



U.S. Housing Market Conditions

November 1996

SUMMARY

Housing starts have exceeded 1.4 million units for five consecutive quarters, the longest period in 7½ years. Ignoring the brief downturn in early 1995, the housing production and marketing recovery has been going on for 6½ years, longer than the housing recoveries of the 1970s and 1980s.

Several measures of housing activity in the third quarter—housing starts, manufactured (mobile) home placements, existing home sales, and the National Association of Home Builders' index of builders' views—were above last year but down from the preceding quarter. Perhaps they reflected the quarter's rise in interest rates and the decline in affordability reported by the NATIONAL ASSOCIATION OF REALTORS® affordability index, both of which could be reversed in the next quarter. Or perhaps these increases are signs that the housing recovery has topped out and soon will begin the normal cyclical decline.

Some measures of housing activity in the third quarter were unchanged or showed increases over the second quarter and over year-earlier figures. These measures included multifamily permits and starts, manufactured (mobile) home shipments, housing units under construction and completed, and sales of new one-family homes. New home sales have exceeded 700,000 units (seasonally adjusted annual rate) for three quarters, the longest period in 17 years. The Nation's homeownership rate rose to 65.6 percent in the third quarter, the highest level since an equal rate was measured the third quarter of 1981, exactly 15 years ago.

Based on national economic conditions and outlook, with unemployment low and holding, incomes up, and consumer confidence improving, one could expect prospects for the housing

industry to remain favorable for some time, stretching this recovery out another quarter or more. Homebuilders appear ready to take advantage of whatever develops in the market, whether it is expansion or retrenchment. After months of concern about the buildup in unsold inventory, their inventory at the end of the third quarter was down to the lowest absolute level since November 1994 and represented only a 5.2-months' supply at current sales rates.

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New in This Issue

This issue contains appendix tables that were developed or supported by HUD that are not available elsewhere. These tables, included once each year, contain the results of Random Digit Dialing telephone surveys that are conducted to estimate Fair Market Rents (FMRs) for selected market areas and regional FMR inflation rates for metropolitan and non-metropolitan areas in the 10 regions of the country.

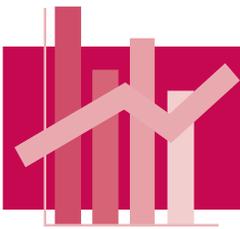


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Regional Perspective

HUD's field economists report that sales housing markets remain strong throughout much of the country as indicated by the brisk pace of home building and sales. The high volume of apartment construction is causing concern about rental market stability in some areas, however.

Through the first 9 months of 1996, home construction, as measured by single-family building permits, showed continued strength in much of the Nation. At the current pace, the Southeast region could see its best homebuilding year thus far in the 1990s; Atlanta, with 29,300 homes permitted, is likely to surpass its previous record set in 1986. In the Southwest single-family permits were up 19 percent, with the Austin, Dallas-Fort Worth, and Houston areas showing big gains. The Rocky Mountain region also could set a homebuilding record for the 1990s. California is on its way back, with 15 of 25 metropolitan areas reporting increases in single-family permit activity over last year. In the Northwest manufactured homes have become a major factor in sales housing, recently accounting for more than 50 percent of the activity in Washington State's nonmetropolitan counties.

The annual rate of existing home sales as of the third quarter of 1996 was up 2.2 percent over the third quarter of 1995. The annual rate of existing home sales in the Midwest region was more than 871,000, the second highest volume in the past 15 years. Builders in Minneapolis and Cleveland reported that traffic at recent home showcases in their areas exceeded expectations. The Dallas-Fort Worth area continued to experience its highest level of housing demand in 12 years. California home sales are set to be the best since 1989, and Phoenix is headed for a record year.

Multifamily housing building permits increased only modestly during the first 9 months of 1996 compared with the same period in 1995. The largest percentage increases, from relatively low volumes previously, were in the New York/New Jersey, Mid-Atlantic, and Great Plains regions. Multifamily permits in New York State more than doubled, with New York City accounting for a significant part of the increase. In the Mid-Atlantic multifamily housing activity increased significantly in the Philadelphia area and the Northern Virginia suburbs of Washington, D.C. Great Plains multifamily housing was up 54 percent in response to strong demand in the Omaha, Lincoln, Wichita, and suburban Kansas

City markets. In the Southwest the number of multifamily units permitted was down 9 percent, with every State reporting declines.

While rental housing markets remain sound in most of the Nation, there are reports of more competitive conditions in a growing number of areas. There are concerns about the recent high volume of apartment construction in Nashville, Charlotte, Memphis, and Atlanta's north Fulton County. In Colorado Springs and Denver, rent increases have slowed or stopped, and concessions are beginning to appear. Las Vegas and Phoenix are showing signs of increasing vacancies, rent concessions, and deferred rent increases.

SURVEYING THE OWNERS AND MANAGERS OF RENTAL HOUSING

The first national survey of rental property owners and managers, sponsored by HUD and conducted by the U.S. Bureau of the Census, is near completion. Acquiring knowledge about the owners and managers of the private rental stock is essential as Federal low-income housing policies become more dependent on the private sector for the provision of affordable rental housing. First, these new policies, using tenant-based subsidies (such as vouchers and certificates), require that the tenant receiving Federal assistance find housing in the private market, with private property owners and managers playing a crucial role. Second, Federal housing assistance is only provided to the most needy, and then only to a limited number; housing assistance is not an entitlement. As a result lower income families, many of whom are eligible for Federal assistance, must depend on the private-sector provision of affordable housing. The success of these tenant-based programs and the availability of affordable housing to low-income, unassisted families require more knowledge of the motivations, goals, policies, operating conditions, ownership forms, maintenance policies, revenue needs, conflict resolution methods, and tenant selection processes of the private rental sector.



Survey Design and Current Status

A sample of owners and managers was drawn from a list of all housing units in the United States to allow inferences about the entire rental stock. This selection procedure leads to valid inferences about "the owner of the typical rental unit," not "the typical owner."

Two questionnaires were used: one for owners and managers of single-family properties; the second for owners of multifamily (2+-unit) properties. HUD and the U.S. Census Bureau developed these questionnaires utilizing information from several sources: a panel of housing research experts, a group of housing-related associations, focus groups of property owners and managers, and cognitive laboratory testing.

The questionnaires were first mailed to sampled owners and managers. Followup of those owners who did not return their questionnaires was conducted by telephone and then by personal visits for a portion of the remaining nonrespondents. Of the original sample of 16,400, approximately 3,000 properties were out of scope, meaning they were owner-occupied, public or military housing, vacant and for sale, second or vacation units, or vacant and not available for rent or sale. As the field period continued, concern grew that not enough time or money remained to follow up all incomplete cases using personal interviews. Therefore, about 3,000 cases were subsampled out. Of the remaining cases, data collection was completed with owners and managers of more than 8,000 cases, leaving about 2,000 cases where the owner and manager refused to be interviewed or could not be located.

The questionnaires covered a wide range of topics: acquisition of the property, characteristics of the property, financing, maintenance and capital spending plans, expenses and income, nature and form of ownership, management strategy, tenant relations, and governmental relations. Since specific units were sampled, owners and managers were asked about the specific unit, the property containing the specific unit, and all properties held or managed by responding owners and managers.

Data collection is complete, questionnaire data have been edited and cleaned, sample weights are currently being refined, and tabulations are being prepared. This article presents some interesting, though preliminary, results using proportions estimated from

data for multifamily properties. These early results should be viewed with caution since survey staff have not yet assessed the extent to which the lack of information from nonrespondents affects the results, nor have they calculated statistical margins of error. The next issue of *U.S. Housing Market Conditions* will contain further discussion of the results. In the future, HUD and the U.S. Census Bureau will produce a complete set of weighted tabulations for both single-family and multifamily properties, conduct and publish additional analyses, estimate sampling errors, and provide copies of the database using alternative media (expected in early 1997). Following are some of the survey questions and results tabulated thus far.

Who are the owners of multifamily rental housing?

The majority of housing units¹ (55 percent) are located in properties owned by individual investors, including joint ownership by two or more individuals. Limited partnerships are the second most common form of ownership (15 percent), with general partnerships (8 percent) and real estate corporations (7 percent) coming in third and fourth, respectively. As table 1 shows, the type of ownership is quite different for small properties compared with larger ones: Individual investors are overwhelmingly owners of small properties, while limited partnerships, general partnerships, and real estate corporations own more properties with 50 or more units.

While nonreporting was rather high for personal and demographic characteristics of individual investors and partnerships, the majority of individually owned rental units were reported to have two owners (41 percent), with single-owner properties (37 percent) and properties with three or more owners (21 percent) accounting for somewhat less. About 70 percent of rental units are owned by holders of other properties. Owners of rental units are predominately male (81 percent), overwhelmingly white (89 percent), and have a median age slightly above 55 years old.

¹ Statements in this article are based on a sample of rental units and concern the characteristics of rental units. As a result owners and managers who control numerous rental properties are given more importance or weight in the statistics reported. This is in contrast to a sample of owners and managers in which each would be given equal importance or weight.

How, why, and when were properties acquired?

Purchasing was by far the most common method of property acquisition for rental units (84 percent). The second most common response was “through some other manner” (8 percent), and the remaining categories were checked infrequently: inheritance or gift (3 percent), foreclosure or assignment (3 percent), and tax-free exchange (1 percent). The most frequently reported main reason for acquiring multifamily rental property was to generate income (38 percent), followed by receiving long-term capital gains (16 percent), providing affordable housing (11 percent), maintaining a residence for self and family (10 percent, with 90 percent of these owning properties with four or fewer units), and providing retirement security (7 percent). The majority of rental units have been held by their owners for more than 10 years, with the median date of acquisition being about 1985.

How do owners and managers feel about their properties?

Owners and managers generally hold positive views of their properties. Most rental units have owners and managers who responded that, over the past year, their properties were more profitable or about the same as similar properties (12 and 49 percent, respectively), while only 13 percent believed that their properties were generating less income. Twenty-seven percent of rental units were held by owners and managers who were not sure or did not

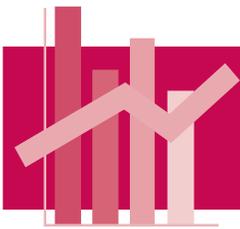
know how the incomes from their properties compared with others’. Most rental units were owned by owners and managers who thought that their properties were increasing or maintaining their values (26 and 42 percent, respectively) over a year ago, with only 13 percent responding that values had decreased in the past year. About one in five rentals had owners and managers who were not sure or did not know how the value of their properties had changed in the past year.

Owners of one out of two multifamily properties (49 percent) stated that they intended to hold onto their properties for 5 or more years, while 38 percent “did not know.” When asked the main reason for continuing to own the property, more than one-third (37 percent) of rental units had owners and managers who replied that it was income. Only five other categories were checked by more than 5 percent of the rental units with responding owners and managers: long-term capital gains (12 percent), affordable housing provision (10 percent), retirement security (9 percent), and residence for self or family (8 percent, with 86 percent of these owning properties with four or fewer units).

Property ownership is generally profitable: Owners and managers most often answered that their properties earned a profit last year (44 percent of units), but losses occurred about one-fifth of the time (19 percent) and a break-even situation resulted about one-tenth of the time. (However, more than one-fourth of rental units had respondents who did not know or were not sure whether the rental property earned a profit.) Finally, rental units more often

Table 1: Percentage of Units Held by Different Owners

Type of Owner	Total	Number of Units in Property					
		2	3–4	5–9	10–19	20–49	50+
Individual investor	55	91	87	78	68	51	24
Limited partners	15	2	2	4	7	17	28
General partners	8	2	3	5	4	10	13
Real estate corp.	7	1	1	3	6	5	12
Corporate	4	1	1	2	6	6	6
Nonprofit/church	4	—	1	2	2	4	7
Real estate investment trust (REIT)	2	1	—	2	1	1	4
Joint venture	2	1	2	2	2	1	3
Other types	3	2	4	3	5	4	3



(49 percent) than not (23 percent) were held by owners who would acquire the same property again, with only about one-fourth (28 percent) owned by respondents saying they were not sure or did not know if they would purchase the property again.

In almost all rental units, owners and managers handled all maintenance immediately and practiced preventive maintenance (88 percent), while very few postponed most maintenance but handled major problems as quickly as possible (4 percent). Maintenance plans for the next 3 years are nearly identical to current maintenance plans, with 90 percent of owners handling all maintenance immediately and practicing preventive maintenance.

How do owners and managers describe the tenants they serve?

Tenant incomes were most often characterized by owners and managers as low to middle income. The two most common responses were mostly middle income (31 percent) and mostly low income (31 percent), followed by somewhat diverse, with low- and middle-income tenants (21 percent); somewhat diverse, with middle- and upper-income residents (9 percent); very diverse (5 percent); and mostly upper income (3 percent). Most rental units (78 percent) had tenant income mixes that had not changed in the last 2 years, while those with changed tenant incomes most often had more middle-income tenants (44 percent).

Tenants generally pay their rents on time: Owners and managers of about one-third of rental units reported no delinquencies, another one-third reported delinquency rates of between 1 and 9 percent, and about one-tenth related delinquency rates of 25 percent or more. For rental units with delinquencies, most owners were experiencing minor cash-flow problems (70 percent) with their properties, with

about 1 in 5 having moderate problems and about 1 in 10 having serious cash-flow problems.

Owners and managers of four out of five rental units reported that tenants never or rarely engage in undesirable behavior as indicated in table 2. Fewer than 1 in 25 rental units have tenants exhibiting frequent undesirable behavior.

Over the past 2 years, owners and managers of about half of the rental units have had to take tenants to court, with about 1 in 5 going to court more than 5 times. (Ninety-four percent of these owners and managers have large properties containing 20 or more units.) On the other hand, owners and managers of about 1 in 10 rental units report being taken to court by tenants. Eviction procedures were reported to have been initiated quite often (60 percent) over the past 2 years, with larger property owners (50+-unit properties) accounting for almost two-thirds of these cases.

What do owners and managers think of government programs, regulations, and restrictions?

When asked whether their properties benefitted from six different government programs, owners and managers of most rental units (77 percent) said that their properties benefitted from none of the programs listed. Of the programs reported as assisting the properties, governmental rental subsidies (such as the Federal Government’s Section 8 payments) were noted most often (18 percent), government-sponsored below-market interest-rate loans were the second most frequently reported (6 percent), and property-tax relief was the third most popular program (3 percent). The remaining three programs—government capital grants, Federal income-tax credits, and accelerated depreciation—were reported rarely (1 percent).

Table 2: Frequency of Undesirable Tenant Behavior (%)

Type of Behavior	Never	Rarely	Occasionally	Frequently
Vandalism inside the unit	56	28	13	2
Vandalism outside the unit	46	33	17	4
Theft	50	34	15	1
Loud or disruptive behavior	37	31	27	5
Violence	65	27	7	1
Drug usage	65	23	9	3

Owners and managers of more than one-third of rental units reported having current and previous tenants who were Section 8 recipients. Owners and managers of about half of the rental units stated that they would accept tenants who were Section 8 voucher or certificate recipients. The reasons for not accepting Section 8 recipients included: too many regulations (33 percent), too much paperwork and time involved (also 33 percent), potential problems associated with program recipients (29 percent), and rents exceeding the Fair Market Rent (24 percent). (Multiple responses were allowed.)

Owners and managers reported little difficulty operating their rental properties because of government regulations or restrictions. It should be noted that these regulations and restrictions are likely to impact most heavily during the development of rental properties, so low levels of difficulties during later lifecycle stages would be expected. In fact, with only two exceptions, owners and managers of fewer than 1 in 20 rental units responded that a regulation or restriction caused a difficulty as shown in table 3. The two exceptions were parking restrictions (11 percent) and local property taxes (21 percent).

Future Directions for Research

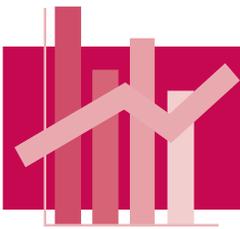
The results discussed above, in addition to being preliminary and subject to change, represent simple (marginal) tabulations of the data. What is presented barely taps the information in the database. It will be interesting to see how responses differ between properties affordable to lower income families and more expensive properties. For example: Do maintenance policies differ? Do owners supplying affordable housing to lower income families make capital improvements less frequently? Do they offer fewer amenities? Do tenant selection, incidences of conflict, and eviction handling differ? Are owners of the affordable stock more likely to be individual investors or nonprofits? What is the likely impact of policies followed by nonprofits on other suppliers of affordable housing?

The role of owners of single-family rental properties will also be investigated. For instance: Do single-family property owners differ from owners of multi-family properties? Are there differences between owning and managing affordable and more expensive

Table 3: Difficulties with Government Regulations

	(Percentage of Rental Units)			
	No	Yes A little	Yes Somewhat	Yes A lot
Lead-based paint requirements	94	2	2	1
Asbestos requirements	96	2	1	1
Waste disposal requirements	94	3	2	1
Radon requirements	98	1	0	0
Water quality standards	97	2	1	0
Zoning or property usage	97	2	1	1
Parking restrictions	89	6	3	2
Limits on utility hook-ups	97	2	1	0
Rent control or stabilization ¹	94	2	1	2
Americans with Disabilities Act	94	3	2	1
Historic preservation	99	1	0	0
Local property taxes	79	8	6	7

¹ Only 17 percent of the properties reported that they had units which were subject to rent control or stabilization. Apparently, one-third of these reported difficulties.



single-family rental units? How important is the single-family rental stock in providing accessibility for tenant-based subsidies? For larger families? For owners' retirement plans? Do maintenance and improvement policies differ depending on the expected holding periods or recent profitability?

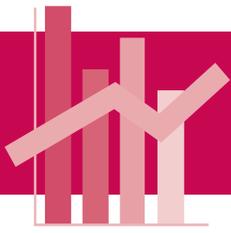
HUD and the U.S. Census Bureau plan to explore some of these issues and hope that other researchers in the housing community will also utilize this rich data resource.

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National Data

HOUSING PRODUCTION



Permits*

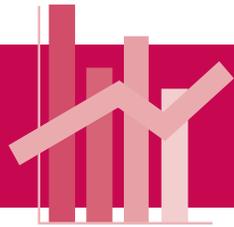
Permits for construction of new housing units decreased 1 percent in the third quarter of 1996 to a seasonally adjusted annual rate of 1,421,000 units and were 2 percent above the third quarter of 1995. One-unit permits, at 1,063,000 units, were 3 percent below the level of the previous quarter, but up 2 percent from a year earlier. Multifamily permits (5 or more units in structure), at 291,000 units, were 5 percent above the second quarter and 5 percent above the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	1,421	1,442	1,388	- 1	+ 2
ONE UNIT	1,063	1,099	1,047	- 3	+ 2
TWO TO FOUR	66	67	64	- 1**	+ 3**
FIVE PLUS	291	276	276	+ 5	+ 5

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

**This change is not statistically significant.

Source: Bureau of the Census, Department of Commerce



Starts*

Construction starts of new housing units in the third quarter of 1996 totalled 1,479,000 units at a seasonally adjusted annual rate, a statistically insignificant 1 percent below the second quarter of 1996, but 4 percent higher than the third quarter last year. Single-family starts, at 1,168,000 units, were a statistically insignificant 2 percent lower than the previous quarter but 3 percent above the previous year's rate. Multifamily starts totalled 271,000 units, a statistically insignificant 6 percent above the previous quarter and a statistically insignificant 7 percent above the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	1,479	1,493	1,417	- 1**	+ 4
ONE UNIT	1,168	1,187	1,130	- 2**	+ 3
TWO TO FOUR	40	49	35	- 18	+ 14**
FIVE PLUS	271	256	252	+ 6**	+ 7**

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

**This change is not statistically significant.

Source: Bureau of the Census, Department of Commerce



Under Construction*

Housing units under construction at the end of the third quarter of 1996 were at a seasonally adjusted annual rate of 836,000 units, 1 percent higher than the previous quarter but 7 percent above the third quarter of 1995. Single-family units under construction at the end of the third quarter of 1996 stood at 599,000 units, a statistically insignificant 1 percent above the previous quarter and 10 percent above the third quarter of 1995. Multifamily units were at 212,000 units, up a statistically insignificant 2 percent from both the previous quarter and the third quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	836	829	783	+ 1	+ 7
ONE UNIT	599	596	547	+ 1**	+ 10
TWO TO FOUR	25	26	21	- 4**	+ 19
FIVE PLUS	212	207	207	+ 2**	+ 2**

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

**This change is not statistically significant.

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



Completions*

Housing units completed in the third quarter of 1996, at a seasonally adjusted annual rate of 1,416,000 units, were up a statistically insignificant 2 percent and up 10 percent above the same quarter last year. Single-family completions, at 1,134,000 units, were also up a statistically insignificant 2 percent from the previous quarter and 11 percent above the rate of a year earlier. Multifamily completions, at 243,000 units, were a statistically insignificant 7 percent below the previous quarter and 6 percent above the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	1,416	1,392	1,282	+ 2**	+ 10
ONE UNIT	1,134	1,107	1,021	+ 2**	+ 11
TWO TO FOUR	38	25	33	+ 53	+ 16**
FIVE PLUS	243	260	228	- 7**	+ 6**

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

**This change is not statistically significant.

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



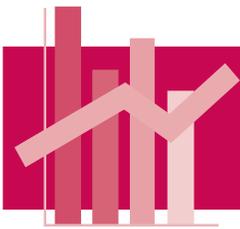
Manufactured (Mobile) Home Shipments*

Shipments of new manufactured (mobile) homes to dealers were at a seasonally adjusted annual rate of 373,000 units in the second quarter of 1996, which is 6 percent above the previous quarter and 12 percent above the rate a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
MANUFACTURERS' SHIPMENTS	373	352	333	+ 6	+ 12

*Components may not add to totals because of rounding. Units in thousands. These are 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 totalled 807,000 units at a seasonally adjusted annual rate (SAAR) in the third quarter of 1996, which is 10 percent above the previous quarter and 11 percent above the third quarter of 1995. The number of new homes for sale at the end of September 1996 numbered 336,000 units, down 6 percent from the last quarter and down a statistically insignificant 4 percent from the third quarter of 1995. At the end of September, inventories represented a 5.2-months' supply at the current sales rates, 7 percent below the previous quarter and 19 percent below the third quarter of 1995.

Sales of existing single-family homes reported by the NATIONAL ASSOCIATION OF REALTORS®, for the third quarter of 1996 totalled 4,100,000 (SAAR), down 3 percent from the third quarter's level but 2 percent above the third quarter of 1995. The number of units for sale at the end of the third quarter was 2,110,000, which is 5 percent below the previous quarter but 17 percent above the third quarter of 1995. At the end of the third quarter, there was a 6.3-months' supply of units, 2 percent below the previous quarter but 19 percent above the third quarter of 1995.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
NEW HOMES SOLD	807	736	724	+ 10	+ 11
FOR SALE	336	356	350	- 6	- 4**
MONTHS' SUPPLY	5.2	5.6	6.4	- 7	- 19
Existing Homes					
EXISTING HOMES SOLD	4,100	4,210	4,040	- 3	+ 2
FOR SALE	2,110	2,210	1,800	- 5	+ 17
MONTHS' SUPPLY	6.3	6.4	5.3	- 2	+ 19

*Units in thousands.

**This change is not statistically significant.

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

Existing: NATIONAL ASSOCIATION OF REALTORS®



Home Prices

The median price of new homes during the third quarter of 1996 was \$139,500, nearly equal to the previous quarter's level but 6 percent above the third quarter of 1995. The average price of new homes sold during the third quarter of 1996 was \$164,900, down a statistically insignificant 1 percent from the second quarter of 1996 but up 5 percent from the same quarter a year ago. The price adjusted to represent a constant-quality house was \$166,400, a statistically insignificant 1 percent above the second quarter of 1996 and up a statistically insignificant 2 percent from the third quarter of 1995. The values for the set of physical characteristics used for the constant-quality house are based on 1992.

The median price of existing single-family homes in the third quarter of 1996 was \$120,400, which is 1 percent above last quarter and 4 percent above the third quarter of 1995, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of \$148,100 was 2 percent above the previous quarter and 4 percent above the third quarter of 1995.

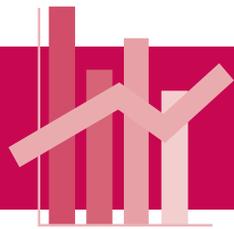
	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
MEDIAN	\$139,500	\$139,900	\$132,000	—	+ 6
AVERAGE	\$164,900	\$166,000	\$157,700	- 1*	+ 5
CONSTANT-QUALITY HOUSE¹	\$166,400	\$164,000	\$162,800	+ 1*	+ 2*
Existing Homes					
MEDIAN	\$120,400	\$119,000	\$116,100	+ 1	+ 4
AVERAGE	\$148,100	\$145,500	\$142,400	+ 2	+ 4

*This change is not statistically significant.

¹A constant-quality house has the same physical characteristics from year to year and its price is estimated using statistical models.

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

Existing: NATIONAL ASSOCIATION OF REALTORS®



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 value for the third quarter of 1996 showed that the family earning the median income had 119.6 percent of the income needed to purchase the median-priced existing home. This figure is 2 percent below the second quarter of 1996 and 3 percent below the third quarter of 1995. This decrease is the result of a 1-percent rise in the median home price and a 12-basis-point increase in the interest rate that failed to be offset by a 0.9-percent growth in median family income during the last quarter. The fixed-rate index fell by 3 percent from the second quarter of 1996 and by 5 percent from the third quarter of 1995. The adjustable-rate index fell by 1 percent from the previous quarter and by 2 percent from the same quarter a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
COMPOSITE INDEX	119.6	121.6	123.2	- 2	- 3
FIXED-RATE INDEX	115.2	118.1	120.8	- 3	- 5
ADJUSTABLE-RATE INDEX	129.3	131.1	131.9	- 1	- 2

Source: NATIONAL ASSOCIATION OF REALTORS®



Apartment Absorptions

There were 50,200 new, unsubsidized, unfurnished, multifamily (5 or more units in structure) rental apartments completed in the second quarter of 1996, up 15 percent from the previous quarter and up 40 percent from the second quarter of 1995. Of the apartments completed in the second quarter of 1996, 72 percent were rented within 3 months. This absorption rate is down a statistically insignificant 4 percent from both the previous quarter and the same quarter the previous year. The median asking rent for apartments completed in the second quarter was \$685, which is 11 percent above the previous quarter and a statistically insignificant 1 percent higher than a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
APARTMENTS COMPLETED*	50.2	43.8	35.9	+ 15	+ 40
PERCENT ABSORBED NEXT QUARTER	72	75	75	- 4**	- 4**
MEDIAN RENT	\$685	\$615	\$676	+ 11	+ 1**

*Units in thousands.

**This change is not statistically significant.

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



Manufactured (Mobile) Home Placements

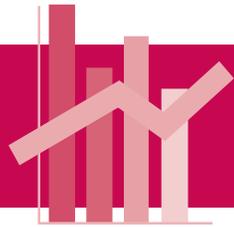
Homes placed on site ready for occupancy in the second quarter of 1996 totalled 299,000 at a seasonally adjusted annual rate, 10 percent below the level of the previous quarter and a statistically insignificant 2 percent below the second quarter of 1995. The number of homes for sale on dealers' lots at the end of the second quarter totalled 103,000 units, 14 percent above the previous quarter and 32 percent above the same quarter the previous year. The average sale price of the units sold in the second quarter was \$38,500, up 5 percent from the previous quarter and 10 percent higher than the previous year's price.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
PLACEMENTS*	299	333	305	- 10	- 2**
ON DEALER LOTS*	103	90	78	+ 14	+ 32
AVERAGE SALES PRICE	\$38,500	\$36,700	\$35,100	+ 5	+ 10

*Units in thousands. These are 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.

Sources: Bureau of the Census, 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) 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.) The third-quarter value for the index of current market activity for single-family detached houses stood at 62, down 3 points from the second-quarter level of 65 but up 8 points from last year's third quarter. The index for future sales expectations, 64, was down 4 points from the second-quarter value but up 2 points from last year's level. Prospective buyer traffic had an index value of 46, which is 6 points below the second-quarter value but 4 points above last year's level. NAHB combines these separate indices into a single housing market index that mirrors the three components quite closely. In the third quarter, this index stood at 58, which is 3 points below the second-quarter level but up 6 points from last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
HOUSING MARKET INDEX	58	61	52	- 6	+ 10
CURRENT SALES ACTIVITY—SINGLE-FAMILY DETACHED	62	65	54	- 5	+ 13
FUTURE SALES EXPECTATIONS—SINGLE-FAMILY DETACHED	64	68	62	- 6	+ 2
PROSPECTIVE BUYER TRAFFIC	46	52	42	- 11	+ 9

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

HOUSING FINANCE

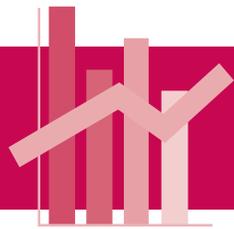


Mortgage Interest Rates

Mortgage interest rates for all categories of loans rose from the previous quarter. The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac was 8.16 percent in the third quarter, 5 basis points higher than the previous quarter and 48 basis points higher than the same quarter last year. Adjustable-rate mortgages in the third quarter were going for 5.89 percent, 8 basis points above the previous quarter and 4 basis points above the same quarter last year. Fixed-rate, 15-year mortgages, at 7.68 percent, were up 6 basis points from last quarter and 49 basis points from the same quarter last year. The FHA rate rose 17 basis points during the quarter and was 50 basis points above the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
CONVENTIONAL FIXED-RATE 30-YEAR	8.16	8.11	7.68	+ 1	+ 6
CONVENTIONAL ARMs	5.89	5.81	5.85	+ 2	+ 1
CONVENTIONAL FIXED-RATE 15-YEAR	7.68	7.62	7.19	+ 1	+ 7
FHA FIXED-RATE 30-YEAR	8.50	8.33	8.00	+ 2	+ 6

Sources: Federal Home Loan Mortgage Corporation; and Office of Housing, Department of Housing and Urban Development



FHA 1-4 Family Mortgage Insurance*

Applications for FHA mortgage insurance on 1-4 family homes were received for 249,600 (not seasonally adjusted) properties in the third quarter of 1996, down 11 percent from the previous quarter and down 1 percent from the third quarter of 1995. Endorsements or insurance policies issued totalled 220,900, up 3 percent from the second quarter of 1996 and up 39 percent from the third quarter of 1995. Endorsements for refinancing were 23,700, down 50 percent from the second quarter of 1996 and up 73 percent from a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
APPLICATIONS RECEIVED	249.6	280.5	251.7	- 11	- 1
TOTAL ENDORSEMENTS	220.9	213.6	159.0	+ 3	+ 39
PURCHASE ENDORSEMENTS	197.1	165.6	145.3	+ 19	+ 36
REFINANCING	23.7	48.1	13.7	- 50	+ 73

*Thousands of properties.

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



PMI and VA Activity*

Private mortgage insurers issued 286,300 policies or certificates of insurance on conventional mortgage loans during the third quarter of 1996, down 4 percent from the second quarter and unchanged from the third quarter of 1995; these numbers are not seasonally adjusted. The U.S. Department of Veterans Affairs reported the issuance of mortgage loan guaranties for 78,600 single-family properties in the third quarter of 1996, down 15 percent from the previous quarter but up 20 percent from the third quarter of 1995.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL PMI CERTIFICATES	286.3	298.3	286.9	- 4	—
TOTAL VA GUARANTIES	78.6	91.9	65.8	- 15	+ 20

*Thousands of loans.

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



Mortgage Originations by Loan Type, 1-4 Family Units

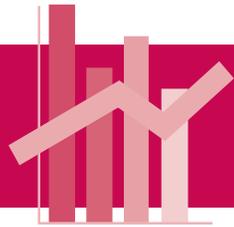
The total value of mortgage originations for 1-4 family homes was \$247.6 billion in the second quarter of 1996, up 21 percent from the first quarter of 1996. All four loan types increased in volume during the quarter: uninsured mortgage volume grew 23 percent; privately insured mortgages increased 21 percent; FHA-insured mortgages increased 11 percent; and VA-guarantied mortgages rose 8 percent. The overall increase from the second quarter of 1995 was 76 percent. FHA mortgages increased 88 percent, uninsured mortgages increased 83 percent, VA-guarantied mortgages increased 80 percent, and privately insured mortgages rose 42 percent. Market shares changed very little during the second quarter of 1996, or from the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Dollar Volume (\$Billions)					
FHA INSURED	19.7	17.8	10.5	+ 11	+ 88
VA GUARANTIED	9.9	9.2	5.5	+ 8	+ 80
PRIVATE INSURANCE	35.1	29.0	24.7	+ 21	+ 42
NOT INSURED*	182.9	148.7	99.8	+ 23	+ 83
TOTAL	247.6	204.8	140.5	+ 21	+ 76
Percentage of Market Shares**					
FHA INSURED	8.0	8.7	7.5	- 9	+ 7
VA GUARANTIED	4.0	4.5	3.9	- 11	+ 2
PRIVATE INSURANCE	14.2	14.2	17.6	—	- 19
NOT INSURED	73.9	72.6	71.0	+ 2	+ 4

*Includes Rural Housing Service (formerly Farmers Home Administration) loans.

**Market shares and percentages are computed from unrounded data.

Source: Mortgage Insurance Companies of America and HUD Survey of Mortgage Lending Activity



Residential Mortgage Originations by Building Type*

Residential mortgage originations totalled \$260 billion in the second quarter of 1996, up 20 percent from the first quarter of 1995 and up 75 percent from the second quarter of 1995, and nearly identical to the single-family mortgage pattern. The financing volume for multifamily (5+) units totalled \$12.4 billion in the second quarter, up 11 percent from the previous quarter and up 46 percent from the second quarter of 1995.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
ONE TO FOUR UNITS	247.6	204.8	140.5	+ 21	+ 76
FIVE PLUS	12.4	11.2	8.5	+ 11	+ 46
TOTAL	260.0	215.9	149.0	+ 20	+ 75

*Billions of dollars.

Source: HUD Survey of Mortgage Lending Activity

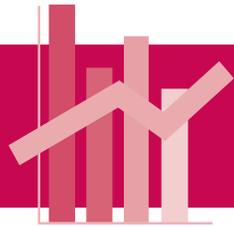


Mortgage Originations by Lender Type, 1-4 Family Units

Commercial banks with a volume of \$74.3 billion and a market share of 30 percent and mutual savings banks with a volume of \$8.7 billion and a market share of 3.5 percent show increases from the first quarter of 1996 and the second quarter of 1995. The increases were in both volume and market shares. However, the second quarter data is based on a newly introduced sample design that calls into question any comparisons of current data with earlier data. More data from the newly introduced sample design needs to be collected before the series can be used with confidence for time-to-time comparisons. Volume data for other lender types is unaffected; however, comparisons of their market share data across time are affected by this question of comparability. Mortgage companies increased their volumes during the second quarter of 1996 to \$128.4 billion, an 8-percent increase from the first quarter of 1995 and a 60-percent gain over the second quarter of 1995. Their market share is now estimated to be 51.9 percent and they continue to dominate the market. Savings and loans originated \$35.1 billion in mortgages, a 24-percent increase from the first quarter of 1996 and a 57-percent increase from the second quarter of 1995. Their market share in the second quarter is now estimated to be 14.2 percent. Volumes and market shares for other lenders continue to be quite small.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Dollar Volume (\$Billions)					
COMMERCIAL BANKS	74.3	49.7	31.6	+ 50	+ 135
MUTUAL SAVINGS BANKS	8.7	6.8	4.6	+ 28	+ 89
SAVINGS AND LOANS	35.1	28.4	22.3	+ 24	+ 57
MORTGAGE COMPANIES	128.4	118.6	80.3	+ 8	+ 60
OTHER LENDERS	1.2	1.3	1.7	- 8	- 29
TOTAL	247.6	204.8	140.5	+ 21	+ 76
Percentage of Market Shares					
COMMERCIAL BANKS	30	24.3	22.5	+ 24	+ 33
MUTUAL SAVINGS BANKS	3.5	3.3	3.3	+ 6	+ 7
SAVINGS AND LOANS	14.2	13.9	15.9	+ 2	- 11
MORTGAGE COMPANIES	51.9	57.9	57.2	- 11	- 9
OTHER LENDERS	0.5	0.6	1.2	- 24	- 60

Source: HUD Survey of Mortgage Lending Activity



Delinquencies and Foreclosures

Total delinquencies were at 4.35 percent at the end of the second quarter of 1996, 3 percent below the first quarter but up 5 percent from the second quarter of 1995. Ninety-day delinquencies were at 0.63 percent, down 10 percent from the first quarter of 1996 and down 18 percent from the second quarter of 1995. During the second quarter of 1996, 0.34 percent of loans entered foreclosure, down 11 percent from the previous quarter but up 3 percent from the second quarter of 1995.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL PAST DUE (%)	4.35	4.46	4.15	- 3	+ 5
90 DAYS PAST DUE (%)	0.63	0.70	0.77	- 10	- 18
FORECLOSURES STARTED (%)	0.34	0.38	0.33	- 11	+ 3

Source: National Delinquency Survey, Mortgage Bankers Association

HOUSING INVESTMENT



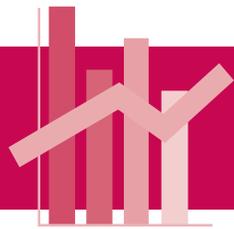
Residential Fixed Investment and Gross Domestic Product*

Residential Fixed Investment (RFI) for the third quarter of 1996 was \$311.7 billion, down 1 percent from the second quarter of 1996 but up 7 percent from the third quarter of 1995. As a percentage of the Gross Domestic Product, RFI was 4.1 percent, down 2 percent from the previous quarter but up 3 percent from a year ago.

 GDP	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
GDP	7,616.0	7,545.1	7,298.5	+ 1	+ 4
RFI	311.7	314.2	290.3	- 1	+ 7
RFI/GDP (%)	4.1	4.2	4.0	- 2	+ 3

*Billions of dollars.

Source: Bureau of Economic Analysis, Department of Commerce



HOUSING INVENTORY



Housing Stock*

The estimate of the total housing stock as of the third quarter of 1996, 114,534,000 units, was a statistically insignificant 0.3 percent above the second quarter of 1996 and 1.8 percent above last year. The number of occupied units was unchanged from last quarter but was 1.2 percent above the same quarter last year. Owner-occupied homes showed a statistically insignificant 0.2-percent increase over the second quarter of 1996 and a 2.2-percent increase from the third quarter of 1995. Rentals declined a statistically insignificant 0.3 percent from last quarter and declined 0.4 percent from last year. Vacant units rose 2.2 percent from last quarter and 6 percent from the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
ALL HOUSING UNITS	114,534	114,207	112,530	+ 0.3**	+ 1.8
OCCUPIED UNITS	101,120	101,082	99,874	—	+ 1.2
OWNERS	66,288	66,147	64,885	+ 0.2**	+ 2.2
RENTERS	34,832	34,935	34,989	- 0.3**	- 0.4**
VACANT UNITS	13,414	13,125	12,656	+ 2.2	+ 6.0

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

**This change is not statistically significant.

Source: Bureau of the Census, Department of Commerce



Vacancy Rates

The 1996 third-quarter national rental vacancy rate, at 8.0 percent, was up 0.2 percentage point from last quarter and up 0.3 percentage point from last year. Both changes were statistically insignificant. The homeowner vacancy rate, at 1.7 percent, was up 0.2 percentage point from both last quarter and last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
HOMEOWNER RATE¹	1.7	1.5	1.5	+ 13	+ 13
RENTAL RATE¹	8.0	7.8	7.7	+ 3*	+ 4*

*This change is not statistically significant.

¹Major changes related to the survey effective with 1994 first quarter data.

Source: Bureau of the Census, Department of Commerce



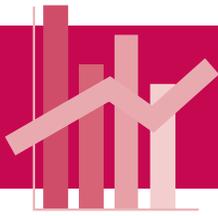
Homeownership Rates

The national homeownership rate was 65.6 percent in the third quarter of 1996, up a statistically insignificant 0.2 percentage point from the second quarter and up 0.6 percentage point from the third quarter of 1995. The third-quarter rate is at a 15-year high. The homeownership rate for minority households increased a statistically insignificant 0.6 percentage point from the second quarter and 1.5 percentage points from last year. The rate for young households of 57.8-percent homeownership was down 1 percentage point from last quarter's rate and a statistically insignificant 0.1 percentage point from last year's.

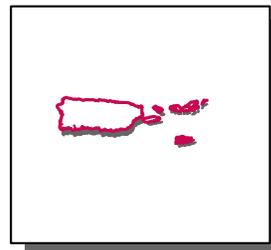
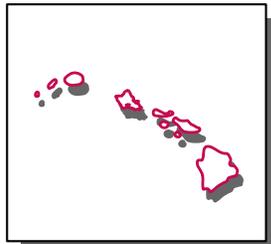
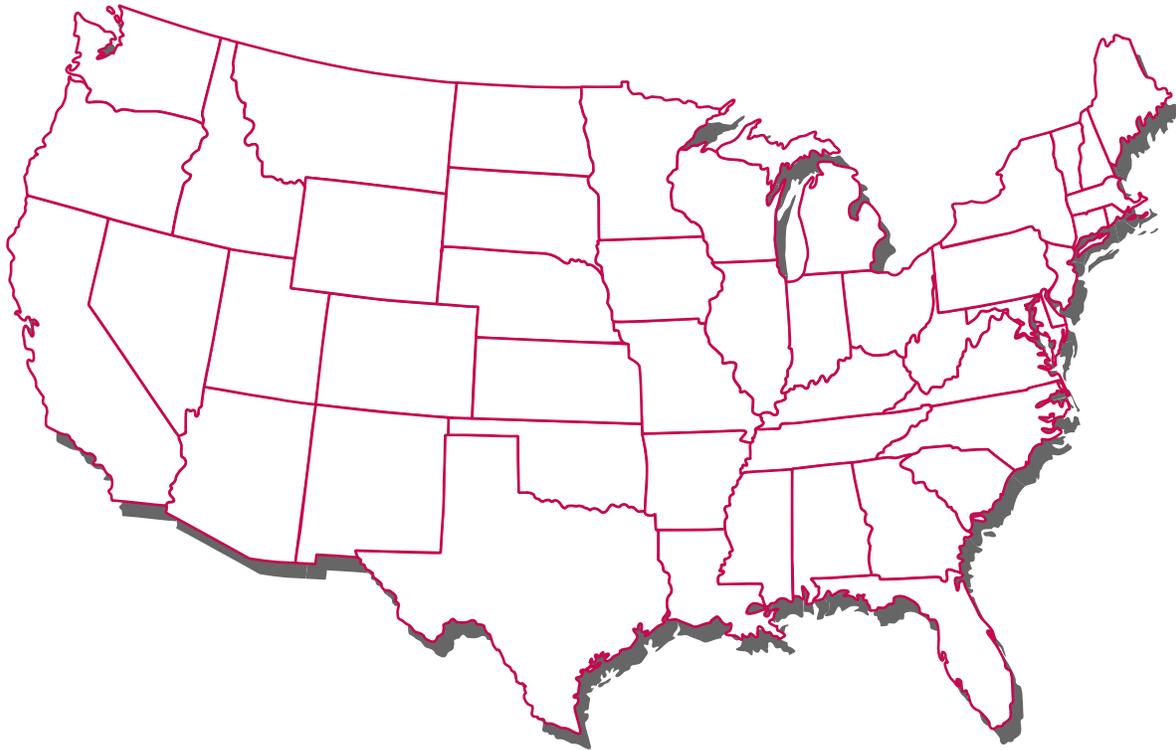
	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
ALL HOUSEHOLDS	65.6	65.4	65.0	+ 0.3*	+ 0.9
MINORITIES	45.5	44.9	44.0	+ 1.3*	+ 3.4
YOUNG MARRIED-COUPLE HOUSEHOLDS	57.8	58.8	57.9	- 1.7	- 0.2*

*This change is not statistically significant.

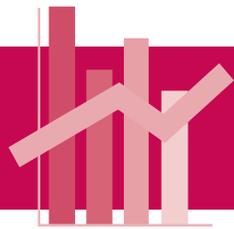
Source: Bureau of the Census, Department of Commerce



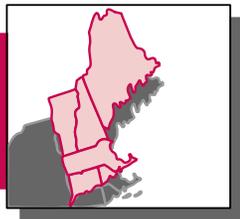
Regional Activity



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. Each regional report also includes a profile of a selected housing market that provides a perspective of current economic conditions and their impact on the local housing market. The reports are based on information obtained by HUD economists from State and local governments, housing industry sources, and from their ongoing investigations of housing market conditions carried out in connection with the review of HUD program applications.



NEW ENGLAND



Nonagricultural wage and salary employment in New England increased by 70,900 jobs from August 1995 to August 1996, a gain of 1.1 percent. Vermont had the largest rate of growth, a 1.6 percent increase, while Massachusetts and Connecticut had increases of 1.3 percent and 1.1 percent, respectively. Most of the growth occurred in the retail trade and business and health services sectors. Massachusetts had the largest job gain, 41,600 jobs, with the services sector accounting for 82 percent of the increase.

As of August 1996, the unemployment rates in all New England States except Maine and Rhode Island were below the national average. New Hampshire had the lowest unemployment rate, 3.8 percent. Rhode Island's unemployment rate declined from 7.1 percent to 5.2 percent in the past year.

Boston's hotel and tourist business remains vibrant. The hotel industry ended 1995 with an occupancy rate of almost 78 percent, among the highest in the Nation. Reflecting the strong market, the Omni Parker House, located in the heart of downtown Boston, is scheduled for a \$45 million renovation. One of the largest renovation projects in Boston this decade, improvements to the 540-room hotel will be completed by June 1998.

For the first 9 months of this year, 27,295 single-family homes were authorized by building permits in New England, a 6-percent increase over the same period in 1995. The biggest increases were in Maine, 15 percent, and Rhode Island, 10 percent. The Boston, Burlington, Hartford, Portland, and Portsmouth areas all reported increases in activity from 1 year ago. Multifamily housing activity, at 2,554 units, was down about 12 percent from the same period a year ago.

As of the third quarter of 1996, the annual rate of existing home sales in Massachusetts was up 21

percent from the third quarter of 1995. Consumer confidence has returned to the area, and improvement in local economies has spurred activity in the sales market. Rhode Island (10.7 percent) also recorded a strong increase in existing home sales. In Connecticut existing home sales were down 5.3 percent. During the third quarter, the median sales price in the Boston area was \$195,300, a 6.6-percent gain from the same quarter a year ago. Reflecting improvement in the Hartford housing market, the median sales price was \$142,500 during the third quarter, a 7.2-percent increase.

New England rental markets continue to tighten as a result of the improving economy and low levels of apartment construction. Absorption of new rental housing in the Boston area has been outstanding. Vacancy rates in apartment developments in the Route 128 region of Massachusetts are 2 percent or less. Rents in the Boston area have increased between 2 to 4 percent since the Fall of 1995. HUD is currently reviewing an application for 280 units of rental housing in Waltham, and several other rental housing developments are in the planning stages within the greater Boston area.

Spotlight on

Stamford-Norwalk, Connecticut

The Stamford-Norwalk metropolitan area, located in lower Fairfield County adjacent to Westchester County, New York, was for many years primarily a suburban bedroom community. However, the past two decades have seen much corporate migration from New York City, establishing a vibrant economic base.

Employment increased by about 3,600 jobs annually from 1992 to 1995 and by about 4,800 jobs for the 12 months ending in August 1996. All of the job gains have been in the services sector. Unemployment declined from 5.7 percent in July 1992 to 3 percent in August 1996. This is the lowest unemployment rate in Connecticut and among the lowest in the Nation.

The Stamford-Norwalk commercial real estate market has been very strong in 1996, particularly in the third quarter. Leasing activity and absorption have improved dramatically, and the vacancy rate has declined from 25 percent in 1992 to less than 15 percent currently. The vacancy rate in Stamford's central business district went from 17 percent in the third quarter of 1995 to 10 percent in the third quarter of 1996.

Single-family building activity in the Stamford-Norwalk area has steadily increased this decade from about 180 units in 1990 to an average of 450 units annually in 1994 and 1995. In the first 9 months of 1996, permits were up 8 percent (340 units) over 1995 levels for the comparable period.

In the first 8 months of 1996, sales of single-family homes in the Stamford-Norwalk area totalled 3,331, which is 10 percent above the comparable period in 1995. Sales prices are some of the highest in the Nation, consistent with the high median family income (\$82,900 in 1996). The median sales price for the metropolitan area as of the second quarter of 1996 was \$349,000. However, there is significant variation in sales prices within the area: In Norwalk the median sales price was \$195,000, in Stamford it was \$265,000, and in the affluent suburban remainder of the metropolitan area, it was nearly \$450,000.

The Stamford-Norwalk rental housing market has tightened as a result of the limited apartment construction in recent years, with vacancy rates typically in the low single digits. Rents of well-located properties are typically \$800 to \$1,000 for one-bedroom apartments and \$1,100 to \$1,300 for two-bedroom apartments.

NEW YORK/ NEW JERSEY



Job growth in New York and New Jersey continues to lag behind the rest of the country. Seasonally adjusted employment increased a slight 0.8

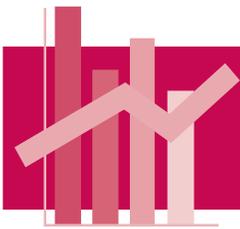
percent between August 1995 and August 1996. Modest employment gains in the services, construction, and trade sectors were partially offset by the continued decline in manufacturing employment. New York State's unemployment rate was 6.1 percent in August 1996, down from 6.4 percent a year earlier. In New Jersey the unemployment rate was also 6.1 percent, down from 6.5 percent in August 1995.

New York City employment increased by about 31,000 jobs, or 1.1 percent, between August 1995 and August 1996. The unemployment rate in August 1996 was 8.5 percent, up from 8.3 percent a year ago. The city's economy has been significantly aided by an increase of 6,500 jobs in the securities industry during the first 8 months of 1996, where the average wage in 1995 was \$127,800.

Sales prices for residential real estate in Manhattan below 96th Street have continued to surge, rising 11 percent in the past 12 months as of the third quarter, according to the quarterly report by real estate broker Halstead Property Company. Prices on Park Avenue, Fifth Avenue, and Central Park West rose 17 percent during this period. Both levels are the highest since Halstead began surveying apartments below 96th Street in 1987.

The commercial real estate market in New York City appears headed for recovery, although the late 1990s are not likely to be as buoyant as the 1980s. The vacancy rate for Class A office space in midtown Manhattan has fallen to 9.3 percent as of August 1996. The Durst Organization has begun demolition in preparation for the construction of a 48-story office tower in Times Square. This building, which received more than \$10 million in tax abatements, will be the first major office tower built in Manhattan in the 1990s. Rents for Class A office space in Midtown are approximately \$39 a square foot annually. Many building industry executives believe that these rents have to rise to the mid-\$40 level before developers will be tempted to build without some form of subsidy.

Sales of commercial property also have picked up. In 1994 there were 39 sales of major commercial buildings in Manhattan for a total value of \$1.2 billion. In 1995 there were 54 such sales, totalling \$1.8 billion, with foreign sources accounting for



\$1 billion of that total. It is anticipated that 1996 sales will be close to \$2.8 billion.

The downtown area of Brooklyn will get its first large hotel since the 1930s as part of a \$320 million 32-story complex called Renaissance Plaza. A 385-room Marriott Hotel will occupy the first 7 floors, and office space, which has been substantially preleased, will occupy the remaining floors. This complex is scheduled to open in the Summer of 1998.

In Queens the Mattone Group has been selected as the developer of an \$80 million office-retail-entertainment complex in central Jamaica. An 11-screen movie theater bearing the name of Magic Johnson has been announced as the anchor tenant. The site will also include a number of national brand retailers.

Groundbreaking recently took place for the HUD-insured 358-unit development in Holtsville, Long Island, known as Spruce Pond Country Club Apartments. Twenty percent of the units will have rents affordable to moderate-income families as required by the town of Islip in which Holtsville is situated. The monthly rent for the moderate-income units will not exceed \$754. The market-rate units will rent for \$950 for a one-bedroom unit and \$1,125 for a two-bedroom unit.

In New York State, single-family building permits in the first 9 months of 1996 (15,640 units) were up a slight 1 percent from the comparable 1995 period. However, multifamily housing activity in the first 9 months (12,015 units) showed a dramatic 246-percent increase, the highest level in the past 7 years. The Buffalo, Nassau-Suffolk, Syracuse, and New York City metropolitan areas all reported substantial increases in multifamily activity. The New York City metropolitan area accounted for slightly more than half of the State's activity (6,044 units) due in large part to the strong rental market in Manhattan.

In New Jersey single-family permit activity (14,654 units) was up 4.7 percent in the first 9 months of 1996 and multifamily activity was down 18 percent to 2,276 units.

As of the third quarter of 1996, the seasonally adjusted annual sales of existing homes in New York State had increased to 158,400, up 7 percent over third-quarter 1995 levels. In New Jersey sales volume was up almost 6 percent to 148,800 homes annually.

Spotlight on

Binghamton, New York

The Binghamton metropolitan area (Broome and Tioga Counties) is located in the southern tier of the State, just north of Pennsylvania. The metropolitan area has lost population since 1990, decreasing from 264,497 to 257,403 persons, with most of the loss in Broome County.

In the 12 months ending August 1996, total employment in the metropolitan area declined from 110,300 to 109,100 jobs. Losses in manufacturing, wholesale and retail trade, and government were offset somewhat by a slight increase in services employment. During the past 12 months, however, the unemployment rate in the area declined from 4.9 to 3.9 percent, primarily due to outmigration and the resulting reduction of the labor force. Like other areas in Upstate New York, Binghamton has lost manufacturing jobs, which declined by more than 2,000 a year between 1988 and 1994.

IBM Corporation is the largest employer with approximately 5,500 workers currently. Since the mid-1980s when IBM employed about 12,000 persons in the area, its presence has been substantially reduced as a result of corporate restructuring and the closure of its Glendale Research and Development Laboratory in 1992. The New York State government has proposed reusing the Glendale facility for data processing and other operations, relocating up to 1,100 jobs from Albany and New York City. Another IBM facility is now owned by Lockheed-Martin, which currently employs 3,000 persons, most of whom are former IBM employees.

In July 1995 it was announced that GM-Hughes Link Training Division, a manufacturer of flight simulators for the defense industry, would be

closing, resulting in the elimination of 1,000 jobs. The Binghamton economy, however, is diversifying. The area is home to the State University of New York at Binghamton, one of four major educational centers within the State system, with 12,000 students and 3,000 faculty and staff.

Residential building permit data mirror the economic and demographic declines experienced by the Binghamton area since 1990. In the 1990s construction levels have been approximately half those of the 1980s. Single-family permit activity has steadily declined from 428 units in 1990 to 177 units in 1995. In the first 9 months of 1996, permits were issued for only 29 single-family units. The limited activity has been confined primarily to the western suburbs of Broome County, where homes are priced in the \$140,000 to \$250,000 range.

The market for existing homes in the Binghamton area also is quite weak. Local sources estimate that the approximately 2,300 homes on the market constitute about a 2-year supply at the current pace of sales. According to the Broome County Association of Realtors®, the average sales price of an existing single-family home in the metropolitan area has declined by almost 14 percent since 1990, from \$92,700 to \$80,000.

MID-ATLANTIC



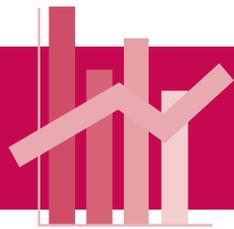
The Mid-Atlantic economy, continuing to feel the effects of military and Federal downsizing plus constrictions in several key industries, is growing at about half the national rate. Employment gains of less than 1 percent in the first 8 months of 1996 characterize the major market areas of Pittsburgh; Baltimore; Washington, D.C.; and Hampton Roads, Virginia, with the Philadelphia area reporting a slight decline.

The Maryland and Virginia suburbs of Washington, D.C., are actively competing for jobs using economic development incentives. So far in 1996, employment in the Virginia suburbs has grown by 2.2 percent, triple that of the Maryland suburbs, due to gains in high-technology, engineering, and management services in computer-related fields. Oracle Corporation, the world's second largest software company, announced a \$45 million expansion in Northern Virginia that will bring 3,000 jobs over the next 8 years to a new headquarters facility in Reston. This decision was based, in part, on low corporate tax rates and tax-related incentives that could exceed \$3 million if job creation goals are met.

Maryland has just started to give economic incentives to keep existing employers and attract new firms. City, county, and State incentives were instrumental in retaining Northrop Grumman Corporation (7,200 employees) and partially financed the company's recent expansion in Anne Arundel County. State incentives were also used to attract the consolidation of 500 headquarters employees of the Federal Emergency Management Agency (FEMA) in suburban Maryland.

In Delaware Saturn recently announced that the GM plant at Wilmington had been selected as the production facility for the company's new mid-size automobile. The selection of the Wilmington plant will save 2,400 jobs that had been slated for elimination.

Single-family construction in the Mid-Atlantic region, as measured by building permits, was up a modest 3 percent in the first 9 months of this year. Virginia reported the largest percentage gain of 5.4 percent to 27,800 units. The economic gains in Northern Virginia have resulted in increased single-family construction activity this year, with virtually all counties outside the Washington Beltway showing gains. The three counties (Fairfax, Loudoun, and Prince William) that account for nearly 75 percent of all new single-family homes in Northern Virginia saw increases in permit activity of 10 to 25 percent. Single-family housing production in Hampton Roads (5,147 units) is up 8 percent in 1996 over a very lackluster 1995. In the Philadelphia area, single-family construction (9,296 units) is up 3 percent this year.



Existing home sales are holding relatively steady in all major markets. In the Baltimore area, the strongest sales gains were reported in Carroll and Baltimore counties. In the Washington, D.C., area, existing home sales in the first 8 months of 1996 were up a modest 6 percent, led by gains in some Northern Virginia submarkets, notably the Dulles corridor where sales increased 11 percent, and by strong performance on the Maryland side as well. However, with the downturn in sales in August, many local sources think 1996 will end at or below sluggish 1995 volumes.

The Mid-Atlantic region's major metropolitan rental markets continue to show steady improvement, with multifamily housing activity steadily increasing. Through the third quarter of 1996, building permits were issued for 15,179 units, up almost 15 percent over 1995's volume for the comparable period and about equal to the total volume in 1994. At the current pace, 1996 could be the biggest year for multifamily construction since 1990. Pennsylvania (3,735 units) and Virginia (8,538) both showed strong gains of 33 and 25 percent, respectively, as a result of increased activity in the Philadelphia and Northern Virginia markets. In the Philadelphia area, apartment vacancy rates dropped below 7 percent and are less than 5 percent in the Center City. Two-bedroom, two-bath units in the Center City are renting for \$1,323 per month, while similar units in outlying areas of Philadelphia command rents averaging \$895. In the Baltimore area, the overall market is balanced. Rental vacancies hover in the 7- to 8-percent range in Hampton Roads, where the market is improving from the double-digit vacancy rate at the start of this decade. The demolition of 2,000 units of older apartments in Norfolk, Ocean View, and Newport News has helped the rental market.

Spotlight on

Pittsburgh, Pennsylvania

Employment in the Pittsburgh metropolitan area during the 12 months ending in August increased 0.7 percent compared with the same period ending in August 1995. The 1995 job gain of 1.1 percent was the highest annual rate since 1990. The

health-services sector, a major industry with 117,000 jobs, bolstered the local economy through the past decade, but has declined in the past 2 years due to hospital mergers and layoffs. Sony Industries, which moved into the area in the late 1980s, grew at a slow pace through the recession and is now expected to reach the forecast level of 2,000 jobs by the end of 1997. Sony is expanding its American Video Glass subsidiary by 500 workers next April. The unemployment rate for the Pittsburgh area remains below the State and national levels, dropping from 5.6 percent in August 1995 to 4.8 percent as of August 1996.

Revitalization of downtown Pittsburgh continues with the relocation of Blue Cross and Blue Shield to the old Lazarus Department Store. This move will add 1,000 employees to the downtown job base. Other development projects include a \$262 million expansion of the Lawrence Convention Center, a \$200 million baseball park, a new \$78 million Lazarus Department Store, and an \$80 million Theater Square project.

The Pittsburgh sales housing market remains relatively healthy. Home construction continued at about the same pace as 1995, with 3,742 units in the first 9 months of 1996. An increasing share of development is in the outlying counties, particularly in Westmoreland and Butler counties, which are experiencing rapid job growth. Strong markets exist in the lower tax suburban-fringe areas of Peters Township (Washington County), Cranberry Township (Butler County), and Murrysville (Westmoreland County). New home prices in these areas are primarily in the \$130,000 to \$150,000 range. Higher priced homes from \$180,000 to \$325,000 are popular throughout the market area. Three signature golf course communities are under development in Allegheny County, with homes priced at \$325,000 and above. High-priced townhouses and patio homes are also popular in the planned communities appealing to move-up buyers nearing retirement.

Existing home sales were up nearly 8 percent in the first 9 months of this year compared with the same period in 1995. The median sales price of an existing home is up 2.7 percent to \$86,600. Allegheny County, recognizing shifting market preferences to outlying areas, is developing a

2-year property-tax abatement program for buyers of new and substantially renovated homes to stem the flow of owners to outlying areas.

The Pittsburgh area rental market is balanced with an overall vacancy rate of about 5 percent. Although some apartment developments offer reduced security deposits and rent concessions, discounts are no longer widespread in the marketplace. Multifamily construction increased 35 percent in the first 9 months of this year, but with only 585 units is still very low.

SOUTHEAST/ CARIBBEAN



Through the middle of the third quarter, total employment in the Southeast region continued to grow at a faster rate than the Nation as a whole. While national employment increased by 1.8 percent between August 1995 and August 1996, employment in the eight States and Puerto Rico increased by 2.4 percent, due partly to substantial gains in Georgia. Georgia experienced a growth rate of 4.6 percent, the highest in the region. The unemployment rate for August was below the national rate of 5.1 percent in all areas except Mississippi, South Carolina, and Puerto Rico.

For the 8 States in the Southeast, nonagricultural employment increased by 458,000 jobs from August 1995 to August 1996. This figure included 147,500 additional jobs in the wholesale and retail trade sector and 230,100 new jobs in services. Manufacturing employment declined by 75,500 jobs during the period, many of which were in the textile industry. In the Atlanta area, 400 workers lost their jobs when Kuppenheimer closed a suit plant in October. Fieldcrest Cannon is closing 2 factories in Eden, North Carolina, eliminating 750 jobs. Almost 2,500 jobs have been lost in the Greenville, South Carolina, area over the past year as the textile and garment industry continues to suffer.

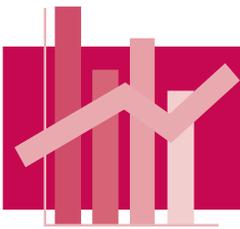
Important new job announcements for the region included the building of a \$200 million tourist development in Sevier County, Tennessee, which will generate approximately 1,500 jobs; the construction of a window manufacturing plant in Barnwell County, South Carolina, where EFCO Corporation will employ up to 1,000 workers; and the opening of a customer service facility in Tampa, where Capital One Financial Corporation will employ 1,000 workers.

Single-family home construction in the region, as measured by building permits, showed continued strength during the third quarter. During the first 9 months of 1996, permits were issued for 230,287 single-family units, a 9.5-percent increase over the comparable 1995 period. At the current pace, the Southeast region could see its best year in single-family activity thus far in the 1990s. All States showed gains in activity, with increases ranging from 4.9 percent in Florida to 16.6 percent in Alabama.

In Atlanta a total of 29,318 single-family homes were permitted in the metropolitan area in the first 9 months of 1996. At this pace activity is likely to surpass the previous record year of 1986. Completion of the Olympic Games may offer some benefit to builders who saw profit margins squeezed because of competition for materials and labor from Olympics-related construction. Two of the biggest percentage increases in single-family volume during the year were recorded by Florida metropolitan areas. Fort Walton's volume increased by 33 percent, or 1,128 units, and Pensacola's rose by 39 percent, from 1,828 to 2,549 units. Recent military realignments have resulted in increases in military strength levels in both areas.

Excluding Georgia, existing home sales as of the third quarter of 1996 were up 3.5 percent over the second quarter of 1995 in the Southeast. The sales volume in Puerto Rico and the Virgin Islands, as measured by the number of FHA-insured loans from January through September 1996, increased from 16,157 to 18,838, or 16.5 percent over the comparable period a year ago.

Multifamily building permit activity in the Southeast (71,980 units) was up 4 percent for the



first 9 months of the year compared with the same period in 1995. At the current pace, 1996 may finish as the second best year of the 1990s for multifamily construction. In Florida and Georgia, activity was down a modest 5 percent from very strong 1995 levels. Permit activity also dropped in Alabama and Mississippi, and remained unchanged in Kentucky. In Birmingham permits dropped from 1,655 units in 1995 to 683 in 1996, a reflection of increasing vacancy rates as a result of excess multifamily construction during the past 2 years. North Carolina (9,875 units) and South Carolina (4,445 units) reported substantial increases of 12 and 37 percent, respectively. Tennessee (9,903 units) led the region with the largest percentage gain, 69 percent. The Nashville area provided a substantial part of the increase, with 4,469 units permitted during the first 9 months of 1996, more than triple the figure last year at this time, and more than 1994 and 1995 combined. According to the SPL Corporation, a local market research company, there are 5,200 multifamily units under construction in Nashville, 3,000 of which will be completed in 1996. SPL is now warning of potential overbuilding.

Although multifamily permit activity was down in Florida overall, several major markets had large increases. Jacksonville was up 474 percent to 3,518 units, Fort Lauderdale rose 43 percent, and Sarasota-Bradenton jumped 215 percent. In the Jacksonville metropolitan area, there are now an estimated 6,000 multifamily rental units under construction, enough to raise concerns about such a large number of new units coming on the market in a short period of time.

Multifamily units permitted in the Atlanta metropolitan area declined by 35 percent from January through August 1996 compared with the same period in 1995. This reduced pace of development may keep the market from becoming saturated after a high volume of construction in 1995. The north Fulton County submarket already is overbuilt, and rent concessions have begun to appear for the first time in several years. As of July 4,500 units were in initial lease-up, and more units were under construction.

The most active multifamily housing market in North Carolina is Charlotte, where the current

rate of production is expected to result in substantially higher rental housing vacancy rates by early next year.

Spotlight on

Memphis, Tennessee

Memphis is one of the largest transportation and distribution centers in the Nation. The metropolitan area has the second largest inland port on the Mississippi River, a number of major highways, and a large hub airport. The airport was the top cargo airport in the world in 1995, a title that it has held for 4 years due largely to Federal Express activity.

Planned job expansions should further solidify the area's importance as a transportation and distribution hub. Federal Express, the area's largest employer with a workforce of approximately 24,000, recently announced plans to build a technology center that will employ 1,300 persons. United Parcel Service plans to build a new parcel sorting facility near the Memphis Airport that is expected to add 1,800 workers. Construction has begun on Ingram Micro's new distribution center, which is expected to add as many as 700 jobs. The area's growing economy has also encouraged strong construction activity. The Memphis Area Chamber of Commerce estimates that Memphis currently ranks fifth in the Nation for industrial construction and third in the Nation for office construction by square footage.

Memphis' first comprehensive economic development plan that covers the metropolitan area, "Memphis 2005," was formulated earlier this year. The plan's goal of adding 10,000 jobs per year has been surpassed in the most recent 12-month period, as civilian employment in Shelby County has increased by more than 14,000 jobs. The area's unemployment rate of 4.1 percent is well below the national rate.

The population of the metropolitan area is estimated to be close to 1.1 million persons, a 7-percent increase since 1990. Some outlying areas have had high rates of growth since 1990, including DeSoto County, Mississippi, and Tipton County, Tennessee. In Shelby County, the core

county of the metropolitan area, the population of Collierville has increased by more than 33 percent since 1990.

The number of single-family building permits in the metropolitan area totalled 4,777 for the first 9 months of 1996, a drop of 11 percent from the comparable 1995 period. Sales have remained strong in the Memphis area. Chandler & Chandler, a Memphis real estate data firm, indicates that sales of new and existing homes totalled 14,360 through the third quarter of 1996, up from the comparable period in 1995. The Multiple Listing Service of the Memphis Area Association of Realtors® (covering Fayette, Shelby, and Tipton Counties in Tennessee) reported sales of 8,824 homes through September 1996, 60 percent of which were in Shelby County. The median sales price as of the third quarter was up 3 percent over the third quarter 1995 to \$94,900.

Memphis' rental market is sound, although the recent increase in construction may test its depth. The SPL Corporation of Memphis reported an overall apartment occupancy rate of 94 percent at the end of the third quarter. From 1990 through 1994, permits were issued for 440 units annually as the market worked off excess supplies from overbuilding in the 1980s. With the steady growth in the area, the market rebounded in 1995. In the first 9 months of 1996, permits were issued for 2,807 multifamily units, more than double the 1,392 units for the same period in 1995. Two office buildings in downtown Memphis that were converted to 358 apartments in 1995 rented up rapidly.

The Memphis Housing Authority recently received funding from HUD to demolish 422 units of substandard public housing. HUD is providing funds to relocate almost 1,000 families living in units intended for renovation or demolition. The Housing Authority has requested approval to raze another 832 public housing units.

MIDWEST

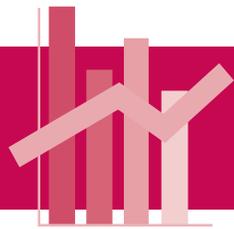


Employment growth in the Midwest during the third quarter of 1996 continued the moderate trend of the first 6 months. In the 12 months ending August 1996, the region added 353,000 new jobs. The strongest job gains were in business and health services, retail trade, and construction. The unemployment rate as of August was less than 5 percent in all States of the region except Illinois, where it was 5.3 percent. Minnesota, where unemployment has remained under 4 percent for the past 2 years, continues to report shortages of skilled and unskilled labor.

Illinois and Michigan led the region in employment growth, with 95,000 and 87,000 new jobs, respectively, during the 12 months ending in August 1996. In the Chicago area, the first new commuter railroad since Prohibition made its inaugural run from suburban Lake County to downtown Chicago. As a result of the \$131 million North Central line, the Pullman plant has reopened and hired 350 workers to produce rail cars for the line. In north suburban Detroit, hiring has been brisk at the \$350 million Somerset Shopping Mall, where 3,500 retail jobs are being added.

Minneapolis-St. Paul area construction employment, at 64,000 jobs, was at a record high in the third quarter due to residential, commercial, and road construction. The Naval Air Warfare Center in Indianapolis has been turned over to Hughes Electronics by the U.S. Department of Defense in the largest privatization of a military institution in U.S. history. Hughes will retain all 2,550 civilian employees, who generate a \$150 million annual payroll, and relocate another 730 research and development employees from California to this facility.

Single-family production strengthened during the third quarter of 1996, boosted by low mortgage rates and a healthy economy. Building permits



were issued for 148,888 single-family units in the first 9 months of 1996 compared with 133,415 units for the same period last year, an increase of 11.6 percent. All States and the largest metropolitan areas in the region reported gains. Illinois, Michigan, and Ohio led the region, each with more than 28,000 units. Indiana and Minnesota had the largest percentage gains, with increases of 15 and 16 percent, respectively.

The region's healthy economy helped boost the annual rate of existing home sales above 871,000 as of the third quarter of 1996, the second highest volume in the past 15 years. Minnesota and Ohio had gains of 11 and 5.8 percent, respectively. Home sales in Michigan were up 3.9 percent as of the third quarter.

Homebuilding in the Minneapolis-St. Paul area remained strong in the first 8 months of 1996, with permits for new homes up 18 percent over last year. The Parade of Homes Fall Showcase in September was the largest ever, with 744 model homes in 132 communities throughout the Twin Cities area. Following the high turnout of prospective buyers, the 342 participating builders were upbeat about sales for the remainder of 1996. In Minneapolis' inner-city neighborhoods, Norwest Corporation boosted lending 72 percent over the past several years, making 1,053 home mortgage loans in 1995 compared with 612 in 1993.

Chicago area sales of new homes were down in the third quarter compared with last year, but builders still expect a relatively strong 1996, with 20,000 to 21,000 sales for the metropolitan area. Sales of condominiums in the city of Chicago continue to do well, up 22 percent in the first 6 months of 1996 over last year.

The Cleveland Homebuilders Association also reported that buyer traffic exceeded expectations at the first annual Scattered-Site Parade of Homes in August. Cleveland's Bicentennial Village neighborhood is marking the city's 200th birthday by renovating 200 of 400 homes in the area and adding 49 new homes. Cleveland donated the vacant lots, while groups such as Habitat for Humanity and the Fairfax Renaissance Development Corporation have organized the redevelopment. More than \$12.6 million will be invested in the

area, mostly from nongovernmental sources. National City Bank, also part of the nonprofit neighborhood development corporation, is offering mortgages with below-market interest rates.

Revitalization of inner-city areas is progressing well in Detroit and Milwaukee. Construction has begun near downtown Detroit on a \$39 million complex of townhouses, apartments, and retail space planned for the city during the next 5 years. The developer is building homes priced up to \$112,000, and plans to build 180 homes in the \$55,000 to \$65,000 price range for families with incomes of \$25,000 to \$30,000. In southwest Detroit construction will start in early 1997, using State and city funds, on a \$5 million, 60-home development called Newberry Estates.

In Milwaukee CityHomes is helping to revitalize one of the city's most distressed neighborhoods with new affordable housing. The project, being developed with \$845,000 in HUD community development funds, is off to a strong start with 32 of 42 lots sold in 1996. The builder reported strong market response to the 20 completed single-family detached homes priced between \$75,000 and \$80,000.

Rental markets remain in good condition throughout the region, with occupancy in the 94- to 97-percent range. Building permits were issued for 42,207 multifamily housing units in the first 9 months of 1996, slightly ahead of last year's 41,575 units, and the second highest level since 1990. Activity in Michigan increased 28 percent, followed by Wisconsin with a gain of 9 percent. Indiana and Minnesota recorded declines of 12 and 22 percent, respectively.

Chicago has maintained high apartment occupancy of 95 to 97 percent for the past 2 years, according to a July 1996 survey of 101,000 rental units in the metropolitan area. In suburban Lake and Du Page Counties, absorption has held steady at 20 to 22 units a month in 3 new developments, with rents of \$850 to \$900 for a 1-bedroom unit, \$975 to \$1,150 for a 2-bedroom dwelling, and \$1,350 to \$1,550 for a 3-bedroom unit. In the western suburbs, 2,600 units with similar rents are under construction and are expected to rent up at about the same pace.

The increased demand for housing in downtown Chicago is spurring the conversion of older office buildings to condominiums and luxury rental apartments, particularly in the South Loop area. The Chicago HUD office is reviewing a proposal to convert the Kodak building in the city's South Loop to 116 loft units, the first FHA mortgage insurance application for rental housing in the area since the mid-1980s.

In Indianapolis apartment absorption in several new developments is running at about 20 units a month. Apartment occupancy in western Michigan markets is about 94 percent, and several new projects in the Grand Rapids area are renting 12 to 15 units monthly. Detroit area developers reported leasing of new apartments has been better than expected near Chrysler Corporation's headquarters in suburban Oakland County. A Cincinnati area developer reported new units in north Hamilton County are filling quickly due to strong job growth. In downtown Cleveland the FHA-insured Crittenden Court, the first new apartment complex in the area in 25 years, opened to strong market response, with 187 of 208 units leased in the first 9 months of 1996.

Spotlight on

Rochester, Minnesota

Rochester consistently scores well in livability indexes published in national magazines. One publication listed the metropolitan area as the Nation's healthiest place in 1996. The population in the Rochester metropolitan area is estimated currently to be about 114,000, a 7-percent gain since 1990.

Until the early 1990s, employment growth in the metropolitan area had been fairly rapid, stimulated by job increases at the Mayo Clinic, its associated hospitals, and IBM. However, from 1993 through much of 1995, cutbacks in health services and IBM brought growth to a halt. During the 12 months ending in August 1996, employment growth has resumed at a healthy 3.1 percent, with business, personal, and health services providing the lion's share of new jobs. The unemployment rate as of August 1996 was 2.5 percent, one of the lowest in the Midwest.

Prospects for job gains in the metropolitan area are favorable. Local estimates of employment growth range from 2 to 4 percent annually during the next 5 years. Medical and biotechnology industries, personal and business services, education, and fabricated metal manufacturing are expected to be the leading sources of growth. Former IBM executives have been starting new firms with the aid of a local nonprofit economic development group, while a patient of the Mayo Clinic bequeathed a \$128 million estate to the Mayo Foundation for research, education, and patient care.

The Rochester area's economic slowdown in the early 1990s had an impact on demographic trends and housing market conditions. In contrast to the steady growth of the 1970s and 1980s, from 1993 through 1995, small declines in population and households occurred in the metropolitan area. The rental housing vacancy rate rose above 9 percent in September 1994. The average sales price of existing homes declined about 2 percent in the first 6 months of 1994.

Market conditions began to improve in the past year, however. Home prices recovered to an average of \$98,900 in the first 6 months of 1996. A recent \$2.5 million program for first-time homebuyers, sponsored by the Olmstead County Housing and Redevelopment Authority, was quickly oversubscribed. The program was able to provide downpayment assistance and below-market-interest-rate financing to 34 low-income families.

Residential construction activity also is starting to recover. Building permits fell from more than 1,000 units annually from 1990 to 1992 to about one-half that number annually the following 3 years. For the first 9 months of 1996, activity was up 61 percent to 535 units.

The availability of affordable rental housing is a local concern, in part because of the recent influx of refugees and other immigrants from Southeast Asia, Somalia, and Bosnia. To respond to this need, a 25-unit tax-credit project was completed this year, and several more projects with about 125 tax-credit units are under development. HUD has insured two 87-unit cooperative projects for the elderly in Rochester. Strong market response



to the first project, completed in July 1993, led to development of the second, which is scheduled for completion in the Spring of 1997.

SOUTHWEST



The Southwest region showed a solid 3-percent gain in nonagricultural employment for the 12 months ending in August 1996. Manufacturing exhibited a small increase, although services and trade continued to have the biggest gains. New Mexico had the largest employment percentage increase at 4.2 percent, followed by Texas at 3.2 percent, with Arkansas, Louisiana, and Oklahoma registering gains less than 3 percent.

The seasonally adjusted unemployment rate in Texas as of August 1996 was 5.6 percent, the lowest figure since August 1984. The services sector accounted for 83 percent of the 251,500 jobs added in the 12 months ending August 1996. Although Texas continues to outpace the national rate of growth, the annual rate of employment growth slowed from a peak of 4.5 percent in early 1995 to approximately 3 percent in June 1996.

In Arkansas developer interest in land around interchanges on the new U.S. Highway 71 bypass in the fast-growing Springdale-Rogers-Fayetteville area is pushing up prices. Relocation of the highway is expected to be completed by early 1999. The Highway 71 bypass as well as construction of the Northwest Arkansas Regional Airport should spur continued job growth in the area.

Homebuilding remained active in the region through the third quarter. Single-family homebuilding permits for the first 9 months of the year were up 19 percent to 95,158 units. Every State reported significant increases, except New Mexico, which held steady. The Austin-San Marcos area had the largest percentage gain, with permits up 56 percent for the first 9 months of 1996. Activity in Dallas-Fort Worth (20,207 units)

and Houston (13,067 units) was up 19 and 26 percent, respectively.

Through the third quarter of 1996, the number of multifamily units permitted was down in every State except Louisiana, which experienced an increase from a year ago. Activity was down 30 percent in the Dallas-Fort Worth area to 7,983 units after 3 years of very strong apartment construction. In San Antonio the number of multifamily units permitted in the first 9 months of 1996 (2,094) was up 34 percent over 1995's volume for the comparable period.

Home sales continued strong in the Southwest. NATIONAL ASSOCIATION OF REALTORS® data as of the third quarter showed annual sales increases in Arkansas (4.3 percent), and Texas (3.0 percent), with activity in Oklahoma unchanged. In New Mexico sales have dropped to 27,200 a year. Regionwide the annual existing sales volume as of the third quarter was up 1.2 percent to 489,300 existing homes.

Austin still ranks as the hottest housing market in Texas. However, apartment occupancy fell to 92 percent in August from 95 percent in June. In the 12 months ending June 1996, the area had absorbed 3,000 rental units. With approximately 5,800 units under construction and another 7,200 units in the planning stages, there is concern about the pace of development.

The Dallas-Fort Worth area continues to experience its highest level of housing demand in 12 years, based on sales of existing housing. North Fort Worth and northeastern Tarrant County remain two of the hottest submarkets, stimulated by new jobs in the Alliance Industrial Airport area. Apartment occupancy in Dallas-Fort Worth is around 94 percent currently. Local sources estimate that the area has absorbed more than 10,000 new apartment units in the past 12 months.

Houston's economy has been recovering steadily. Though job growth cooled off a bit this year, sales housing inventories remain in balance and rental occupancy rates are finally above 93 percent. There is concern about the rental market in San Antonio. Multifamily activity in the first 9 months of 1996 (2,094) was up significantly from the 1995 volume for the same period. Average apartment occupancy in San Antonio is about

91 percent, unchanged from a year ago. Occupancy in apartments constructed after 1990 is currently around 83 percent.

Albuquerque's sales and rental markets are showing signs of slowing. Apartment occupancy as of the third quarter of 1996 was reported to be 93 percent. The market is adjusting, with an almost 45-percent decline in multifamily permits for the 12-month period ending August 31, 1996, compared with the previous 12-month period. Single-family permits were up only 1.6 percent.

In Texas 38,039 of the total 64,585 units in approved tax-credit projects have been placed in service. More than 22 percent of the approved units are in Dallas, with an additional 21 percent in other parts of the Dallas-Fort Worth metropolitan area. Houston received 16.5 percent of the units, followed by Austin with almost 4 percent.

Spotlight on

Tulsa, Oklahoma

Since 1990 Tulsa's economy has become more diversified and less dependent on the oil industry. Oil dominated the area's economic activity for decades, earning Tulsa the title of "Oil Capital of the World." Fifteen years ago oil and oil-related industries accounted for more than 20 percent of total employment. Today, less than 10 percent of employment falls into this category. The principal employers are now the aerospace, telecommunications, education, and health-care industries.

Since 1990 the population of the Tulsa metropolitan area has grown 6 percent to 750,000. Average annual nonagricultural wage and salary employment rose by 12 percent from 1990 through 1995. During 1995 total employment grew by 3.6 percent and the unemployment rate averaged 4.4 percent.

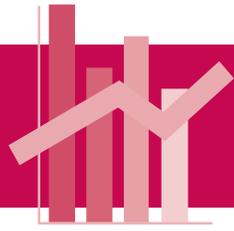
The McClellan-Kerr Arkansas River Navigation System has made Tulsa the Nation's most inland all-weather port. This system provides a commercially navigable channel through 17 locks and dams for 445 miles to a point on the Mississippi River 600 miles north of New Orleans. The port

provides a competitive advantage to the Tulsa area, as shipment by barge is about one-third the cost of railroad transport and one-fifth the cost of shipment by truck. Waterway traffic through the port in July 1996 was more than double that of July 1995.

The University of Tulsa is in the process of implementing a plan to renovate its physical plant and to start construction of a \$28 million arena and convocation center in January 1997. This investment promises to be a catalyst for further development along an old stretch of Route 66 about 4 miles from downtown. Another development announced for the Route 66 corridor is a shopping mall.

Moderate population growth in construction during the past 6 years has absorbed the oversupply of housing created in the early and mid-1980s when housing starts soared. Employment began to decline in the mid-1980s, mirroring the fortunes of the oil industry. Single-family home construction averaged just more than 1,700 units annually from 1985 through 1989, but has rebounded to more than 2,500 units annually since 1990. Several national housing cost indices rank Tulsa among the most affordable housing markets in the country. The majority of new homes are in the \$110,000 to \$125,000 range, and the median sales price of an existing home was \$82,800, as of the third quarter of 1996. Construction continues strong in the suburban communities of Broken Arrow and Owasso.

The Tulsa rental housing market is experiencing a moderate amount of new construction activity following the 1988 through 1993 period when only 89 multifamily units were authorized annually. Permits were issued for more than 1,000 multifamily housing units in 1995 and almost 600 units during the first 9 months of 1996. This renewed activity has caused only a slight increase in the rental vacancy rate, which remains around 7 percent. Rent increases have averaged about 3.5 percent during the past 2 years.



GREAT PLAINS



Great Plains

Nonagricultural employment growth slowed during the past year. Between August 1995 and August 1996, employment in the region increased 1.4 percent (82,700 jobs) compared with 2.2 percent from August 1994 to August 1995. Employment growth in 1996, in fact, was the lowest since 1992. Kansas reported the highest annual rate of employment growth in the region, 2.3 percent, with gains in construction, manufacturing, and retail trade accounting for more than three-fifths of the new jobs. More than 90 percent of the 5,200 new jobs in manufacturing resulted from aircraft industry expansion by the State's four aircraft producers—Boeing, Cessna, Raytheon (formerly Beech Aircraft), and Learjet. Learjet has announced that it will add 300 jobs in 1997. This firm is building a flight-test center in Wichita and is modernizing manufacturing equipment and buildings.

Iowa's 1.4-percent employment growth in the 12 months ending August 1996 was the lowest in 4 years, lagging the national rate for the first time this decade. Employment declines in goods-producing industries were widespread, with jobs in nondurable goods falling by 3.3 percent. Most of the employment loss was in the meat processing industry due to the closure of meatpacking facilities in Dubuque and Des Moines. Missouri's job growth slowed to 31,400 jobs (1.3 percent). Nebraska, with 5,400 new jobs (0.7 percent) also had its lowest growth during the 1990s.

Labor markets remain tight throughout the region. In August Nebraska had the lowest unemployment rate, 2.4 percent, unchanged from a year earlier. The other States reported lower rates than in 1995, with Iowa dropping to 2.8 percent, while Kansas and Missouri declined to 4.0 and 4.3 percent, respectively. Employers have reported difficulty finding workers, particularly in

the Kansas City, Des Moines, Omaha, and Wichita metropolitan areas.

Great Plains residential construction activity has held strong thus far in 1996. The number of single-family units permitted (34,422) through the third quarter of 1996 was up 16 percent from strong 1995 levels. Building activity in Kansas was up 15 percent to 7,712 units. Activity also rose in Nebraska (20 percent), Missouri (13 percent), and Iowa (23 percent). Most of the region's metropolitan areas recorded gains. However, Dubuque's residential permits were down significantly, reflecting the loss of almost 2,000 jobs, 900 from one meatpacking firm alone during the past year.

Multifamily housing construction, which had been stagnant since 1988, is now showing strength, with permits issued for 14,327 units in the first 9 months of 1996. This activity exceeded the pace for the same period in 1995 by 54 percent. Nebraska, with 3,300 units, was up 48 percent, getting a major boost from Omaha, which is experiencing its largest apartment building boom since 1986. Activity in Lincoln was also strong, with almost 700 units permitted through September, its best year since 1990. The multifamily vacancy rate in larger apartment complexes in Lincoln remained at a very low level, 3.1 percent, unchanged from 1995. Kansas, with 4,408 multifamily units, reported its largest multifamily housing volume in a decade due to strong demand in the Wichita, Lawrence, and suburban Kansas City markets. Multifamily housing activity rose by 26 percent to 4,210 units in Missouri and by 12 percent to 2,408 units in Iowa.

The annual rate of existing home sales in the Great Plains region as of the third quarter was up 1.2 percent from the year-earlier period. Modest gains were reported in Iowa (6.6 percent), and Nebraska (4.6 percent).

Spotlight on

Omaha, Nebraska-Iowa

Since 1990 employment growth in the Omaha area has averaged a healthy 2.3 percent annually. However, average employment of 376,600 jobs for

the first 8 months of 1996 was only 1.6 percent above the same period in 1995. The unemployment rate has held steady, averaging a low 2.8 percent during the first 8 months.

The latest substantial economic developments in the Omaha area are the result of acquisition, expansion, and merger. The Union Pacific Railroad's recent acquisition of the Southern Pacific Railroad leaves only two dominant railroads in the Western United States—the Union Pacific and the Burlington Northern Santa Fe. This buyout will cause the relocation of 800 corporate jobs from California to Omaha. WorldCom, Inc., of Jackson, Mississippi, and Omaha-based MFS Communications, plan to merge to provide Internet services, data transmission, and local and long-distance telephone services.

The First National Business Park has started construction on 1,700,000 square feet of Class A office space. In downtown Omaha, a new hotel is nearing completion, the Omaha Civic Auditorium is being renovated, and a new Federal building is scheduled to begin construction soon.

On the Iowa side of the metropolitan area, 3 recently opened casinos are among the top 10 employers in Council Bluffs. The Bunge Corporation of St. Louis has announced plans to construct a \$100 million soybean crusher and refinery on a 460-acre site south of Council Bluffs. Midlands Mall, originally constructed with urban renewal funds, is being renovated as the Omni Centre, offering space for insurance firms and other corporate offices.

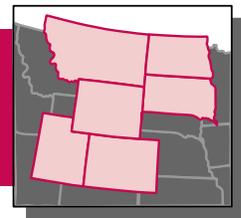
The strong economy since 1990 has stimulated the sales housing market. In Douglas, Sarpy, and Pottawattamie counties, total home sales for the first 9 months of 1996 were up 18.3 percent over the same period in 1995. The price of homes sold during the 9-month period averaged more than \$100,000 for the first time ever, according to the Register of Deeds Office.

Single-family building permits (2,428 units) from January through September 1996 were 27 percent higher than those issued for the same period in 1995. Homebuilders have reported shortages of building materials, and there are labor shortages in certain construction trades. In response labor

unions have increased their apprenticeship programs.

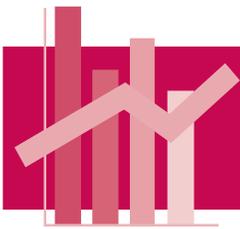
Multifamily building permits were issued for 1,885 units during the first three quarters of 1996, 91 percent higher than for the same period last year. New apartments have been leasing very well. The most recent survey in the Spring of 1996 showed an overall apartment vacancy rate of 2.9 percent. The rental market is tight at present but, with the substantial increase in units under construction, is expected to become more competitive in the coming year.

ROCKY MOUNTAIN



The third quarter of 1996 saw strong job gains in Utah while employment levels were little changed in the remaining Rocky Mountain States. Annual growth rates have slowed slightly for most States, although all but Wyoming are growing faster than the Nation. The annual rate of employment gains in Colorado, Montana, North Dakota, and South Dakota has settled into the 2- to 3-percent range. Utah continues to lead the region with a 5.6-percent gain, while Wyoming's growth rate has dropped below 1 percent.

Utah's active manufacturing sector generated half of the manufacturing jobs created in the region during the past 12 months. It is significant to note that manufacturing in every Rocky Mountain State is stable or growing. Construction remains the fastest-growing industry in the region, led by double-digit annual gains in Utah, North Dakota, and Colorado. Residential construction activity remains high, but much of the growth is due to nonresidential projects in Colorado. The continued expansion of the E-470 Beltway in Denver will eventually cost \$760 million. Hotel construction surrounding Denver International Airport has surged recently, and major mixed-use developments in this area appear closer to reality



than they did last year. Building will begin on a \$105 million prison in eastern Colorado in the fourth quarter of 1996. A variety of ski area expansions and a boom in retail building continue to add to construction employment.

The services sector, particularly business and engineering services, has been providing more jobs than any other major industry. The summer tourism season was slow in much of the region, but job gains in eating and drinking establishments have continued at a high level. The opening of Park Meadows Mall south of Denver added more than 2,000 jobs to the retail trade sector. Denver's strong economy has caused some backlash, however. Union Pacific Railroad cited the high cost of Denver real estate as a factor in its recent decision to relocate 1,200 jobs from Denver to Omaha and St. Louis.

Military strength levels at the larger installations in the region have stabilized following the round of closure and realignment announcements made last year. Installations near Colorado Springs, Rapid City, and Salt Lake City should maintain steady personnel levels for the next few years. Grand Forks Air Force Base (AFB) and Malmstrom AFB in Great Falls have yet to complete realignments that will result in a loss of a squadron or wing.

Low unemployment rates prevail in the Rocky Mountain region. Three States—North Dakota, South Dakota, and Utah—typically have unemployment rates close to 3 percent. Colorado and Wyoming saw rates fall to the 4- to 5-percent range, while Montana's rate is usually above 5 percent. Montana is the only Rocky Mountain State with an unemployment rate higher than the national figure.

Residential building activity remains above the pace set last year. Building permits were issued for a total of 59,499 units in the first three quarters of 1996, up 12 percent over last year. Single-family activity of 42,877 units was up in all States except Montana. Multifamily housing construction is down in Montana and the Dakotas, but is still increasing, albeit at a lower rate, in Colorado and Utah.

As of the third quarter, apartment vacancy rates were down in Colorado Springs and Denver, despite dramatic increases in apartment construction. However, the markets have become much more competitive. Absorption of new apartment units remains strong, but rent increases have slowed or stopped in most markets. Denver's annual average increase in rents slowed to 4.3 percent, the first time since 1992 that the rate has dropped below 5 percent. Concessions once limited to projects in initial rentup have now spread to existing projects. In Colorado Springs rentup incentives are found at some new projects, but have not spread marketwide. Average annual rent increases in existing projects have slowed to single digits from the double-digit pace of the past few years. Salt Lake City's rental market has also seen a lowering of rent increases and a slight increase in vacancies.

Existing home sales slowed slightly as of the third quarter in Colorado, Utah, and South Dakota. Sales in North Dakota were up 3.6 percent, and in Montana sales were up 19 percent over the third quarter of last year. Sales in the region as a whole were essentially unchanged from last year. The rate of increase in sales prices has slowed in some areas, although Colorado Springs and Salt Lake City continue to post double-digit annual price increases. More modest gains are typical in other major cities. Many builders are offering various incentives, such as landscaping, upgrades, or reduced financing costs.

Spotlight on

Durango, Colorado

Durango is located in La Plata County in southwest Colorado near the Purgatory Ski Resort area and Mesa Verde National Park. The city is home to Fort Lewis College, which has an enrollment of 4,600 students and employs 550 faculty and staff. Like many amenity-rich areas in Colorado, the primary economic base has switched from mining to services for tourists and retirees, spurring growth during the past several years.

The Durango area's employment growth has averaged well over 6 percent a year since 1990, with the trade and services sectors accounting for more than 70 percent of the gains. There is some seasonal swing to the economy, which peaks during the summer months when the narrow gauge railroad is in operation and Mesa Verde National Park attracts most of its visitors. Oil and gas exploration and extraction are still an important part of the economy, but local efforts to diversify have added jobs in recreational equipment and clothing manufacturing. The area's boom is expected to slow with some easing of immigration, slower growth in tourism, and a capping of enrollment at Fort Lewis College.

Mostly due to immigration, the county's population has grown by an average of 3.2 percent a year since 1990 to an estimated 39,000 persons in 1996. Many immigrants are self-employed or retired, coming from California, Texas, and Colorado's front-range cities. The area's rapid growth has pushed up housing costs significantly, causing some workers to commute from northern New Mexico.

Homebuilding activity has more than doubled since the last growth period of the early 1980s. Activity in the early 1990s averaged about 250 units annually. In 1995 permits were issued for 643 units, including 144 multifamily units.

New homes in the \$300,000 to \$400,000 price range were very popular in the early 1990s. This price range has become overbuilt, however, and builders have switched to constructing homes in the \$150,000 to \$225,000 range. The popularity of manufactured homes priced from \$120,000 to \$150,000 has also increased, with more than 200 placements in 1995.

Apartment building in the Durango area has been limited because of high land and construction costs. The first significant-sized apartment development was completed this year, and its 40 units rented up rapidly. A HUD/Colorado Housing and Finance Authority risk-sharing project of 48 units is under construction. Rents for existing two-bedroom units have stabilized this year at between \$650 and \$750. New two-bedroom units rent for more than \$800 a month.

Most new multifamily housing construction since 1990 has been townhouses and condominiums, many of which are vacation properties or are owned by parents of students at Fort Lewis College. Some higher-end townhouses for retirees priced from \$150,000 to \$225,000 have just begun construction.

PACIFIC



The economy in the Pacific region generated 435,000 new jobs in the 12 months ending August 1996, a 2.8-percent increase. More than 300,000 of the new jobs were in California, which had a 2.4-percent gain. The unemployment rate of 7 percent in California is at its lowest level since January 1991. The most vigorous job expansion has been in computers and software, motion picture production, international trade, and tourism. The San Francisco Bay Area and southern California are growing at about the same rate.

Arizona added 83,000 jobs during the 12 months ending in August, a 4.7-percent increase. The gains were primarily in business and health services, trade, construction, and manufacturing. Four-fifths of the new employment was in the Phoenix area, recently ranked fifth nationally in rate of growth. Employment gains in Tucson were more than double last year's figure, with 8,400 jobs added in the 12 months ending in August.

Nevada's growth in gaming, services, trade, and construction resulted in an employment increase of 53,400 jobs in the 12 months through August, with Las Vegas accounting for 80 percent of the gain. Employment growth has cooled recently compared with earlier in 1996, but the State still has the highest rate of growth in the country. Hawaii's economy continued to show gradual improvement, helped by growing tourism and stabilizing Federal and State employment.



Single-family permits in the Pacific region were up 10 percent through September over the year-earlier period. Activity in Arizona and Nevada was up 10 and 13 percent, respectively, over very high levels in 1995. California continued to improve, with single-family permits up 11 percent, and 15 of 25 metropolitan areas reporting increases over last year. Hawaii's permits were off substantially, affected by the relatively slack economy.

Existing homes are generally selling well in the Pacific region. The California resales market may see its best year since 1989, with annual sales volume up 16 percent as of the third quarter of this year over the same period in 1995. In Las Vegas resales from January through August were up 34 percent over the comparable period in 1995, and the median sales price held steady in recent months at about \$120,000. Existing home sales in Phoenix are headed for a record year, with sales in the first 9 months of 1996 up 18 percent over the comparable period in 1995.

Multifamily housing production in the region through September grew a modest 3.6 percent over 1995's volume for the comparable period. Almost 60 percent of the new units were permitted in Nevada (10,399) and Arizona (9,613), paced by a gains of 10 percent in Las Vegas and 15 percent in Phoenix. Both areas have vacancy rates of 5 to 6 percent in existing projects; however, some submarkets with large numbers of new units and more in the pipeline are showing higher vacancies, more concessions, and flatter rents.

California rental markets continue to improve, prompting builders to respond with a 10-percent increase in multifamily housing units authorized (12,852) through September. In the San Francisco Bay Area, where vacancy rates have fallen to 3 percent or less in the West Bay and Santa Clara County, there are not enough new units to meet increased demand. In Sacramento vacancy rates have dropped substantially to a balanced 5 percent, down from 8 percent in early 1995.

Conditions in the Southern California rental markets showed modest improvement in the third quarter of 1996. Occupancy in the Los Angeles rental market improved slightly to 91.1 percent currently, up from 90.8 percent in 1995, but

rents remain flat. Rents are reportedly slated to rise only about 1 percent this year on average. Riverside-San Bernardino remains the softest rental market in Southern California, with overall occupancy estimated at about 86 percent. Modest employment growth in the area in 1996 has not made up for the loss of jobs in the defense and aerospace industries from 1990 to 1995. The San Diego and Orange County rental markets have recovered, with overall occupancy in both markets around 94 percent.

Spotlight on

Reno, Nevada

The Reno metropolitan area (Washoe County) is Nevada's second most populous area, with 298,000 residents. Since 1990 the area has experienced significant population growth averaging 2.7 percent annually. A large part of the increase is due to immigration, particularly from California. State demographers forecast an increase in the rate of population growth to more than 3 percent annually during the next 3 years.

The Reno economy has also experienced significant employment gains, averaging 2.8 percent annually since 1990. As of August 1996, employment totalled 174,200 jobs, a 3-percent increase over August 1995. The largest percentage gains were in wholesale and retail trade, State government, and manufacturing. The hotel/gaming/recreation (HGR), business services, and Federal Government sectors reported slight declines. In the 12 months through August 1996, the unemployment rate decreased 2 percentage points to 4.1 percent.

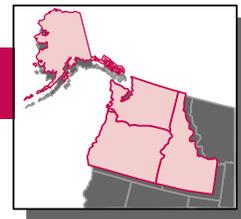
The economy of the Reno area is heavily dependent on government and tourism. Federal, State, and local government agencies employ 20,400 persons (12 percent of total employment). The HGR sector comprises 20 percent of the area's employment base. The four largest private employers are the Silver Legacy Hotel and Casino (2,600 personnel), the Reno Hilton (2,500), the Eldorado Hotel (2,400), and Harrah's Club (2,400). Retail trade accounts for 17 percent of employment. The Economic Development Authority of

Western Nevada is working to diversify the Reno economy. Since January 1995 this organization has attracted 53 companies and 1,350 new jobs to the area.

Reflecting the substantial population growth, the Reno sales housing market has been very active. From 1986 through 1992, single-family home construction averaged 1,770 homes annually. Since 1993 single-family permits have averaged more than 2,550 annually. The strong pace of building continued in the first 9 months of 1996, with more than 2,200 homes authorized by permits, 19 percent above the same period in 1995. The Reno-Sparks Association of Realtors® reported a median sales price of \$126,500 for all homes sold in the first 9 months of 1996. Sales activity for the period increased by 2.2 percent to nearly 2,600 homes. FHA-insured mortgages increased by 36 percent, from 397 to 539, and VA activity was also up 29 percent, from 164 to 212.

Rental housing production has also increased in the Reno area since the beginning of 1994. From 1991 through 1993, multifamily housing permits averaged only 150 units annually, as the area worked to absorb the excess supply brought on by overbuilding in the late 1980s. With improved market conditions, the number of multifamily permits in 1994 and 1995 increased to 725 units annually. For the first 9 months of 1996, permits were issued for 1,478 multifamily units, including an 864-unit apartment development. This development will test the market, which currently has high rental occupancy levels of around 96 percent. The first units of the project will come on the market in November 1996, and construction of all units will be completed by late 1997. Rents are high for the area, starting at \$765 for a one-bedroom unit, ranging from \$900 to \$1,200 for a two-bedroom unit, and costing \$1,385 for a three-bedroom unit.

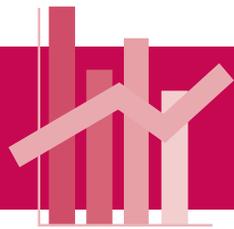
NORTHWEST



Economic growth in the Northwest accelerated during the past year. Nonagricultural employment as of the third quarter of 1996 averaged 4,655,985 jobs, 139,130 (3.1 percent) above the third quarter of 1995. The aerospace industry recovery has been the primary reason for the upsurge, as Boeing increased commercial aircraft production to record levels by hiring nearly 11,000 new workers in the past 12 months. In July this industry posted its largest monthly job gain (2,200) in 8 years.

With rising employment in the aerospace, industrial machinery, instruments construction, finance, and service sectors, the region's economy is projected to remain strong during the next 5 years. The third quarter of 1996 saw employment up 4.2 percent in Oregon, 3.6 percent in Idaho, 2.6 percent in Washington, and 0.3 percent in Alaska over the same period last year. Employment growth in Oregon continued to be led by increases in the electronic and electrical equipment industry (11 percent), health services (9 percent), construction (10 percent), and business services (11 percent).

The region's unemployment rate for the third quarter was 5.6 percent compared with 5.8 percent for the same quarter a year ago. Labor shortages are now a concern in both Oregon and Washington. The unemployment rate in Oregon this quarter was 5.0 percent, the second lowest rate in the past 25 years. Steady job growth and a slowdown in immigration were largely responsible for the tightening of the labor market. In Washington the unemployment rate was 5.8 percent, down from 6.5 percent during the third quarter of 1995. The demand is high for technology workers, with Microsoft and Boeing offering higher wages to attract candidates from around the world. In Oregon average annual wages since mid-1991 have increased by 15.5 percent.



The number of housing units authorized by building permits through September 1996 was up 11 percent from last year. The rate of increase was greatest in Alaska (21 percent) and Washington (14 percent). Single-family permit activity rose in every State, led by Washington and Idaho. Multifamily activity was up in every State except Idaho, where the number of units dropped 38 percent.

In Oregon housing price appreciation was the second fastest in the Nation, according to a recent report by HUD's Office of Federal Housing Enterprise Oversight. During the 12-month period ending in June 1996, housing prices rose 9.1 percent, second only to Utah's 11.4 percent. Since mid-1991 housing prices for the State have shot up an average of 55.8 percent. The median price of existing homes sold in the Portland area during the third quarter was \$144,550, up 9.9 percent over the comparable period in 1995, and in the Eugene-Springfield area, the median price was \$117,300, up 8.7 percent.

The manufactured housing industry continues to be a major factor in the Northwest housing market. In 1995 manufactured homes accounted for more than 20 percent of all new single-family homes in Washington State and nearly 50 percent of the activity in the State's nonmetropolitan counties. Affordability, with the average sales price starting at about \$50,000; the short construction time; and the attractive choice of amenities are major reasons for the growing popularity of these homes. Amenities include gourmet kitchens, master suites, hardwood cabinets, and such options as skylights, vaulted ceilings, jacuzzi tubs, and fireplaces.

Rental markets remained tight in Oregon and ranged from balanced to soft in Idaho and Alaska. Except for Seattle, most areas in Washington were soft. As of the third quarter, the rental vacancy rate in the Tri-Cities remained close to 15 percent, and rates were more than 7 percent in Spokane, Tacoma, and Bremerton.

In Seattle strong employment growth, increased demand, and modest production have resulted in tighter market conditions, with the overall rental vacancy rate estimated at 3.5 percent. Apartment vacancies in the Seattle metropolitan area during the third quarter dropped to a 6-year low, down a

percent from just 6 months ago. Competition has become keen for units located in close-in neighborhoods in Seattle and eastern King County, such as Bellevue, Kirkland, and Redmond, where vacancy rates are less than 2 percent. With only 2,300 new units expected to enter the market in 1996 and just more than 4,000 units anticipated in 1997, vacancy rates are expected to drop even lower. New construction continues to be hampered by current rent levels that are still too low to support any significant building activity. Rent increases for the past 4 years have not kept pace with inflation.

The Low Income Housing Tax Credit (LIHTC) program is very popular in the Northwest. In Washington 100 percent of the units in most projects have rents that meet LIHTC restrictions, and most projects are located in urban areas or first-ring suburbs. Developments are targeted to both families and the elderly. Several large elderly projects in the Seattle metropolitan area have all of their units available for households with incomes at 40 percent of the median income. Five assisted-living facilities in the Seattle area have also been funded under LIHTC. These projects average 36 units, with 20 percent of the units typically targeting persons earning 50 percent of the median income. In Idaho most LIHTC-funded projects are for families, and typically 75 percent of the units are rent restricted.

Spotlight on

Boise, Idaho

At the end of the third quarter of 1996, Boise was on the way toward 9 consecutive years of job growth, averaging 5.6 percent a year. Between the third quarter of 1995 and the third quarter of 1996, nonfarm employment was up a robust 5.2 percent. The seasonally adjusted unemployment rate averaged 3.9 percent during the third quarter. As a result of the sustained shortages in the labor market, hourly manufacturing wages from February 1996 through July 1996 rose 6.1 percent compared with the same period in 1995.

In the manufacturing sector, machinery recorded the largest annual employment gain of 17.9

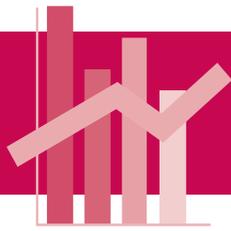
percent, while electronics moved up 15.5 percent, and construction rose 9 percent. Employment in food and kindred products manufacturing fell by 2.8 percent over the year, the only industry group in the goods-producing sector to lose jobs. The high-technology sector will not post job increases in the forthcoming months, as Micron has initiated a hiring freeze in response to falling memory chip prices and Hewlett-Packard has announced the closure of its Disk Memory Division. Hewlett-Packard's announcement will affect 1,150 of its employees, 500 of whom will likely be laid off or transferred.

Employment in the services-producing sector increased by 6,350 jobs, for a 4.7-percent gain over the same quarter 1 year ago. Business and health services accounted for 45.6 percent of the jobs created in this area. State government employment declined by 1.9 percent over the year.

In the first 9 months of 1996, building permits were issued for 3,181 single-family homes, a substantial 17-percent increase over 1995's volume for the same period. According to the Ada County Association of Realtors, a total of 4,587 homes were sold during the first 9 months of 1996, up 18.1 percent compared with the same period last year. The median sales price for the first 8 months of 1996 was \$104,750, up 3.2 percent over the same period in 1995. Sales slowed slightly in the third quarter of 1996, but were still up 5 percent from a year ago to 1,258 homes. Sales of new homes totalled 486 units, up 20.8 percent compared with

the same quarter 1 year ago. The median price of a new home was \$112,375, but the number of new homes being built under \$100,000 has increased compared with a year ago. The most popular prices for homes are the \$70,000 to \$89,000 and \$120,000 to \$159,000 price ranges, accounting for 23 and 19 percent, respectively, of total sales. Market supply as of the end of the quarter stood at 5.8 months, down 3 months from a year ago.

The rental market has finally started to show signs of firming up in the third quarter. The vacancy rate dropped from a high of 10 percent at the end of 1995 to an estimated 8 percent in the third quarter of 1996. Vacancies are concentrated in three-bedroom units and upscale two-bedroom units, while one-bedroom units are hard to find, according to the third quarter Ada Real Estate Survey of nearly 9,800 units in the Boise area. The high vacancy rates in three-bedroom and two-bedroom units are a result of overbuilding and an increase in homeownership. Despite relatively soft market conditions in Boise, new below-market rent projects have leased up quickly. Multifamily housing permit activity has dropped dramatically. In 1993 and 1994, permits were issued for more than 3,800 units. By 1995 the number had dropped to slightly more than 900 units, and in the first 9 months of 1996, permits were issued for only 249 units. The rental market is not expected to achieve a balance until mid-1997, and then only if apartment construction remains low.



Historical Data

Table 1. New Privately Owned Housing Units Authorized*: 1959–Present **



Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1959	1,208.3	938.3	77.1	NA	192.9	NA	NA	222.4	285.8	355.8	344.3
1960	998.0	746.1	64.6	NA	187.4	NA	NA	199.0	228.3	283.0	287.7
1961	1,064.2	722.8	67.6	NA	273.8	NA	NA	229.4	226.1	299.4	309.4
1962	1,186.6	716.2	87.1	NA	383.3	NA	NA	242.5	238.3	342.8	363.0
1963	1,334.7	750.2	51.0	67.9	465.6	1,080.8	253.8	239.4	268.8	403.2	423.3
1964	1,285.8	720.1	49.1	51.7	464.9	1,034.4	251.4	243.4	286.9	401.4	354.2
1965	1,239.8	709.9	47.3	37.5	445.1	992.3	247.5	252.7	310.5	407.5	269.1
1966	971.9	563.2	36.3	24.7	347.7	775.2	196.8	209.8	250.9	331.1	180.2
1967	1,141.0	650.6	42.5	30.5	417.5	918.0	223.0	222.6	309.8	390.8	217.8
1968	1,353.4	694.7	45.1	39.2	574.4	1,104.6	248.8	234.8	350.1	477.3	291.1
1969	1,323.7	625.9	44.7	40.5	612.7	1,074.1	249.6	215.8	317.0	470.5	320.4
1970	1,351.5	646.8	43.0	45.1	616.7	1,067.6	284.0	218.3	287.4	502.9	342.9
1971	1,924.6	906.1	61.8	71.1	885.7	1,597.6	327.0	303.6	421.1	725.4	474.6
1972	2,218.9	1,033.1	68.1	80.5	1,037.2	1,798.0	420.9	333.3	440.8	905.4	539.3
1973	1,819.5	882.1	53.8	63.2	820.5	1,483.5	336.0	271.9	361.4	763.2	423.1
1974	1,074.4	643.8	32.6	31.7	366.2	835.0	239.4	165.4	241.3	390.1	277.6
1975	939.2	675.5	34.1	29.8	199.8	704.1	235.1	129.5	241.5	292.7	275.5
1976	1,296.2	893.6	47.5	45.6	309.5	1,001.9	294.2	152.4	326.1	401.7	416.0
1977	1,690.0	1,126.1	62.1	59.2	442.7	1,326.3	363.7	181.9	402.4	561.1	544.6
1978	1,800.5	1,182.6	64.5	66.1	487.3	1,398.6	401.9	194.4	388.0	667.6	550.5
1979	1,551.8	981.5	59.5	65.9	444.8	1,210.6	341.2	166.9	289.1	628.0	467.7
1980	1,190.6	710.4	53.8	60.7	365.7	911.0	279.6	117.9	192.0	561.9	318.9
1981	985.5	564.3	44.6	57.2	319.4	765.2	220.4	109.8	133.3	491.1	251.3
1982	1,000.5	546.4	38.4	49.9	365.8	812.6	187.9	106.7	126.3	543.5	224.1
1983	1,605.2	901.5	57.5	76.1	570.1	1,359.7	245.5	164.1	187.8	862.9	390.4
1984	1,681.8	922.4	61.9	80.7	616.8	1,456.2	225.7	200.8	211.7	812.1	457.3
1985	1,733.3	956.6	54.0	66.1	656.6	1,507.6	225.6	259.7	237.0	752.6	483.9
1986	1,769.4	1,077.6	50.4	58.0	583.5	1,551.3	218.1	283.3	290.0	686.5	509.7
1987	1,534.8	1,024.4	40.8	48.5	421.1	1,319.5	215.2	271.8	282.3	574.7	406.0
1988	1,455.6	993.8	35.0	40.7	386.1	1,239.7	215.9	230.2	266.3	543.5	415.6
1989	1,338.4	931.7	31.7	35.3	339.8	1,127.6	210.8	179.0	252.1	505.3	402.1
1990	1,110.8	793.9	26.7	27.6	262.6	910.9	199.9	125.8	233.8	426.2	324.9
1991	948.8	753.5	22.0	21.1	152.1	766.8	182.0	109.8	215.4	375.7	247.9
1992	1,094.9	910.7	23.3	22.5	138.4	888.5	206.5	124.8	259.0	442.5	268.6
1993	1,199.1	986.5	26.7	25.6	160.2	1,009.0	190.1	133.5	276.6	500.7	288.2
1994	1,371.6	1,068.5	31.4	30.8	241.0	1,144.1	227.5	138.5	305.2	585.5	342.4
1995	1,333.0	999.1	33.3	32.0	268.6	1,109.8	223.2	123.0	291.9	587.0	331.1
Monthly Data (Seasonally Adjusted Annual Rates)											
1995											
July	1,358	1,017	62		279	NA		117	304	598	339
August	1,379	1,046	62		271	NA		122	309	601	347
September	1,427	1,079	69		279	NA		128	313	637	349
October	1,393	1,050	68		275	NA		125	323	629	316
November	1,450	1,073	71		306	NA		124	324	634	368
December	1,487	1,123	60		304	NA		128	317	644	398
1996											
January	1,378	1,056	65		257	NA		102	312	594	370
February	1,417	1,087	60		270	NA		122	323	600	372
March	1,423	1,097	61		265	NA		137	329	591	366
April	1,459	1,115	75		269	NA		135	342	634	348
May	1,452	1,098	62		292	NA		137	304	668	343
June	1,415	1,085	63		268	NA		134	302	634	345
July	1,457	1,073	68		316	NA		136	338	625	358
August	1,423	1,078	60		285	NA		147	317	629	330
September	1,382	1,039	70		273	NA		135	305	598	344

*Authorized in Permit-Issuing Places.

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

Source: Bureau of the Census, Department of Commerce



Table 2. New Privately Owned Housing Units Started: 1959–Present*

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1959	1,517.0	1,234.0	55.9	227.0	NA	1,054.9	462.1	268.7	367.4	511.4	369.5
1960	1,252.2	994.7	44.0	213.5	NA	864.5	387.7	221.4	292.0	429.4	309.4
1961	1,313.0	974.3	43.9	294.8	NA	913.6	399.4	246.3	277.7	472.7	316.3
1962	1,462.9	991.4	49.2	422.3	NA	1,034.1	428.8	263.8	289.6	531.2	378.3
1963	1,603.2	1,012.4	52.9	537.8	NA	1,125.4	477.8	261.0	329.2	586.2	426.8
1964	1,528.8	970.5	53.9	54.5	450.0	1,079.8	449.0	254.5	339.7	577.8	356.9
1965	1,472.8	963.7	50.8	35.8	422.5	1,011.9	460.9	270.2	361.5	574.7	266.3
1966	1,164.9	778.6	34.6	26.5	325.1	787.7	377.1	206.5	288.3	472.5	197.6
1967	1,291.6	843.9	41.4	30.2	376.1	902.9	388.7	214.9	337.1	519.5	220.1
1968	1,507.6	899.4	46.0	34.9	527.3	1,096.4	411.2	226.8	368.6	618.5	293.7
1969	1,466.8	810.6	43.0	42.0	571.2	1,078.7	388.0	206.1	348.7	588.4	323.5
1970	1,433.6	812.9	42.4	42.4	535.9	1,017.9	415.7	217.9	293.5	611.6	310.5
1971	2,052.2	1,151.0	55.1	65.2	780.9	1,501.8	550.4	263.8	434.1	868.7	485.6
1972	2,356.6	1,309.2	67.1	74.2	906.2	1,720.4	636.2	329.5	442.8	1,057.0	527.4
1973	2,045.3	1,132.0	54.2	64.1	795.0	1,495.4	549.9	277.3	439.7	899.4	428.8
1974	1,337.7	888.1	33.2	34.9	381.6	922.5	415.3	183.2	317.3	552.8	284.5
1975	1,160.4	892.2	34.5	29.5	204.3	760.3	400.1	149.2	294.0	442.1	275.1
1976	1,537.5	1,162.4	44.0	41.9	289.2	1,043.5	494.1	169.2	400.1	568.5	399.6
1977	1,987.1	1,450.9	60.7	61.0	414.4	1,377.3	609.8	201.6	464.6	783.1	537.9
1978	2,020.3	1,433.3	62.2	62.8	462.0	1,432.1	588.2	200.3	451.2	823.7	545.2
1979	1,745.1	1,194.1	56.1	65.9	429.0	1,240.6	504.6	177.9	349.2	747.5	470.5
1980	1,292.2	852.2	48.8	60.7	330.5	913.6	378.7	125.4	218.1	642.7	306.0
1981	1,084.2	705.4	38.2	52.9	287.7	759.8	324.3	117.3	165.2	561.6	240.0
1982	1,062.2	662.6	31.9	48.1	319.6	784.8	277.4	116.7	149.1	591.0	205.4
1983	1,703.0	1,067.6	41.8	71.7	522.0	1,351.1	351.9	167.6	217.9	935.2	382.3
1984	1,749.5	1,084.2	38.6	82.8	544.0	1,414.6	334.9	204.1	243.4	866.0	436.0
1985	1,741.8	1,072.4	37.0	56.4	576.1	1,493.9	247.9	251.7	239.7	782.3	468.2
1986	1,805.4	1,179.4	36.1	47.9	542.0	1,546.3	259.1	293.5	295.8	733.1	483.0
1987	1,620.5	1,146.4	27.8	37.5	408.7	1,372.2	248.2	269.0	297.9	633.9	419.8
1988	1,488.1	1,081.3	23.4	35.4	348.0	1,243.0	245.1	235.3	274.0	574.9	403.9
1989	1,376.1	1,003.3	19.9	35.3	317.6	1,128.1	248.0	178.5	265.8	536.2	395.7
1990	1,192.7	894.8	16.1	21.4	260.4	946.9	245.7	131.3	253.2	479.3	328.9
1991	1,013.9	840.4	15.5	20.1	137.9	789.2	224.7	112.9	233.0	414.1	254.0
1992	1,199.7	1,029.9	12.4	18.3	139.0	931.5	268.2	126.7	287.8	496.9	288.3
1993	1,287.6	1,125.7	11.1	18.3	132.6	1,031.9	255.8	126.5	297.7	561.8	301.7
1994	1,457.0	1,198.4	14.8	20.2	223.5	1,183.1	273.9	138.2	328.9	639.1	350.8
1995	1,354.1	1,076.2	14.3	19.4	244.1	1,106.4	247.6	117.7	290.1	615.0	331.3
Monthly Data (Seasonally Adjusted Annual Rates)											
1995											
July	1,450	1,125	39	286	NA	NA	115	290	713	332	
August	1,401	1,135	28	238	NA	NA	119	320	626	336	
September	1,401	1,130	39	232	NA	NA	116	308	616	361	
October	1,351	1,109	31	211	NA	NA	120	278	606	347	
November	1,458	1,129	32	297	NA	NA	103	318	708	329	
December	1,425	1,150	29	246	NA	NA	93	305	679	348	
1996											
January	1,453	1,146	20	287	NA	NA	99	333	625	396	
February	1,514	1,183	33	298	NA	NA	130	317	648	419	
March	1,439	1,163	25	251	NA	NA	139	325	634	341	
April	1,511	1,209	53	249	NA	NA	136	322	660	393	
May	1,478	1,144	49	285	NA	NA	129	324	678	347	
June	1,490	1,209	46	235	NA	NA	128	301	684	377	
July	1,470	1,150	43	277	NA	NA	128	352	656	334	
August	1,529	1,232	37	260	NA	NA	138	345	662	384	
September	1,438	1,122	41	275	NA	NA	140	309	656	333	

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



Table 3. New Privately Owned Housing Units Under Construction: 1969–Present*

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1969	884.8	349.6	23.0	26.2	486.0	NA	NA	158.7	210.5	335.2	180.3
1970	922.0	381.1	22.8	27.3	490.8	NA	NA	197.1	189.3	359.2	176.4
1971	1,254.0	504.9	26.7	37.8	684.6	NA	NA	236.6	278.5	494.4	244.4
1972	1,542.1	612.5	36.4	46.4	846.8	NA	NA	264.4	306.8	669.1	301.8
1973	1,454.4	521.7	31.0	48.0	853.6	NA	NA	239.4	293.1	650.2	271.7
1974	1,000.8	441.1	19.4	29.1	511.3	NA	NA	178.0	218.8	418.9	185.1
1975	794.3	447.5	20.1	27.4	299.4	563.2	231.1	130.2	195.1	298.1	171.0
1976	922.0	562.6	22.7	31.8	304.9	658.5	263.5	125.4	232.1	333.3	231.2
1977	1,208.0	729.8	34.0	44.9	399.3	862.5	345.5	145.5	284.6	457.3	320.6
1978	1,310.2	764.5	36.1	47.3	462.2	968.0	342.2	158.3	309.2	497.6	345.2
1979	1,140.1	638.7	31.3	46.7	423.4	820.1	320.0	146.7	232.5	449.3	311.6
1980	896.1	514.5	28.3	40.3	313.1	620.9	275.2	120.1	171.4	376.7	227.9
1981	682.4	381.7	16.5	29.0	255.3	458.9	223.5	103.2	109.7	299.7	169.8
1982	720.0	399.7	16.5	24.9	278.9	511.7	208.3	98.6	112.4	344.0	165.0
1983	1,002.8	523.9	19.0	39.1	420.8	757.8	245.0	120.8	122.6	520.6	238.8
1984	1,050.5	556.0	20.9	42.5	431.0	814.1	236.4	152.5	137.3	488.9	271.7
1985	1,062.5	538.6	20.6	34.9	468.4	885.1	177.4	186.6	143.8	437.5	294.7
1986	1,073.5	583.1	19.3	28.4	442.7	899.7	173.8	218.9	165.7	387.3	301.5
1987	987.3	590.6	17.3	22.5	356.9	820.6	166.7	221.7	158.7	342.5	264.4
1988	919.4	569.6	16.1	24.1	309.5	757.5	161.9	201.6	148.1	308.2	261.6
1989	850.3	535.1	11.9	25.1	278.1	686.7	163.6	158.8	145.5	282.1	263.9
1990	711.4	449.1	10.9	15.1	236.3	553.9	157.5	121.6	133.4	242.3	214.1
1991	606.3	433.5	9.1	14.5	149.2	458.4	147.9	103.9	122.4	208.5	171.6
1992	612.4	472.7	5.6	11.3	122.8	453.1	159.4	81.4	137.8	228.4	164.8
1993	680.1	543.0	6.5	12.4	118.2	521.0	159.1	89.3	154.4	265.4	170.9
1994	762.2	557.8	9.1	12.9	182.5	597.6	164.5	96.3	173.5	312.1	180.3
1995	778.2	549.2	8.4	11.9	208.8	622.1	156.2	86.2	173.1	331.9	187.1
Monthly Data (Seasonally Adjusted Annual Rates)											
1995											
July	762	539	21	202	NA	NA	90	155	328	189	
August	772	547	21	204	NA	NA	90	159	331	192	
September	783	555	21	207	NA	NA	90	162	336	195	
October	781	560	21	200	NA	NA	90	165	333	193	
November	790	562	20	208	NA	NA	89	170	339	192	
December	800	569	22	209	NA	NA	87	175	345	193	
1996											
January	803	569	20	214	NA	NA	86	177	346	194	
February	800	565	21	214	NA	NA	83	181	339	197	
March	816	581	20	215	NA	NA	88	180	348	200	
April	826	591	22	213	NA	NA	90	180	352	204	
May	826	590	24	212	NA	NA	89	180	353	204	
June	829	596	26	207	NA	NA	89	181	354	205	
July	823	592	27	204	NA	NA	91	179	351	202	
August	824	596	25	203	NA	NA	91	181	350	202	
September	836	599	25	212	NA	NA	93	185	357	201	

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

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

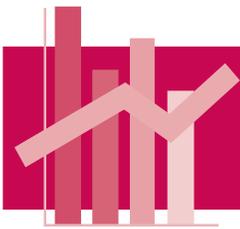


Table 4. New Privately Owned Housing Units Completed: 1968–Present*

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1968	1,319.8	858.6	44.2	33.4	383.6	920.4	399.5	198.8	347.5	527.4	246.1
1969	1,399.0	807.5	44.0	35.4	512.1	1,009.4	389.6	219.8	344.7	553.1	281.4
1970	1,418.4	801.8	42.9	42.2	531.5	1,013.2	405.2	184.9	323.4	594.6	315.5
1971	1,706.1	1,014.0	50.9	55.2	586.1	1,192.5	513.6	225.8	348.1	727.0	405.2
1972	2,003.9	1,160.2	54.0	64.9	724.7	1,430.9	573.0	281.1	411.8	848.5	462.4
1973	2,100.5	1,197.2	59.9	63.6	779.8	1,541.0	559.5	294.0	441.7	906.3	458.6
1974	1,728.5	940.3	43.5	51.8	692.9	1,266.1	462.4	231.7	377.4	755.8	363.6
1975	1,317.2	874.8	31.5	29.1	381.8	922.6	394.5	185.8	313.2	531.3	286.8
1976	1,377.2	1,034.2	40.8	36.5	265.8	950.1	427.2	170.2	355.6	513.2	338.3
1977	1,657.1	1,258.4	48.9	46.1	303.7	1,161.9	495.2	176.8	400.0	636.1	444.2
1978	1,867.5	1,369.0	59.0	57.2	382.2	1,313.6	553.9	181.9	416.5	752.0	517.1
1979	1,870.8	1,301.0	60.5	64.4	444.9	1,332.0	538.8	188.4	414.7	761.7	506.0
1980	1,501.6	956.7	51.4	67.2	426.3	1,078.9	422.7	146.0	273.5	696.1	386.0
1981	1,265.7	818.5	49.2	62.4	335.7	888.4	377.4	127.3	217.7	626.4	294.3
1982	1,005.5	631.5	29.8	51.1	293.1	708.2	297.3	120.5	143.0	538.8	203.2
1983	1,390.3	923.7	37.0	55.2	374.4	1,073.9	316.5	138.9	200.8	746.0	304.6
1984	1,652.2	1,025.1	35.0	77.3	514.8	1,316.7	335.6	168.2	221.1	866.6	396.4
1985	1,703.3	1,072.5	36.4	60.7	533.6	1,422.2	281.0	213.8	230.5	812.2	446.8
1986	1,756.4	1,120.2	35.0	51.0	550.1	1,502.1	254.3	254.0	269.8	763.8	468.8
1987	1,668.8	1,122.8	29.0	42.4	474.6	1,420.4	248.4	257.4	302.3	660.4	448.7
1988	1,529.8	1,084.6	23.5	33.2	388.6	1,286.1	243.7	250.2	280.3	594.8	404.6
1989	1,422.8	1,026.3	24.1	34.6	337.9	1,181.2	241.7	218.8	267.1	549.4	387.5
1990	1,308.0	966.0	16.5	28.2	297.3	1,060.2	247.7	157.7	263.3	510.7	376.3
1991	1,090.8	837.6	16.9	19.7	216.6	862.1	228.7	120.1	240.4	438.9	291.3
1992	1,157.5	963.6	15.1	20.8	158.0	909.5	248.0	136.4	268.4	462.4	290.3
1993	1,192.7	1,039.4	9.5	16.7	127.1	943.0	249.8	117.6	273.3	512.0	290.0
1994	1,346.9	1,160.3	12.1	19.5	154.9	1,086.3	260.6	123.4	307.1	580.9	335.5
1995	1,312.6	1,065.5	14.8	19.8	212.4	NA	NA	126.9	287.9	581.1	316.7
Monthly Data (Seasonally Adjusted Annual Rates)											
1995											
July	1,332	1,034	43		255	NA	NA	148	307	568	309
August	1,247	1,019	26		202	NA	NA	101	266	573	307
September	1,267	1,009	30		228	NA	NA	124	277	559	307
October	1,320	1,039	25		256	NA	NA	127	255	604	334
November	1,360	1,081	39		240	NA	NA	104	270	630	356
December	1,225	1,003	30		192	NA	NA	136	225	561	303
1996											
January	1,403	1,113	28		262	NA	NA	112	323	612	356
February	1,328	1,052	32		244	NA	NA	142	244	596	346
March	1,391	1,112	30		249	NA	NA	97	305	633	356
April	1,350	1,073	26		251	NA	NA	117	304	607	322
May	1,408	1,120	25		263	NA	NA	118	285	645	360
June	1,418	1,128	24		266	NA	NA	127	304	634	353
July	1,447	1,145	31		271	NA	NA	102	352	643	350
August	1,442	1,153	43		246	NA	NA	124	312	656	350
September	1,358	1,105	41		212	NA	NA	128	284	599	347

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

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

Table 5. Manufactured (Mobile) Home Shipments, Residential Placements, Average Prices, and Units for Sale: 1974–Present



Period	Shipments*	Placed for Residential Use*					Average Price	For Sale*
	U.S.	U.S.	Northeast	Midwest	South	West		
Annual Data								
1974	329	332	23	68	171	70	\$9,300	92
1975	213	229	15	49	111	55	\$10,600	64
1976	246	250	17	52	115	67	\$12,300	67
1977	277	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	286	16	53	174	43	\$33,500	72
1995	340	311	15	56	198	42	\$36,300	91
Monthly Data (Seasonally Adjusted Annual Rates)								
1995								
April	327	299	11	51	196	41	\$33,900	74
May	335	307	13	50	205	39	\$35,300	78
June	333	308	14	54	201	40	\$36,100	78
July	337	298	15	52	191	40	\$36,200	82
August	344	305	17	54	190	44	\$38,300	85
September	352	328	18	66	200	44	\$35,800	84
October	354	316	12	52	208	43	\$37,700	88
November	355	289	14	55	180	39	\$37,700	89
December	352	307	9	58	199	40	\$40,000	92
1996								
January	352	311	17	49	205	40	\$37,600	91
February	341	360	20	71	222	47	\$36,600	84
March	364	328	13	55	218	43	\$35,900	90
April	378	252	9	44	161	38	\$38,300	95
May	369	315	17	57	201	39	\$38,200	98
June	372	331	15	58	207	50	\$38,900	103
July	372	261	15	49	158	38	\$39,400	116
August	369	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—Bureau of the Census, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development

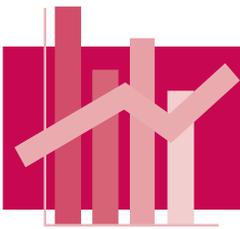


Table 6. New Single-Family Home Sales: 1964–Present*

Period	Sold During Period					For Sale at End of Period						Month's 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												
1964	565	90	146	200	129	250	41	49	87	71	NA	NA
1965	575	94	142	210	129	228	47	50	75	55	NA	NA
1966	461	84	113	166	99	196	40	45	61	49	NA	NA
1967	487	77	112	179	119	190	36	48	65	40	NA	NA
1968	490	73	119	177	121	218	38	53	82	45	NA	NA
1969	448	62	97	175	114	228	39	52	85	53	NA	NA
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	413	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
Monthly Data (Seasonally Adjusted Annual Rates)												
(Not Seasonally Adjusted)						(Seasonally Adjusted)						
1995												
July	782	54	141	381	207	343	58	63	145	77	344	5.0
August	707	51	138	313	205	350	59	64	149	78	349	6.0
September	684	44	130	304	206	354	60	64	151	78	350	6.4
October	673	50	123	305	195	361	62	66	153	79	360	6.6
November	679	43	128	310	198	371	64	69	156	82	368	6.7
December	683	72	124	301	187	374	62	69	158	86	372	6.6
1996												
January	743	52	159	322	210	370	61	66	158	85	370	6.2
February	784	67	131	354	232	362	58	66	157	81	355	5.1
March	713	51	132	321	209	362	59	66	159	79	368	6.3
April	740	62	124	325	229	366	59	66	162	77	369	6.1
May	734	56	139	342	197	360	61	67	158	74	362	5.9
June	733	73	134	324	201	355	59	66	156	74	356	6.0
July	785	77	146	348	214	354	58	66	156	75	356	5.6
August	820	70	179	360	211	350	59	64	154	73	349	5.2
September	816	99	151	341	225	338	54	65	148	72	336	5.2

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

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



Table 7. Existing Single-Family Home Sales: 1968–Present*

Period	U.S.	Northeast	Midwest	South	West	For Sale	Months' Supply
Annual Data							
1968	1,569	243	490	529	308	NA	NA
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	3,346	531	855	1,185	775	1,870	NA
1990	3,211	469	831	1,202	709	2,100	NA
1991	3,220	479	840	1,199	702	2,130	NA
1992	3,520	534	939	1,292	755	1,760	NA
1993	3,802	571	1,007	1,416	808	1,520	NA
1994	3,946	592	1,027	1,464	863	1,380	NA
1995	3,802	575	992	1,429	806	1,470	NA
Monthly Data (Seasonally Adjusted Annual Rates)							
1995							
July	3,970	580	1,020	1,510	850	1,800	5.4
August	4,050	580	1,060	1,540	870	1,810	5.4
September	4,090	610	1,060	1,540	880	1,800	5.3
October	4,070	610	1,060	1,520	880	1,890	5.6
November	4,000	630	1,050	1,470	850	1,810	5.4
December	3,870	590	990	1,430	850	1,470	4.6
1996							
January	3,720	560	950	1,380	820	1,780	5.8
February	3,940	570	960	1,490	910	2,010	6.1
March	4,200	600	1,080	1,560	970	2,270	6.5
April	4,200	650	1,050	1,530	970	2,170	6.2
May	4,280	640	1,120	1,580	930	2,170	6.1
June	4,160	640	1,010	1,580	920	2,210	6.4
July	4,150	630	1,060	1,560	900	2,100	6.1
August	4,140	570	1,070	1,530	970	2,200	6.4
September	4,020	600	1,030	1,540	840	2,110	6.3

*Components may not add to totals because of rounding. Units in thousands.
Source: NATIONAL ASSOCIATION OF REALTORS®

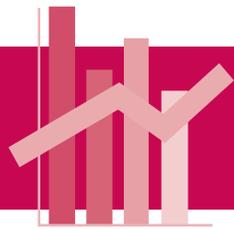


Table 8A. New Single-Family Home Prices: 1963–Present

Period	Median					U.S. Average	
	U.S.	Northeast	Midwest	South	West	Houses Actually Sold	Constant Quality House ¹
Annual Data							
1963	18,000	20,300	17,900	16,100	18,800	19,300	NA
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
Quarterly Data							
1995							
3rd Quarter	132,000	184,000	130,000	121,000	149,500	157,700	161,600
4th Quarter	138,000	183,500	135,000	127,000	143,000	160,900	162,800
1996							
1st Quarter	137,000	179,000	135,200	125,500	148,200	161,100	165,200
2nd Quarter	139,900	199,700	138,200	125,000	159,000	166,000	164,000
3rd Quarter	139,500	186,000	135,000	121,000	159,000	164,900	166,400

¹The 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.

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

Table 8B. Existing Single-Family Home Prices: 1968–Present



Period	Median					Average
	U.S.	Northeast	Midwest	South	West	U.S.
Annual Data						
1968	20,100	21,400	18,200	19,000	22,900	22,300
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	93,100	145,200	71,300	84,500	139,900	118,100
1990	95,500	141,200	74,000	85,900	139,600	118,600
1991	100,300	141,900	77,800	88,900	147,200	128,400
1992	103,700	140,000	81,700	92,100	143,800	130,900
1993	106,800	139,500	85,200	95,000	142,600	133,500
1994	109,800	139,100	87,900	96,000	146,700	136,700
1995	112,900	136,900	93,600	97,700	147,200	139,000
Monthly Data						
1995						
July	116,000	141,300	96,400	101,900	148,400	142,500
August	117,600	142,100	97,700	102,700	151,800	144,500
September	114,800	137,200	96,700	98,400	148,900	140,200
October	113,200	134,000	95,200	98,100	147,700	138,700
November	114,300	135,200	95,800	99,400	148,700	139,500
December	113,900	133,300	95,700	99,400	147,100	138,700
1996						
January	114,800	136,200	96,900	99,100	150,600	141,200
February	114,000	138,900	96,100	98,300	146,500	138,700
March	115,700	141,100	97,200	99,700	150,300	140,100
April	116,500	140,600	98,600	100,600	149,900	141,900
May	117,600	142,500	99,200	102,300	151,700	144,400
June	122,900	146,100	105,000	106,800	157,200	150,200
July	121,300	145,300	102,400	106,600	156,400	149,600
August	122,300	144,500	104,900	105,700	154,700	149,900
September	117,700	137,700	100,300	102,700	154,500	144,800

Source: NATIONAL ASSOCIATION OF REALTORS®

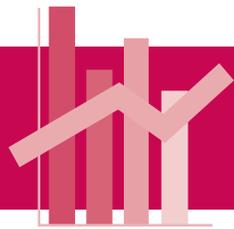


Table 8C. Repeat Sales House Price Index: 1980–Present

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										
1980	102.1	104.7	102.7	101.6	98.9	102.3	102.1	101.1	102.1	104.2
1981	107.1	113.5	105.4	107.3	100.6	111.0	101.8	102.8	109.6	113.3
1982	110.6	119.5	110.2	113.1	101.8	122.5	102.1	100.1	116.5	115.5
1983	114.3	133.2	116.7	116.9	107.1	124.1	106.7	101.7	118.7	117.1
1984	118.1	157.3	131.0	118.7	100.7	122.3	110.5	103.8	117.8	121.2
1985	124.7	190.4	146.9	123.7	112.7	120.3	113.1	107.2	119.6	125.2
1986	135.6	232.5	171.4	133.9	121.5	121.7	119.4	114.7	124.3	133.3
1987	147.4	273.0	204.5	144.3	130.5	114.4	126.0	124.6	125.0	146.2
1988	157.7	292.3	226.2	155.8	135.7	108.9	129.5	134.3	123.5	167.0
1989	166.9	295.0	233.0	164.5	139.3	109.9	132.9	142.5	124.7	199.5
1990	171.6	284.0	233.0	168.2	141.8	111.6	135.5	149.5	127.6	217.3
1991	173.9	270.7	231.8	170.9	145.6	114.4	138.8	155.3	132.5	220.3
1992	177.9	267.6	236.5	175.5	151.0	118.6	143.3	161.6	139.4	220.5
1993	181.3	267.9	239.7	179.0	156.6	122.9	148.2	167.3	149.4	216.6
1994	185.8	265.6	239.0	182.3	165.2	127.3	157.7	177.3	165.5	212.6
1995	191.1	269.5	239.9	187.2	173.2	130.5	165.0	186.4	178.2	214.0
Quarterly Data										
1995										
2nd Quarter	191.2	269.3	240.0	187.1	173.0	130.8	165.0	186.4	178.0	214.2
3rd Quarter	194.2	274.0	243.6	190.1	176.4	132.4	167.5	189.5	182.2	217.4
4th Quarter	196.2	276.5	244.5	192.4	178.8	133.9	169.5	192.2	185.7	218.1
1996										
1st Quarter	198.5	279.8	247.8	194.8	181.3	135.6	171.3	194.2	188.5	220.2
2nd Quarter	200.2	280.0	246.9	196.0	183.9	136.4	174.1	198.7	190.6	220.7

Base: First Quarter 1980 equals 100.0
 Source: Office of Federal Housing Enterprise Oversight

Table 9. Housing Affordability Index: 1970–Present



Period	U.S.				Affordability Indexes *		
	Median Existing Price	Mortgage Rate ¹	Median Family Income	Income To Qualify	Composite	Fixed	ARM
Annual Data							
1970	\$23,000	8.35	\$9,867	\$6,697	147.3	147.3	147.3
1971	\$24,800	7.67	\$10,285	\$6,770	151.9	151.9	151.9
1972	\$26,700	7.52	\$11,116	\$7,183	154.8	154.8	154.8
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	\$93,100	10.11	\$34,213	\$31,662	108.1	103.6	114.3
1990	\$95,500	10.04	\$35,353	\$32,286	109.5	106.5	118.3
1991	\$100,300	9.30	\$35,939	\$31,825	112.9	109.9	124.2
1992	\$103,700	8.11	\$36,812	\$29,523	124.7	120.1	145.0
1993	\$106,800	7.16	\$36,959	\$27,727	133.3	128.4	154.9
1994	\$109,800	7.47	\$38,782	\$29,392	131.9	122.3	149.6
1995	\$112,900	7.85	\$39,558	\$31,359	126.1	120.7	136.6
Monthly Data							
1995							
July	\$116,000	7.71	\$39,237	\$31,789	123.4	121.5	130.5
August	\$117,600	7.75	\$39,302	\$32,352	121.5	118.6	131.9
September	\$114,800	7.75	\$39,367	\$31,582	124.7	122.3	133.2
October	\$113,200	7.68	\$39,432	\$30,932	127.5	125.2	136.5
November	\$114,300	7.61	\$39,497	\$31,021	127.3	125.5	136.6
December	\$113,900	7.33	\$39,558	\$30,074	131.5	127.6	143.2
1996							
January	\$114,800	7.31	\$39,672	\$30,252	131.1	130.4	135.5
February	\$114,000	7.27	\$39,786	\$29,922	133.0	132.0	138.6
March	\$115,700	7.45	\$39,900	\$30,913	129.1	127.6	136.4
April	\$116,500	7.71	\$40,014	\$31,926	125.3	122.7	134.7
May	\$117,600	7.88	\$40,128	\$32,759	122.5	118.7	131.0
June	\$122,900	7.93	\$40,242	\$34,399	117.0	113.0	127.7
July	\$121,500	8.03	\$40,356	\$34,332	117.5	113.0	126.0
August	\$122,300	7.92	\$40,470	\$34,198	118.3	114.0	128.6
September	\$117,700	7.94	\$40,584	\$32,975	123.1	118.5	133.3

* The composite affordability index is the ratio of median family income to qualifying income. Values over one 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.

Source: NATIONAL ASSOCIATION OF REALTORS®

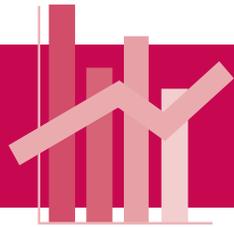


Table 10. Market Absorption of New Rental Units and Median Asking Rent: 1970–Present



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
Quarterly Data			
1995			
2nd Quarter	35,900	75	\$663
3rd Quarter	48,000	72	\$662
4th Quarter	45,600	76	\$676
1996			
1st Quarter	43,700	75	\$615
2nd Quarter	50,200	72	\$685

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



Table 11. Builders' Views of Housing Market Activity: 1978–Present

Period	Housing Market Index	Sales of Single-Family Detached Homes		Prospective Buyer Traffic
		Current Activity	Future Expectations	
Annual Data				
1978	NA	75	66	57
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
Monthly Data—Seasonally Adjusted				
1995				
July	51	52	61	41
August	53	55	64	42
September	53	56	62	44
October	57	61	64	44
November	50	52	62	41
December	52	55	60	41
1996				
January	51	55	61	37
February	50	52	60	39
March	60	63	65	51
April	60	63	69	51
May	63	66	66	54
June	61	65	69	50
July	60	64	64	49
August	57	61	65	46
September	56	60	62	43
October	53	57	60	41

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

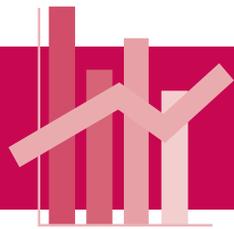


Table 12. Mortgage Interest Rates, Average Commitment Rates, and Points: 1972–Present



Period	FHA		Conventional					
	30-Year Fixed Rate		30-Year Fixed Rate		15-Year Fixed Rate		One-Year ARMs	
	Rate	Points ¹	Rate	Points	Rate	Points	Rate	Points
Annual Data								
1972	7.00	4.3	7.38	0.9	NA	NA	NA	NA
1973	7.41	5.4	8.04	1.0	NA	NA	NA	NA
1974	8.85	4.6	9.19	1.2	NA	NA	NA	NA
1975	8.64	4.4	9.04	1.1	NA	NA	NA	NA
1976	8.50	3.2	8.88	1.2	NA	NA	NA	NA
1977	8.27	2.7	8.84	1.1	NA	NA	NA	NA
1978	9.10	3.6	9.63	1.3	NA	NA	NA	NA
1979	10.00	4.5	11.19	1.6	NA	NA	NA	NA
1980	12.36	5.7	13.77	1.8	NA	NA	NA	NA
1981	15.17	5.1	16.63	2.1	NA	NA	NA	NA
1982	14.83	4.1	16.09	2.2	NA	NA	NA	NA
1983	12.24	4.4	13.23	2.1	NA	NA	NA	NA
1984	13.21	3.8	13.87	2.5	NA	NA	11.49	2.5
1985	11.96	2.8	12.42	2.5	NA	NA	10.04	2.5
1986	9.75	2.2	10.18	2.2	NA	NA	8.42	2.3
1987	9.67	2.8	10.20	2.2	NA	NA	7.82	2.2
1988	10.25	1.5	10.33	2.1	NA	NA	7.90	2.3
1989	10.08	1.6	10.32	2.1	NA	NA	8.80	2.3
1990	9.92	1.8	10.13	2.1	NA	NA	8.36	2.1
1991	9.25	0.9	9.25	2.0	NA	NA	7.10	1.9
1992	8.29	1.2	8.40	1.7	7.96	1.7	5.63	1.7
1993	7.46	0.4	7.33	1.6	6.83	1.6	4.59	1.5
1994	8.42	0.6	8.35	1.8	7.86	1.8	5.33	1.5
1995	8.29	0.4	7.95	1.8	7.49	1.8	6.07	1.5
Monthly Data								
1995								
July	8.00	0.0	7.61	1.8	7.09	1.7	5.83	1.4
August	8.00	0.7	7.84	1.8	7.34	1.8	5.91	1.5
September	8.00	0.2	7.61	1.8	7.13	1.8	5.80	1.5
October	8.00	0.2	7.48	1.9	7.01	1.8	5.74	1.4
November	7.50	0.8	7.37	1.8	6.88	1.8	5.63	1.4
December	7.50	0.1	7.17	1.8	6.71	1.7	5.57	1.5
1996								
January	7.50	0.1	7.03	1.8	6.55	1.7	5.44	1.4
February	7.00	0.9	7.14	1.7	6.62	1.7	5.32	1.4
March	7.50	0.5	7.68	1.8	7.18	1.8	5.54	1.4
April	8.00	0.6	7.93	1.8	7.44	1.7	5.73	1.4
May	8.50	0.1	8.07	1.7	7.58	1.7	5.77	1.5
June	8.50	0.5	8.32	1.7	7.83	1.7	5.92	1.4
July	8.50	0.4	8.25	1.8	7.77	1.7	5.98	1.5
August	8.50	0.4	8.00	1.7	7.52	1.7	5.84	1.4
September	8.50	0.5	8.23	1.7	7.75	1.7	5.85	1.4

¹Excludes origination fee.

Sources: Office of Housing, Department of Housing and Urban Development (FHA), and Federal Home Loan Mortgage Corporation (Conventional)

Table 13. 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
Monthly Data								
1995								
July	7.72	0.98	7.88	26.5	7.00	0.95	7.15	29.2
August	7.84	0.98	8.00	26.3	6.80	0.92	6.94	29.8
September	7.78	0.95	7.93	26.7	6.97	0.78	7.09	29.0
October	7.70	0.98	7.86	26.5	6.87	0.80	6.99	28.8
November	7.60	0.88	7.74	26.5	6.80	0.75	6.91	29.4
December	7.48	0.83	7.62	26.3	6.45	0.58	6.54	28.7
1996								
January	7.23	0.89	7.38	26.4	6.86	0.77	6.98	27.5
February	7.19	0.92	7.33	26.1	6.72	0.83	6.85	27.7
March	7.40	1.07	7.58	26.0	6.75	0.83	6.88	29.2
April	7.76	1.06	7.93	25.9	6.85	0.76	6.97	28.5
May	7.99	1.07	8.18	26.4	7.07	0.75	7.19	29.2
June	8.10	1.09	8.30	25.4	6.96	0.72	7.07	29.6
July	8.24	1.13	8.43	26.1	7.20	0.79	7.32	28.5
August	8.13	1.09	8.32	26.4	6.99	0.80	7.11	29.5
September	8.15	1.06	8.33	25.7	7.02	0.84	7.15	29.5

Source: Federal Housing Finance Board

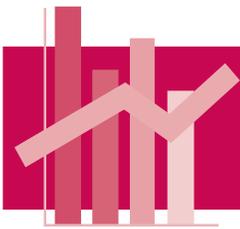


Table 14. FHA, VA, and PMI 1–4 Family Mortgage Insurance Activity: 1968–Present



Period	FHA*			VA Guaranties	PMI Certificates
	Applications	Total Endorsements	Purchase Endorsements		
Annual Data					
1968	751,982	425,339	NA	211,025	NA
1969	788,874	450,079	NA	213,940	NA
1970	941,566	475,176	NA	167,734	NA
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	536,931	1,148,696
1995	857,364	568,399	516,380	243,719	960,756
Monthly Data					
1995					
July	83,099	45,365	42,760	18,357	88,470
August	92,336	58,364	53,363	23,796	102,673
September	76,262	55,281	49,205	23,624	95,805
October	81,133	61,246	54,325	25,309	97,479
November	77,793	54,202	47,565	21,014	88,218
December	56,072	35,070	29,988	16,708	83,132
1996					
January	96,178	72,289	61,431	30,013	85,179
February	109,347	68,840	55,537	26,831	73,008
March	107,504	64,730	48,441	30,372	85,384
April	101,442	70,266	51,518	31,019	99,727
May	95,755	72,876	56,171	30,951	100,681
June	83,258	70,475	57,866	29,974	97,932
July	86,616	78,743	68,370	28,870	103,495
August	87,344	76,364	68,860	26,216	94,418
September	75,609	65,753	59,917	23,490	88,391

* These operational numbers differ slightly from adjusted accounting numbers.

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

Table 15. FHA Unassisted Multifamily Mortgage Insurance Activity: 1980–Present*



Period	Construction of New Rental Units ¹			Purchase or Refinance of Existing Rental Units ²			Congregate Housing, Nursing Homes, Assisted Living, and Board and Care Facilities ³		
	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount
Annual Data									
1980	79	14,671	560.8	32	6,459	89.1	25	3,187	78.1
1981	94	14,232	415.1	12	2,974	43.0	35	4,590	130.0
1982	98	14,303	460.4	28	7,431	95.2	50	7,096	200.0
1983	74	14,353	543.9	94	22,118	363.0	65	9,231	295.8
1984	96	14,158	566.2	88	21,655	428.2	45	5,697	175.2
1985	144	23,253	954.1	135	34,730	764.3	41	5,201	179.1
1986	154	22,006	1,117.5	245	32,554	1,550.1	22	3,123	111.2
1987	171	28,300	1,379.4	306	68,000	1,618.0	45	6,243	225.7
1988	140	21,180	922.2	234	49,443	1,402.3	47	5,537	197.1
1989	101	15,240	750.9	144	32,995	864.6	41	5,183	207.9
1990	61	9,910	411.4	69	13,848	295.3	53	6,166	263.2
1991	72	13,098	590.2	185	40,640	1,015.1	81	10,150	437.2
1992	54	7,823	358.5	119	24,960	547.1	66	8,229	367.4
1993	56	9,321	428.6	262	50,140	1,209.4	77	9,036	428.6
1994	84	12,988	658.5	321	61,416	1,587.0	94	13,688	701.7
1995	89	17,113	785.0	192	32,383	822.3	103	12,888	707.2
1996 (9 mos.)	92	17,895	1,018.0	208	38,397	1,039.6	120	16,635	828.3

*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 congregational 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 Housing—FHA Comptroller, Department of Housing and Urban Development



**Table 16. Mortgage Originations, 1–4 Family Units
by Loan Type: 1970–Present**

Period	FHA Insured	VA Guarantied	Private Insurance	Not Insured*	Totals
Annual Data (Current Dollars in Billions)					
1970	8.769	3.846	0.116	22.856	35.587
1971	10.994	6.830	3.526	36.438	57.788
1972	8.456	7.749	9.158	50.501	75.864
1973	5.185	7.577	12.627	53.737	79.126
1974	4.532	7.889	9.220	45.867	67.508
1975	6.265	8.836	10.024	52.788	77.913
1976	6.998	10.426	14.600	80.761	112.785
1977	10.469	14.882	21.595	115.027	161.973
1978	14.581	16.026	27.327	127.102	185.036
1979	20.710	18.876	25.327	122.178	187.091
1980	14.955	12.102	19.035	87.670	133.762
1981	10.538	7.534	18.079	62.061	98.212
1982	11.482	7.687	18.953	58.829	96.951
1983	28.753	18.880	42.363	111.867	201.863
1984	16.600	12.024	63.403	111.678	203.705
1985	28.767	15.246	50.475	195.296	289.784
1986	64.770	23.149	46.138	365.355	499.412
1987	77.822	30.176	44.475	354.758	507.231
1988	46.655	15.875	39.664	344.069	446.263
1989	45.108	13.681	37.117	357.001	452.907
1990	59.803	21.901	38.956	337.744	458.404
1991	46.914	15.285	53.997	445.878	562.074
1992	50.275	24.543	101.047	717.817	893.681
1993	83.457	41.023	136.767	758.615	1,019.861
1994	94.913	48.190	131.402	494.243	768.748
1995	48.424	26.262	109.625	455.125	639.436
Quarterly Data					
1995					
2nd Quarter	10.476	5.513	24.697	99.837	140.523
3rd Quarter	13.761	7.382	33.054	135.570	189.767
4th Quarter	13.538	7.039	31.229	138.027	189.832
1996					
1st Quarter	17.844	9.224	28.957	148.726	204.751
2nd Quarter	19.689	9.856	35.095	182.942	247.581

*Includes Rural Housing Service (formerly Farmers Home Administration) backed loans.

Sources: Mortgage Insurance Companies of America and HUD Survey of Mortgage Lending Activity

**Table 17. Residential Mortgage Originations
by Building Type: 1970–Present**



Period	One-to Four-Unit Buildings	Five-Unit Buildings and Greater	Totals
Annual Data (Current Dollars in Billions)			
1970	35.6	8.8	44.4
1971	57.8	12.5	70.2
1972	75.9	15.4	91.3
1973	79.1	14.0	93.1
1974	67.5	12.3	79.8
1975	77.9	10.6	88.6
1976	112.8	12.3	125.1
1977	162.0	15.8	177.8
1978	185.0	16.4	201.4
1979	187.1	15.2	202.3
1980	133.8	12.5	146.2
1981	98.2	12.0	110.2
1982	97.0	11.6	108.6
1983	201.9	21.4	223.3
1984	203.7	27.6	231.3
1985	289.8	31.9	321.7
1986	499.4	49.9	549.3
1987	507.2	45.1	552.3
1988	446.3	38.2	484.4
1989	452.9	31.1	484.1
1990	458.4	32.6	491.0
1991	562.1	25.5	587.6
1992	893.7	25.7	919.4
1993	1,019.9	31.7	1,051.6
1994	768.7	32.7	801.4
1995	639.4	39.2	678.6
Quarterly Data			
1995			
2nd Quarter	140.5	8.5	149.0
3rd Quarter	189.8	9.9	199.6
4th Quarter	189.8	11.5	201.3
1996			
1st Quarter	204.8	11.2	215.9
2nd Quarter	247.6	12.4	260.0

Source: HUD Survey of Mortgage Lending Activity



Table 18. Mortgage Originations, 1–4 Family Units by Lender Type: 1970–Present

Period	Commercial Banks	Mutual Savings Banks	Savings and Loans	Mortgage Companies	Other Lenders	Totals
Annual Data (Current Dollars in Billions)						
1970	7.8	2.1	14.8	8.9	1.9	35.6
1971	12.6	3.5	26.6	12.5	2.6	57.8
1972	17.7	5.1	36.7	13.3	3.0	75.9
1973	18.8	5.9	38.4	12.7	3.3	79.1
1974	16.1	3.9	30.9	13.0	3.5	67.5
1975	14.5	4.3	41.2	14.0	3.9	77.9
1976	24.5	6.4	61.9	15.7	4.2	112.8
1977	36.7	8.7	86.3	25.7	4.7	162.0
1978	43.9	9.4	90.0	34.4	7.3	185.0
1979	41.4	9.0	82.8	45.3	8.6	187.1
1980	28.8	5.4	61.1	29.4	9.0	133.8
1981	21.7	4.0	42.0	24.0	6.5	98.2
1982	25.2	4.0	34.8	28.0	5.0	97.0
1983	44.8	10.8	81.5	59.8	5.0	201.9
1984	41.9	12.7	96.2	47.6	5.3	203.7
1985	57.0	7.5	109.3	110.0	6.0	289.8
1986	108.6	31.1	176.1	176.0	7.6	499.4
1987	124.6	34.2	174.5	167.1	6.8	507.2
1988	101.9	28.4	160.4	148.0	7.5	446.3
1989	121.2	23.2	134.5	166.5	7.5	452.9
1990	153.3	18.0	121.0	161.2	5.0	458.4
1991	153.3	18.5	121.9	263.9	4.4	562.1
1992	232.1	34.2	184.5	437.6	5.2	893.7
1993	269.0	39.4	179.3	526.5	5.6	1,019.9
1994	200.0	29.3	123.1	408.1	8.2	768.7
1995	155.4	23.3	95.6	358.7	6.5	639.4
Quarterly Data						
1995						
2nd Quarter	31.6	4.6	22.3	80.3	1.7	140.5
3rd Quarter	47.8	7.5	27.5	105.3	1.6	189.8
4th Quarter	46.0	7.4	27.0	108.0	1.4	189.8
1996						
1st Quarter	49.7	6.8	28.4	118.6	1.3	204.8
2nd Quarter	74.3	8.7	35.1	128.4	1.2	247.6

Source: HUD Survey of Mortgage Lending Activity

**Table 19. Net Acquisitions, 1–4 Family Units
by Lender Type: 1970–Present**



Period	Commercial Banks	Mutual Savings Banks	Savings and Loans	Mortgage Companies	Private Mortgage-Backed Conduits	Federal Credit Agencies	Mortgage Pools	Other Lenders	Totals
Annual Data (Current Dollars in Billions)									
1970	6.6	3.3	17.4	-0.6	0.1	5.1	1.7	1.1	34.8
1971	11.8	5.2	31.6	0.5	0.1	3.7	3.8	0.9	57.5
1972	16.5	7.6	43.4	0.4	0.2	3.2	4.6	0.9	76.8
1973	17.7	7.7	41.5	-0.9	0.0	5.4	3.7	1.7	76.8
1974	14.9	4.7	32.7	-1.0	0.0	8.7	5.6	1.8	67.4
1975	11.8	5.2	43.7	0.3	0.0	6.9	10.7	1.6	80.1
1976	21.3	8.1	65.3	0.6	0.1	1.4	15.8	2.0	114.7
1977	32.6	11.4	86.5	2.4	0.1	4.8	22.1	2.4	162.3
1978	38.8	11.9	85.2	3.2	0.1	14.5	21.8	4.7	180.2
1979	37.0	11.1	76.3	6.5	0.0	14.4	27.2	7.8	180.3
1980	25.6	5.7	58.0	1.3	0.0	11.5	23.5	12.2	137.9
1981	20.3	3.8	39.6	1.7	0.0	9.8	18.3	7.4	101.0
1982	19.2	3.2	4.2	3.3	3.0	13.9	54.2	4.6	105.7
1983	33.5	10.6	64.3	2.8	5.5	18.9	81.4	6.8	223.6
1984	34.4	13.1	86.7	3.2	7.7	19.2	59.9	7.1	231.3
1985	41.6	0.3	64.4	2.8	7.9	25.6	107.4	7.8	257.8
1986	80.4	21.8	81.2	11.0	16.2	24.8	252.5	10.0	497.9
1987	95.5	25.0	115.2	-11.8	21.2	20.4	225.0	9.2	499.7
1988	86.7	22.1	112.1	5.0	23.4	25.7	142.5	9.8	427.2
1989	103.6	12.2	72.0	20.2	16.4	25.8	192.1	11.1	453.3
1990	117.8	9.4	49.9	-0.9	20.1	39.0	229.7	7.5	472.5
1991	112.6	12.0	51.6	11.3	38.8	45.0	271.7	6.4	549.3
1992	172.4	21.9	71.9	-0.4	78.2	76.2	463.2	6.2	889.5
1993	192.1	23.7	90.1	-0.5	90.6	107.4	561.8	4.4	1,069.6
1994	164.0	19.0	79.1	-24.0	61.9	84.1	353.3	8.1	745.4
1995	164.1	21.2	64.4	-4.5	37.4	90.5	263.4	10.0	646.5
Quarterly Data									
1995									
2nd Quarter	36.1	4.2	16.1	7.4	9.2	21.7	54.8	2.4	152.0
3rd Quarter	51.8	9.6	18.2	1.5	11.6	26.2	79.8	2.5	201.3
4th Quarter	42.5	4.5	14.5	-9.8	12.2	31.2	93.4	2.6	191.0
1996									
1st Quarter	29.1	4.6	20.4	12.2	11.1	28.1	93.2	2.3	201.0
2nd Quarter	41.0	6.2	22.4	-4.5	9.9	24.4	103.2	1.5	203.9

Source: HUD Survey of Mortgage Lending Activity

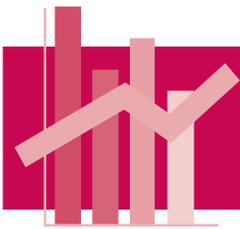


Table 20. Mortgage Delinquencies and Foreclosures Started: 1986–Present*



Period	Delinquency Rates								Foreclosures Started			
	Total Past Due				90 Days Past Due				All	Conv.	FHA	VA
	All	Conv.	FHA	VA	All	Conv.	FHA	VA				
Quarterly Data												
1986												
1st Quarter	5.74	4.05	7.44	6.68	0.98	0.67	1.26	1.18	0.24	0.18	0.30	0.27
2nd Quarter	5.69	3.92	7.29	6.63	1.04	0.71	1.32	1.25	0.25	0.18	0.31	0.29
3rd Quarter	5.51	3.72	7.08	6.63	1.02	0.67	1.30	1.29	0.27	0.20	0.32	0.31
4th Quarter	5.31	3.49	6.83	6.36	0.99	0.61	1.29	1.24	0.26	0.19	0.33	0.31
1987												
1st Quarter	5.23	3.40	6.73	6.31	1.01	0.65	1.28	1.27	0.26	0.19	0.31	0.31
2nd Quarter	5.06	3.34	6.53	6.20	0.95	0.65	1.19	1.17	0.25	0.18	0.32	0.29
3rd Quarter	4.69	2.85	6.35	6.04	0.85	0.57	1.11	1.07	0.26	0.15	0.35	0.32
4th Quarter	4.89	3.01	6.62	6.27	0.89	0.55	1.18	1.16	0.27	0.18	0.36	0.35
1988												
1st Quarter	4.88	2.93	6.66	6.26	0.87	0.54	1.17	1.13	0.27	0.17	0.36	0.33
2nd Quarter	4.90	2.95	6.71	6.36	0.88	0.53	1.21	1.19	0.27	0.16	0.36	0.32
3rd Quarter	4.70	2.87	6.39	6.00	0.83	0.53	1.10	1.09	0.27	0.17	0.36	0.31
4th Quarter	4.69	2.99	6.47	6.27	0.83	0.55	1.09	1.14	0.27	0.19	0.38	0.31
1989												
1st Quarter	4.74	2.97	6.61	6.43	0.82	0.52	1.12	1.13	0.29	0.18	0.41	0.37
2nd Quarter	4.56	2.90	6.28	6.17	0.79	0.51	1.07	1.11	0.30	0.19	0.43	0.40
3rd Quarter	4.91	3.14	6.94	6.47	0.78	0.50	1.08	1.06	0.28	0.18	0.39	0.35
4th Quarter	5.03	3.11	7.12	6.74	0.76	0.46	1.07	1.04	0.28	0.18	0.40	0.35
1990												
1st Quarter	4.54	2.84	6.48	6.17	0.70	0.38	1.04	1.03	0.31	0.21	0.44	0.39
2nd Quarter	4.52	2.87	6.54	6.19	0.70	0.37	1.10	1.04	0.31	0.21	0.41	0.38
3rd Quarter	4.83	3.13	6.84	6.58	0.71	0.41	1.10	1.03	0.33	0.21	0.47	0.44
4th Quarter	4.75	3.12	6.85	6.46	0.73	0.41	1.16	1.06	0.29	0.21	0.41	0.40
1991												
1st Quarter	5.13	3.42	7.29	6.69	0.78	0.47	1.17	1.05	0.31	0.24	0.42	0.38
2nd Quarter	5.26	3.44	7.55	7.04	0.79	0.46	1.21	1.09	0.34	0.26	0.43	0.40
3rd Quarter	4.87	3.02	7.22	6.73	0.82	0.44	1.31	1.16	0.35	0.28	0.44	0.45
4th Quarter	4.85	3.16	7.17	6.62	0.81	0.46	1.29	1.13	0.35	0.31	0.43	0.44
1992												
1st Quarter	4.69	3.08	7.05	6.54	0.80	0.47	1.32	1.13	0.33	0.26	0.42	0.41
2nd Quarter	4.69	3.06	7.12	6.51	0.83	0.49	1.38	1.17	0.33	0.25	0.43	0.40
3rd Quarter	4.60	2.90	7.19	6.53	0.83	0.48	1.39	1.20	0.33	0.25	0.45	0.38
4th Quarter	4.29	2.76	8.91	6.25	0.76	0.45	1.31	1.09	0.34	0.26	0.48	0.41
1993												
1st Quarter	4.31	2.74	6.99	6.30	0.78	0.46	1.35	1.14	0.32	0.23	0.47	0.43
2nd Quarter	4.26	2.66	7.21	6.37	0.78	0.45	1.41	1.15	0.32	0.25	0.48	0.42
3rd Quarter	4.22	2.71	7.13	6.27	0.77	0.46	1.40	1.17	0.31	0.24	0.46	0.38
4th Quarter	4.09	2.52	7.22	6.25	0.76	0.42	1.45	1.17	0.31	0.22	0.49	0.43
1994												
1st Quarter	4.13	2.62	7.29	6.30	0.76	0.44	1.45	1.19	0.31	0.22	0.51	0.44
2nd Quarter	4.17	2.67	7.29	6.34	0.81	0.50	1.46	1.22	0.34	0.24	0.56	0.49
3rd Quarter	3.93	2.49	7.04	6.04	0.74	0.43	1.43	1.16	0.34	0.22	0.61	0.53
4th Quarter	4.15	2.63	7.40	6.35	0.73	0.42	1.43	1.18	0.33	0.22	0.54	0.47
1995												
1st Quarter	3.91	2.45	7.09	6.05	0.71	0.41	1.36	1.13	0.32	0.21	0.56	0.50
2nd Quarter	4.15	2.68	7.36	6.38	0.77	0.45	1.46	1.21	0.33	0.22	0.56	0.53
3rd Quarter	4.41	2.91	7.84	6.68	0.77	0.43	1.55	1.22	0.32	0.23	0.49	0.51
4th Quarter	4.48	3.01	7.66	6.64	0.71	0.41	1.47	1.11	0.33	0.25	0.49	0.49
1996												
1st Quarter	4.46	2.86	8.19	6.70	0.70	0.36	1.57	1.09	0.38	0.29	0.57	0.57
2nd Quarter	4.35	2.80	8.11	6.80	0.63	0.31	1.43	1.08	0.34	0.23	0.59	0.48

*All data are seasonally adjusted.

Source: National Delinquency Survey, Mortgage Bankers Association

Table 21. Expenditures for Existing Residential Properties: 1968–Present



Period	Total Expenditures	Maintenance and Repairs	Improvements					
			Total	Additions and Alterations			To Property Outside Structure	Major Replacements
				Total	To Structures	To Property Outside Structure		
Annual Data (Millions of Dollars)								
1968	12,703	5,186	7,517	5,314	1,261	3,077	976	2,202
1969	13,535	5,479	8,055	5,885	1,094	3,409	1,382	2,170
1970	14,770	5,895	8,875	6,246	1,411	3,539	1,296	2,629
1971	16,299	6,361	9,939	6,818	1,685	3,699	1,433	3,120
1972	17,498	6,717	10,781	7,526	1,378	4,447	1,701	3,255
1973	18,512	7,924	10,588	7,386	1,360	4,694	1,332	3,202
1974	21,114	8,491	12,622	8,060	1,529	4,836	1,695	4,563
1975	25,239	9,758	15,481	10,997	1,971	6,844	2,182	4,484
1976	29,034	11,379	17,665	12,314	3,493	6,367	2,454	5,341
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	69,894	28,894	40,890	27,822	6,007	14,486	7,329	13,067
1985	80,267	35,358	44,909	28,775	3,966	17,599	7,211	16,134
1986	91,274	35,941	55,303	38,608	7,377	21,192	10,040	16,695
1987	94,082	38,229	55,853	39,978	9,557	21,641	8,779	15,875
1988	101,117	40,885	60,232	43,339	11,333	22,703	9,303	16,893
1989	100,891	42,689	58,202	39,786	6,828	23,129	9,828	18,415
1990	106,773	51,305	55,468	37,253	8,561	21,920	6,771	18,215
1991	97,528	49,840	47,688	30,944	7,914	16,076	6,954	16,744
1992	103,734	45,154	58,580	40,186	6,783	22,700	10,704	18,393
1993	108,304	41,699	66,606	45,797	12,757	24,782	8,259	20,809
1994	115,030	42,953	72,077	48,828	9,647	28,673	10,509	23,248
Quarterly Data (Seasonally Adjusted Annual Rates)								
1994								
3rd Quarter	114,700	42,900	71,900	47,400	NA	NA	NA	24,400
4th Quarter	118,900	44,100	74,700	46,400	NA	NA	NA	28,300
1995								
1st Quarter	115,800	37,700	78,100	52,200	NA	NA	NA	25,900
2nd Quarter	114,400	45,100	69,200	46,400	NA	NA	NA	22,800
3rd Quarter	113,900	44,300	69,700	41,500	NA	NA	NA	28,100
4th Quarter	103,900	40,300	63,600	40,300	NA	NA	NA	23,200

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

Additions refer to actual enlargements of the structure.

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

Alterations and additions to property outside the structure include walks, driveways, walls, fences, pools, garages, sheds, etc.

Major replacements are relatively expensive and are not considered repairs and include furnaces, boilers, roof replacement, central air conditioning, etc.

Source: Bureau of the Census, Department of Commerce

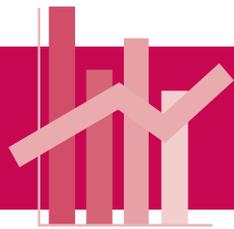


Table 22. Value of New Construction Put in Place, Private Residential Buildings: 1974–Present

Period	Total	New Housing Units			Improvements
		Total	1 Unit Structures	2 or More Unit Structures	
Annual Data (Current Dollars–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	125,521	94,649	72,203	22,447	30,872
1984	153,849	113,826	85,605	28,221	40,023
1985	158,474	114,662	86,123	28,539	43,812
1986	187,148	133,192	102,154	31,038	53,956
1987	194,656	139,915	114,463	25,452	54,741
1988	198,101	138,947	116,649	22,298	59,154
1989	196,551	139,202	116,898	22,304	57,349
1990	182,856	127,987	108,737	19,250	54,869
1991	157,835	110,592	95,444	15,148	47,243
1992	187,869	129,600	116,505	13,094	58,269
1993	210,454	144,070	133,282	10,788	66,384
1994	238,883	167,928	153,838	14,090	70,955
1995	236,172	162,270	143,808	18,462	NA
Monthly Data (Seasonally Adjusted Annual Rates)					
1995					
July	232,400	157,600	139,000	18,700	NA
August	234,000	161,300	142,900	18,400	NA
September	237,700	164,300	146,000	18,300	NA
October	237,700	165,600	146,900	18,700	NA
November	239,400	165,900	146,800	19,100	NA
December	241,900	167,000	146,400	20,600	NA
1996					
January	242,500	169,200	149,800	19,400	NA
February	238,600	166,900	147,700	19,200	NA
March	245,900	173,800	153,800	20,000	NA
April	247,500	178,700	156,300	22,500	NA
May	247,500	178,200	157,000	21,200	NA
June	246,900	177,700	156,800	20,900	NA
July	244,600	175,200	157,300	17,900	NA
August	244,300	175,800	157,300	18,400	NA
September	244,100	174,800	155,900	19,000	NA

Source: Bureau of the Census, Department of Commerce

Table 23. Gross Domestic Product and Residential Fixed Investment: 1959–Present



Period	Gross Domestic Product	Residential Fixed Investment	Residential Fixed Investment Percent of GDP
Annual Data (Current Dollars in Billions)			
1959	494.2	28.1	5.7
1960	513.3	26.3	5.1
1961	531.8	26.4	5.0
1962	571.6	29.0	5.1
1963	603.1	32.1	5.3
1964	648.0	34.3	5.3
1965	702.7	34.2	4.9
1966	769.8	32.3	4.2
1967	814.3	32.4	4.0
1968	889.3	38.7	4.4
1969	959.5	42.6	4.4
1970	1,010.7	41.4	4.1
1971	1,097.2	55.8	5.1
1972	1,207.0	69.7	5.8
1973	1,349.6	75.3	5.6
1974	1,458.6	66.0	4.5
1975	1,585.9	62.7	4.0
1976	1,768.4	82.5	4.7
1977	1,974.1	110.3	5.6
1978	2,232.7	131.6	5.9
1979	2,488.6	141.0	5.7
1980	2,708.0	123.3	4.6
1981	3,030.6	122.5	4.0
1982	3,149.6	105.7	3.4
1983	3,405.0	152.0	4.5
1984	3,777.2	178.9	4.7
1985	4,038.7	185.9	4.6
1986	4,268.6	216.6	5.1
1987	4,539.9	225.2	5.0
1988	4,900.4	232.0	4.7
1989	5,250.8	230.9	4.4
1990	5,546.1	215.3	3.9
1991	5,724.8	189.6	3.3
1992	6,020.2	223.8	3.7
1993	6,343.3	250.6	4.0
1994	6,738.4	283.0	4.2
1995	7,245.8	289.8	4.0
Quarterly Data (Seasonally Adjusted Annual Rates)			
1995			
3rd Quarter	7,298.5	290.3	4.0
4th Quarter	7,350.6	296.5	4.0
1996			
1st Quarter	7,426.8	301.7	4.1
2nd Quarter	7,545.1	314.2	4.2
3rd Quarter	7,616.0	311.7	4.1

Source: Bureau of Economic Analysis, Department of Commerce

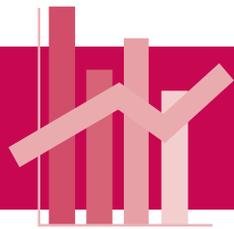


Table 24. Net Change in Number of Households by Age of Householder: 1971–Present

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 Over
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 ¹	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 ¹	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 ¹	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
Quarterly Data								
1995								
3rd Quarter	(59)	(249)	22	(51)	(82)	302	(42)	40
4th Quarter	489	113	209	(248)	144	135	78	58
1996								
1st Quarter	109	- 7	- 179	- 39	180	- 96	85	166
2nd Quarter	610	- 39	9	- 68	435	294	- 29	9
3rd Quarter	38	- 46	3	93	- 27	188	11	- 184

Note: 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.

¹Implementation 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.

Units in thousands.

Source: Current Population Survey, Bureau of the Census



Table 25. Net Change in Number of Households by Type of Household: 1971–Present

Period	Total	Families ⁴				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 ²	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 ²	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 ²	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
Quarterly Data									
1995									
3rd Quarter	(59)	(226)	141	(35)	(31)	30	31	(2)	23
4th Quarter	489	179	(62)	45	(49)	70	66	181	58
1996									
1st Quarter	109	- 253	7	253	251	- 31	44	- 2	- 161
2nd Quarter	610	386	14	2	- 196	50	- 24	88	291
3rd Quarter	38	106	45	- 54	153	28	40	- 99	- 181

Note: 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.

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.

⁵Primary families only.

Units in thousands.

Source: Current Population Survey, Bureau of the Census

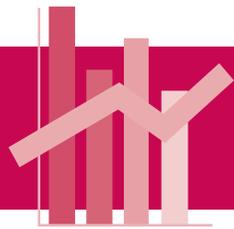


Table 26. Net Change in Number of Households by Race and Ethnicity of Householder: 1971–Present

Period	Total	White, Non-Hispanic	Black, Non-Hispanic	Other Races, Non-Hispanic	Hispanics
Annual Data					
1971 ¹	848	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA
1974 ^r	1,554	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA
1977	1,275	832	288	22	133
1978	1,888	1,356	190	119	223
1979	1,300	1,115	96	102	(13)
1980 ²	3,446	2,367	488	198	393
1981	1,592	903	244	223	222
1982	1,159	890	129	66	74
1983	391	218	(37)	105	105
1984 ^r	1,372	434	299	58	581
1985	1,499	938	250	94	217
1986	1,669	954	283	102	330
1987	1,021	527	116	173	205
1988 ^r	1,645	1,053	255	113	224
1989	1,706	947	382	109	268
1990	517	428	(49)	115	23
1991	965	540	156	(18)	287
1992	1,364	590	397	218	159
1993 ³	750	(518)	183	312	774
1994	681	590	(6)	(114)	209
1995	1,883	1,307	387	(182)	373
Quarterly Data					
1995					
3rd Quarter	(58)	(52)	36	(96)	53
4th Quarter	489	214	(86)	181	180
1996					
1st Quarter	109	- 319	- 126	540	15
2nd Quarter	610	201	235	150	23
3rd Quarter	38	- 344	132	69	181

Note: 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.

^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.

Source: Current Population Survey, Bureau of the Census



Table 27. Total U.S. Housing Stock: 1970–Present*

Period	Total ⁴	Seasonal	Total Year Round	Total Vacant Year Round	For Rent	For Sale Only	Other Vacant	Total Occupied	Owner	Renter
Annual 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 ²	88,411	1,718	86,693	NA	NA	NA	NA	80,390	51,795	28,595
1981	91,561	1,950	89,610	6,435	1,634	812	3,989	83,175	54,342	28,833
1982	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1983	93,519	1,845	91,675	7,037	1,906	955	4,176	84,638	54,724	29,914
1984	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1985	99,931	3,182	96,749	8,324	2,518	1,128	4,678	88,425	56,145	32,280
1986	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1987	102,652	2,837	99,818	8,927	2,895	1,116	4,916	90,888	58,164	32,724
1988	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1989	105,661	2,881	102,780	9,097	2,644	1,115	5,338	93,683	59,916	33,767
1990 ³	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
1992	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1993	106,611	3,088	103,522	8,799	2,651	889	5,258	94,724	61,252	33,472
Quarterly Data										
1995										
3rd Quarter	112,530	3,099	109,431	9,557	2,966	987	5,604	99,874	64,885	34,989
4th Quarter	112,987	3,095	109,892	9,529	2,966	1,050	5,513	100,363	65,355	35,008
1996										
1st Quarter	113,285	3,130	110,128	9,656	3,026	1,066	5,564	100,472	65,453	35,019
2nd Quarter	114,207	3,176	111,031	9,949	2,975	997	5,977	101,082	66,147	34,935
3rd Quarter	114,534	3,217	111,317	10,197	3,080	1,119	5,998	101,120	66,288	34,832

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

¹Census of Housing 1970.

²Census of Housing 1980.

³Census of Housing 1990.

⁴Annual Housing Survey estimates through 1981 based on 1970 Census weights; 1983 to 1989 estimates based on 1980 Census weights; 1991 and 1993 estimates based on 1990 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*, Bureau of the Census, Department of Commerce

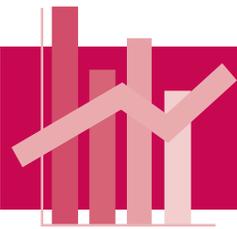


Table 28. Rental Vacancy Rates: 1979–Present

Period						Regions				Units in Structure		
	All Rental Units	Inside MSAs	In Central Cities	Suburbs	Outside MSAs	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	NA	NA	NA
Quarterly Data												
1995												
3rd Quarter	7.7	7.7	8.6	6.6	7.9	7.1	7.4	8.2	7.9	5.6	9.0	9.5
4th Quarter	7.7	7.7	8.4	6.9	8.0	6.9	7.6	8.5	7.5	5.3	9.2	9.6
1996												
1st Quarter	7.9	7.6	8.0	7.1	9.6	6.9	8.3	8.5	7.6	5.6	9.2	9.8
2nd Quarter	7.8	7.5	7.8	7.2	8.8	7.6	7.2	8.6	7.2	5.3	9.2	9.5
3rd Quarter	8.0	7.9	8.7	7.1	8.4	7.8	7.8	8.7	7.4	5.6	9.5	9.9

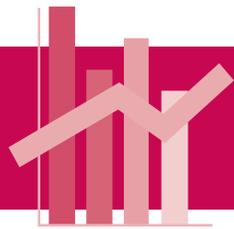
Source: Bureau of the Census, Department of Commerce

Table 29. 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	54.7	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*	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
Quarterly Data								
1995								
3rd Quarter	65.0	17.0	33.8	53.8	65.4	75.4	79.3	78.1
4th Quarter	65.1	16.5	35.6	53.2	65.5	75.2	79.5	78.7
1996								
1st Quarter	65.1	17.0	35.1	52.6	64.6	75.5	80.2	79.1
2nd Quarter	65.4	19.2	33.7	53.7	65.6	75.5	80.0	78.9
3rd Quarter	65.6	18.2	34.5	52.8	66.3	75.9	79.7	78.6

*Revised based on adjusted 1990 Census weights rather than 1980 Census weights, resulting in lower estimates.
Source: Bureau of the Census, Department of Commerce



**Table 30. Homeownership Rates by Region and Metropolitan Status:
1983–Present**



Period	Total	Region				Metropolitan Status		
		Northeast	Midwest	South	West	Inside Metropolitan Areas		Outside Metro Area
						Central City	Outside Central City	
Annual Data								
1983	64.6	61.5	69.3	67.0	58.2	NA	NA	NA
1984	64.5	61.2	68.4	67.0	58.5	NA	NA	NA
1985	63.9	60.8	66.9	66.4	59.0	NA	NA	NA
1986	63.8	61.4	66.9	66.1	58.3	48.5	70.8	72.3
1987	64.0	61.7	67.3	66.3	58.4	48.7	70.8	72.8
1988	63.8	61.3	67.5	65.8	58.5	48.3	70.6	72.6
1989	63.9	62.0	67.7	65.9	57.8	48.7	70.2	72.8
1990	63.9	62.6	67.5	65.7	58.0	48.7	70.1	73.2
1991	64.1	62.3	67.2	66.1	58.6	48.7	70.2	73.2
1992	64.1	62.5	67.2	65.8	59.3	49.3	70.1	72.8
1993	64.0	61.8	67.1	65.7	59.9	48.6	70.3	72.6
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
Quarterly Data								
1995								
3rd Quarter	65.0	62.2	70.1	66.6	59.1	49.9	71.4	72.8
4th Quarter	65.1	61.6	70.1	67.5	59.0	49.3	71.7	73.9
1996								
1st Quarter	65.1	61.4	70.4	67.5	58.9	49.2	71.9	73.8
2nd Quarter	65.4	62.3	70.5	67.2	59.8	50.0	72.4	72.7
3rd Quarter	65.6	62.8	70.7	67.5	59.2	50.2	72.3	73.4

Source: Current Population Survey, Bureau of the Census

Table 31. Homeownership Rates by Race and Ethnicity: 1983–Present



Period	Non-Hispanic			Hispanic
	White	Black	Other	
Annual Data				
1983 ¹	69.1	45.6	53.3	41.2
1984 ^r	69.0	46.0	50.9	40.1
1985	69.0	44.4	50.7	41.1
1986	68.4	44.8	49.7	40.6
1987	68.7	45.8	48.7	40.6
1988 ^r	69.1	42.9	49.7	40.6
1989	69.3	42.1	50.6	41.6
1990	69.4	42.6	49.2	41.2
1991	69.5	42.7	51.3	39.0
1992	69.6	42.6	52.5	39.9
1993 ²	70.2	42.0	50.6	39.4
1994	70.1	42.8	51.7	41.6
1995	70.8	42.2	51.0	42.4
Quarterly Data				
1995				
3rd Quarter	71.1	43.3	52.0	42.5
4th Quarter	71.2	44.6	52.1	41.1
1996				
1st Quarter	71.4	44.2	51.5	41.4
2nd Quarter	71.7	44.0	50.4	43.9
3rd Quarter	71.8	44.9	52.0	43.5

Note: 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.

^rImplementation of new March CPS processing system.

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

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

Source: Current Population Survey, Bureau of the Census

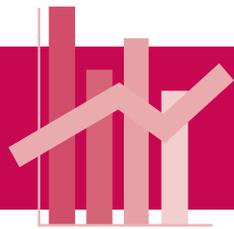


Table 32. Homeownership Rates by Household Type: 1983–Present

Period	Married Couples		Other Families		Other
	With Children	Without Children	With Children	Without Children	
Annual 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
1994	73.8	83.2	35.6	65.7	47.7
1995	74.7	84.0	37.3	65.6	47.4
Quarterly Data					
1995					
3rd Quarter	75.0	84.2	38.3	66.1	47.7
4th Quarter	75.2	84.3	38.2	66.0	48.3
1996					
1st Quarter	75.4	84.3	38.4	66.8	48.3
2nd Quarter	76.0	84.3	38.2	67.5	48.7
3rd Quarter	76.0	84.4	39.1	68.3	48.4

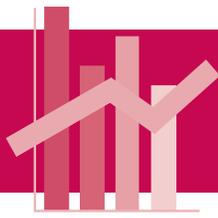
Note: The source of annual data is the Current Population Survey March Supplement. The quarterly data source is the monthly Current Population Survey/Housing Vacancy Survey.

¹Implementation of new March CPS processing system.

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

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

Source: Current Population Survey, Bureau of the Census



Appendix

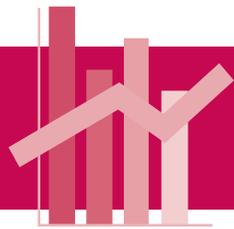
Telephone Rent Surveys

During 1995 and 1996, HUD and public housing agencies conducted Random Digit Dialing (RDD) telephone surveys of 70 Fair Market Rent (FMR) areas. The purpose was to estimate the typical rent paid by tenants who had recently moved into standard-quality housing units. The results were used to recalculate the FMR, which is calculated at the 40th percentile gross rent (including utilities)

of standard-quality rental units occupied by recent movers. HUD uses this rent standard in its Section 8 Housing Certificate and Voucher assistance programs. In cases in which the rent survey estimates were statistically different from HUD's estimates, the FMR was increased or decreased. The table below lists the date and 40th percentile gross rent from all of the 70 RDDs conducted by professional firms during 1995 and 1996—and one conducted in late 1994.

1995 and 1996 Area Rent Survey: Professionally Conducted Random Digit Dialing Surveys

State	FMR Area	Survey Sponsor	Date of Survey	40th-Percentile Gross Rent
AK	Anchorage, AK MSA	HUD	6/96	\$727
AR	Fayetteville-Springdale-Rogers, AR MSA	HUD	4/96	\$470
CA	Oakland, CA PMSA	PHA	11/95	\$759
CA	Santa Barbara-Santa Maria-Lompoc, CA MSA	HUD	5/96	\$783
CA	Santa Rosa, CA PMSA	PHA	1/96	\$747
CT	Danbury, CT PMSA	HUD	6/95	\$810
CT	New Haven-Meriden, CT PMSA	HUD	5/96	\$730
DC-MD-VA-WV	Washington, DC-MD-VA-WV PMSA	PHA	10/95	\$768
DE	Dover, DE MSA	PHA	4/96	\$574
DE	Sussex County	PHA	6/96	\$545
FL	Jacksonville, FL MSA	HUD	6/96	\$518
GA	Macon, GA MSA	HUD	8/95	\$458
IA	Cedar Rapids, IA MSA	HUD	4/96	\$468
IA	Cerro Gordo County	HUD	7/96	\$395
IA	Des Moines, IA MSA	HUD	6/96	\$506
IA	Iowa City, IA MSA	HUD	4/96	\$533
IA	Webster County	HUD	7/96	\$325
IA-NE	Sioux City, IA-NE MSA	HUD	4/96	\$478
IL	Bloomington-Normal, IL MSA	HUD	4/96	\$513
IN	Gary, IN PMSA	HUD	6/96	\$561
IN	Kokomo, IN MSA	HUD	4/96	\$488
IN	Lafayette, IN MSA	HUD	4/96	\$543
IN	Miami County	HUD	7/96	\$378
KS	Wichita, KS MSA	HUD	5/96	\$497
KY	Lexington, KY MSA	HUD	7/95	\$473
LA	Lafayette, LA MSA	HUD	6/95	\$361
LA	Lake Charles, LA MSA	PHA	5/94	\$487
MA	Pittsfield, MA MSA	HUD	6/96	\$534
MA	Springfield, MA MSA	HUD	6/96	\$619
MA-CT	Worcester, MA-CT PMSA	HUD	5/96	\$586
MA-NH	Boston, MA-NH PMSA	PHA	8/96	\$822



1995 and 1996 Area Rent Survey: Professionally Conducted Random Digit Dialing Surveys, *cont.*

State	FMR Area	Survey Sponsor	Date of Survey	40th-Percentile Gross Rent
ME	Portland, ME MSA	HUD	6/95	\$597
MI	Ann Arbor, MI PMSA	HUD	6/96	\$663
MI	Lansing-East Lansing, MI MSA	HUD	5/96	\$557
MT	Gallatin County	HUD	6/95	\$515
NC	Raleigh-Durham-Chapel Hill, NC MSA	HUD	7/95	\$586
NC-SC	Charlotte-Gastonia-Rock Hill, NC-SC MSA	HUD	8/94	\$478
NE	Hall County	HUD	7/96	\$471
NE	Lincoln, NE MSA	HUD	7/95	\$485
NH-ME	Portsmouth-Rochester, NH-ME PMSA	HUD	7/95	\$621
NM	Catron County	HUD	4/96	\$408
NM	Grant County	HUD	4/96	\$408
NM	Hidalgo County	HUD	4/96	\$408
NM	Luna County	HUD	4/96	\$408
NV	Reno, NV MSA	PHA	7/96	\$669
OH	Knox County	HUD	7/96	\$433
OH	Pike County	HUD	7/96	\$406
PA	Altoona, PA MSA	HUD	6/96	\$386
PA	Erie, PA MSA	HUD	5/96	\$405
PA	Scranton-Wilkes-Barre-Hazleton, PA MSA	HUD	6/96	\$450
PA	York, PA MSA	HUD	6/96	\$531
PR	Aguadilla, PR MSA	HUD	5/95	\$242
PR	Arecibo, PR PMSA	HUD	6/95	\$269
PR	Caguas, PR PMSA	HUD	2/95	\$300
PR	Mayaguez, PR MSA	HUD	2/95	\$280
PR	Nonmetro counties	HUD	7/95	\$220
PR	Ponce, PR MSA	HUD	7/95	\$246
PR	San Juan-Bayamon, PR PMSA	HUD	2/95	\$349
SC	Columbia, SC MSA	HUD	7/95	\$503
TN	Nashville, TN MSA	HUD	4/96	\$581
TN-VA	Johnson City-Kingsport-Bristol, TN-VA MSA	HUD	7/95	\$406
TX	Abilene, TX MSA	HUD	7/96	\$449
TX	Austin-San Marcos, TX MSA	PHA	11/95	\$645
TX	El Paso, TX MSA	HUD	6/96	\$486
TX	San Angelo, TX MSA	HUD	7/96	\$425
TX	Waco, TX MSA	HUD	6/96	\$465
VA	Charlottesville, VA MSA	HUD	7/96	\$608
VA	Richmond-Petersburg, VA MSA	HUD	5/96	\$582
WI	Fond Du Lac County	PHA	7/96	\$482
WV-KY-OH	Huntington-Ashland, WV-KY-OH MSA	HUD	5/96	\$410

HUD also conducted longitudinal surveys to measure the previous year's changes in median rents for metropolitan and nonmetropolitan FMR areas in each HUD region. These rent-change factors are used in HUD programs to adjust rents for units currently under contract. The metropolitan

surveys exclude metropolitan areas covered by separate Consumer Price Index surveys. The 10 regions surveyed are almost the same as the 9 census divisions, except that the Alaska-Idaho-Oregon-Washington region is treated separately from the rest of the Pacific census division.

Changes in Rents from 1994 to 1995 (Regional RDD Survey Results)

Region	1994-95 Rent Changes (%)	Region	1994-95 Rent Changes (%)
New England		Southwest	
Metro	0.8	Metro	2.8
Nonmetro	2.3	Nonmetro	0.9
New York/New Jersey		Great Plains	
Metro	0.4	Metro	2.5
Nonmetro	2.4	Nonmetro	2.1
Mid-Atlantic		Rocky Mountains	
Metro	2.6	Metro	5.8
Nonmetro	1.1	Nonmetro	4.0
Southeast		Pacific/Hawaii	
Metro	3.0	Metro	2.0
Nonmetro	1.2	Nonmetro	1.4
Midwest		Northwest/Alaska	
Metro	2.2	Metro	1.8
Nonmetro	1.9	Nonmetro	2.5

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