the metropolitan area, 46 percent live in Virginia, where the highest rates of population growth are recorded. Between July 1, 2005, and July 1, 2006, the population of Loudoun County, Virginia, grew by 5 percent, the highest rate in the metropolitan area and the fourth highest rate for all counties in the nation, according to the Census Bureau.

During the 12 months ending February 2007, approximately 47,950 jobs were added in the Washington, D.C. metropolitan area. Although this

figure represented a gain of 1.6 percent, it is significantly less than the 2.0-percent increase during the previous 12 months. The federal government, which accounts for nearly 12 percent of the 2,967,700 total jobs currently in the area, added only 125 new positions during the year compared with the addition of almost 1,200 a year earlier. The business and professional services sector added only 20,000 jobs, 8,300 less than in the previous year, because of reduced federal spending for contracts. As home to the nation's capital, the area attracts more than 15 million business and leisure travelers annually. The leisure and hospitality sector accounts for 9 percent of current employment and is growing, adding 4,300 jobs during the 12-month period, up more than 3 percent from the previous year. Losses in the information, utilities, and wholesale trade sectors contributed to the overall reduction in the number of new jobs created. In addition to Lockheed Martin and Northrop Grumman, which are major Department of Defense contractors, other prominent private employers in the area include GEICO Insurance, Marriott International, Sprint Nextel, and Booz Allen Hamilton. During the most recent 12-month period, the unemployment rate was 3.1 percent, a decline from 3.3 percent a year ago.

Existing home sales declined throughout the Washington, D.C. metropolitan area during the past year, as moderate increases in interest rates combined with increased home prices to soften the resale market. According to data from Metropolitan Regional Information Systems, Inc., the Maryland Association of REALTORS®, and the Virginia Association of REALTORS®, approximately 78,750 existing homes were sold during the 12 months ending February 2007, a decrease of almost 27 percent compared with the 107,150 homes sold during the previous year. In the Virginia suburbs, the number of homes sold declined by 32 percent, to 38,100 homes, and the percent of regional sales attributed to Virginia declined from 53 percent during the 12 months ending February 2006 to less than 48 percent during the past year. Although the Maryland suburbs increased their share of regional sales from 38 percent to slightly more than 41 percent, the total number of homes sold decreased by 21 percent to 32,500 homes. Sales in DC declined by 1,600 homes, or 18 percent, during the year.

During the 12 months ending February 2007, average home prices in the metropolitan area were relatively stable at \$462,000, rising less than 1 percent from the previous year. An increase of almost 5 percent in the Maryland suburban counties, to \$422,000, was offset by declines throughout the remainder of



the metropolitan area. Average prices in the close-in Virginia suburbs of Alexandria city and Arlington, Fairfax, and Loudoun Counties fell more than 2 percent to \$530,300 after increasing more than 21 percent during the previous year. The number of homes sold in those submarkets declined by 28 percent to 26,200 homes. In addition, homes stayed on the market twice as long as they did during the previous year.

The rental market in the Washington, D.C. metropolitan area is one of the strongest in the nation, but it softened slightly during the 12 months ending March 2007, because a large number of new apartment projects were added to the stock. Traditional apartments are also competing with approximately 2,000 new investor-owned condominium units currently being marketed for rent. According to Delta Associates, vacancies in garden apartments rose to almost 7 percent in March 2007 compared with approximately 4 percent a year ago. The increase was due primarily to the doubling of vacancy rates in the Virginia suburbs, from 4 percent to 8 percent, because more than 1,800 new units entered the market. Vacancy rates for garden apartments in the Maryland suburbs remained relatively stable at slightly more than 5 percent.

Class A highrise apartment vacancy rates rose in the suburban areas but declined slightly in DC. In the Virginia submarkets, vacancy rates rose from approximately 2 percent to almost 7 percent as the area absorbed 700 new units. An increase in concessions helped reduce vacancy rates in DC to 10 percent as of March 2007, down from 12 percent in March 2006. In Maryland, the market for Class A highrise units is strong, with vacancy rates of 3 percent, up slightly from 1 percent in March 2006. An additional 18,100 rental units are planned for delivery in the metropolitan area during the next 3 years; approximately 52 percent will be developed in highrise buildings. According to M/PF YieldStar, the average rent for all apartments in the metropolitan area was \$1,226 during the fourth quarter of 2006, up from \$1,179 a year ago. Rents for one-bedroom units averaged \$1,126 per month, two-bedroom units averaged \$1,276, and three-bedroom units averaged a slightly lower \$1,143, because most three-bedroom units are in older properties.

Builders in the Washington, D.C. metropolitan area have responded to decreased demand for new homes by slowing the pace of development. Construction of new single-family homes, as measured by the number of building permits issued, declined by 30 percent during the 12-month period ending February 2007, which is 7,300 fewer permits than were issued during the previous year. The number of multifamily units permitted declined to 8,100 units from 10,850 the previous year. An estimated two-thirds of the units are being developed as rental apartments, with the remainder constructed as condominium units for sale. Development has been limited in some areas, particularly in Maryland, because of a shortage of buildable sites or lack of infrastructure.

Condominiums are an attractive and affordable alternative for homebuyers in the Washington, D.C. metropolitan area market. During the past year, developers were offering incentives such as help with closing costs and developer-paid association fees. According to Delta Associates, approximately 21,500 condominium units were being marketed for sale in March 2007, down 17 percent from the number in March 2006. Another 20,500 are planned and expected to begin marketing within the next 3 years. The median price for existing condominium sales at the end of 2006 was \$299,500 and the price for a newly constructed one-bedroom unit typically started at \$300,000.

DC is the center of major redevelopment in the metropolitan area. According to the DC Marketing Center, approximately 20,000 new and renovated housing units valued at more than \$4 billion were completed in DC since 2001. Nearly 6,300 additional units are under construction or renovation, with planned delivery between 2008 and 2015, and 3,600 more units are in the planning stages. In addition, several large-scale economic developments are helping to revitalize the city. One project will employ new construction and adaptive reuse to create 1,800 for-sale units, 900 rental units, 1.8 million sq. ft. of office space, 250,000 sq. ft. of retail space, and open space that will include a public park and riverfront esplanade. The project is expected to break ground during the summer of 2007, with the first phase completed by 2009.



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

CBSA	CBSA Name	2007 Through March		
		Total	Single Family	Multi-family*
26420	Houston-Sugar Land-Baytown, TX	17,758	12,528	5,230
12060	Atlanta-Sandy Springs-Marietta, GA	13,571	10,056	3,515
38060	Phoenix-Mesa-Scottsdale, AZ	12,621	8,864	3,757
35620	New York-Northern New Jersey-Long Island, NY-NJ-PA	11,614	2,730	8,884
19100	Dallas-Fort Worth-Arlington, TX	11,555	7,599	3,956
16980	Chicago-Naperville-Joliet, IL-IN-WI	10,076	4,300	5,776
31100	Los Angeles-Long Beach-Santa Ana, CA	7,151	2,702	4,449
42660	Seattle-Tacoma-Bellevue, WA	7,123	3,554	3,569
40140	Riverside-San Bernardino-Ontario, CA	6,834	5,451	1,383
47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	6,233	4,255	1,978
16740	Charlotte-Gastonia-Concord, NC-SC	5,635	4,687	948
36740	Orlando-Kissimmee, FL	5,238	3,447	1,791
29820	Las Vegas-Paradise, NV	4,923	4,264	659
12420	Austin-Round Rock, TX	4,676	3,478	1,198
38900	Portland-Vancouver-Beaverton, OR-WA	4,298	2,384	1,914
33100	Miami-Fort Lauderdale-Miami Beach, FL	4,153	2,038	2,115
39580	Raleigh-Cary, NC	4,064	3,151	913
41700	San Antonio, TX	3,821	2,741	1,080
45300	Tampa-St. Petersburg-Clearwater, FL	3,786	2,261	1,525
34980	Nashville-Davidson--Murfreesboro, TN	3,596	3,197	399
19740	Denver-Aurora, CO	3,531	1,975	1,556
37980	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	3,404	2,312	1,092
27260	Jacksonville, FL	3,295	1,942	1,353
14460	Boston-Cambridge-Quincy, MA-NH	2,817	925	1,892
40900	Sacramento--Arden-Arcade--Roseville, CA	2,722	2,224	498
32820	Memphis, TN-MS-AR	2,681	1,629	1,052
41740	San Diego-Carlsbad-San Marcos, CA	2,643	992	1,651
41180	St. Louis, MO-IL	2,599	2,087	512
15980	Cape Coral-Fort Myers, FL	2,561	1,759	802
41860	San Francisco-Oakland-Fremont, CA	2,340	1,433	907
33460	Minneapolis-St. Paul-Bloomington, MN-WI	2,158	1,660	498
47260	Virginia Beach-Norfolk-Newport News, VA-NC	2,054	1,335	719
34820	Myrtle Beach-Conway-North Myrtle Beach, SC	1,960	1,194	766
17140	Cincinnati-Middletown, OH-KY-IN	1,934	1,472	462
40060	Richmond, VA	1,877	1,655	222
26900	Indianapolis, IN	1,848	1,655	193
28140	Kansas City, MO-KS	1,795	1,557	238
12580	Baltimore-Towson, MD	1,729	1,128	601
48900	Wilmington, NC	1,720	1,233	487
31140	Louisville, KY-IN	1,718	1,214	504
14260	Boise City-Nampa, ID	1,684	1,377	307
17900	Columbia, SC	1,674	1,532	142
32580	McAllen-Edinburg-Mission, TX	1,664	1,453	211
25060	Gulfport-Biloxi, MS	1,558	822	736
16700	Charleston-North Charleston, SC	1,543	1,443	100
24860	Greenville, SC	1,537	1,283	254
36420	Oklahoma City, OK	1,528	1,438	90
46140	Tulsa, OK	1,518	1,105	413
41620	Salt Lake City, UT	1,512	1,146	366
13820	Birmingham-Hoover, AL	1,454	1,406	48

*Multifamily is two or more units in structure.

** As per new OMB Metropolitan area definitions.

Source: Census Bureau, Department of Commerce

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



Period	Shipments*	Placed for Residential Use*					Average Price (\$)	For Sale*
	U.S.	U.S.	Northeast	Midwest	South	West		
Annual Data								
1977	266	258	17	51	113	78	14,200	70
1978	276	280	17	50	135	78	15,900	74
1979	277	280	17	47	145	71	17,600	76
1980	222	234	12	32	140	49	19,800	56
1981	241	229	12	30	144	44	19,900	58
1982	240	234	12	26	161	35	19,700	58
1983	296	278	16	34	186	41	21,000	73
1984	295	288	20	35	193	39	21,500	82
1985	284	283	20	39	188	37	21,800	78
1986	244	256	21	37	162	35	22,400	67
1987	233	239	24	40	146	30	23,700	61
1988	218	224	23	39	131	32	25,100	58
1989	198	203	20	39	113	31	27,200	56
1990	188	195	19	38	108	31	27,800	49
1991	171	174	14	35	98	27	27,700	49
1992	211	212	15	42	124	30	28,400	51
1993	254	243	15	45	147	36	30,500	61
1994	304	291	16	53	178	44	32,800	70
1995	340	319	15	58	203	44	35,300	83
1996	363	338	16	59	218	44	37,200	89
1997	354	336	14	55	219	47	39,800	91
1998	373	374	15	58	250	50	41,600	83
1999	348	338	14	54	227	44	43,300	88
2000	251	281	15	50	177	39	46,400	59
2001	193	196	12	38	116	30	48,900	56
2002	169	174	12	34	101	27	51,300	47
2003	131	140	11	25	77	26	54,900	36
2004	131	124	11	21	67	26	58,200	35
2005	147	123	9	17	68	28	62,300	40
2006	117	111	8	14	65	24	63,600	39
Monthly Data (Seasonally Adjusted Annual Rates)								
2005								
Nov	208	132	11	15	79	27	62,600	36
Dec	182	115	11	17	55	32	67,500	37
2006								
Jan	163	125	8	21	68	29	63,200	39
Feb	144	109	8	16	63	22	66,600	41
Mar	135	117	9	16	67	26	63,000	40
Apr	124	110	6	12	64	27	61,400	43
May	123	121	5	15	69	31	61,300	42
Jun	118	119	7	18	69	25	62,400	42
Jul	111	113	8	12	69	23	62,400	40
Aug	108	109	8	13	63	25	66,400	41
Sep	102	112	8	12	64	27	65,500	39
Oct	99	93	8	12	54	20	63,500	42
Nov	96	109	11	15	62	20	64,500	41
Dec	97	102	6	12	65	19	66,700	40
2007								
Jan	94	85	4	8	55	18	64,600	41
Feb	93	88	10	4	54	18	63,700	41
Mar	94	NA	NA	NA	NA	NA	NA	NA

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

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

<http://www.census.gov/ftp/pub/const/www/mhsindex.html> (See Current Tables, Monthly Tables.)



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

Period	Sold During Period					For Sale at End of Period					Months' Supply at Current U.S. Sales Rate	
	U.S.	North-east	Mid-west	South	West	U.S.	North-east	Mid-west	South	West		U.S.
Annual Data												
1970	485	61	100	203	121	227	38	47	91	51	NA	NA
1971	656	82	127	270	176	294	45	55	131	63	NA	NA
1972	718	96	130	305	187	416	53	69	199	95	NA	NA
1973	634	95	120	257	161	422	59	81	181	102	NA	NA
1974	519	69	103	207	139	350	50	68	150	82	NA	NA
1975	549	71	106	222	150	316	43	66	133	74	NA	NA
1976	646	72	128	247	199	358	45	68	154	91	NA	NA
1977	819	86	162	317	255	408	44	73	168	123	NA	NA
1978	817	78	145	331	262	419	45	80	170	124	NA	NA
1979	709	67	112	304	225	402	42	74	172	114	NA	NA
1980	545	50	81	267	145	342	40	55	149	97	NA	NA
1981	436	46	60	219	112	278	41	34	127	76	NA	NA
1982	412	47	48	219	99	255	39	27	129	60	NA	NA
1983	623	76	71	323	152	304	42	33	149	79	NA	NA
1984	639	94	76	309	160	358	55	41	177	85	NA	NA
1985	688	112	82	323	171	350	66	34	172	79	NA	NA
1986	750	136	96	322	196	361	88	32	153	87	NA	NA
1987	671	117	97	271	186	370	103	39	149	79	NA	NA
1988	676	101	97	276	202	371	112	43	133	82	NA	NA
1989	650	86	102	260	202	366	108	41	123	93	NA	NA
1990	534	71	89	225	149	321	77	42	105	97	NA	NA
1991	509	57	93	215	144	284	62	41	97	83	NA	NA
1992	610	65	116	259	170	267	48	41	104	74	NA	NA
1993	666	60	123	295	188	295	53	48	121	73	NA	NA
1994	670	61	123	295	191	340	55	63	140	82	NA	NA
1995	667	55	125	300	187	374	62	69	158	86	NA	NA
1996	757	74	137	337	209	326	38	67	146	74	NA	NA
1997	804	78	140	363	223	287	26	65	127	69	NA	NA
1998	886	81	164	398	243	300	28	63	142	68	NA	NA
1999	880	76	168	395	242	315	28	64	153	70	NA	NA
2000	877	71	155	406	244	301	28	65	146	62	NA	NA
2001	908	66	164	439	239	310	28	70	142	69	NA	NA
2002	973	65	185	450	273	344	36	77	161	70	NA	NA
2003	1,086	79	189	511	307	377	29	97	172	79	NA	NA
2004	1,203	83	210	562	348	431	30	111	200	91	NA	NA
2005	1,283	81	205	638	358	515	47	109	249	109	NA	NA
2006 [†]	1,051	63	161	559	267	537	54	97	267	119	NA	NA
Monthly Data												
	(Seasonally Adjusted Annual Rates)					(Not Seasonally Adjusted)					(Seasonally Adjusted)	
2006												
Jan	1,173	62	180	596	335	525	49	110	257	109	522	5.3
Feb	1,038	65	183	543	247	533	50	108	263	112	538	6.4
Mar	1,121	61	166	587	307	550	53	106	277	114	553	6.1
Apr	1,121	58	165	604	294	558	53	108	282	115	565	6.2
May	1,101	69	179	588	265	563	54	107	281	121	564	6.2
Jun	1,078	62	170	570	276	570	54	105	288	124	566	6.5
Jul	979	59	138	516	266	568	54	104	289	121	573	7.2
Aug	1,021	85	154	568	214	570	53	103	291	123	568	6.8
Sep	1,022	62	140	565	255	561	51	103	286	121	560	6.7
Oct [†]	967	39	139	540	249	558	54	104	280	120	553	7.2
Nov [†]	988	63	151	536	238	548	54	102	273	119	542	6.5
Dec [†]	1,020	73	183	517	247	537	54	97	267	119	536	6.2
2007												
Jan	873	61	158	475	179	540	55	95	267	123	536	7.3
Feb	836	48	122	448	218	540	54	92	271	123	544	8.1
Mar	858	72	134	436	216	539	53	89	272	125	545	7.8

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

[†] Revised.

Sources: Census Bureau, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development <http://www.census.gov/const/www/newresalesindex.html>



Table 7. Existing Home Sales: 1969–Present*

Period	U.S.	Northeast	Midwest	South	West	For Sale	Months' Supply
Annual Data							
1969	1,594	240	508	538	308	NA	NA
1970	1,612	251	501	568	292	NA	NA
1971	2,018	311	583	735	389	NA	NA
1972	2,252	361	630	788	473	NA	NA
1973	2,334	367	674	847	446	NA	NA
1974	2,272	354	645	839	434	NA	NA
1975	2,476	370	701	862	543	NA	NA
1976	3,064	439	881	1,033	712	NA	NA
1977	3,650	515	1,101	1,231	803	NA	NA
1978	3,986	516	1,144	1,416	911	NA	NA
1979	3,827	526	1,061	1,353	887	NA	NA
1980	2,973	403	806	1,092	672	NA	NA
1981	2,419	353	632	917	516	NA	NA
1982	1,990	354	490	780	366	1,910	NA
1983	2,719	493	709	1,035	481	1,980	NA
1984	2,868	511	755	1,073	529	2,260	NA
1985	3,214	622	866	1,172	554	2,200	NA
1986	3,565	703	991	1,261	610	1,970	NA
1987	3,526	685	959	1,282	600	2,160	NA
1988	3,594	673	929	1,350	642	2,160	NA
1989	3,290	635	886	1,075	694	1,870	NA
1990	3,186	583	861	1,090	651	2,100	NA
1991	3,145	591	863	1,067	624	2,130	NA
1992	3,432	666	967	1,126	674	1,760	NA
1993	3,739	709	1,027	1,262	740	1,520	NA
1994	3,886	723	1,031	1,321	812	1,380	NA
1995	3,852	717	1,010	1,315	810	1,470	NA
1996	4,167	772	1,060	1,394	941	1,910	NA
1997	4,371	812	1,088	1,474	997	1,840	NA
1998	4,966	898	1,228	1,724	1,115	1,910	NA
1999	5,183	910	1,246	1,850	1,177	1,894	NA
2000	5,174	911	1,222	1,866	1,174	2,048	NA
2001	5,335	912	1,271	1,967	1,184	2,068	NA
2002	5,632	952	1,346	2,064	1,269	2,118	NA
2003	6,175	1,019	1,468	2,283	1,405	2,270	NA
2004 [†]	6,778	1,113	1,550	2,540	1,575	2,244	NA
2005 [†]	7,076	1,169	1,588	2,702	1,617	2,846	NA
2006 [†]	6,478	1,086	1,483	2,563	1,346	3,450	NA
Monthly Data (Seasonally Adjusted Annual Rates)							
2006							
Jan [†]	6,750	1,010	1,540	2,740	1,460	2,883	5.1
Feb	6,940	1,170	1,610	2,700	1,460	2,985	5.2
Mar	6,900	1,180	1,610	2,670	1,440	3,198	5.6
Apr	6,710	1,140	1,560	2,610	1,410	3,415	6.1
May	6,680	1,140	1,510	2,610	1,410	3,589	6.4
Jun	6,490	1,090	1,490	2,550	1,360	3,738	6.9
Jul	6,320	1,050	1,430	2,530	1,320	3,861	7.3
Aug	6,310	1,060	1,430	2,520	1,290	3,844	7.3
Sep	6,230	1,040	1,420	2,520	1,260	3,783	7.3
Oct	6,270	1,030	1,420	2,520	1,300	3,860	7.4
Nov	6,250	1,080	1,420	2,470	1,280	3,810	7.3
Dec [†]	6,270	1,070	1,460	2,490	1,250	3,450	6.6
2007							
Jan	6,440	1,060	1,520	2,540	1,320	3,539	6.6
Feb	6,680	1,220	1,560	2,570	1,320	3,805	6.8
Mar	6,120	1,120	1,390	2,410	1,200	3,745	7.3

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

[†]Monthly data have been revised to reflect the updating of seasonal adjustment factors. Annual data for the past 3 years also have been revised.

Source: NATIONAL ASSOCIATION OF REALTORS®

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



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

Period	Median					U.S. Average	
	U.S.	Northeast	Midwest	South	West	Houses Actually Sold	Constant-Quality House ^{1,2}
Annual Data							
1964	18,900	20,300	19,400	16,700	20,400	20,500	NA
1965	20,000	21,500	21,600	17,500	21,600	21,500	NA
1966	21,400	23,500	23,200	18,200	23,200	23,300	NA
1967	22,700	25,400	25,100	19,400	24,100	24,600	NA
1968	24,700	27,700	27,400	21,500	25,100	26,600	NA
1969	25,600	31,600	27,600	22,800	25,300	27,900	NA
1970	23,400	30,300	24,400	20,300	24,000	26,600	NA
1971	25,200	30,600	27,200	22,500	25,500	28,300	NA
1972	27,600	31,400	29,300	25,800	27,500	30,500	NA
1973	32,500	37,100	32,900	30,900	32,400	35,500	NA
1974	35,900	40,100	36,100	34,500	35,800	38,900	NA
1975	39,300	44,000	39,600	37,300	40,600	42,600	NA
1976	44,200	47,300	44,800	40,500	47,200	48,000	NA
1977	48,800	51,600	51,500	44,100	53,500	54,200	67,400
1978	55,700	58,100	59,200	50,300	61,300	62,500	77,400
1979	62,900	65,500	63,900	57,300	69,600	71,800	89,100
1980	64,600	69,500	63,400	59,600	72,300	76,400	98,100
1981	68,900	76,000	65,900	64,400	77,800	83,000	105,900
1982	69,300	78,200	68,900	66,100	75,000	83,900	108,400
1983	75,300	82,200	79,500	70,900	80,100	89,800	110,700
1984	79,900	88,600	85,400	72,000	87,300	97,600	115,100
1985	84,300	103,300	80,300	75,000	92,600	100,800	116,600
1986	92,000	125,000	88,300	80,200	95,700	111,900	121,200
1987	104,500	140,000	95,000	88,000	111,000	127,200	127,700
1988	112,500	149,000	101,600	92,000	126,500	138,300	132,400
1989	120,000	159,600	108,800	96,400	139,000	148,800	137,800
1990	122,900	159,000	107,900	99,000	147,500	149,800	140,400
1991	120,000	155,900	110,000	100,000	141,100	147,200	142,200
1992	121,500	169,000	115,600	105,500	130,400	144,100	144,100
1993	126,500	162,600	125,000	115,000	135,000	147,700	150,300
1994	130,000	169,000	132,900	116,900	140,400	154,500	157,500
1995	133,900	180,000	134,000	124,500	141,000	158,700	161,900
1996	140,000	186,000	138,000	126,200	153,900	166,400	166,400
1997	146,000	190,000	149,900	129,600	160,000	176,200	171,200
1998	152,500	200,000	157,500	135,800	163,500	181,900	175,600
1999	161,000	210,500	164,000	145,900	173,700	195,600	184,200
2000	169,000	227,400	169,700	148,000	196,400	207,000	192,000
2001	175,200	246,400	172,600	155,400	213,600	213,200	198,800
2002	187,600	264,300	178,000	163,400	238,500	228,700	207,700
2003	195,000	264,500	184,300	168,100	260,900	246,300	219,500
2004	221,000	315,800	205,000	181,100	283,100	274,500	236,100
2005	240,900	343,800	216,900	197,300	332,600	297,000	254,800
2006 ³	246,500	346,000	213,500	208,200	337,700	305,900	264,900
Quarterly Data							
2006							
Q1	247,700	334,600	210,700	205,900	330,000	305,300	262,200
Q2	246,300	344,600	203,100	206,700	329,800	302,600	265,600
Q3	235,600	380,500	216,800	195,100	342,200	308,100	264,400
Q4 ⁴	245,400	351,400	216,200	207,400	356,500	299,600	268,600
2007							
Q1	252,200	400,900	202,800	215,600	361,600	322,400	275,200

¹ The average price for a constant-quality unit is derived from a set of statistical models relating sales price to selected standard physical characteristics of housing units.

² Effective with the release of the first quarter 2001 New Home Sales Price Index in April 2001, the Census Bureau began publishing the Fixed-Weighted Laspeyres Price Index on a 1996 base year. (The previous base year was 1992.) "Constant-quality house" data are no longer published as a series but are computed for this table from price indexes published by the Census Bureau.

³ Revised.

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



Table 9. Existing Home Prices: 1969–Present

Period	Median					Average
	U.S.	Northeast	Midwest	South	West	U.S.
Annual Data						
1969	21,800	23,700	19,000	20,300	23,900	23,700
1970	23,000	25,200	20,100	22,200	24,300	25,700
1971	24,800	27,100	22,100	24,300	26,500	28,000
1972	26,700	29,800	23,900	26,400	28,400	30,100
1973	28,900	32,800	25,300	29,000	31,000	32,900
1974	32,000	35,800	27,700	32,300	34,800	35,800
1975	35,300	39,300	30,100	34,800	39,600	39,000
1976	38,100	41,800	32,900	36,500	46,100	42,200
1977	42,900	44,000	36,700	39,800	57,300	47,900
1978	48,700	47,900	42,200	45,100	66,700	55,500
1979	55,700	53,600	47,800	51,300	77,400	64,200
1980	62,200	60,800	51,900	58,300	89,300	72,800
1981	66,400	63,700	54,300	64,400	96,200	78,300
1982	67,800	63,500	55,100	67,100	98,900	80,500
1983	70,300	72,200	56,600	69,200	94,900	83,100
1984	72,400	78,700	57,100	71,300	95,800	86,000
1985	75,500	88,900	58,900	75,200	95,400	90,800
1986	80,300	104,800	63,500	78,200	100,900	98,500
1987	85,600	133,300	66,000	80,400	113,200	106,300
1988	89,300	143,000	68,400	82,200	124,900	112,800
1989*	94,000	142,100	72,600	84,300	137,600	118,100
1990	96,400	141,400	76,300	84,700	138,600	118,600
1991	101,400	143,600	80,500	88,100	144,500	128,400
1992	104,000	142,600	84,200	91,100	141,100	130,900
1993	107,200	142,000	87,000	93,700	141,800	133,500
1994	111,300	141,500	90,600	94,900	149,200	136,800
1995	114,600	138,400	96,100	96,900	150,600	139,100
1996	119,900	139,600	102,300	102,400	157,100	141,800
1997	126,000	143,500	108,200	108,400	165,700	150,500
1998	132,800	147,300	115,600	115,000	175,900	159,100
1999	138,000	150,500	121,000	118,900	185,300	171,000
2000	143,600	149,800	125,300	126,300	194,600	178,500
2001	153,100	158,700	132,500	135,500	207,000	188,300
2002	165,000	179,300	139,300	146,000	230,100	206,100
2003	178,800	209,900	145,600	156,700	251,800	222,200
2004	195,400	243,800	154,600	170,400	286,400	244,400
2005	219,600	271,300	170,600	181,700	335,300	266,600
2006†	221,900	271,900	167,800	183,700	342,700	268,200
Monthly Data						
2006						
Jan [‡]	217,400	263,900	168,500	177,600	336,700	265,900
Feb	215,700	269,600	159,000	181,200	329,700	261,200
Mar	217,600	270,400	160,700	180,000	340,300	264,500
Apr	222,600	285,200	163,500	181,600	345,300	269,100
May	228,500	281,300	171,700	191,300	343,700	273,700
Jun	229,300	289,100	174,400	189,400	341,300	275,800
Jul	230,200	274,600	177,000	192,500	346,200	275,400
Aug	224,000	272,600	171,800	184,800	345,300	270,000
Sep	220,900	260,400	168,300	184,500	338,800	266,400
Oct	218,900	255,400	166,600	183,700	341,800	264,600
Nov	217,300	266,900	163,900	178,600	349,400	265,100
Dec [‡]	221,600	284,000	166,200	180,900	348,300	268,000
2007						
Jan	210,900	262,200	161,300	175,200	321,700	257,300
Feb	213,600	263,000	155,300	178,600	336,700	260,100
Mar	217,000	268,600	160,400	180,700	330,600	263,500

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

† All monthly and annual data for 2006 have been revised.

Source: NATIONAL ASSOCIATION OF REALTORS®

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



Table 10. Repeat Sales House Price Index: 1975–Present

Period	U.S.	New England	Middle Atlantic	South Atlantic	East South Central	West South Central	West North Central	East North Central	Mountain	Pacific
Annual Average										
1975	62.5	69.4	69.6	68.5	68.4	59.1	65.0	64.2	55.3	45.8
1976	66.4	72.1	71.1	70.5	71.3	63.7	68.8	68.6	60.3	53.6
1977	73.7	77.3	75.2	75.4	77.6	70.9	76.1	76.7	68.9	66.4
1978	83.7	87.8	81.1	83.9	86.2	81.4	87.1	87.5	80.8	79.2
1979	94.9	100.7	94.9	93.0	94.8	94.1	96.5	97.8	94.9	91.4
1980	102.5	104.7	104.3	102.0	99.0	103.2	102.5	101.0	102.4	104.0
1981	108.2	112.5	108.2	109.5	102.6	112.4	101.6	103.8	110.8	112.3
1982	111.5	117.6	112.9	114.8	105.0	122.9	102.1	100.3	117.1	114.5
1983	115.5	131.4	119.3	118.4	109.5	126.0	106.8	103.0	119.8	116.1
1984	120.7	155.0	134.1	123.3	112.7	125.3	110.7	105.4	119.9	120.4
1985	127.8	187.7	152.0	129.2	117.9	124.8	115.3	109.6	122.4	125.8
1986	137.5	229.2	176.6	137.1	124.0	125.9	120.0	116.3	126.4	133.4
1987	148.2	269.6	208.8	146.6	130.7	118.6	124.7	125.4	126.1	145.6
1988	157.5	288.4	229.7	157.0	135.0	112.1	127.2	134.6	124.2	166.1
1989	166.5	290.2	235.8	165.7	138.1	112.6	130.4	143.0	125.4	198.5
1990	170.9	278.7	234.6	169.5	140.5	114.0	132.6	149.8	128.3	216.3
1991	173.1	264.5	232.9	172.2	144.0	116.6	135.7	155.7	133.0	219.0
1992	177.0	261.1	237.5	176.7	149.2	120.8	140.2	162.1	139.6	218.5
1993	180.1	260.1	240.3	179.8	154.7	125.0	144.9	167.9	148.9	213.7
1994	183.4	256.8	238.0	181.8	162.3	129.0	152.7	176.3	163.2	208.9
1995	188.4	259.4	238.5	186.0	170.2	132.3	160.0	185.5	175.1	209.4
1996	195.1	266.4	243.2	192.4	178.3	136.7	167.4	195.6	184.6	213.0
1997	201.9	274.8	247.0	198.8	185.7	140.4	174.8	205.4	192.5	220.0
1998	212.2	291.4	257.2	208.4	195.0	147.3	183.4	214.9	201.5	235.4
1999	222.7	315.8	268.4	217.3	201.7	154.0	194.3	225.1	209.7	249.2
2000	238.0	353.6	287.8	229.6	208.0	161.6	207.6	237.6	222.3	273.6
2001	256.8	393.4	312.6	247.9	218.9	171.5	222.9	250.9	238.2	302.9
2002	274.6	438.5	343.0	265.1	225.6	177.7	237.0	262.3	248.5	330.8
2003	293.3	479.9	374.6	283.9	233.8	184.3	249.5	272.6	259.1	365.0
2004	324.6	538.0	422.2	317.6	244.0	191.6	267.0	288.1	283.0	433.3
2005	367.3	598.9	481.8	372.2	260.3	203.0	286.0	306.4	329.1	522.9
2006	400.8	628.0	528.4	416.4	280.4	218.9	299.1	318.0	372.2	589.9
Quarterly Data										
2005										
Q4	384.9	618.2	506.2	396.2	268.0	208.8	293.1	312.9	351.6	558.9
2006										
Q1	393.7	625.6	519.2	408.3	272.8	213.0	295.5	315.6	361.2	577.5
Q2	398.9	626.6	527.0	414.1	278.4	217.2	297.5	316.7	368.6	588.0
Q3	403.0	627.7	530.9	417.9	283.3	221.1	300.3	318.4	375.7	595.9
Q4	407.5	632.2	536.5	425.3	287.2	224.4	303.3	321.3	383.2	598.4

Base: First quarter 1980 equals 100.

Source: Office of Federal Housing Enterprise Oversight (OFHEO)

<http://www.ofheo.gov/HPI.asp> (See approximately page 40 of pdf; varies with each issue.)



Table 11. Housing Affordability Index: 1973–Present

Period	U.S.				Affordability Indexes*		
	Median Price Existing Single-Family (\$)	Mortgage Rate ¹	Median Family Income (\$)	Income To Qualify (\$)	Composite	Fixed	ARM
Annual Data							
1973	28,900	8.01	12,051	8,151	147.9	147.9	147.9
1974	32,000	9.02	12,902	9,905	130.3	130.3	130.3
1975	35,300	9.21	13,719	11,112	123.5	123.5	123.5
1976	38,100	9.11	14,958	11,888	125.8	125.8	125.8
1977	42,900	9.02	16,010	13,279	120.6	120.6	120.6
1978	48,700	9.58	17,640	15,834	111.4	111.4	111.4
1979	55,700	10.92	19,680	20,240	97.2	97.2	97.2
1980	62,200	12.95	21,023	26,328	79.9	79.9	79.9
1981	66,400	15.12	22,388	32,485	68.9	68.9	68.9
1982	67,800	15.38	23,433	33,713	69.5	69.4	69.7
1983	70,300	12.85	24,580	29,546	83.2	81.7	85.2
1984	72,400	12.49	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	29,458	27,047	108.9	105.7	116.3
1987	85,600	9.28	30,970	27,113	114.2	107.6	122.4
1988	89,300	9.31	32,191	28,360	113.5	103.6	122.0
1989	94,600	10.11	34,218	30,432	112.4	105.9	116.8
1990	97,300	10.04	35,353	31,104	113.7	110.6	122.8
1991	102,700	9.30	35,940	30,816	116.6	113.5	128.3
1992	105,500	8.11	36,573	28,368	128.9	124.9	150.8
1993	109,100	7.16	36,959	26,784	138.0	133.0	160.4
1994	113,500	7.47	38,790	28,704	135.1	125.2	153.3
1995	117,000	7.85	40,612	30,672	132.4	126.6	143.3
1996	122,600	7.71	42,305	31,728	133.3	129.6	142.9
1997	129,000	7.68	44,573	35,232	126.5	123.6	137.2
1998	136,000	7.10	46,740	35,088	133.2	131.9	142.6
1999	141,200	7.33	48,955	37,296	131.3	128.8	142.0
2000	147,300	8.03	50,733	41,616	121.9	120.5	133.3
2001	156,600	7.03	51,407	40,128	128.1	128.1	137.3
2002	167,600	6.55	51,680	40,896	126.4	124.2	138.7
2003	180,200	5.74	52,680	40,320	130.7	128.2	141.8
2004	195,200	5.73	54,061	43,632	123.9	120.3	132.2
2005	219,000	5.91	55,823	49,920	111.8	110.1	115.6
2006 [†]	221,900	6.58	57,612	54,288	106.1	105.7	108.1
Monthly Data							
2006							
Jan [†]	216,800	6.35	56,784	51,792	109.6	108.6	112.5
Feb [†]	214,300	6.36	56,933	51,264	111.1	110.0	113.9
Mar [†]	217,200	6.47	57,083	52,560	108.6	108.2	109.9
Apr [†]	222,600	6.55	57,233	54,288	105.4	105.0	106.8
May [†]	228,500	6.65	57,383	56,352	101.8	101.3	103.5
Jun [†]	230,100	6.69	57,534	56,976	101.0	100.3	102.8
Jul [†]	230,900	6.82	57,685	57,936	99.6	99.0	101.6
Aug [†]	224,000	6.81	57,837	56,112	103.1	102.8	104.0
Sep [†]	221,100	6.64	57,989	54,432	106.5	106.1	109.2
Oct [†]	219,600	6.60	58,141	53,856	108.0	107.5	110.8
Nov [†]	216,700	6.51	58,294	52,656	110.7	110.5	112.4
Dec [†]	220,800	6.45	58,447	53,328	109.6	109.5	110.7
2007							
Jan	209,300	6.42	58,480	50,400	116.0	115.9	117.0
Feb	212,400	6.46	58,615	51,360	114.1	114.0	115.6
Mar	215,300	6.38	58,750	51,600	113.9	113.5	115.9

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

¹The Federal Housing Finance Board's monthly effective rate (points are amortized over 10 years) combines fixed-rate and adjustable-rate loans.

Entries under Annual Data are averages of the monthly rates.

[†] Revised.

Source: NATIONAL ASSOCIATION OF REALTORS®

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



Table 12. Market Absorption of New Rental Units and Median Asking Rent: 1970–Present*



Period	Unfurnished Rental Apartment Completions	Percent Rented in 3 Months	Median Asking Rent
Annual Data			
1970	328,400	73	\$188
1971	334,400	68	\$187
1972	497,900	68	\$191
1973	531,700	70	\$191
1974	405,500	68	\$197
1975	223,100	70	\$211
1976	157,000	80	\$219
1977	195,600	80	\$232
1978	228,700	82	\$251
1979	241,200	82	\$272
1980	196,100	75	\$308
1981	135,400	80	\$347
1982	117,000	72	\$385
1983	191,500	69	\$386
1984	313,200	67	\$393
1985	364,500	65	\$432
1986	407,600	66	\$457
1987	345,600	63	\$517
1988	284,500	66	\$550
1989	246,200	70	\$590
1990	214,300	67	\$600
1991	165,300	70	\$614
1992	110,200	74	\$586
1993	77,200	75	\$573
1994	104,000	81	\$576
1995	155,000	72	\$655
1996	191,300	72	\$672
1997	189,200	74	\$724
1998	209,900	73	\$734
1999	225,900	72	\$791
2000	226,200	72	\$841
2001	193,100	63	\$881
2002	204,100	59	\$918
2003	166,500	61	\$931
2004	153,800	62	\$976
2005 [†]	113,000	63	\$942
2006	117,200	58	\$1,039
Quarterly Data			
2005			
Q4	25,600	63	\$984
2006**			
Q1	21,600	62	\$1,013
Q2 [†]	28,600	61	\$985
Q3 [†]	33,900	52	\$1,088
Q4	33,000	57	\$1,037

*Data are from the Survey of Market Absorption, which samples nonsubsidized, privately financed, unfurnished apartments in rental buildings of 5 or more units.

**At the beginning of 2006, the Census Bureau began using the Core Based Statistical Area definitions for metropolitan areas and introduced new sample cases from the Survey of Construction. This may cause some inconsistency with previous data in the series.

[†]Revised.

Sources: Census Bureau, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development <http://www.census.gov/hhes/www/soma.html>



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

Period	Housing Market Index	Sales of Single-Family Detached Homes		Prospective Buyer Traffic
		Current Activity	Future Expectations	
Annual Data				
1979	NA	48	37	32
1980	NA	19	26	17
1981	NA	8	16	14
1982	NA	15	28	18
1983	NA	52	60	48
1984	NA	52	52	41
1985	55	58	62	47
1986	60	62	67	53
1987	56	60	60	45
1988	53	57	59	43
1989	48	50	58	37
1990	34	36	42	27
1991	36	36	49	29
1992	48	50	59	39
1993	59	62	68	49
1994	56	61	62	44
1995	47	50	56	35
1996	57	61	64	46
1997	57	60	66	45
1998	70	76	78	54
1999	73	80	80	54
2000	62	69	69	45
2001	56	61	63	41
2002	61	66	69	46
2003	64	70	72	47
2004	68	75	76	51
2005	67	73	75	50
2006	42	45	51	30
Monthly Data (Seasonally Adjusted)				
2006				
Jan	57	62	66	41
Feb	56	61	64	40
Mar	54	59	62	40
Apr	51	55	59	39
May	46	50	55	33
Jun	42	47	51	29
Jul	39	43	46	27
Aug	33	37	41	22
Sep	30	32	37	22
Oct	31	32	42	23
Nov	33	33	45	26
Dec	33	33	49	23
2007				
Jan	35	36	48	26
Feb	39	40	53	29
Mar	36	36	50	28
Apr	33	33	44	27

Source: Builders Economic Council Survey, National Association of Home Builders
<http://www.nahb.org/generic.aspx?genericContentID=372> (See HMI Release.)



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



Period	Conventional					
	30-Year Fixed Rate		15-Year Fixed Rate		1-Year ARMs	
	Rate	Points	Rate	Points	Rate	Points
Annual Data						
1973	8.04	1.0	NA	NA	NA	NA
1974	9.19	1.2	NA	NA	NA	NA
1975	9.04	1.1	NA	NA	NA	NA
1976	8.88	1.2	NA	NA	NA	NA
1977	8.84	1.1	NA	NA	NA	NA
1978	9.63	1.3	NA	NA	NA	NA
1979	11.19	1.6	NA	NA	NA	NA
1980	13.77	1.8	NA	NA	NA	NA
1981	16.63	2.1	NA	NA	NA	NA
1982	16.09	2.2	NA	NA	NA	NA
1983	13.23	2.1	NA	NA	NA	NA
1984	13.87	2.5	NA	NA	11.49	2.5
1985	12.42	2.5	NA	NA	10.04	2.5
1986	10.18	2.2	NA	NA	8.42	2.3
1987	10.20	2.2	NA	NA	7.82	2.2
1988	10.33	2.1	NA	NA	7.90	2.3
1989	10.32	2.1	NA	NA	8.80	2.3
1990	10.13	2.1	NA	NA	8.36	2.1
1991	9.25	2.0	NA	NA	7.10	1.9
1992	8.40	1.7	7.96	1.7	5.63	1.7
1993	7.33	1.6	6.83	1.6	4.59	1.5
1994	8.35	1.8	7.86	1.8	5.33	1.5
1995	7.95	1.8	7.49	1.8	6.07	1.5
1996	7.81	1.7	7.32	1.7	5.67	1.4
1997	7.59	1.7	7.13	1.7	5.60	1.4
1998	6.95	1.1	6.59	1.1	5.59	1.1
1999	7.44	1.0	7.06	1.0	5.98	1.0
2000	8.05	1.0	7.72	1.0	7.04	1.0
2001	6.97	0.9	6.50	0.9	5.82	0.9
2002	6.54	0.6	5.98	0.6	4.62	0.7
2003	5.83	0.6	5.17	0.6	3.76	0.6
2004	5.84	0.7	5.21	0.6	3.90	0.7
2005	5.87	0.6	5.42	0.6	4.49	0.7
2006	6.41	0.5	6.07	0.5	5.53	0.7
Monthly Data						
2006						
Jan	6.15	0.5	5.71	0.5	5.17	0.6
Feb	6.25	0.6	5.86	0.6	5.34	0.7
Mar	6.32	0.6	5.97	0.6	5.42	0.8
Apr	6.51	0.6	6.16	0.5	5.62	0.8
May	6.60	0.5	6.21	0.5	5.63	0.7
Jun	6.68	0.5	6.31	0.5	5.71	0.7
Jul	6.76	0.5	6.39	0.4	5.79	0.7
Aug	6.52	0.4	6.20	0.4	5.64	0.7
Sep	6.40	0.5	6.08	0.4	5.56	0.7
Oct	6.36	0.4	6.05	0.5	5.55	0.7
Nov	6.24	0.5	5.96	0.5	5.51	0.6
Dec	6.14	0.4	5.88	0.5	5.45	0.7
2007						
Jan	6.22	0.4	5.97	0.4	5.47	0.5
Feb	6.29	0.4	6.02	0.4	5.51	0.7
Mar	6.16	0.4	5.88	0.4	5.44	0.6

Source: Federal Home Loan Mortgage Corporation
<http://www.freddiemac.com/pmms/pmms30.htm>

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



Period	Fixed Rate				Adjustable Rate			
	Rate	Points	Effective Rate	Term to Maturity	Rate	Points	Effective Rate	Term to Maturity
Annual Data								
1982	14.72	2.51	15.26	25.4	14.74	2.86	15.37	26.0
1983	12.51	2.41	12.98	25.5	11.88	2.37	12.33	26.7
1984	12.67	2.59	13.18	24.8	11.57	2.57	12.05	28.0
1985	11.93	2.56	12.43	24.1	10.44	2.47	10.87	27.7
1986	10.09	2.31	10.50	24.9	9.10	1.97	9.42	27.3
1987	9.52	2.18	9.90	25.5	8.20	1.95	8.51	28.6
1988	10.04	2.07	10.41	26.0	8.21	1.88	8.51	28.9
1989	10.21	1.92	10.54	27.0	9.15	1.79	9.44	28.9
1990	10.06	1.87	10.39	26.1	8.90	1.56	9.15	29.3
1991	9.38	1.63	9.66	25.8	8.03	1.43	8.26	28.7
1992	8.21	1.61	8.50	24.4	6.37	1.44	6.59	29.1
1993	7.27	1.21	7.48	24.7	5.56	1.20	5.74	28.8
1994	7.98	1.14	8.17	25.8	6.27	1.05	6.42	29.2
1995	8.01	1.01	8.18	26.5	7.00	0.88	7.13	29.3
1996	7.81	1.03	7.98	26.1	6.94	0.81	7.06	29.0
1997	7.73	1.01	7.89	26.9	6.76	0.87	6.90	29.4
1998	7.05	0.86	7.19	27.5	6.35	0.75	6.46	29.6
1999	7.32	0.78	7.44	27.8	6.45	0.57	6.53	29.7
2000	8.14	0.75	8.25	28.3	6.99	0.42	7.05	29.8
2001	7.03	0.56	7.11	27.3	6.34	0.33	6.39	29.8
2002	6.62	0.48	6.69	26.8	5.60	0.39	5.66	29.7
2003	5.87	0.38	5.92	26.3	4.98	0.39	5.03	29.8
2004	5.95	0.43	6.01	26.9	5.15	0.36	5.20	29.8
2005	6.02	0.42	6.08	27.9	5.50	0.27	5.54	30.0
2006	6.58	0.43	6.65	28.7	6.32	0.33	6.37	30.0
Monthly Data								
2006								
Jan	6.40	0.40	6.46	28.1	5.97	0.27	6.01	30.0
Feb	6.43	0.41	6.49	28.2	6.01	0.24	6.04	30.1
Mar	6.51	0.40	6.57	28.7	6.23	0.26	6.26	30.1
Apr	6.57	0.41	6.63	28.6	6.34	0.26	6.37	30.0
May	6.67	0.41	6.73	28.5	6.42	0.26	6.46	30.1
Jun	6.72	0.45	6.79	28.6	6.48	0.24	6.52	30.0
Jul	6.83	0.42	6.90	28.6	6.53	0.31	6.58	30.1
Aug	6.78	0.47	6.85	28.9	6.66	0.32	6.70	30.0
Sep	6.64	0.47	6.71	28.9	6.30	0.47	6.37	30.2
Oct	6.59	0.47	6.67	29.0	6.30	0.45	6.36	29.8
Nov	6.47	0.47	6.54	29.3	6.31	0.46	6.37	29.9
Dec	6.38	0.43	6.44	29.0	6.29	0.44	6.35	30.1
2007								
Jan	6.36	0.44	6.42	29.2	6.25	0.39	6.31	30.1
Feb	6.37	0.45	6.44	29.4	6.27	0.55	6.35	29.9
Mar	6.30	0.45	6.37	29.4	6.15	0.45	6.22	29.9

Source: Federal Housing Finance Board

<http://www.fhfb.gov/MIRS/mirstbl2.xls>



Table 16. FHA, VA, and PMI 1–4 Family Mortgage Insurance Activity: 1971–Present

Period	FHA*			VA Guaranties	PMI Certificates
	Applications	Total Endorsements	Purchase Endorsements		
Annual Data					
1971	998,365	565,417	NA	284,358	NA
1972	655,747	427,858	NA	375,485	NA
1973	359,941	240,004	NA	321,522	NA
1974	383,993	195,850	NA	313,156	NA
1975	445,350	255,061	NA	301,443	NA
1976	491,981	250,808	NA	330,442	NA
1977	550,168	321,118	NA	392,557	NA
1978	627,971	334,108	NA	368,648	NA
1979	652,435	457,054	NA	364,656	NA
1980	516,938	381,169	359,151	274,193	392,808
1981	299,889	224,829	204,376	151,811	334,565
1982	461,129	166,734	143,931	103,354	315,868
1983	776,893	503,425	455,189	300,568	652,214
1984	476,888	267,831	235,847	210,366	946,408
1985	900,119	409,547	328,639	201,313	729,597
1986	1,907,316	921,370	634,491	351,242	585,987
1987	1,210,257	1,319,987	866,962	455,616	511,058
1988	949,353	698,990	622,873	212,671	423,470
1989	989,724	726,359	649,596	183,209	365,497
1990	957,302	780,329	726,028	192,992	367,120
1991	898,859	685,905	620,050	186,561	494,259
1992	1,090,392	680,278	522,738	290,003	907,511
1993	1,740,504	1,065,832	591,243	457,596	1,198,307
1994	961,466	1,217,685	686,487	536,867	1,148,696
1995	857,364	568,399	516,380	243,719	960,756
1996	1,064,324	849,861	719,517	326,458	1,068,707
1997	1,115,434	839,712	745,524	254,670	974,698
1998	1,563,394	1,110,530	796,779	384,605	1,473,344
1999	1,407,014	1,246,433	949,516	441,606	1,455,403
2000	1,154,622	891,874	826,708	186,671	1,236,214
2001	1,760,278	1,182,368	818,035	281,505	1,987,717
2002	1,521,730	1,246,561	805,198	328,506	2,305,709
2003	1,634,166	1,382,570	677,507	513,259	2,493,435
2004	945,565	826,611	502,302	262,781	1,708,972
2005	673,855	523,243	332,912	160,294	1,579,593
2006	653,910	465,379	264,074	137,874	1,444,330
Monthly Data					
2006					
Jan	46,169	39,986	25,327	11,259	90,330
Feb	54,936	31,616	18,247	8,659	104,146
Mar	67,555	43,595	25,434	11,777	135,348
Apr	57,484	41,058	24,674	11,161	95,631
May	62,901	30,070	10,882	10,734	121,013
Jun	57,619	29,176	9,652	13,342	143,501
Jul	49,241	41,146	26,543	12,011	112,019
Aug	56,531	46,989	30,153	14,532	129,415
Sep	49,122	41,321	25,696	12,458	130,830
Oct	55,700	44,783	26,230	11,921	123,626
Nov	55,122	40,239	22,853	10,582	103,934
Dec	41,530	35,400	18,383	9,428	154,537
2007					
Jan	47,650	43,308	22,146	11,429	108,980
Feb	50,003	36,326	16,483	8,881	118,214
Mar	66,885	41,109	19,472	10,553	183,919

NA = Data not available.

*These operational numbers differ slightly from adjusted accounting numbers.

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



Table 17. FHA Unassisted Multifamily Mortgage Insurance Activity: 1980–Present*

Period	Construction of New Rental Units ¹			Purchase or Refinance of Existing Rental Units ²			Congregate Housing, Nursing Homes, and Assisted Living, Board and Care Facilities ³		
	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount
Annual Data									
1980	79	14,671	560.8	32	6,459	89.1	25	3,187	78.1
1981	94	14,232	415.1	12	2,974	43.0	35	4,590	130.0
1982	98	14,303	460.4	28	7,431	95.2	50	7,096	200.0
1983	74	14,353	543.9	94	22,118	363.0	65	9,231	295.8
1984	96	14,158	566.2	88	21,655	428.2	45	5,697	175.2
1985	144	23,253	954.1	135	34,730	764.3	41	5,201	179.1
1986	154	22,006	1,117.5	245	32,554	1,550.1	22	3,123	111.2
1987	171	28,300	1,379.4	306	68,000	1,618.0	45	6,243	225.7
1988	140	21,180	922.2	234	49,443	1,402.3	47	5,537	197.1
1989	101	15,240	750.9	144	32,995	864.6	41	5,183	207.9
1990	61	9,910	411.4	69	13,848	295.3	53	6,166	263.2
1991	72	13,098	590.2	185	40,640	1,015.1	81	10,150	437.2
1992	54	7,823	358.5	119	24,960	547.1	66	8,229	367.4
1993	56	9,321	428.6	262	50,140	1,209.4	77	9,036	428.6
1994	84	12,988	658.5	321	61,416	1,587.0	94	13,688	701.7
1995	89	17,113	785.0	192	32,383	822.3	103	12,888	707.2
1996	128	23,554	1,178.8	268	51,760	1,391.1	152	20,069	927.5
1997	147	23,880	1,362.2	186	31,538	1,098.5	143	16,819	820.0
1998	149	25,237	1,420.7	158	19,271	576.3	89	7,965	541.0
1999	185	30,863	1,886.8	182	22,596	688.7	130	14,592	899.2
2000	193	35,271	2,171.7	165	20,446	572.6	178	18,618	891.7
2001	163	29,744	1,905.6	303	35,198	831.9	172	20,633	1,135.2
2002	167	31,187	2,042.7	439	52,434	1,284.5	287	33,086	1,780.6
2003	180	30,871	2,224.5	701	87,193	2,273.5	253	31,126	1,502.2
2004	166	27,891	1,802.6	672	70,740	2,203.1	228	26,094	1,344.3
2005	148	24,847	1,596.3	472	49,238	1,724.9	184	20,625	1,080.4
2006	97	14,603	873.3	614	59,451	2,252.5	228	26,898	1,425.6
2007 (3 mos.)	16	2,732	195.7	76	5,681	202.1	21	2,712	196.1

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

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

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

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

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



Table 18. Mortgage Delinquencies and Foreclosures Started: 1986–Present*

Period	Delinquency Rates												Foreclosures Started					
	Total Past Due						90 Days Past Due											
	All Loans	Conventional Loans			FHA Loans	VA Loans	All Loans	Conventional Loans			FHA Loans	VA Loans	All Loans	Conventional Loans			FHA Loans	VA Loans
All Conv.		Prime Only	Sub-prime Only	All Conv.				Prime Only	Sub-prime Only	All Conv.				Prime Only	Sub-prime Only			
Annual Averages																		
1986	5.56	3.80	NA	NA	7.16	6.58	1.01	0.67	NA	NA	1.29	1.24	0.26	0.19	NA	NA	0.32	0.30
1987	4.97	3.15	NA	NA	6.56	6.21	0.93	0.61	NA	NA	1.19	1.17	0.26	0.18	NA	NA	0.34	0.32
1988	4.79	2.94	NA	NA	6.56	6.22	0.85	0.54	NA	NA	1.14	1.14	0.27	0.17	NA	NA	0.37	0.32
1989	4.81	3.03	NA	NA	6.74	6.45	0.79	0.50	NA	NA	1.09	1.09	0.29	0.18	NA	NA	0.41	0.37
1990	4.66	2.99	NA	NA	6.68	6.35	0.71	0.39	NA	NA	1.10	1.04	0.31	0.21	NA	NA	0.43	0.40
1991	5.03	3.26	NA	NA	7.31	6.77	0.80	0.46	NA	NA	1.25	1.11	0.34	0.27	NA	NA	0.43	0.42
1992	4.57	2.95	NA	NA	7.57	6.46	0.81	0.47	NA	NA	1.35	1.15	0.33	0.26	NA	NA	0.45	0.40
1993	4.22	2.66	NA	NA	7.14	6.30	0.77	0.45	NA	NA	1.40	1.16	0.32	0.24	NA	NA	0.48	0.42
1994	4.10	2.60	NA	NA	7.26	6.26	0.76	0.45	NA	NA	1.44	1.19	0.33	0.23	NA	NA	0.56	0.48
1995	4.24	2.77	NA	NA	7.55	6.44	0.74	0.43	NA	NA	1.46	1.17	0.33	0.23	NA	NA	0.53	0.50
1996	4.33	2.78	NA	NA	8.05	6.75	0.63	0.32	NA	NA	1.40	1.10	0.34	0.25	NA	NA	0.58	0.46
1997	4.31	2.82	NA	NA	8.13	6.94	0.58	0.32	NA	NA	1.22	1.15	0.36	0.26	NA	NA	0.62	0.51
1998	4.74	3.41	2.59	10.87	8.57	7.55	0.66	0.39	0.28	1.31	1.50	1.23	0.42	0.34	0.22	1.46	0.59	0.44
1999	4.48	3.17	2.26	11.43	8.57	7.55	0.63	0.34	0.24	1.23	1.50	1.23	0.38	0.33	0.17	1.75	0.59	0.44
2000	4.54	3.23	2.28	11.90	9.07	6.84	0.62	0.32	0.22	1.21	1.61	1.22	0.41	0.37	0.16	2.31	0.56	0.38
2001	5.26	3.79	2.67	14.03	10.78	7.67	0.80	0.44	0.27	2.04	2.12	1.47	0.46	0.41	0.20	2.34	0.71	0.42
2002	5.23	3.79	2.63	14.31	11.53	7.86	0.91	0.57	0.29	3.16	2.36	1.61	0.46	0.39	0.20	2.14	0.85	0.46
2003	4.74	3.51	2.51	12.17	12.21	8.00	0.90	0.59	0.30	3.25	2.66	1.77	0.42	0.34	0.20	1.61	0.90	0.48
2004	4.49	NA	2.30	10.80	12.18	7.31	0.87	NA	0.29	2.72	2.75	1.60	0.43	NA	0.19	1.50	0.98	0.49
2005	4.45	NA	2.30	10.84	12.51	7.00	0.89	NA	0.32	2.59	3.08	1.60	0.41	NA	0.18	1.42	0.85	0.38
2006	4.61	NA	2.39	12.27	12.74	6.67	0.96	NA	0.36	2.89	3.38	1.55	0.46	NA	0.19	1.81	0.83	0.35
Quarterly Data (Seasonally Adjusted)																		
2005																		
Q4	4.70	NA	2.47	11.63	13.18	6.81	1.02	NA	0.41	2.94	3.55	1.67	0.42	NA	0.18	1.47	0.91	0.34
2006																		
Q1	4.41	NA	2.25	11.50	12.23	6.93	1.01	NA	0.39	2.82	3.59	1.78	0.41	NA	0.16	1.62	0.83	0.39
Q2	4.39	NA	2.29	11.70	12.45	6.35	0.91	NA	0.36	2.65	3.34	1.45	0.43	NA	0.18	1.79	0.75	0.35
Q3	4.67	NA	2.44	12.56	12.80	6.58	0.94	NA	0.34	2.96	3.28	1.48	0.46	NA	0.19	1.82	0.79	0.32
Q4	4.95	NA	2.57	13.33	13.46	6.82	0.96	NA	0.33	3.13	3.30	1.50	0.54	NA	0.24	2.00	0.93	0.34

* All data are seasonally adjusted.

NA = not applicable.

Source: National Delinquency Survey, Mortgage Bankers Association

<http://www.mbaa.org/marketdata> (See Residential Mortgage Delinquency Report.)



Table 19. Expenditures for Existing Residential Properties: 1977–Present

Period	Total Expenditures	Maintenance and Repairs ¹	Improvements					Major Replacements ⁵
			Total	Additions and Alterations ²			To Property Outside the Structure	
				Total	Additions ³	Improvements		
Annual Data (Millions of Dollars)								
1977	31,280	11,344	19,936	14,237	2,655	8,505	3,077	5,699
1978	37,461	12,909	24,552	16,458	3,713	8,443	4,302	8,094
1979	42,231	14,950	27,281	18,285	3,280	9,642	5,363	8,996
1980	46,338	15,187	31,151	21,336	4,183	11,193	5,960	9,816
1981	46,351	16,022	30,329	20,414	3,164	11,947	5,303	9,915
1982	45,291	16,810	28,481	18,774	2,641	10,711	5,423	9,707
1983	49,295	18,128	31,167	20,271	4,739	11,673	3,859	10,895
1984	70,597	29,307	41,291	28,023	6,044	14,604	7,375	13,268
1985	82,127	36,349	45,778	29,259	4,027	17,922	7,309	16,519
1986	94,329	37,394	56,936	39,616	7,552	21,774	10,292	17,319
1987	98,413	40,227	58,186	41,484	9,893	22,503	9,088	16,701
1988	106,864	43,580	63,284	45,371	11,868	23,789	9,715	17,912
1989	108,054	46,089	61,966	42,176	7,191	24,593	10,391	19,788
1990	115,432	55,800	59,629	39,929	9,160	23,510	7,261	19,700
1991	107,692	55,505	52,187	33,662	8,609	17,486	7,567	18,526
1992	115,569	50,821	64,748	44,041	7,401	24,870	11,771	20,705
1993	121,899	45,785	76,114	53,512	16,381	27,657	9,472	22,604
1994	130,625	47,185	83,439	56,835	12,906	30,395	13,534	26,606
1995	124,971	47,032	77,940	51,011	11,197	29,288	10,526	26,928
1996	131,362	40,108	91,253	64,513	17,388	32,889	14,235	26,738
1997	133,577	41,145	92,432	65,222	14,575	37,126	13,523	27,210
1998	133,693	41,980	91,712	62,971	11,897	38,787	12,287	28,741
1999	142,900	42,352	100,549	72,056	16,164	42,058	13,833	28,493
2000	152,975	42,236	110,739	77,979	18,189	40,384	19,407	32,760
2001	157,765	47,492	110,273	77,560	14,133	47,208	16,218	32,714
2002	173,324	47,349	125,946	88,708	20,624	49,566	18,518	37,238
2003	176,899	44,094	132,805	93,458	20,994	55,028	17,435	39,347
Period	Total Expenditures	Maintenance and Repairs ¹	Total	Improvements				Major Replacements ⁵
				Total	Additions and Alterations ²		Other Property Improvements	
					Additions ³	Alterations ⁴		
2003	176,899	44,094	132,805		20,994	91,759	20,051	
2004	198,557	50,612	147,945		17,889	103,835	26,219	
2005	215,030	53,293	161,737		20,719	112,721	28,297	
2006	228,208	53,389	174,819		13,519	129,918	31,382	
Quarterly Data (Seasonally Adjusted Annual Rates)								
2005								
Q4	233,500	54,700	178,800		NA	NA	NA	
2006								
Q1	232,200	53,900	178,300		NA	NA	NA	
Q2	225,000	54,500	170,500		NA	NA	NA	
Q3	231,000	52,800	178,300		NA	NA	NA	
Q4	225,970	53,157	172,813		NA	NA	NA	

¹Maintenance and repairs are incidental costs that keep a property in ordinary working condition.

²Additions and alterations to property outside the structure include walks, driveways, walls, fences, pools, garages, and sheds.

³Additions refer to actual enlargements of the structure.

⁴Alterations refer to changes or improvements made within or on the structure.

⁵Major replacements are relatively expensive and are not considered repairs; they include furnaces, boilers, roof replacement, and central air conditioning. Effective with the first quarter of 2004, this survey no longer tabulates major replacements separately from other types of improvements. As a result, data previously tabulated as "Major Replacements" are now included in the columns of "Additions and Alterations."

NA = Data available only annually. Blank cells appear in the table because of a change in the survey.

Source: Census Bureau, Department of Commerce

<http://www.census.gov/const/www/c50index.html>



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

Period	Total	New Residential Construction			Improvements
		Total	Single-Family Structures	Multifamily Structures	
Annual Data (Current Dollars in Millions)					
1974	55,967	43,420	29,700	13,720	12,547
1975	51,581	36,317	29,639	6,679	15,264
1976	68,273	50,771	43,860	6,910	17,502
1977	92,004	72,231	62,214	10,017	19,773
1978	109,838	85,601	72,769	12,832	24,237
1979	116,444	89,272	72,257	17,015	27,172
1980	100,381	69,629	52,921	16,708	30,752
1981	99,241	69,424	51,965	17,460	29,817
1982	84,676	57,001	41,462	15,838	27,675
1983	125,833	94,961	72,514	22,447	30,872
1984	155,015	114,616	86,395	28,221	40,399
1985	160,520	115,888	87,350	28,539	44,632
1986	190,677	135,169	104,131	31,038	55,508
1987	199,652	142,668	117,216	25,452	56,984
1988	204,496	142,391	120,093	22,298	62,105
1989	204,255	143,232	120,929	22,304	61,023
1990	191,103	132,137	112,886	19,250	58,966
1991	166,251	114,575	99,427	15,148	51,676
1992	199,393	135,070	121,976	13,094	64,323
1993	225,067	150,911	140,123	10,788	74,156
1994	258,561	176,389	162,309	14,081	82,172
1995	247,351	171,404	153,515	17,889	75,947
1996	281,115	191,113	170,790	20,324	90,002
1997	289,014	198,063	175,179	22,883	90,951
1998	314,607	223,983	199,409	24,574	90,624
1999	350,562	251,272	223,837	27,434	99,290
2000	374,457	265,047	236,788	28,259	109,410
2001	388,324	279,391	249,086	30,305	108,933
2002	421,912	298,841	265,889	32,952	123,071
2003	475,941	345,691	310,575	35,116	130,250
2004	564,827	417,501	377,557	39,944	147,326
2005	642,276	481,738	433,510	48,228	160,538
2006 ^r	630,012	469,377	413,245	56,133	160,635
Monthly Data (Seasonally Adjusted Annual Rates)					
2006					
Jan	661,423	510,477	455,778	54,699	NA
Feb	662,557	513,015	457,457	55,558	NA
Mar	647,205	490,536	457,300	56,352	NA
Apr	657,807	502,637	446,517	56,120	NA
May	647,205	490,536	435,521	55,015	NA
Jun	639,426	478,888	424,210	54,678	NA
Jul	627,305	466,703	411,342	55,361	NA
Aug	617,457	454,255	398,670	55,585	NA
Sep	609,648	445,959	388,657	57,302	NA
Oct	600,751	434,095	375,142	58,953	NA
Nov ^r	592,076	420,094	361,529	58,565	NA
Dec ^r	577,607	412,039	354,632	57,407	NA
2007					
Jan	564,563	400,397	343,554	56,843	NA
Feb	574,707	389,906	332,823	57,083	NA
Mar	568,768	390,295	333,106	57,189	NA

^rRevised.

Source: Census Bureau, Department of Commerce

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



Table 21. Gross Domestic Product and Residential Fixed Investment: 1960–Present

Period	Gross Domestic Product	Residential Fixed Investment	Residential Fixed Investment Percent of GDP
Annual Data (Current Dollars in Billions)			
1960	526.4	26.3	5.0
1961	544.7	26.4	4.8
1962	585.6	29.0	5.0
1963	617.7	32.1	5.2
1964	663.6	34.3	5.2
1965	719.1	34.2	4.8
1966	787.8	32.3	4.1
1967	832.6	32.4	3.9
1968	910.0	38.7	4.3
1969	984.6	42.6	4.3
1970	1,038.5	41.4	4.0
1971	1,127.1	55.8	5.0
1972	1,238.3	69.7	5.6
1973	1,382.7	75.3	5.4
1974	1,500.0	66.0	4.4
1975	1,638.3	62.7	3.8
1976	1,825.3	82.5	4.5
1977	2,030.9	110.3	5.4
1978	2,294.7	131.6	5.7
1979	2,563.3	141.0	5.5
1980	2,789.5	123.2	4.4
1981	3,128.4	122.6	3.9
1982	3,255.0	105.7	3.2
1983	3,536.7	152.9	4.3
1984	3,933.2	180.6	4.6
1985	4,220.3	188.2	4.5
1986	4,462.8	220.1	4.9
1987	4,739.5	233.7	4.9
1988	5,103.8	239.3	4.7
1989	5,484.4	239.5	4.4
1990	5,803.1	224.0	3.9
1991	5,995.9	205.1	3.4
1992	6,337.7	236.3	3.7
1993	6,657.4	266.0	4.0
1994	7,072.2	301.9	4.3
1995	7,397.7	302.8	4.1
1996	7,816.9	334.1	4.3
1997	8,304.3	349.1	4.2
1998	8,747.0	385.8	4.4
1999	9,268.4	424.9	4.6
2000	9,817.0	446.9	4.6
2001	10,128.0	469.3	4.6
2002	10,469.6	503.9	4.8
2003	10,960.8	572.4	5.2
2004	11,712.5	675.3	5.8
2005	12,455.8	770.4	6.2
2006	13,246.6	766.7	5.8
Quarterly Data (Seasonally Adjusted Annual Rates)			
2006			
Q1	13,008.4	808.5	6.2
Q2	13,197.3	790.6	6.0
Q3	13,322.6	750.5	5.6
Q4	13,458.2	717.1	5.3
2007			
Q1	13,632.6	687.2	5.0

Source: Bureau of Economic Analysis, Department of Commerce
<http://www.bea.doc.gov/bea/newsrel/gdpnewsrelease.htm> (See Table 3 in pdf.)



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

Period	Total	Less Than 25 Years	25 to 29 Years	30 to 34 Years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Older
Annual Data								
1971 ¹	848	NA	NA	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA	NA	NA
1974 ^r	1,554	NA	NA	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA	NA	NA
1977	1,275	114	87	570	255	85	149	14
1978	1,888	229	213	451	487	(303)	403	409
1979	1,300	122	81	84	359	(17)	101	570
1980 ²	3,446	228	573	935	652	69	241	749
1981	1,592	(127)	262	387	482	40	179	368
1982	1,159	(333)	11	163	864	(189)	243	400
1983	391	(415)	(60)	(163)	694	(151)	127	359
1984 ^r	1,372	(237)	332	350	549	169	54	156
1985	1,499	(20)	(160)	388	912	105	(55)	328
1986	1,669	65	144	252	516	471	(221)	441
1987	1,021	(306)	(129)	221	706	112	16	402
1988 ^r	1,645	109	(44)	163	624	389	(10)	414
1989	1,706	109	16	287	625	418	(53)	304
1990	517	(294)	(201)	(251)	602	496	(276)	440
1991	965	(239)	(177)	28	750	237	(5)	371
1992	1,364	(23)	(433)	120	474	796	36	394
1993 ³	750	398	46	1	84	866	(406)	(239)
1994	681	8	(387)	47	431	424	34	124
1995	1,883	179	(72)	(193)	621	753	36	559
1996	637	(162)	(46)	(181)	312	418	177	121
1997	1,391	(122)	293	(204)	597	835	68	(78)
1998	1,510	275	(184)	(97)	120	704	603	89
1999	1,346	335	56	(270)	25	611	499	92
2000	831	90	1	(193)	(13)	769	21	156
2001	1,712	532	(213)	140	(51)	870	351	83
2002 ⁴	2,880	(1)	105	329	127	411	1,260	648
2003	595	69	(18)	(92)	(237)	208	643	22
2004	1,028	98	278	(219)	(320)	365	714	112
2005	1,643	(3)	298	(283)	42	476	802	311
2006	1,344	43	185	(160)	(243)	508	682	329
Quarterly Data								
2006								
Q1	401	11	135	(19)	2	4	52	216
Q2	161	(88)	65	(116)	(112)	283	154	(26)
Q3	179	149	(41)	2	(38)	79	114	(85)
Q4	303	(32)	53	117	(206)	(47)	390	28
2007								
Q1	(228)	(149)	74	(87)	(164)	(97)	94	102

*Units in thousands.

^rImplementation of new March CPS processing system.

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

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

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

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

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



Table 23. Net Change in Number of Households by Type of Household: 1971–Present*

Period	Total	Families ⁵				Non-Family Households		One-Person Households	
		Husband-Wife		Other Male Headed	Other Female Headed	Male Headed	Female Headed	Males	Females
		With Children	Without Children						
Annual Data									
1971 ¹	848	NA	NA	NA	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA	NA	NA	NA
1974 ^r	1,554	NA	NA	NA	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA	NA	NA	NA
1977	1,275	(191)	366	36	206	199	109	223	326
1978	1,888	(228)	114	103	497	126	93	713	470
1979	1,300	(91)	396	53	182	143	131	112	375
1980 ²	3,446	426	1,024	115	485	240	60	502	592
1981	1,592	56	126	201	377	184	9	287	353
1982	1,159	(393)	730	53	322	(50)	81	229	189
1983	391	(2)	278	31	65	87	33	(31)	(73)
1984 ^r	1,372	(60)	234	21	427	142	14	35	562
1985	1,499	(178)	447	189	233	(12)	62	436	319
1986	1,669	458	125	187	81	171	71	363	213
1987	1,021	75	529	96	235	43	95	(39)	(12)
1988 ^r	1,645	(107)	244	344	243	62	51	557	249
1989	1,706	135	290	0	196	213	99	390	385
1990	517	(123)	341	30	5	(124)	97	(144)	435
1991	965	(66)	(104)	28	373	143	(1)	401	191
1992	1,364	(53)	363	114	430	115	12	163	220
1993 ³	750	550	83	44	364	37	87	(169)	(247)
1994	681	207	(128)	(145)	340	170	185	(4)	57
1995	1,883	250	439	308	(182)	28	(80)	700	421
1996	637	(333)	43	286	295	11	169	148	20
1997	1,391	153	(117)	340	270	204	37	154	349
1998	1,510	246	467	61	(136)	(143)	89	568	356
1999	1,346	(211)	663	63	139	280	132	(44)	323
2000	831	149	392	48	(98)	58	165	215	(97)
2001	1,712	189	99	231	(168)	221	42	356	743
2002 ⁴	2,880	371	778	195	608	(106)	81	467	485
2003	595	(38)	277	47	83	29	27	135	36
2004	1,028	(136)	341	283	175	39	(18)	167	176
2005	1,643	(111)	299	189	456	77	56	431	248
2006	1,344	64	226	54	169	93	100	452	186
Quarterly Data									
2006									
Q1	401	259	(168)	98	(99)	67	(55)	84	216
Q2	161	(211)	136	8	(47)	(5)	59	126	93
Q3	179	(414)	335	75	363	(47)	4	52	(188)
Q4	303	50	(26)	(241)	(134)	234	(64)	233	249
2007									
Q1	(228)	373	(167)	72	13	(178)	(150)	(125)	(65)

*Units in thousands.

¹Implementation of new March CPS processing system.

²Data from 1971 to 1979 weighted based on the 1970 decennial census.

³Data from 1980 to 1992 weighted based on the 1980 decennial census.

⁴Beginning in 1993, CPS data weighted based on the 1990 decennial census.

⁵Beginning in 2002, CPS data weighted based on the 2000 decennial census data and housing unit controls.

⁶Primary families only.

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



Table 24. Net Change in Number of Households by Race and Ethnicity of Householder: 1971–Present*

Period	Total	Non-Hispanic				Hispanic
		White Alone	Black Alone	Other Race Alone	Two or More Races ⁵	
Annual Data						
1971 ¹	848	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA
1974 ^r	1,554	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA
1977	1,275	832	288	22	NA	133
1978	1,888	1,356	190	119	NA	223
1979	1,300	1,115	96	102	NA	(13)
1980 ²	3,446	2,367	488	198	NA	393
1981	1,592	903	244	223	NA	222
1982	1,159	890	129	66	NA	74
1983	391	218	(37)	105	NA	105
1984 ^r	1,372	434	299	58	NA	581
1985	1,499	938	250	94	NA	217
1986	1,669	954	283	102	NA	330
1987	1,021	527	116	173	NA	205
1988 ^r	1,645	1,053	255	113	NA	224
1989	1,706	947	382	109	NA	268
1990	517	428	(49)	115	NA	23
1991	965	540	156	(18)	NA	287
1992	1,364	590	397	218	NA	159
1993 ³	750	(518)	183	312	NA	774
1994	681	590	(6)	(114)	NA	209
1995	1,883	1,307	387	(182)	NA	373
1996	637	(72)	(156)	660	NA	204
1997	1,391	308	509	288	NA	286
1998	1,510	696	363	87	NA	365
1999	1,346	641	89	145	NA	470
2000	831	242	245	85	NA	259
2001	1,712	557	483	328	NA	344
2002 ⁴	2,880	1,442	(100)	702	NA	836
2003	595	(666)	(5)	(443)	1,109	600
2004	1,028	417	208	164	39	201
2005	1,643	710	257	166	50	461
2006	1,344	511	214	126	26	467
Quarterly Data						
2006						
Q1	401	189	46	(51)	16	202
Q2	161	(207)	155	74	25	114
Q3	179	151	(76)	13	29	62
Q4	303	109	51	55	(33)	121
2007						
Q1	(228)	(272)	(20)	131	(98)	32

*Units in thousands.

¹Implementation of new March CPS processing system.

²Data from 1971 to 1979 weighted based on the 1970 decennial census.

³Data from 1980 to 1992 weighted based on the 1980 decennial census.

⁴Beginning in 1993, CPS data weighted based on the 1990 decennial census.

⁵Beginning in 2002, CPS data weighted based on the 2000 decennial census data and housing unit controls.

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

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



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

Period	Total ³	Seasonal	Total Year Round	Total Vacant Year Round	For Rent	For Sale Only	Other Vacant	Total Occupied	Owner	Renter
Annual and Biannual Data										
1970 ¹	68,672	973	67,699	4,207	1,655	477	2,075	63,445	39,886	23,560
1971	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1972	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1973	75,969	676	75,293	5,956	1,545	502	3,909	69,337	44,653	24,684
1974	77,601	1,715	75,886	5,056	1,630	547	2,879	70,830	45,784	25,046
1975	79,087	1,534	77,553	5,030	1,489	577	2,964	72,523	46,867	25,656
1976	80,881	1,565	79,316	5,311	1,544	617	3,150	74,005	47,904	26,101
1977	82,420	1,704	80,716	5,436	1,532	596	3,308	75,280	48,765	26,515
1978	84,618	1,785	82,833	5,667	1,545	624	3,498	77,167	50,283	26,884
1979	86,374	1,788	84,586	6,014	1,600	677	3,737	78,572	51,411	27,160
1980	88,207	2,183	86,024	5,953	1,497	755	3,701	80,072	52,516	27,556
1980 ¹	88,411	1,718	86,693	NA	NA	NA	NA	80,390	51,795	28,595
1981 ²	91,561	1,950	89,610	6,435	1,634	812	3,989	83,175	54,342	28,833
1983	93,519	1,845	91,675	7,037	1,906	955	4,176	84,638	54,724	29,914
1985	99,931	3,182	96,749	8,324	2,518	1,128	4,678	88,425	56,145	32,280
1987	102,652	2,837	99,818	8,927	2,895	1,116	4,916	90,888	58,164	32,724
1989	105,661	2,881	102,780	9,097	2,644	1,115	5,338	93,683	59,916	33,767
1990 ¹	102,264	NA	NA	NA	NA	NA	NA	91,947	59,025	32,923
1991	104,592	2,728	101,864	8,717	2,684	1,026	5,007	93,147	59,796	33,351
1993	106,611	3,088	103,522	8,799	2,651	889	5,258	94,724	61,252	33,472
1995	109,457	3,054	106,403	8,710	2,666	917	5,128	97,693	63,544	34,150
1997	112,357	3,166	109,191	9,704	2,884	1,043	5,777	99,487	65,487	34,000
1999	115,253	2,961	112,292	9,489	2,719	971	5,799	102,803	68,796	34,007
2000 ¹	119,628	NA	NA	NA	NA	NA	NA	105,719	71,249	34,470
2001	119,116	3,078	116,038	9,777	2,916	1,243	5,618	106,261	72,265	33,996
2003	120,777	3,566	117,211	11,369	3,597	1,284	6,488	105,842	72,238	33,604
Quarterly Data										
2006										
Q1	125,373	3,908	121,465	12,176	3,685	1,580	6,911	109,289	74,883	34,406
Q2	125,800	3,974	121,826	12,376	3,676	1,729	6,971	109,450	75,227	34,223
Q3	126,225	3,989	122,236	12,606	3,808	1,935	6,863	109,630	75,646	33,984
Q4	126,651	4,044	122,607	12,675	3,779	2,100	6,798	109,932	75,763	34,169
2007										
Q1	127,266	4,170	123,096	13,392	3,956	2,179	7,257	109,704	75,006	34,698

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

¹Decennial Census of Housing.

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

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

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

<http://www.census.gov/hhes/www/hvs.html> (See Table 4.)



Table 26. Rental Vacancy Rates: 1979–Present

Period	All Rental Units	Metropolitan Status ¹				Regions				Units in Structure		
		Inside Metro Area	In Central Cities	Suburbs	Outside Metro Area	North-east	Mid-west	South	West	One	Two or More	Five or More
Annual Data												
1979	5.4	5.4	5.7	5.1	5.4	4.5	5.7	6.1	5.3	3.2	6.6	7.6
1980	5.4	5.2	5.4	4.8	6.1	4.2	6.0	6.0	5.2	3.4	6.4	7.1
1981	5.0	4.8	5.0	4.6	5.7	3.7	5.9	5.4	5.1	3.3	6.0	6.4
1982	5.3	5.0	5.3	4.6	6.2	3.7	6.3	5.8	5.4	3.6	6.2	6.5
1983	5.7	5.5	6.0	4.8	6.3	4.0	6.1	6.9	5.2	3.7	6.7	7.1
1984	5.9	5.7	6.2	5.1	6.4	3.7	5.9	7.9	5.2	3.8	7.0	7.5
1985	6.5	6.3	6.6	6.0	7.1	3.5	5.9	9.1	6.2	3.8	7.9	8.8
1986	7.3	7.2	7.6	6.6	8.2	3.9	6.9	10.1	7.1	3.9	9.2	10.4
1987	7.7	7.7	8.3	6.9	7.8	4.1	6.8	10.9	7.3	4.0	9.7	11.2
1988	7.7	7.8	8.4	7.0	7.3	4.8	6.9	10.1	7.7	3.6	9.8	11.4
1989	7.4	7.4	7.9	6.6	7.7	4.7	6.8	9.7	7.1	4.2	9.2	10.1
1990	7.2	7.1	7.8	6.3	7.6	6.1	6.4	8.8	6.6	4.0	9.0	9.5
1991	7.4	7.5	8.0	6.8	7.3	6.9	6.7	8.9	6.5	3.9	9.4	10.4
1992	7.4	7.4	8.3	6.4	7.0	6.9	6.7	8.2	7.1	3.9	9.3	10.1
1993	7.3	7.5	8.2	6.6	6.5	7.0	6.6	7.9	7.4	3.8	9.5	10.3
1994	7.4	7.3	8.1	6.4	7.7	7.1	6.8	8.0	7.1	5.2	9.0	9.8
1995	7.6	7.6	8.4	6.6	7.9	7.2	7.2	8.3	7.5	5.4	9.0	9.5
1996	7.8	7.7	8.2	7.0	8.7	7.4	7.9	8.6	7.2	5.5	9.3	9.6
1997	7.7	7.5	8.1	6.9	8.8	6.7	8.0	9.1	6.6	5.8	9.0	9.1
1998	7.9	7.7	8.2	7.1	9.2	6.7	7.9	9.6	6.7	6.3	9.0	9.4
1999	8.1	7.8	8.4	7.2	9.6	6.3	8.6	10.3	6.2	7.3	8.7	8.7
2000	8.0	7.7	8.2	7.2	9.5	5.6	8.8	10.5	5.8	7.0	8.7	9.2
2001	8.4	8.0	8.6	7.4	10.4	5.3	9.7	11.1	6.2	7.9	8.9	9.6
2002	8.9	8.7	9.2	8.2	10.2	5.8	10.1	11.6	6.9	8.0	9.7	10.4
2003	9.8	9.6	10.0	9.2	10.6	6.6	10.8	12.5	7.7	8.4	10.7	11.4
2004	10.2	10.2	10.8	9.5	10.2	7.3	12.2	12.6	7.5	9.3	10.9	11.5
2005	9.8	9.7	10.0	9.4	10.5	6.5	12.6	11.8	7.3	9.9	10.0	10.4
2006	9.7	9.7	10.0	9.3	10.0	7.1	12.4	11.6	6.8	9.8	9.9	10.2
Quarterly Data												
2006												
Q1	9.5	9.4	10.0	8.7	10.4	7.3	12.6	10.9	6.7	9.9	9.6	10.0
Q2	9.6	9.5	9.6	9.3	10.0	6.9	12.6	11.1	6.8	9.3	9.9	10.4
Q3	9.9	10.0	10.3	9.6	9.7	7.7	12.6	11.9	6.5	10.0	10.1	10.4
Q4	9.8	9.9	10.1	9.5	9.7	6.5	11.9	12.4	7.0	10.1	9.9	10.1
2007												
Q1	10.1	10.1	10.2	10.1	10.0	7.1	12.1	13.1	6.5	10.3	10.2	10.7

¹The Census Bureau has changed to OMB's new designation of metropolitan areas as Core Based Statistical Areas effective January 2005. The new statistical area definitions and data are not comparable with the previous ones.

<http://www.census.gov/hhes/www/hvs.html> (See Tables 2 and 3.)



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

Period	Total	Less Than 25 Years	25 to 29 Years	30 to 34 Years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Over
Annual Data								
1982	64.8	19.3	38.6	57.1	70.0	77.4	80.0	74.4
1983	64.6	18.8	38.3	55.4	69.3	77.0	79.9	75.0
1984	64.5	17.9	38.6	54.8	68.9	76.5	80.0	75.1
1985	63.9	17.2	37.7	54.0	68.1	75.9	79.5	74.8
1986	63.8	17.2	36.7	53.6	67.3	76.0	79.9	75.0
1987	64.0	16.0	36.4	53.5	67.2	76.1	80.2	75.5
1988	63.8	15.8	35.9	53.2	66.9	75.6	79.5	75.6
1989	63.9	16.6	35.3	53.2	66.6	75.5	79.6	75.8
1990	63.9	15.7	35.2	51.8	66.3	75.2	79.3	76.3
1991	64.1	15.3	33.8	51.2	65.8	74.8	80.0	77.2
1992	64.1	14.9	33.6	50.5	65.1	75.1	80.2	77.1
1993	64.5	15.0	34.0	51.0	65.4	75.4	79.8	77.3
1993 ¹	64.0	14.8	33.6	50.8	65.1	75.3	79.9	77.3
1994	64.0	14.9	34.1	50.6	64.5	75.2	79.3	77.4
1995	64.7	15.9	34.4	53.1	65.2	75.2	79.5	78.1
1996	65.4	18.0	34.7	53.0	65.5	75.6	80.0	78.9
1997	65.7	17.7	35.0	52.6	66.1	75.8	80.1	79.1
1998	66.3	18.2	36.2	53.6	66.9	75.7	80.9	79.3
1999	66.8	19.9	36.5	53.8	67.2	76.0	81.0	80.1
2000	67.4	21.7	38.1	54.6	67.9	76.5	80.3	80.4
2001	67.8	22.5	38.9	54.8	68.2	76.7	81.3	80.3
2002 ²	67.9	22.9	38.8	54.9	68.6	76.3	81.1	80.6
2003	68.3	22.8	39.8	56.5	68.3	76.6	81.4	80.5
2004	69.0	25.2	40.2	57.4	69.2	77.2	81.7	81.1
2005	68.9	25.7	40.9	56.8	69.3	76.6	81.2	80.6
2006	68.8	24.8	41.8	55.9	68.9	76.2	80.9	80.9
Quarterly Data								
2006								
Q1	68.5	23.6	41.0	56.5	68.9	75.8	81.2	80.3
Q2	68.7	24.5	41.4	55.6	68.9	76.3	81.0	80.6
Q3	69.0	25.3	42.8	55.8	68.8	76.4	80.7	81.5
Q4	68.9	25.7	41.8	55.8	68.9	76.4	80.7	81.2
2007								
Q1	68.4	25.2	40.7	54.0	68.3	75.8	80.4	80.9

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

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

Source: Census Bureau, Department of Commerce

<http://www.census.gov/hhes/www/hvs.html> (See Table 7.)



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

Period	Total	Region				Metropolitan Status ^{3,5}		
		Northeast	Midwest	South	West	Inside Metropolitan Areas		Outside Metro Area
						Central City	Outside Central City	
March Supplemental Data								
1983 ¹	64.9	61.4	70.0	67.1	58.7	48.9	70.2	73.5
1984	64.5	60.7	69.0	67.2	58.5	49.2	69.8	72.6
1985	64.3	61.1	67.7	66.7	59.4	NA	NA	NA
1986	63.8	61.1	66.9	66.7	57.8	48.3	71.2	72.0
1987	64.0	61.4	67.1	66.9	57.9	48.7	70.9	72.5
1988	64.0	61.9	67.0	65.9	59.0	48.7	71.1	72.1
1989	64.0	61.6	67.6	66.3	58.5	48.7	70.4	73.1
1990	64.1	62.3	67.3	66.5	58.0	48.9	70.1	73.5
1991	64.0	61.9	67.3	66.1	58.8	48.3	70.4	73.2
1992	64.1	62.7	67.0	65.8	59.2	49.0	70.2	73.0
1993 ²	64.1	62.4	67.0	65.5	60.0	48.9	70.2	72.9
Annual Averages of Monthly Data								
1994	64.0	61.5	67.7	65.6	59.4	48.5	70.3	72.0
1995	64.7	62.0	69.2	66.7	59.2	49.5	71.2	72.7
1996	65.4	62.2	70.6	67.5	59.2	49.7	72.2	73.5
1997	65.7	62.4	70.5	68.0	59.6	49.9	72.5	73.7
1998	66.3	62.6	71.1	68.6	60.5	50.0	73.2	74.7
1999	66.8	63.1	71.7	69.1	60.9	50.4	73.6	75.4
2000	67.4	63.4	72.6	69.6	61.7	51.4	74.0	75.2
2001	67.8	63.7	73.1	69.8	62.6	51.9	74.6	75.0
2002 ⁴	67.9	64.3	73.1	69.7	62.5	51.7	74.7	75.4
2003	68.3	64.4	73.2	70.1	63.4	52.3	75.0	75.6
2004	69.0	65.0	73.8	70.9	64.2	53.1	75.7	76.3
2005	68.9	65.2	73.1	70.8	64.4	54.2	76.4	76.3
2006	68.8	65.2	72.7	70.5	64.7	54.3	76.1	75.9
Quarterly Averages of Monthly Data								
2006								
Q1	68.5	64.7	72.5	70.4	64.4	53.9	75.6	76.4
Q2	68.7	65.4	72.5	70.4	64.7	54.2	76.0	75.9
Q3	69.0	65.5	72.8	70.6	65.3	54.6	76.2	75.8
Q4	68.9	65.3	73.0	70.8	64.5	54.4	76.4	75.7
2007								
Q1	68.4	64.8	72.2	70.6	63.6	54.1	75.7	75.1

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

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

³From 1983 and 1984, the metropolitan data reflect 1970 definitions. From 1985 to 1994, the metropolitan data reflect 1980 definitions. Beginning in 1995, the metropolitan data reflect 1990 definitions.

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

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

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

<http://www.census.gov/hhes/www/hvs.html> (See Table 6.)



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

Period	Non-Hispanic				Hispanic
	White Alone	Black Alone	Other Race Alone	Two or More Races ¹	
March Supplemental Data					
1983 ¹	69.1	45.6	53.3	NA	41.2
1984 ¹	69.0	46.0	50.9	NA	40.1
1985	69.0	44.4	50.7	NA	41.1
1986	68.4	44.8	49.7	NA	40.6
1987	68.7	45.8	48.7	NA	40.6
1988 ¹	69.1	42.9	49.7	NA	40.6
1989	69.3	42.1	50.6	NA	41.6
1990	69.4	42.6	49.2	NA	41.2
1991	69.5	42.7	51.3	NA	39.0
1992	69.6	42.6	52.5	NA	39.9
1993 ²	70.2	42.0	50.6	NA	39.4
Annual Averages of Monthly Data					
1994	70.0	42.5	50.8	NA	41.2
1995	70.9	42.9	51.5	NA	42.0
1996	71.7	44.5	51.5	NA	42.8
1997	72.0	45.4	53.3	NA	43.3
1998	72.6	46.1	53.7	NA	44.7
1999	73.2	46.7	54.1	NA	45.5
2000	73.8	47.6	53.9	NA	46.3
2001	74.3	48.4	54.7	NA	47.3
2002 ³	74.7	48.2	55.0	NA	47.0
2003	75.4	48.8	56.7	58.0	46.7
2004	76.0	49.7	59.6	60.4	48.1
2005	75.8	48.8	60.4	59.8	49.5
2006	75.8	48.4	61.1	59.9	49.7
Quarterly Averages of Monthly Data					
2006					
Q1	75.5	48.0	61.0	60.0	49.4
Q2	75.9	47.6	60.9	57.9	50.0
Q3	76.0	49.0	61.6	60.7	49.7
Q4	76.0	48.9	60.8	61.1	49.5
2007					
Q1	75.3	48.6	59.6	58.7	50.1

¹Implementation of new March CPS processing system.

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

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

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

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

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



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

Period	Married Couples		Other Families		Other
	With Children	Without Children	With Children	Without Children	
March Supplemental Data					
1983 ¹	75.0	80.8	38.3	67.5	44.5
1984 ¹	74.2	80.9	39.1	66.4	44.6
1985	74.0	81.1	38.6	65.4	45.0
1986	73.4	81.4	38.0	65.7	43.9
1987	73.8	81.6	37.6	66.3	43.9
1988 ¹	73.9	81.7	38.0	64.9	44.6
1989	74.3	82.0	35.8	64.4	45.6
1990	73.5	82.2	36.0	64.3	46.6
1991	73.0	83.0	35.6	65.6	46.8
1992	73.4	83.0	35.1	64.9	47.3
1993 ²	73.7	82.9	35.5	63.9	47.1
Annual Averages of Monthly Data					
1994	74.3	83.2	36.1	65.3	47.0
1995	74.9	84.0	37.7	66.2	47.7
1996	75.8	84.4	38.6	67.4	48.6
1997	76.5	84.9	38.5	66.4	49.2
1998	77.3	85.4	40.4	66.0	49.7
1999	77.6	85.7	41.9	65.8	50.3
2000	78.3	86.1	43.2	65.8	50.9
2001	78.8	86.6	44.2	66.1	51.7
2002 ³	78.6	86.8	43.5	66.3	52.3
2003	79.1	87.0	43.8	66.5	52.7
2004	79.7	87.7	45.3	67.8	53.5
2005	80.3	87.5	45.2	67.4	53.3
2006	79.9	87.6	45.2	67.7	53.4
Quarterly Averages of Monthly Data					
2006					
Q1	79.5	87.5	44.4	66.6	53.2
Q2	79.8	87.9	44.8	68.3	53.2
Q3	80.3	87.5	45.9	67.7	53.7
Q4	80.2	87.6	45.6	68.0	53.5
2007					
Q1	79.1	87.6	44.4	66.5	53.1

¹Implementation of new March CPS processing system.

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

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

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

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

<http://www.huduser.org>



2006 Annual Index

The 2006 Annual Index contains entries published in *U.S. Housing Market Conditions* for the 1st, 2nd, 3rd, and 4th quarters of 2006, including National Data, Historical Data, and Regional Activities.

Regional Activities summarize housing market conditions and activities, including reports on regions (for example, Northwest, Great Plains) and selected housing markets (that is, profiles of selected cities).

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Under Construction (Housing Production) . . .	Q1–14, Q2–16, Q3–18, Q4–18	<i>Washington</i>	
Units Authorized by Building Permits, Year to Date: 50 Most Active Core Based Statistical Areas (Listed by Total Building Permits)	Q1–62, Q2–64, Q3–63, Q4–63	Seattle	Q1–59
Units Authorized by Building Permits, Year to Date: HUD Regions and States	Q1–61, Q2–63, Q3–62, Q4–62	Seattle-Bellevue-Everett	Q4–60
Vacancy Rates (Housing Inventory)	Q1–26, Q2–28, Q3–30, Q4–30	<i>Wisconsin</i>	
		Madison	Q1–51
		Milwaukee-Waukesha	Q3–57
		<i>Wyoming</i>	
		Gillette	Q2–55