4th Quarter 1994

U.S. Housing Market Conditions

February 1995

SUMMARY

The four quarters of 1994 saw housing production return to levels not seen for several years. Total housing permits for 1994 numbered 1,362,800 units, 14 percent over 1993 and the highest level since 1988. Total housing starts numbered 1,453,100 units, 13 percent over 1993 and also the highest since 1988. Single-family permits at 1,060,500 units were the highest since 1986, and single-family starts at 1,195,600 units were the highest since 1978. Multifamily permits and starts were 51 and 67 percent, respectively, above 1993 and both were the highest since 1990. New home sales at 670,000 units and existing home sales at 3,967,000 were the highest since 1978. Toward the end of 1994, shipments of manufactured (mobile) homes to dealers were at the highest levels in over 20 years.

The effects of rising interest rates became more pronounced in the fourth quarter of 1994, especially when compared with the fourth quarter a year earlier. Mortgage rates were 50 to 65 basis points above the previous quarter and about 200 basis points above year earlier rates. FHA, VA, and PMI mortgage activity was down significantly from both the third quarter and the fourth quarter of 1993, and not due only to a fall-off in refinancing activity. While housing production was little changed from the third to fourth quarter, it was down noticeably for the interest-sensitive single-family sector from the fourth quarter a year earlier; the less interest-sensitive multifamily housing production continued to improve. New home sales were unchanged in the fourth quarter but were down 14 percent from a year earlier, while builders' unsold inventory, relative to the sales rate, was up 18 percent from the third quarter and up 49 percent from the previous year. Builders reported significant declines in buyer traffic and future sales expectations. Existing home sales declined somewhat but the number of homes offered for sale also declined, suggesting a commensurate decline in the turnover rate.

Some additional interesting aspects of the latest housing market trends are offered below:

- Housing affordability showed a slight improvement in the fourth quarter. More surprising is that the declines of 13 percent in the fixed-rate index and 11 percent in the adjustable-rate index from a year earlier were not more severe; interest rate increases were ameliorated by stable housing prices and offset to some extent by income growth.
- The number of new apartments completed continued to increase, rising 17 percent from the previous quarter and 52 percent from the same quarter the previous year. New, unsubsidized apartments were rented at a brisk 82-percent rate within 3 months, unchanged from the previous quarter but 8 percent above the same quarter the previous year.
- While FHA's market share of single-family mortgage originations increased slightly in the fourth quarter, it was substantially higher than the prior year's level. A further discussion of FHA's single-family programs is this quarter's feature topic.

Inside

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Regional Perspective

Housing market conditions remained strong through the fourth quarter in most areas of the country. The substantial increases in residential construction in 1994 led to shortages of skilled labor in a number of the major markets in the Southeast and Southwest regions and in Arizona and Nevada.

Multifamily activity and rental markets boomed in 1994 except in New England, New York/New Jersey, and the Mid-Atlantic. All other regions reported significant increases in apartment construction. The number of multifamily units permitted more than doubled in 11 States. The second half of the year was especially strong in the Midwest, Great Plains, Rocky Mountain, and Pacific regions. The Southeast and Southwest continued to show strong activity for most of the year, but had slowed by the end of the year.

HUD economists report that amenity-rich projects with high rents comprise a significant part of the new rental housing in the Southeast, Southwest, Rocky Mountain, and Northwest regions. Large, two-bedroom, two-bath units with washers and dryers, extensive recreation facilities, and garages are typical of this new housing.

Single-family home construction and sales were above 1993 levels in much of the country. Although rising mortgage interest rates caused slowdowns in sales in the second half of the year, the increased popularity of adjustable-rate mortgages (ARMs) has mitigated the impact. By year-end, ARMs were accounting for 90 percent of the loans in some markets of the Rocky Mountain region. All the other regions reported the use of ARMs at year-end made up 20 to 50 percent of the market. Builders have cut back on construction in response to growing inventories in some markets, but there is no sign yet of widespread use of concessions or buydowns.

FHA Serves the Underserved

The Administration, Congress, and members of the housing industry are once again considering the future of HUD's Federal Housing Administration (FHA) single-family mortgage insurance programs.[1] Among the options being discussed are restructuring FHA so that it can perform more efficiently, determining whether FHA is still needed in light of recent affordability initiatives in the private market, and privatizing FHA. HUD has proposed restructuring FHA as a Government-owned corporation under the direction of the Secretary of HUD.

In this issue, *U.S. Housing Market Conditions* examines the role that FHA currently plays in the market for home mortgage finance. The report uses newly available data on mortgage lending in 1993 that lenders submitted to the Federal Government under the Home Mortgage Disclosure Act (HMDA).[2] Because only lenders making loans in metropolitan areas are required to report under HMDA, lending activity for nonmetropolitan areas is not available from this source. Metropolitan areas account for over 85percent of FHA-insured mortgages.

The HMDA data and other information presented in this report show that FHA single-family insurance plays a valuable role in today's mortgage market. Borrowers and lenders use FHA insurance as the instrument of choice to extend home mortgage credit to underserved groups and markets.

FHA Single-Family Insurance Is Alive and Well

Whether measured in terms of volume of business, market share, or profitability, FHA single-family insurance is an active and self-sustaining government business.

Table 14 in the Historical Data section shows how the number of endorsed FHA single-family insurance contracts has fluctuated since 1968. Table 16 presents similar information in terms of the dollar value of the mortgages underwritten. In terms of either mortgage insurance contracts or the value of mortgages underwritten, 1993 and 1994 were strong years for FHA. In both years, FHA insured over 1 million insurance contracts. Refinancings were important in both years, but FHA insured 686,487 purchase mortgages in 1994, the third highest number in FHA's history.

Since 1980, FHA has insured between 6 and 15percent of the dollar volume of all mortgages originated (based on data from Table 16). A lender will generally not require mortgage insurance if borrowers have sufficient equity in the property to protect the lender's interests. Therefore, the ratio of FHA-insured mortgages to all insured mortgages (FHA, VA, or privately insured) provides a better sense of FHA's market share. Since 1980, FHA has insured between 19percent and 58percent of all insured mortgages (based on data from Table 14).

Three points stand out from comparing FHA and other insurers in Table 14. First, FHA's share of total insured business increased during the 1980s. FHA had a share above 50 percent between 1986 and 1991 compared with slightly over 30 percent between 1980 and 1985. Second, both FHA's volume and its share of the insured market increased during the refinancing waves of 1986 to 1987 and 1993. This most likely reflects borrower preferences for fixed-rate mortgages during periods of low interest rates. Most of FHA's underwriting involves fixed-rate mortgages as opposed to adjustable rate mortgages for which private mortgage insurers (PMIs) historically claim a higher market share than FHA. In addition, many homeowners who refinance have built enough equity to drop private mortgage insurance. In addition, FHA's market share in the 1986 to 1987 period probably benefited from the weakness in the private mortgage insurance business following heavy financial losses in the mid-1980s.

Third, FHA's market share declined after the financial reforms in 1991 that were intended to restore the financial strength of FHA's Mutual Mortgage Insurance (MMI) Fund, which also suffered losses in the 1980s. To increase FHA's capital reserves, premium charges were raised; to lower insurance claim costs, requirements for borrower equity were increased. Immediately after implementation of these measures, FHA lost some of its market share to conventional market lenders using private mortgage insurance. Its market share of all insured loans, including VA loans, fell to 36percent in 1992 but rose to 40percent in 1993 and 42percent in 1994.

Most FHA single-family insurance is underwritten for the MMI Fund. Since 1934, when FHA was established, the MMI Fund has operated on a self-sustaining basis; that is, premium collections have been sufficient to cover insurance losses and operating expenses. In the late 1980s, there was growing evidence that FHA's most recent business was not actuarially sound and that FHA had insufficient reserves to cover anticipated future losses. In 1990 Congress amended the FHA statute to raise the premium and increase the equity requirement as discussed in the preceding paragraph. At the same time, Congress set a capital reserve target for the year 2000 of 2percent of insurance in force. The most recent independent audit of the MMI Fund estimates that it will have a capital reserve of 3.4percent in the year 2000, more than one and one-half times the target rate.

Despite the high level of single-family underwriting and the financial soundness of the MMI Fund, problems still exist with HUD's FHA single-family insurance program. Since FHA raised its mortgage insurance premiums in 1991, the proportion of its new business consisting of the riskier, high loan-to-value ratio loans has increased steadily. In 1991 56percent of the loans FHA insured had loan-to-value ratios over 95percent; by 1994 that proportion had risen to 61percent. [3] During the same period, new FHA business with loan-to-value ratios below 90percent had dropped from 21 to 16percent. FHA lowered its premium charges in 1994, making it more competitive with private mortgage insurance. Although FHA's premiums are still above their pre-1991 level, this change may lead to a better balance between high and low loan-to-value ratio mortgages.

Also HUD's ability to operate the FHA single-family insurance program to best serve the needs of the mortgage market is hindered by a lack of flexibility. Because the essential features of all the FHA insurance programs are prescribed in legislation, HUD cannot easily modify its programs to meet the evolving needs of the market. Moreover, HUD's ability to marshall resources to deal with particular problems is limited by hiring and contracting rules designed for Government activities of a nonbusiness type.

FHA and the Underserved

From a Federal Government perspective, the importance of FHA single-family insurance rests more on whom FHA serves than on how many FHA serves. Using HMDA and other data, this section shows that lenders use FHA insurance to provide housing credit to first-time homebuyers, minorities, and low-income families, and to homebuyers purchasing in central cities and in minority or low-income neighborhoods.

FHA particularly stands out as an insurer of low downpayment mortgages for first-time homebuyers. In 1993 roughly two-thirds of FHA's home purchase mortgages were for first-time homebuyers and about 85 percent of its purchase mortgages had loan-to-value ratios over 90 percent.

Table A presents 1993 HMDA data on how frequently borrowers and lenders use FHA insurance for groups and areas that are considered to have limited access to mortgage credit. The term "underserved" is often applied to these groups and areas.

The following qualifications apply to the data reported in Tables A through C. Only mortgages used to purchase a home are included; refinancings are not included. As noted earlier, HMDA data cover only metropolitan areas. Mortgages guaranteed by the Department of Veterans Affairs or insured by the Farmers Home Administration (FmHA) are excluded from these comparisons because these programs serve specialized markets. Jumbo loans, that is, mortgages exceeding $203,150, are also omitted.[4]

The first column of Table A shows the percentages of all loans, FHA and conventional, that are made to these underserved groups and areas. The second column shows the percentage of FHA loans, and the last column indicates the number of FHA loans made in 1993. The percentages in Table A add up to more than 100percent because of overlap among the groups and areas.

Blacks and Hispanics use FHA insurance at a rate approximately twice their share of all purchase mortgage originations. Similarly, FHA insurance is chosen disproportionately by lower income families

Table A. Metropolitan Home Purchase Loans in 1993

	Distribution of Home Purchase Loans		Number of FHA Loans
	FHA Plus Conforming Conventional	FHA Only	
All loans	100%	100%	487,896
Blacks	5%	11%	52,658
Hispanics	6%	10%	50,057
Less than 60% of median income	12%	18%	84,295
Less than 80% of median income	28%	42%	198,982
In central cities	40%	46%	226,409
In low-income census tracts	11%	17%	82,701
In minority census tracts	15%	23%	110,525

Source: HUD/Office of Policy Development and Research analysis of 1993 HMDA data.

and families choosing to purchase homes in central cities or in low- income or minority census tracts.[5] For purposes of these comparisons, low-income census tracts are census tracts where median family income is less than 80percent of median family income for the metropolitan area; and minority census tracts are census tracts where at least 30 percent of the population are in a minority group.

FHA Versus Conventional Financing

The principal alternatives to an FHA-insured mortgage are an uninsured conventional mortgage, typically requiring a loan-to-value ratio of 80percent or less, or a privately insured conventional mortgage.[6] This section examines how well conventional mortgages, both insured and uninsured, serve these same groups and areas. Lenders using FHA insurance outperform conventional sources of mortgage finance in providing home financing to underserved groups and areas, particularly to black and Hispanic homebuyers.

As reported in the previous section, two-thirds of FHA's home purchase mortgages were used by first-time homebuyers in 1993. Comparable information on conventional mortgages is available only for those conventional mortgages purchased or securitized by the two Government-sponsored enterprises (GSEs), Fannie Mae and Freddie Mac. In 1993 first-time homebuyers represented 31 percent of Freddie Mac's and 24 percent of Fannie Mae's business. In fact, FHA helped roughly the same number of first-time homebuyers as the GSEs (398,400 compared with a combined total of 404,300).[7]

Table B compares the use of FHA-insured mortgages or conventional mortgages by underserved groups and areas. The FHA column in Table B is the same as the FHA percentage column in Table A. Because FHA's local maximum mortgage limits focus FHA business on the lower half of the market, Table B limits its analysis of conventional financing to those mortgages that would be eligible for FHA insurance, that is, the "FHA-eligible" portion of the conforming conventional market.[8] This restriction makes the comparison fairer to conventional financing because higher valued mortgages are less likely to fit into any of the "underserved" categories.

Table B. Percentage Distribution of Metropolitan Home Purchase FHA-Eligible Conventional Loans

	FHA	Eligible Conventional
Blacks	11%	4%
Hispanics	10%	5%
Less than 60% of median income	18%	16%
Less than 80% of median income	42%	35%
In central cities	46%	38%
In low-income census tracts	17%	13%
In minority census tracts	23%	14%

Source: HUD/Office of Policy Development and Research analysis of 1993 HMDA data.

FHA-insured mortgages are more likely to be used to provide credit for underserved groups and areas than are conventional mortgages. This statement is true for all the groups and areas identified in Table B and is particularly the case for blacks, Hispanics, and homebuyers locating in minority neighborhoods.

There are at least three possible explanations for this fact. Some lenders may specialize in serving these underserved groups and areas and these lenders may prefer FHA insurance. Alternatively, lenders who serve a broad array of borrowers and markets may tend to reserve FHA insurance for use with these underserved groups and areas. Finally, underserved borrowers may need the high loan-to-value ratios possible with FHA mortgages. In any case, FHA insurance appears to be the preferred instrument for extending credit to the underserved.

Specialized use of FHA insurance for the underserved does not mean FHA is alone in serving these groups and areas. Because of the greater volume of conventional lending, conventional mortgages also play an important role in serving these groups and areas.[9]

Table C compares market shares of FHA and conventional financing for each of these underserved groups and areas. The first column restricts the comparison, as in Table B, to mortgages that are eligible for FHA mortgage insurance. The second column gives FHA's market share for all loans less than $203,150, that is, for all conforming loans. The conventional share is always the difference between 100percent and the FHA share. For example, among blacks obtaining mortgages eligible for FHA insurance, 54percent use FHA mortgages and 46percent (100 – 54) use conventional mortgages, with or without private insurance.

In 1993 FHA insured 32percent of eligible mortgages in metropolitan areas. The remaining 68percent of the eligible mortgages were conventionally financed, with or without private insurance. FHA's share of the market for every underserved group and area is greater than one-third. In some cases, FHA's market share is only marginally greater than its overall share of the metropolitan market, but the differences become substantial once race enters the analysis. FHA's share of the market for black and Hispanic borrowers and for borrowers purchasing in minority neighborhoods is substantially greater than one-third. In fact, FHA insured over half of the eligible mortgages issued to blacks and Hispanics in metropolitan areas even though it insured only one-third of all eligible mortgages.

The pattern is the same for FHA's share of the conforming loan market with one exception. For borrowers with incomes less than 60percent of the median income, FHA's share is substantially greater than its overall share of the conforming market.

Table C. FHA's Market Shares of Metropolitan Home Purch Conforming Conventional Markets

	FHA's Share of Eligible Market	FHA's Share of Conforming Market
All loans	32%	23%
Blacks	54%	47%
Hispanics	49%	41%
Less than 60% of median income	34%	34%
Less than 80% of median income	36%	35%
In central cities	36%	28%
In low-income census tracts	39%	35%
In minority census tracts	43%	35%

Source: HUD/Office of Policy Development and Research analysis of 1993 HMDA data.

One reason for the larger share of minority borrowers is FHA's lower denial rate for minorities compared to denial rates of conventional loans. In 1993 denial rates for blacks applying for FHA mortgages was 20percent compared to 27percent for conventional loans eligible for FHA insurance. Denial rates for Hispanics applying for FHA mortgages was 14percent compared to 23percent for conventional loans eligible for FHA insurance. Denial rates for whites were substantially lower than the denial rates for blacks and Hispanics for both FHA and conventional mortgages, 10percent compared to 13percent.

Summary

FHA is an important component of today's mortgage finance system. FHA insured over 1 million mortgages in 1994, including 686,487 mortgages to purchase homes. Lenders use FHA insurance more consistently than other options to provide mortgage credit to first-time homebuyers, minorities, low-income families, and homebuyers purchasing in central cities and in minority or low-income neighborhoods. First-time homebuyers particularly make use of FHA insurance. Also, the ability of blacks and Hispanics to purchase homes seems linked in an essential way to the availability of FHA insurance.

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[1] Previous examinations include HUD's *Future Role of FHA* (1977), *The Report of the President's Commission on Housing* (1982), *President's Private Sector Survey on Cost Control: Report on Financial Asset Management* (1983), and *Privatization: Toward More Efficient Government* (1988) by the President's Commission on Privatization.

[2] Congress enacted HMDA in 1975 in response to concerns that depository institutions were not adequately serving low-income and minority neighborhoods. HMDA, as amended, requires almost all lenders to report annually their mortgage activity by borrower characteristics and census tract location so that the public can assess whether lenders are adequately serving their communities. HMDA data cover mortgages on single-family properties with one to four units and include information on applications, originations, and rejections for all depository lenders and their subsidiaries and for all mortgage companies with at least 100 or more home purchase loans in the preceding year.

[3] This estimate excludes those refinancings for which a new appraisal was not available.

[4] Mortgages larger than this amount, called the conforming limit, are not eligible for purchase by Fannie Mae or Freddie Mac.

[5] Separate analysis of American Housing Survey data going back, at 2-year intervals, to 1985 document the same lending patterns for FHA-insured single-family mortgages.

[6] Private mortgage insurance differs from FHA insurance in several important ways. FHA insures the entire mortgage balance; PMIs typically insure only up to a quarter of the mortgage balance. If losses exceed the insured percentage of the mortgage balance, the lender or the entity guaranteeing the mortgage-backed security must bear the additional loss. Federal Government backing for FHA-insured mortgages provides a stronger sense of security than the reserves set aside by PMIs. Most importantly, FHA mortgages generally allow higher loan-to-value ratios, making it easier for borrowers to finance a home purchase. In recent years, some PMIs have developed demonstration programs providing high loan-to-value mortgages similar to FHA's programs.

[7] The data on conventional mortgages purchased or securitized by Fannie Mae and Freddie Mac comes from information submitted to HUD by these institutions in compliance with HUD regulations.

[8] FHA cannot insure mortgages above a locally determined maximum mortgage amount. In 1993 the maximum mortgage amount varied between $67,500 and $151,725.

[9] FHA's share of the home purchase market varies substantially across metropolitan areas. The average across all metropolitan areas is 23.4percent of the conforming market, and 31.9 percent of the FHA-eligible market.

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National Data

HOUSING PRODUCTION

Permits*

Permits for the construction of new housing units rose 2 percent in the fourth quarter of 1994 to a seasonally adjusted annual rate of 1,394,000 units, and were 1 percent higher than in the fourth quarter of 1993. One-unit permits, at 1,058,000 units, were up 1 percent from the previous quarter, but down 6 percent from a year earlier. Multifamily permits (5 or more units in structure), at 272,000 units, were 3 percent higher than the third quarter, and 42 percent over the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	1,394	1,372	1,378	+ 2	+ 1
ONE UNIT	1,058	1,044	1,130	+ 1	- 6
TWO TO FOUR	64	63	57	+ 2**	+ 14
FIVE PLUS	272	265	191	+ 3	+ 42

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

Starts*

Construction starts of new housing units in the fourth quarter of 1994 totalled 1,503,000 units at a seasonally adjusted annual rate, a statistically insignificant increase from both the previous quarter and the fourth quarter of 1993. Single-family starts at 1,191,000 units were statistically unchanged from the previous quarter, but were 8 percent below the year earlier rate. Multifamily starts totalled 265,000 units, 19 percent higher than the previous quarter, and 65 percent over the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	1,503	1,470	1,476	+ 2**	+ 2**
ONE UNIT	1,191	1,210	1,287	- 2**	- 8
TWO TO FOUR	47	38	27	+ 26	+ 73
FIVE PLUS	265	223	161	+ 19	+ 65

* 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 fourth quarter of 1994 increased to a seasonally adjusted annual rate of 791,000 units, 3 percent over the previous quarter and 13 percent above the fourth quarter of 1993. Single-family units under construction, at 591,000 units, were a statistically insignificant 1 percent above the previous quarter, and 5 percent higher than the year earlier rate. Multifamily units, at 178,000 units, were 11 percent higher than the previous quarter and 52 percent above the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	791	766	699	+ 3	+ 13
ONE UNIT	591	587	563	+ 1**	+ 5
TWO TO FOUR	22	18	19	+ 22	+ 16
FIVE PLUS	178	161	117	+ 11	+ 52

* 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 fourth quarter of 1994, at a seasonally adjusted annual rate of 1,362,000 units, were a statistically insignificant 2 percent above the previous quarter, and 8 percent higher than the same quarter last year. Single-family completions, at 1,146,000 units, were a statistically insignificant 1 percent below the previous quarter, but 3 percent higher than the year earlier rate. Multifamily completions, at 186,000 units, were up 17 percent from the previous quarter and 51 percent above the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	1,362	1,341	1,262	+ 2**	+ 8
ONE UNIT	1,146	1,154	1,109	- 1**	+ 3
TWO TO FOUR	30	29	29	+ 3**	+ 3**
FIVE PLUS	186	159	123	+ 17	+ 51

* 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 292,000 units in the third quarter of 1994, unchanged from the previous quarter but 17 percent over the rate a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
MANUFACTURERS' SHIPMENTS	292	291	249	–	+ 17

* 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 662,000 units at a seasonally adjusted annual rate (SAAR) in the fourth quarter of 1994, unchanged from the previous quarter, but 14 percent below the fourth quarter of 1993. The number of new homes for sale at the end of the fourth quarter numbered 347,000 units, an increase of 6 percent over the last quarter and 18 percent over the same quarter last year. At the end of the quarter, inventories represented a 6.7 months' supply at the current sales rates, 18 percent higher than the previous quarter and 49 percent higher than the fourth quarter of 1993.

Sales of existing single-family homes reported by the NATIONAL ASSOCIATION OF REALTORS® for the fourth quarter of 1994 totalled 3,870,000 SAAR, down 1 percent from the third quarter's level, and 7 percent below the fourth quarter of 1993. The number of units for sale at the end of the fourth quarter fell to 1,430,000, dropping 15 percent from the previous quarter and 6 percent from the fourth quarter of 1993. At the end of the fourth quarter, there was a 4.4 months' supply of units, 16 percent below the previous quarter, but 10 percent above the fourth quarter of 1993.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
NEW HOMES SOLD	662	665	769	–	- 14
FOR SALE	347	328	294	+ 6	+ 18
MONTHS' SUPPLY	6.7	5.7	4.5	+ 18	+ 49
Existing Homes					
EXISTING HOMES SOLD	3,870	3,930	4,170	- 1	- 7
FOR SALE	1,430	1,680	1,520	- 15	- 6
MONTHS' SUPPLY	4.4	5.2	4.0	- 16	+ 10

* Units in thousands.

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 a new home during the fourth quarter of 1994 was $130,000, virtually unchanged from the previous quarter and 2 percent above the fourth quarter of 1993. (These changes are statistically insignificant.) The average price of a new home in the fourth quarter was $154,400, up a statistically insignificant 1 percent from the previous quarter, and up a statistically significant 4 percent from the same quarter last year. The price adjusted to represent a constant quality home, $155,500, was up an insignificant 1 percent from the previous quarter, and up 6 percent from the same quarter last year.

The median price of existing single-family homes in the fourth quarter of 1994 was $107,900, 3 percent below the third quarter and 1 percent above the fourth quarter of 1993 according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of $133,800 was also 3 percent below the third quarter value but the same as in the fourth quarter of 1993.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
MEDIAN	$130,000	$129,000	$127,000	+ 1*	+ 2*
AVERAGE	$154,400	$152,800	$148,300	+ 1*	+ 4
CONSTANT QUALITY HOUSE[1]	$155,500	$153,600	$146,600	+ 1*	+ 6
Existing Homes					
MEDIAN	$107,900	$110,800	$107,000	- 3	+ 1
AVERAGE	$133,800	$138,400	$133,300	- 3	–

* This change is not statistically significant.
[1] A 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 fourth quarter of 1994 shows that the family earning the median income had 131.3 percent of the income needed to purchase the median-priced existing home. This is 3 percent above the third quarter of 1994, but down 7 percent from the fourth quarter of 1993. This improvement in affordability is attributable to a 3-percent decline in median home price and a 1-percent rise in median family incomes, more than offsetting the 10-basis point increase in the composite interest rate used in the index. The fixed-rate index improved by 1 percent from the third quarter of 1994, but fell by 13 percent from the fourth quarter last year. The adjustable-rate index also improved by 1 percent from the previous quarter, but was 11 percent below the rate 1 year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
COMPOSITE INDEX	131.3	127.8	141.5	+ 3	- 7
FIXED-RATE INDEX	118.3	117.7	136.4	+ 1	- 13
ADJUSTABLE-RATE INDEX	145.4	143.7	163.9	+ 1	- 11

Source: NATIONAL ASSOCIATION OF REALTORS®

Apartment Absorptions

There were 31,500 new, unsubsidized, unfurnished, multifamily (5 or more units in structure), rental apartments completed in the third quarter of 1994, up 28 percent from the previous quarter and 43 percent above the third quarter of 1993. Of the apartments completed in the third quarter of 1994, 82 percent were rented within 3 months (the absorption rate). This absorption rate was unchanged from the previous quarter, but 8 percent above the same quarter of 1993. The median asking rent for apartments completed in the third quarter was $597, not statistically different from the second quarter, but 7 percent higher than the year earlier rents.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
APARTMENTS COMPLETED*	31.5	24.7	22.1	+ 28	+ 43
PERCENT ABSORBED NEXT QUARTER	82	83	76	- 1**	+ 8
MEDIAN RENT	$597	$577	$560	+ 3**	+ 7

* 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 third quarter of 1994 totalled 283,000 at a seasonally adjusted annual rate, down 2 percent from the previous quarter, but up 9 percent from the third quarter of 1993. The number of homes for sale on dealers' lots at the end of the third quarter totalled 74,000 units, 4 percent above the previous quarter and 30 percent above the same quarter of 1993. The average sales price of the units sold in the third quarter was $33,500, up 3 percent from the previous quarter, and 9 percent higher than the year earlier price.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
PLACEMENTS*	283	288	259	- 2	+ 9
ON DEALER LOTS*	74	71	57	+ 4	+ 30
AVERAGE SALES PRICE	$33,500	$32,630	$30,870	+ 3	+ 9

* 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.
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 conducts a monthly survey focusing on the level of sales activity experienced by builders and their expectations for the near future. At the end of the fourth quarter, builders viewed the level of current sales activity for single-family detached homes as worse than at the end of the previous quarter. The percentage reporting "good to excellent" fell from 32 to 24 while those reporting "poor" increased from 19 to 27. The decline from the end of the fourth quarter of 1993 was more pronounced with "good to excellent" falling from 63 to 24 percent and "poor" increasing from 10 to 27 percent. The level of activity for attached single-family homes can also be viewed as worsening although there is a mixed message. Builders reporting "good to excellent" rose from 10 to 13 percent while there was a worsening in those rating sales activity as "poor" from 38 to 48 percent. A clearer pattern of decline emerges when comparing views with the fourth quarter a year ago—worsening in the "good to excellent" category from 22 to 13 percent and in the "poor" rating from 40 to 48 percent.

Prospective buyer traffic in the fourth quarter of 1994 also declined from the third quarter of 1994. Builders rating traffic as "high to very high" fell from 16 to 11 percent with the percentage reporting "low to very low" increasing from 41 to 50 percent. The change from the fourth quarter of 1993 was much more pronounced with "high to very high" falling from 48 to 11 percent and "low to very low" increasing from 23 to 50 percent.

Builders' views concerning future sales expectations for single-family detached units worsened in the fourth quarter of 1994 with those rating expectations as "good to excellent" falling 9 percentage points from 27 to 18, and those reporting "poor" increasing from 13 to 24 percent. This worsening is even more marked when compared to the fourth quarter of 1993 when those reporting "good to excellent" stood at 62 percent and those reporting "poor" were only 6 percent. Future sales expectations for single-family attached homes also worsened from both the third quarter of 1994 and the fourth quarter of 1993; however, future sales expectations for attached homes were generally lower than for detached homes.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Current Sales Activity—Single-Family Detached					
GOOD TO EXCELLENT	24	32	63	- 25	- 62
POOR	27	19	10	+ 42	+ 170
Current Sales Activity—Single-Family Attached					
GOOD TO EXCELLENT	13	10	22	+ 30	- 41
POOR	48	38	40	+ 26	+ 20
Prospective Buyer Traffic					
HIGH TO VERY HIGH	11	16	48	- 31	- 77
LOW TO VERY LOW	50	41	23	+ 22	+ 117
Future Sales Expectations—Single-Family Detached					
GOOD TO EXCELLENT	18	27	62	- 33	- 71
POOR	24	13	6	+ 85	+ 300
Future Sales Expectations—Single-Family Attached					
GOOD TO EXCELLENT	7	10	23	- 30	- 70
POOR	46	36	35	+ 28	+ 31

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

HOUSING FINANCE

Mortgage Interest Rates

Mortgage interest rates increased moderately during the quarter in contrast to dramatic increases from last year. The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac was 9.10 percent in the fourth quarter, 51 basis points higher than the previous quarter and 205 basis points higher than the same quarter a year ago. Adjustable-rate mortgages (ARMs) in the fourth quarter were going for 6.18 percent, 65 basis points above the previous quarter and 194 basis points above the same quarter a year ago. Fixed-rate, 15-year mortgages, at 8.61 percent, were up 52 basis points from last quarter and 203 basis points above the same quarter a year ago. The FHA rate tracks the conventional rate very closely.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
CONVENTIONAL FIXED-RATE 30-YEAR	9.10	8.59	7.05	+ 6	+ 29
CONVENTIONAL ARMS	6.18	5.53	4.24	+ 12	+ 46
CONVENTIONAL FIXED-RATE 15-YEAR	8.61	8.09	6.58	+ 7	+ 31
FHA FIXED-RATE 30-YEAR	9.17	8.67	7.17	+ 6	+ 28

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 139,600 (*not* seasonally adjusted) properties in the fourth quarter of 1994, down 27 percent from the previous quarter and down 70 percent from the fourth quarter of 1993. Endorsements or insurance policies issued totalled 168,900, down 38 percent from the third quarter of 1994 and down 42 percent from the fourth quarter of 1993. The 26-percent drop in purchase endorsements was more than matched by the 65-percent drop in refinancing in the fourth quarter of 1994.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
APPLICATIONS RECEIVED	139.6	190.8	463.8	- 27	- 70
TOTAL ENDORSEMENTS	168.9	272.4	291.5	- 38	- 42
PURCHASE ENDORSEMENTS	140.0	189.3	138.2	- 26	+ 1
REFINANCING	28.9	83.1	153.3	- 65	- 81

* Thousands of properties.
Source: Office of Housing, Department of Housing and Urban Development

PMI and VA Activity*

Private mortgage insurers reported issuing 242,700 policies or certificates of insurance on conventional mortgage loans during the fourth quarter of 1994, down 16 percent from the third quarter and down 31 percent from the fourth quarter of 1993; these numbers are not seasonally adjusted. The Department of Veterans Affairs reported the issuance of mortgage loan guaranties for 82,500 single-family properties in the fourth quarter of 1994, down 41 percent from the third quarter and down 44 percent from the fourth quarter of 1993.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL PMI CERTIFICATES	242.7	287.5	353.8	- 16	- 31
TOTAL VA GUARANTIES	82.5	140.6	147.8	- 41	- 44

* 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 $157.9 billion in the third quarter of 1994, down 26 percent from the second quarter of 1994 and down 45 percent from the third quarter of 1993. The value for privately insured mortgages fell by 10 percent, and mortgages without insurance dropped by 33 percent. FHA- and VA-guaranteed mortgages decreased in volume by 24 and 6 percent, respectively. Compared to the third quarter of 1993, three out of the four categories decreased leading to an overall decline of 45 percent: 11 percent for FHA, 16 percent for privately insured, and 57 percent for uninsured mortgages. VA-guaranteed loans rose 14 percent in value. The market shares for FHA, VA, and privately insured mortgages increased in the quarter to 14.1, 8.1, and 20.6 percent, respectively. Uninsured mortgages continue to dominate the market with 57.3 percent despite their declining market share.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Dollar Volume ($Billions)					
FHA INSURED	22.3	29.2	25.1	- 24	- 11
VA GUARANTEED	12.8	13.6	11.2	- 6	+ 14
PRIVATE INSURANCE	32.5	36.2	38.9	- 10	- 16
NOT INSURED*	90.4	135.1	211.5	- 33	- 57
TOTAL	157.9	214.0	286.7	- 26	- 45
Percentage of Market Shares**					
FHA INSURED	14.1	13.6	8.8	+ 4	+ 61
VA GUARANTEED	8.1	6.4	3.9	+ 28	+ 108
PRIVATE INSURANCE	20.6	16.9	13.6	+ 22	+ 52
NOT INSURED	57.3	63.1	73.8	- 9	- 22

* Includes 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 $165.3 billion in the third quarter of 1994, down 26 percent from the second quarter of 1994 and down 44 percent from the third quarter of 1993. Nearly identical patterns exist for single-family mortgages. The financing volume for multifamily units (5+) totalled $7.4 billion in the third quarter, down 24 percent from the previous quarter and 14 percent from the third quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
ONE TO FOUR UNITS	157.9	214.0	286.7	- 26	- 45
FIVE PLUS	7.4	9.7	8.6	- 24	- 14
TOTAL	165.3	223.8	295.3	- 26	- 44

* Billions of dollars.
Source: HUD Survey of Mortgage Lending Activity

Mortgage Originations by Lender Type, 1–4 Family Units

Third quarter data indicate increasing shares for savings and loans, commercial banks, and mutual savings banks at the expense of the still dominant mortgage companies. Almost all classes of lenders experienced a declining volume of originations. The volume of mortgage originations handled by commercial banks in the third quarter dropped to $43.3 billion, 22 percent lower than the second quarter of 1994. Savings and loans made $27.8 billion in loans, down 19 percent for the quarter. Mutual savings banks wrote $6.4 billion, down 18 percent from the previous quarter. Even though they experienced a 32-percent drop from the second quarter, mortgage companies continue their dominance of the market with $78.1 billion in new originations. Mortgage companies decreased their share to 49.5 percent, commercial banks' share rose to 27.4 percent, mutual savings banks' share rose to 4.1 percent, and savings and loans' share increased to 17.6 percent. "Other lenders" represent less than 2 percent of the market.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Dollar Volume ($Billions)					
COMMERCIAL BANKS	43.3	55.5	69.9	- 22	- 38
MUTUAL SAVINGS BANKS	6.4	7.8	10.4	- 18	- 38
SAVINGS AND LOANS	27.8	34.4	46.8	- 19	- 41
MORTGAGE COMPANIES	78.1	114.4	157.8	- 32	- 51
OTHER LENDERS	2.5	1.9	1.8	+ 32	+ 39
TOTAL	157.9	214.0	286.7	- 26	- 45
Percentage of Market Shares					
COMMERCIAL BANKS	27.4	25.9	24.4	+ 6	+ 12
MUTUAL SAVINGS BANKS	4.1	3.6	3.6	+ 11	+ 12
SAVINGS AND LOANS	17.6	16.1	16.3	+ 10	+ 8
MORTGAGE COMPANIES	49.5	53.5	55.0	- 7	- 10
OTHER LENDERS	1.6	0.9	0.6	+ 78	+ 152

Source: HUD Survey of Mortgage Lending Activity

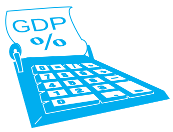
Delinquencies and Foreclosures

Total delinquencies were 3.90 percent at the end of the third quarter of 1994, down 7 percent from both the second quarter of 1994 and the third quarter of 1993. Ninety-day delinquencies were at 0.74 percent, down 10 percent from the second quarter of 1994 and 4 percent from the 1993 third quarter level. During the third quarter of 1994, 0.35 percent of loans entered foreclosure, the same as in the previous quarter, but 13 percent above the third quarter of 1993.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL PAST DUE (%)	3.90	4.21	4.19	- 7	- 7
90 DAYS PAST DUE (%)	0.74	0.82	0.77	- 10	- 4
FORECLOSURES STARTED (%)	0.35	0.35	0.31	–	+ 13

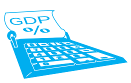
Source: National Delinquency Survey, Mortgage Bankers Association

HOUSING INVESTMENT



Residential Fixed Investment and Gross Domestic Product*

Residential Fixed Investment for the fourth quarter of 1994 was $285.1 billion, up 1 percent from the third quarter of 1994 and up 7 percent from the fourth quarter of 1993. As a percent of Gross Domestic Product, Residential Fixed Investment was 4.1 percent, down from 4.2 percent last quarter and the same as in the fourth quarter of 1993.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
GDP	6,891.1	6,791.7	6,478.1	+ 1	+ 6
RFI	285.1	283.4	267.2	+ 1	+ 7
RFI/GDP (%)	4.1	4.2	4.1	- 1	–

* 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 fourth quarter of 1994, 111,806,000 units, shows a 0.5-percent increase from the third quarter of 1994. The number of occupied units increased by 0.7 percent. Owned units increased by 0.9 percent while rented units increased by a statistically insignificant amount. Vacant units decreased by 1.0 percent, though this is statistically insignificant. Comparisons with the 1993 fourth quarter estimates may be heavily influenced by the introduction of new estimation weights based on 1990 census counts.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
ALL HOUSING UNITS	111,806	111,266	110,351	+ 0.5	+ 1.3
OCCUPIED UNITS	99,593	98,927	98,487	+ 0.7	+ 1.1
OWNERS	63,947	63,391	63,647	+ 0.9	+ 0.5
RENTERS	35,646	35,536	34,840	+ 0.3**	+ 2.3
VACANT UNITS	12,213	12,339	11,864	- 1.0**	+ 2.9

* 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 national rental vacancy rate in the fourth quarter of 1994 rose to 7.4 percent, 3 percent higher than the third quarter of 1994 and 7 percent above the fourth quarter of 1993. The homeowner vacancy rate, at 1.6 percent, was up 14 percent from both the previous quarter and year earlier levels.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
HOMEOWNER RATE[1]	1.6	1.4	1.4	+ 14	+ 14
RENTAL RATE[1]	7.4	7.2	6.9	+ 3*	+ 7

[1] Major changes related to the survey effective with 1994 first quarter data.
* This change is not statistically significant.
Source: Bureau of the Census, Department of Commerce

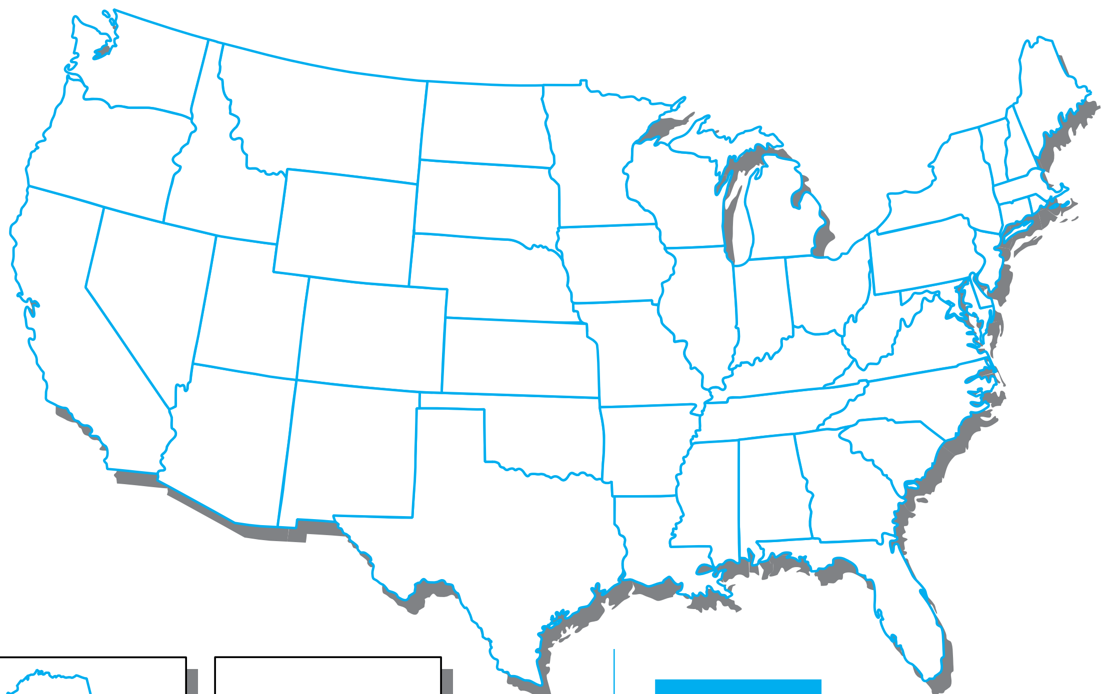
Homeownership Rates

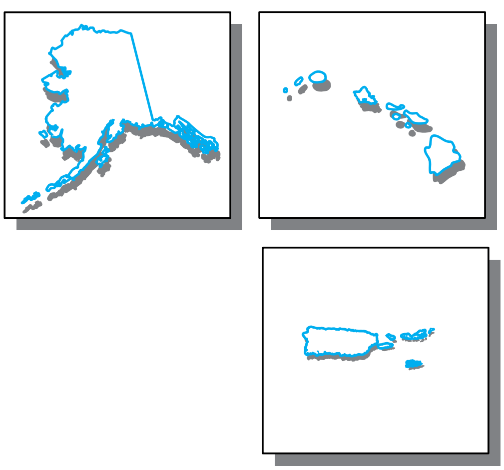
The national homeownership rate was 64.2 percent in the fourth quarter of 1994, up a statistically insignificant 0.2 percent from the third quarter and unchanged from the fourth quarter of 1993. It should be noted that the Census Bureau introduced 1990 census counts into the estimation of the quarterly homeownership rate series for 1993 and 1994. The new estimates of the homeownership rates are about 0.5 below estimates based on 1980 census weights.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
HOMEOWNER RATE	64.2	64.1	64.2	+ 0.2*	–

* This change is not statistically significant.
Source: Bureau of the Census, Department of Commerce

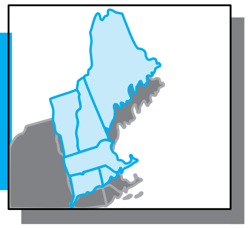
Regional Activity





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



Employment growth in New England continued in the fourth quarter of 1994 in all States except Maine. Massachusetts had the largest gain, with nonagricultural wage and salary employment increasing by 2.4 percent (70,000 jobs) from November 1993 to November 1994. New Hampshire's employment increased by 3 percent (13,000) for the same period. Connecticut showed a 0.7-percent increase (10,300 jobs) and Rhode Island and Vermont reported increases of 4,000 and 4,450 jobs, respectively. Employment declined slightly in Maine, and the unemployment rate fell from 8.4 percent to 6.7 percent, reflecting declining labor force participation.

Most of the employment gain in New England was in service jobs, particularly business and education services. Employment in the construction sector continued to grow in 1994, helped by mild weather and increased commercial and residential development. The Central Artery/Third Harbor Tunnel project in Boston is underway and will employ 10,000 persons during the peak construction years of 1997 and 1998.

Residential building activity, as measured by building permits, increased slightly in 1994. The total for the region rose 1.8 percent, from 39,603 units in 1993 to 40,319 units in 1994. Single-family activity (36,333 units) was up 2.7 percent for the year. Massachusetts had the largest yearly gain in single-family activity, 6.2 percent. Multifamily building-permit activity for the region declined by about 5 percent in 1994.

New England experienced modest growth in home sales through the third quarter. The seasonally adjusted annual sales volume for the first three quarters was up 5 percent over the same period in 1993. However, preliminary data indicate fourth quarter sales were much lower than 1993 fourth quarter sales. Builders and real estate brokers are concerned that high interest rates will hurt the normally good spring market.

Sales prices have remained relatively stable. In Massachusetts sales prices were up a modest 3 percent in the third quarter of 1994 compared with the same period 1 year ago. In the Boston area, however, the median sales price went from \$176,900 to \$185,400, a 5-percent increase. Local sources say the increased interest rates have cooled the sales market and kept price increases low. The higher interest rates have moved some potential first-time buyers out of the single-family market and into the condominium market. On a positive note for both builders and buyers, the mild weather has allowed New England homebuilders to continue construction through the winter months and finish units sooner.

The Boston area rental housing market continues to recover, and the rental vacancy rate is estimated to be around 5 percent. The rental market in Hartford remains soft, although there has been improvement in apartment occupancy. Some of the close-in neighborhoods still have double-digit multifamily housing vacancy rates.

Massachusetts voters recently approved a referendum to eliminate rent control in Boston, Brookline, and Cambridge. The Governor has signed into law an Act phasing out rent control. The three cities, which have a combined total of over 40,000 units under rent control, are developing plans to prevent displacement of elderly, disabled, and low-income tenants.

Spotlight on

Manchester, New Hampshire

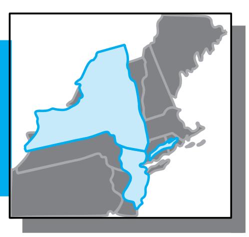
The Manchester metropolitan area has followed the boom and bust pattern of the New England economy, although there has been less volatility because its economy became more diversified. In contrast to other parts of New England, the growth of manufacturing jobs has outpaced the growth of service sector jobs since 1988. In November 1994 the Manchester area's unemployment rate was 3.7 percent, down from 5.4 percent in January.

The area lost 9,300 jobs from 1989 through 1992, with the largest losses in finance, insurance, and real estate. From November 1993 to November 1994, the number of jobs increased by 1,300, led by gains in services, transportation, and retail trade. Expansion of the Manchester airport added 200 permanent jobs and has promoted expansion and attraction of other businesses to the airport property. United Parcel Service built a $4.1 million facility at the airport, and Marriott is planning construction of a hotel.

Home prices and sales activity have increased in the past 2 years. From 1992 through 1994, the average price rose by 12 percent from $104,144 to $116,397. 1993 marked the first time since before 1988 that the average price and volume of sales both increased.

The rental housing market is fairly flat. Rents in general did not increase last year except for a slight upward movement in condominium units in better neighborhoods. Older buildings must offer concessions to attract the lower income tenants. The market has an oversupply of one-bedroom and efficiency units. In some parts of the market, current rent levels cannot support the refinancing needed for overdue maintenance, and buildings are suffering from disrepair and abandonment. The rental vacancy rate is currently estimated to be around 10 percent.

NEW YORK/ NEW JERSEY



Job growth in New York and New Jersey continued to lag behind the national growth rate in 1994. New York State continues to exhibit a slow economic recovery, with upstate New York showing a higher rate of employment growth than the New York City-Long Island areas. For the 12 months ending December 1994, nonagricultural employment in New York State increased by less than 1 percent. During the same period, employment in upstate New York metropolitan areas increased by 1.4 percent. Employment gains were in services (particularly health care), wholesale and retail trade, and construction. Statewide, the seasonally adjusted unemployment rate had declined to 5.4 percent by December 1994. An estimated 29,400 manufacturing jobs were lost in 1994.

In the New York City area, the unemployment rate was 6.6 percent in December, down from 7.5 percent in November. The decline, however, is primarily attributable to a reduction in the number of people seeking work. In 1994 the New York City area added approximately 75,000 jobs (1 percent), compared to 60,000 jobs (0.8 percent) added in 1993. Employment growth was greatest in northern New Jersey.

The momentum of the economy in the New York City area decelerated in the second half of 1994 despite the strong performance of the national economy. Job growth in the second half of 1994 slowed to 1,500 jobs monthly compared to 7,500 jobs monthly in the first half of the year. The slowdown was most pronounced in services, construction, finance, insurance, and real estate.

Manufacturing continues to be the weak sector of the New York City area. Approximately 300,000 manufacturing jobs, 25 percent of the total, have been lost since 1988. The decline of 18,300 jobs in 1994, however, was smaller than the losses of 28,200 in 1993 and 49,400 in 1992. Manufacturing job losses during the past year were greatest on Long Island.

The stalled economic recovery in New York City has largely contributed to a decline in growth in its entire metropolitan region. In 1994 the approximately 31,000 private-sector jobs created in the city were offset to a significant degree by the loss of 16,000 government jobs. The city has been particularly hard hit by higher interest rates that have caused profits on Wall Street to decline 80 percent from those in 1993. The New York City comptroller recently issued a report to the effect that the economy is “very weak” and its recovery “very fragile.” He also warned that additional interest rate hikes could trigger a recession.

The rental market in Manhattan strengthened considerably in 1994 and rents rose approximately 10 percent. A large Manhattan brokerage firm that specializes in rentals estimated that rents would increase an additional 5 percent in 1995. There have been indications that the Manhattan co-op and condominium market is strengthening; however, it remains quite weak for smaller unit apartments and is still depressed in other parts of the city.

The slow economic recovery and significant first-time homebuying in 1992 and 1993 resulted in increased rental vacancy rates in many upstate markets. However, over the past 12 months, occupancy levels have increased and most markets are balanced.

Rental vacancies declined in New Jersey in 1994, although this has not translated into higher rents. According to the New Jersey Apartment Association, vacancy rates fell about 2 percentage points to about 5 percent. This reflects what has happened in central New Jersey—Monmouth, Ocean, Middlesex, Somerset, and Hunterdon Counties. The vacancy rate is between 7 percent and 10 percent in the counties further south and in such urban areas as New Brunswick, Atlantic City, and Trenton. The rental vacancy rate is between 3 and 5 percent in the northern counties.

In New York State, the median sales price in the third quarter of 1994 rose from $143,984 to $144,582. The New Jersey the median sales price in the third quarter of 1994 was $153,000 compared to $149,400 for the same period a year ago.

In New Jersey building permits were issued for 26,632 housing units during 1994, a 5.7- percent increase over the same period a year ago. Single-family activity accounted for 89 percent of the total. In New York State, 28,499 units were permitted in 1994, almost equal to the number in 1993. However, multifamily activity increased 7.7 percent to 8,083 units.

According to the New York State Association of Realtors, third quarter 1994 existing residential sales volume increased by 5.6 percent statewide and 1.1 percent for the upstate area compared to the same quarter in 1993. During this same period, the median sales price for a single-family home in New York State increased only 0.4 percent to $144,600. The third quarter median sales price for an existing home in upstate New York was unchanged, at $130,600.

Spotlight on

Nassau-Suffolk, New York

The Nassau-Suffolk (Long Island) metropolitan area population has remained essentially unchanged since 1990, at approximately 2.6 million. Lack of growth is attributable to a weak economy and decreased in-migration from New York City.

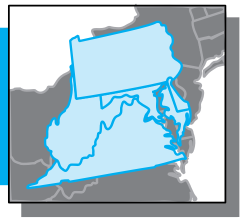
Long Island was hard hit by the recent recession, losing 69,000 jobs, or 6.1 percent of the job total, between 1990 and 1993. Durable goods manufacturing, almost exclusively defense related, has declined by 27,800. Employment in the transportation equipment sector declined by 6,700 jobs between 1990 and 1993 and by 2,500 jobs in the past year. It is anticipated that this industry will lose at least another 1,000 jobs in 1995. Overall employment increased very slightly during the first 10 months of 1994, with job gains principally in services and trade.

Building-permit activity on Long Island showed an increase in 1994. Single-family activity totalled 3,670 units and multifamily activity totalled 942 in 1994. Multifamily building activity is concentrated in the towns of Babylon and Islip in the southwestern part of Suffolk County. Most of the single-family construction is in Suffolk County.

Single-family home sales on Long Island increased 9.9 percent between November 1993 and November 1994. The median sales price in November 1994 in Nassau County was $175,000, an increase of 1.7 percent since last November. The median sales price in Suffolk County decreased 3.7 percent to $135,000 during the same period.

The rental market on Long Island has remained tight. The estimated rental vacancy rate is now around 2 percent. Although demand is strong, local zoning regulations have impeded multifamily development.

Mid-Atlantic



The Mid-Atlantic region's economy continues its improvement as evidenced by increased employment and reduced unemployment. Manufacturing sector growth continues, however, at a slower pace than in the first half of 1994. Residential construction activity trends vary, but were up slightly for the region.

During the first 2 months of the fourth quarter, Pennsylvania increased its employment by 28,000, while decreasing its unemployment by 0.5 percentage points to 6 percent. In Philadelphia employment increased by a total of 7,000 jobs, half of which were in retail trade and services. Philadelphia area companies are expected to outpace businesses nationwide in their plans to buy new equipment, and 35 percent of businesses expect the Philadelphia area to strengthen even more by the middle of 1995.

The city of Philadelphia and the State of Pennsylvania are working closely with New Jersey's Governor, Pennsylvania senators, and labor leaders to attract one of the world's leading shipbuilders to its soon to be closed naval shipyard. The company, Meyer Werft of Germany, has a backlog of orders for luxury cruise ships and gas and chemical tankers, which would mean employment for some 2,500 skilled workers.

Philadelphia and Camden city officials and potential entrepreneurs are gearing up to get the $100 million Empowerment Zone on its way in the four targeted zones. The State and city have coordinated their economic development efforts to finance the construction of a $3 million, 40,000-square-foot building that will house 8 small- and medium-sized industrial and manufacturing firms.

In Virginia employment losses due to continued downsizing of defense-related and tobacco industries were offset by a banner year for tourism and gains in the trade and service sectors. Virginia's strong economy exhibited a continued decline in unemployment (4.4 percent in November) and an increase of 13,000 jobs in retail trade. With a November unemployment rate of 3.4 percent, the Roanoke area reports an approaching labor shortage, with employers finding it hard to fill the lowest paying jobs. The rapid employment gain in the Roanoke area in 1994 (4,600 jobs added for a 3.5-percent gain) led to strong in-migration and escalating housing demand, with marginal rental vacancies.

Maryland's recovery from the recession has been weak. Total employment for the first 11 months in 1994, at 2.11 million, was below the level of 2.19 million in early 1990. Employment is not expected to regain prerecession levels until sometime in mid-1996. The slow recovery is due in part to the lack of growth in construction and downturns in defense- related industries.

Delaware's employment increased during the last quarter by over 1,800 jobs, while the number of unemployed declined by 1,500 to less than 4.1 percent.

While home prices are holding steady in major markets in Virginia, Richmond-Petersburg showed an increase of 8 percent in home sales. Residential construction activity in the State increased 6 percent from 1993 to 1994. The proposed development of a $450 million steel mill in King William County would add 600 high-paying jobs along the I-64 corridor between Richmond and Hampton Roads, thus helping the economic transition away from defense industries.

The use of adjustable-rate mortgages (ARMs) has increased significantly in Virginia as interest rates have risen. Some lending institutions report ARMs currently comprise 60 to 70 percent of their home loan activity. The Virginia Housing Development Authority (VHDA) has developed two new products for mortgage financing that have proven to be widely successful and have helped bolster home sales and new construction activity in the State. The Step Program is a modified buydown with a long-term interest rate set at 0.5 percent above the regular program, but the first-year (qualifying) rate is 2 points lower and the second-year rate is 1 point lower. The FHA Plus Program provides a first mortgage, with a second mortgage (backed by mortgage revenue bonds) to cover downpayment and closing costs.

Pennsylvania's single-family building permit data for 1994 show a 4.6-percent increase over 1993. The repeated interest rate increases of the second half of 1994 hurt first-time buyers, who are being priced out of the market. The larger cities experienced declines in the number of home sales in 1994.

The last half of 1994 saw retrenchment in housing markets in Maryland, especially in the Baltimore area. This is in sharp contrast to the stronger housing market of the first half of 1994. Increases in long- and short-term interest rates marked the turnaround in the market. Home sales, construction starts, and permits were all being impacted by the end of the year. Home sales in the Baltimore metropolitan area were up 5 to 25 percent each month of the first half of 1994 compared to the same month in 1993. Home sales in each month of the second half of 1994 were lower than the same month in 1993, and were lower by increasing amounts toward the end of the year. This impact is particularly felt in new home sales. New home sales in the Baltimore area are down from 10,400 in 1993 to 8,600 in 1994, the first decline in 4 years.

Spotlight on

Washington, District of Columbia-Maryland-Virginia

The economy of the Washington metropolitan area has remained relatively strong during the 1990s. From 1990 through 1992, the local economy lost about 2.8 percent of its employment. Since then the area has recovered and employment growth has been in the range of 2 to 3 percent annually. The unemployment rate in the fourth quarter of 1994 was less than 4 percent.

Anticipated cutbacks in the Federal Government, which comprises approximately 15 percent of the total employment, raise concern about the local economy. During 1994 the metropolitan area lost 10,000 Federal jobs. Total employment, however, grew by about 46,000 jobs in 1994. Suburbs in Northern Virginia continue to lead the area in employment gains.

Annual average employment growth in northern Virginia is about 3.5 percent. The Maryland suburbs are growing at a slower rate of about 1.6 percent annually. Both the suburban jurisdictions of Maryland and Northern Virginia were hurt by cutbacks in defense spending, but northern Virginia, with a relatively stronger orientation towards telecommunications and electronics, was better positioned to make the transition from government to the private sector.

The growth in the suburban areas of Fairfax, Loudoun, and Prince William Counties in Virginia, and Montgomery County in Maryland has slowed from annual population increases of 2 to 4 percent from 1980 to 1990 to 1 to 2 percent since 1990. Population and household growth over the remainder of the decade are expected to average 1.5 percent annually.

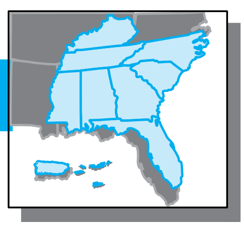
Reflecting the slower rate of growth and the slowdown in home sales, single-family permits declined slightly in 1994, totalling 25,862 units, 2 percent lower than in 1993. In several Northern Virginia suburbs, construction is concentrated in areas close to the Virginia Railway Express' stations. New communities in suburban Stafford and Prince William Counties are offering three-bedroom townhouses starting in the low $90s. Single-family detached homes range in price from the low $100s to $350,000 and up. Two-bedroom condominiums are selling in the low $80s to the low $100s. Most of the new developments in these communities are offering amenities, such as swimming pools, recreation facilities, community centers, and shuttle-bus service to the commuter rail.

As a result of the rise in interest rates, 1994 was a letdown. Sales volume for the area is expected to be off some 7 to 8 percent from 1993 levels. Existing home sales for the metropolitan area were down in 1994 by 5 percent, with Virginia down a modest 2.4 percent and Maryland down 6.8 percent for the year.

New home sales in the area declined 10 percent in 1994. In Loudoun and Prince William Counties, new home sales have remained at about the same level as in 1993. Sales are off significantly in early 1995, but builders are cautiously hopeful for a modest recovery in the spring.

The rental market in the metropolitan area housing market continues to improve, as growth over the past several years and relatively lower levels of construction have resulted in absorption of previous excess supplies. The market is generally balanced, although there are some soft spots in areas with older projects. Since 1992 multifamily building activity, as measured by units permitted, has increased by about 28 percent each year. In 1994 5,138 multifamily units were authorized by building permits. Active submarkets are Laurel, Maryland, and Leesburg, Virginia. There has been significant improvement in the Fredericksburg, Stafford County, and Prince William County rental markets.

SOUTHEAST



The Southeast continued to show strong employment growth as 1994 came to an end. Through November total employment in the eight States and Puerto Rico had increased by 3.8 percent over the same period in 1993. The overall unemployment rate in the Southeast was 5.4 percent in November 1994, slightly below the national average. Tennessee's rate of unemployment continued to fall, reaching 3.6 percent in November. Puerto Rico's unemployment rate remains high at 14.2 percent. Florida, Mississippi, and South Carolina each had unemployment rates in excess of 6 percent.

Growth in nonagricultural employment from November 1993 to November 1994 ranged from a low of 1.4 percent in Alabama to a high of 4.8 percent in Georgia. Overall growth in the eight States was 3.4 percent. Georgia's growth was driven by a 9.9-percent increase in service employment and an 11.7-percent increase in construction employment. Growth in service and construction employment along with increases in government employment were responsible for more than 80 percent of the increase over the year in the region. Manufacturing contributed more than 51,000 jobs, growing at 1.4 percent over the 12-month period.

Announcements of significant additions of new jobs continued through year's end. In Union City, Tennessee, Tyson Foods, Inc., will invest $60 million in a new processing plant and feed mill that will create up to 1,700 jobs by 1996. In Anderson, South Carolina, Ohio Plastic Packaging will open a new plant by April 1995 that will employ up to 400 within 3 years. In Carrollton, Georgia, Sony Corporation will expand its plant and add 375 jobs. Wheland Foundry in Chattanooga, Tennessee, a manufacturer of brake components, will hire an additional 300 employees during 1995. General Tire will move 300 employees from Akron, Ohio, to Charlotte, North Carolina. Mazda North America, Inc., will open a $20 million distribution center employing 100 persons in Olive Branch, Mississippi, in 1996.

With continued strong economic growth, building-permit activity through December for all eight States was ahead of activity for 1993. Overall, the increase was about 17 percent. Single-family activity for the year totalled 282,021 units, an 8.7-percent increase over 1993. As interest rates began to rise during the first quarter, single-family activity slackened. Single-family activity in the first half of 1994 was 13.7 percent ahead of the comparable 1993 period, but activity in the second half of the year declined some 3 percent compared to 1993's level.

Almost 80,000 multifamily units were permitted during the year, a 57-percent increase over 1993. Multifamily activity was actually stronger in the second half of 1994. In the first 6 months of 1994, permits were 56 percent ahead of the comparable 1993 period. But activity in the second half of the year increased 63 percent compared to 1993 levels.

Rising mortgage interest rates have slowed existing home sales throughout the Southeast. As interest rates have risen since the first quarter of 1994, the use of ARMs has increased significantly in most housing markets. Many lending institutions report that ARMs represent 50 to 60 percent of their volume of loans, although this can vary widely among markets and types of financial institutions. ARM rates also vary widely among markets, but generally are in the 6.75- to 7.75-percent range, with 1 point or less. Higher interest rates have had some impact on all segments of the market. Rising construction costs also have contributed to a slowing of single-family construction from the rates seen earlier in the year. Builders have focused on the move-up market as the number of first-time buyers has declined. Builders have also cut back on the volume of construction and some have switched to smaller or lower priced units. There are no signs, however, of builders offering concessions or buydowns as a result of the slowdown. With interest rates now somewhat stabilized, builders generally expect the market to hold steady through the spring of 1995.

In addition to the nationwide increases in material costs, upward pressure on wages has been reported for a number of skilled construction trades. Shortages of skilled construction workers are reported in several market areas. In middle Tennessee there is a serious shortage of construction workers. In the Memphis area, the shortage is causing delays in the construction of homes. Kentucky Tech in Lexington, in cooperation with the local homebuilders association, is training carpenters and sheet rock hangers. Most students have jobs before they graduate. Construction related to the Olympics in Atlanta has caused upward pressure on wages for a number of skilled construction trades. In North Carolina labor shortages are reported along the coast and in the Greensboro, Winston-Salem, and Raleigh-Durham areas. In Florida some spotty shortages of labor and materials are reported.

In most market areas in the Southeast, a large portion of new rental construction is of high-rent units. Typically these units are being built for young couples, singles, and empty nesters. In Atlanta some local market analysts have created a separate Class “AA” designation to distinguish these units from high-amenity properties built in the 1980s. In addition to a large package of amenities, the new properties emphasize higher quality and finish, and include such extras as high ceilings, moldings, fireplaces, attached garages, fitness centers, whirlpool baths, security guards, and alarm systems. One-bedroom units with 800 square feet and two-bedroom units with 1,100 square feet are typical. Most two-bedroom units have two bathrooms. Increasingly, three-bedroom units are being emphasized in new apartment communities.

Spotlight on

Biloxi-Gulfport, Mississippi

Biloxi and Gulfport are one of Mississippi’s fastest growing metropolitan areas due to the influx of casino establishments since gaming was legalized in August 1992. The growth of the gaming industry in Mississippi has been remarkable. The industry currently employs approximately 15,800 on the Mississippi Gulf Coast. According to estimates by the Center for Policy Research and Planning in Jackson, the population of the Biloxi-Gulfport metropolitan area increased from 312,368 to 340,178 from 1990 through 1994, a 2-percent annual rate of growth. The chief beneficiary of population growth has been Harrison County, where most of the gaming establishments are located.

As the Biloxi-Gulfport area welcomes the good economic news about casinos and new hotels and other supporting facilities, there is concern about other industries struggling and shutting down. A profile of the area shows that the economic base is concentrated in a few sectors, leaving the area vulnerable to boom and bust cycles so common in years past. Looming on the horizon is Louisiana’s development of a casino industry capable of making significant inroads into the Mississippi Gulf Coast’s dominance in this sector.

The Biloxi-Gulfport economy greatly depends on four Federal employment sources: Keesler Air Force Base, the Naval Battalion Seabee Base in Gulfport, the John C. Stennis Space Center (NASA) in Hancock County, and the Pascagoula Naval Station. The largest private employer in the area is Ingalls Shipyard in nearby Jackson County, which is expected to lose approximately 4,000 employees due to cutbacks in Navy contracts. These losses, however, will be offset to a considerable extent by gains in the area's military installations. Exports are also very important to the Biloxi-Gulfport area. Tonnage has been steadily increasing over the last 3 years. The State of Mississippi is aggressively pursuing foreign markets as demonstrated by the opening of a new trade mission in Santiago, Chile.

Employment in the Biloxi-Gulfport area continues to grow but at a decreasing rate from the previous year. During the 12 months ending November 1994, total employment was at 77,050 compared to 70,140 in November 1992. This represents an increase of 6,910 jobs over the 2-year period. In the short run, the Biloxi-Gulfport area is expected to continue its successful pattern of growth as new casinos, large hotels, and other amenities now under construction enter the market.

In 1994 1,076 single-family housing units were permitted in the Biloxi-Gulfport area, a 14.6-percent increase over 1993. In 1992 only 550 single-family housing units were permitted.

For 1994 building permits were issued for 718 multifamily units in the Biloxi-Gulfport area. This includes 3 apartment complexes with 200 to 250 units each. One is an FHA-insured development and will be the first to enter the market. In 1993 only 111 multifamily units were permitted, and 1992 saw only 16 multifamily units permitted. The increased activity in both single-family and multifamily construction has been driven by the 15 large casinos built on the Mississippi Gulf Coast since August 1992. To a lesser extent, the military buildup at Keesler AFB was also responsible for the increased multifamily housing activity.

The Mississippi Gulf Coast Apartment Survey dated September 1994 shows that the vacancy rates among market rate apartment complexes were 2.3 percent and 3.5 percent in the cities of Biloxi and Gulfport, respectively. In Harrison County the vacancy rate was 3.3 percent. In the Biloxi area, the average rental rate for two- and three-bedroom units increased by 20.6 percent and 14.4 percent, respectively, over the same 2-year period. In Gulfport the average rental rate for two- and three-bedroom units increased by 17.5 and 23.6 percent, respectively.

While rental vacancy rates of less than 5 percent would be considered tight in most markets, the Mississippi Gulf Coast has historically been highly volatile and vacancy rates can rise to the two-digit range very quickly. Lack of diversification in the economic base of the area is mainly responsible for the unbalanced rental markets experienced over the last 20 years. Therefore, the current low-rental vacancy rates should not be considered necessarily a signal that this area is ready for significant numbers of new rental units. Current production of both single- and multifamily units is above historical averages.

MIDWEST

Employment in the Midwest continued to show strong growth in the fourth quarter of 1994, increasing by 480,000 jobs over the third quarter of 1993. Manufacturing activity remains brisk and capital goods production is strong. Exports to Canada and Mexico are up significantly, from $32 billion in the first three quarters of 1993 to $37 billion in the same period of 1994. Homebuilding peaked in the third quarter of 1994, but apartment construction continues to increase. Private surveys of business conditions in December show continued strengthening of local economies in the Chicago, Detroit, and

Milwaukee metropolitan areas. The region's employment outlook for the first quarter of 1995 is strong, particularly in manufacturing, which has led the Midwest recovery.

Record employment in the region in November reduced the unemployment rate to 5 percent or lower in all States. Michigan continued to have the largest employment growth in the region. Over 146,000 jobs were added during the 12 months ending November 1994. Motor vehicle production in Michigan, at 3.3 million for the 1994 model year, was the highest since 1987. In suburban Detroit Ford Motor Company is building a $44 million plant for manufacturing truck crankshafts and is investing $185 million to retool another facility. Together, the two will add 300 jobs by 1997. In Rockford, Illinois, Chrysler Corporation is hiring 400 workers to produce Neon subcompact cars and is studying the feasibility of adding a third production shift and 800 more jobs by August 1995. In Kenosha, Wisconsin, Chrysler plans to add a line of 2.7-liter engines and recall several hundred workers. In Indiana manufacturing employment in November was the highest in 5 years, reflecting hiring gains by automobile parts suppliers and steel companies. Steel Dynamics Incorporated began construction of a $514 million steel mill in the Fort Wayne metropolitan area. When completed in 1996, the plant will employ 600 workers. Ohio gained 63,800 jobs between the fourth quarter of 1993 and the fourth quarter of 1994; manufacturing accounted for one-third of the increase in employment. Strong employment growth in retail trade and business services in Minnesota helped reduce the unemployment rate to 3.5 percent, the lowest in the region.

The city of Chicago is encouraging business expansion in economically distressed neighborhoods where land is scarce due to industrial pollution. Using $50 million in loans requested from HUD, the city is planning the cleanup of 11 contaminated sites and will offer property tax credits to businesses that expand operations and create jobs. Four manufacturing plants in Chicago are increasing plant capacity and have added 100 workers so far on 5 sites previously cleaned up by the city. In a separate action, HUD selected Chicago and Detroit as Empowerment Zones. Using $100 million each in HUD funds, $2.2 billion pledged by private business over 10 years, $557 million in State and local government funds, and Federal tax incentives, the two cities plan to stimulate economic growth and create jobs in distressed inner-city neighborhoods. Businesses in Chicago's Empowerment Zone plan to hire 1,500 workers in the first few months of development according to city officials.

Single-family building activity in the Midwest in 1994 was at its highest level in 16 years. Building permits were issued for 187,208 units, a 7.3-percent increase over 1993. However, homebuilding weakened in the fourth quarter, continuing a slowdown that started the previous quarter.

Sales of new homes in the fourth quarter continued to slow overall, but activity varied by market area and price range. Homebuilders in the Chicago area reported sales contracts in the fourth quarter were down 27 percent from the previous quarter and 16 percent from a year earlier. Construction has shifted to higher priced homes ($200,000 to $400,000) and away from homes selling for $125,000 to $150,000, the range popular with first-time homebuyers.

To stimulate sales some Chicago area builders are offering buydowns on lending rates of 2 percent below the first year of the loan and 1 percent below the second year. ARMs have come into play fairly strongly according to local sources. One and 3-year ARMs are going for 7.25 and 8.37 percent, respectively, with a 2-percent annual cap and 6-percent ceiling over the 30-year amortization period. In the Cleveland area, sales activity is down in all price ranges, while sales of luxury homes in the Cincinnati area ($400,000 and up) are the highest in 4 years. In the Minneapolis-St. Paul area, townhomes priced between $200,000 and $300,000 are selling well, mostly to empty nesters, but sales of luxury homes ($500,000 and up) have softened. In the Indianapolis metropolitan area, home sales in December were down 20 percent from a year earlier, and the unsold inventory of new homes was up 21 percent.

FHA single-family mortgage insurance activity in the region increased substantially during fiscal year 1994. In the 12 months ending September 1994, FHA insured over 211,000 homes for a total mortgage amount of $14.8 billion compared to 161,400 homes and $11.2 billion in fiscal year 1993.

Regionally, existing home sales in the third quarter of 1994 were up from a year earlier, but sales activity varied widely by State. Michigan's strong economy helped boost home sales 11 percent in the third quarter over a year earlier, but sales volume in Illinois was down 12 percent from last year. In the Minneapolis-St. Paul metropolitan area, home sales in November were 11 percent below last year.

Multifamily housing building activity in the region is significantly ahead of last year, and is the highest level since 1990. In 1994 building permits were issued for 51,715 units compared to 44,473 the year before, a 16-percent increase. Every State shared in the gain. Multifamily construction in Michigan was strong in 1994, up 25 percent from a year earlier. The State's HUD office is processing its first new construction application for the Detroit rental market in 3 years, a 118-unit project in suburban Farmington Hills. Reflecting strong demand for rental housing in west Michigan, a 200-unit, all 2-bedroom, project in Grand Haven is absorbing rapidly, and the developer is planning 3 additional projects in Grand Rapids and Holland. Monthly rent is $504 for 840 square feet of space and includes use of a community building. Indiana's 25-percent gain (6,144 units) was the highest since 1989. Multifamily construction in the Indianapolis metropolitan area and in northwest Lake and Porter Counties was primarily responsible for the increase. Driven by condominium building in the Chicago metropolitan area, multifamily activity in Illinois was up 27 percent in 1994. Minnesota and Ohio also showed significant percentage gains in multifamily activity, up 14 and 12 percent, respectively. Although multifamily activity in Wisconsin was up only 4 percent in 1994, building permits were issued for more than 10,900 multifamily units in the State, the eighth highest in the Nation.

The downtown Cincinnati rental market is experiencing new apartment development after more than a decade of relative inactivity. A new middle of the market project opened 2 years ago and leased quickly. A second phase with 64 units is under construction. Rents range from about $500 to $1,000 or about $.70 to $.85 a square foot. A luxury rental project is being proposed on the edge of downtown, with rents expected to average close to $1,000. Some units will be priced close to $1,500 a month. Older, competitive rental projects in and near downtown Cincinnati are maintaining strong occupancy.

Several affordable apartments broke ground in Chicago's inner city and several more opened. In Grand Boulevard, one of the city's poorest neighborhoods, construction began on 96 rental units ($400 to $800 monthly rent), the fifth stage of an 800-unit family and elderly rental development dating back to 1975. The latest phase of Paul Stewart Apartments is a cooperative venture between HUD/FHA, which insured the first mortgage for $3.7 million, the State of Illinois, which provided $4.3 million in financial assistance, the city of Chicago, which made available $669,000 in low-income housing tax credits, and People's Consumer Cooperative, which sponsored the project. In Humboldt Park construction started on 68 single-room occupancy units for low-income persons (between $10,000 and $15,000); 48 units rent for $235 a month and the remaining 20 are subsidized through HUD's Section 8 Program. Two apartments with 217 affordable units opened in Garfield Park and Woodlawn, both low-income communities, using $10 million in HOME funds provided through HUD and $1.4 million in low-income housing tax credits. Units are being rented quickly, with over 20 percent of Renaissance-Woodlawn's 117 units occupied in the first 2 months.

Throughout the region rental markets remain generally strong. Private surveys of 22 market areas show occupancy in the 93- to 95-percent range in the fourth quarter of 1994, down slightly from the previous quarter but up from 92 to 94 percent in the fourth quarter of 1993. Chicago area occupancy is 95 percent, and property managers are raising rents 3 to 5 percent. Local sources report 94-percent occupancy in apartments in Indianapolis and rent increases of 3 to 4 percent. In Minneapolis-St. Paul the rental market is tight with occupancy estimated at 97 percent.

Spotlight on

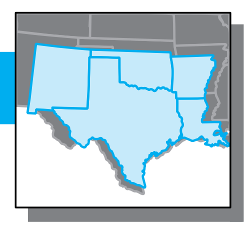
Milwaukee-Waukesha, Wisconsin

Led by a pickup in manufacturing activity, the Milwaukee-Waukesha metropolitan area gained 15,000 nonagricultural jobs from November 1993 to November 1994, representing a 2-percent increase. Durable goods production accounted for one-fourth of the area's employment growth. A.O. Smith, a supplier of automobile parts, began adding workers for the first time since 1978. Harley-Davidson Company is hiring workers in response to strong demand for motorcycles, which is expected to continue through 1996. Quad-Graphics, which prints Newsweek magazine, is expanding and plans to add 1,000 jobs by the year 2000. However, Briggs and Stratton Corporation will shift small engine production to plants in Missouri and Kentucky and eliminate 2,000 jobs in the Milwaukee area by 1997. The unemployment rate in the metropolitan area in November was 3.7 percent.

Single-family construction in the four-county metropolitan area over the past 3 years has been at its highest level since the late 1970s. In 1994 building permits were issued for 4,392 single-family units, down 2 percent from strong 1993 levels. High levels of household growth, relatively low mortgage interest rates, and affordable single-family housing underlie much of the improvement in the homebuilding industry. Especially active areas are the cities of Brookfield, New Berlin, and Waukesha and the village of Menomonee Falls in suburban Waukesha County. In fiscal year 1994, FHA insured 1,519 homes in the Milwaukee-Waukesha area for a total mortgage amount of $85.9 million. This compares to 1,225 homes and $71.9 million in fiscal year 1993. The median sales price of existing homes in the third quarter of 1994 was $111,100, up 6.7 percent from the year earlier period. Homebuilding in the metropolitan area peaked in April 1994, when permits for 528 single-family units were authorized. Sales activity throughout the Milwaukee area in December was down 3 percent from a year earlier, and builders expect continued decline in home sales during the first quarter of 1995. Both first-time and move-up buyers have been affected by the increase in mortgage rates. ARMs have increased significantly with the rise in interest rates, according to a local lender. One and 3-year ARMs are going for 6.75 and 8.25 percent, respectively, with a 2-percent annual cap and 6-percent ceiling over the mortgage term.

Demand for rental housing is strong throughout the metropolitan area, but apartment construction has been weak for the past 2 years. In 1994 building permits were issued for 2,584 multifamily units, down 5 percent from 1993. Luxury rental developments near Waukesha and in downtown Milwaukee predominate. The vacancy rate for multifamily housing is below 5 percent.

SOUTHWEST



Average employment in the Southwest in the first 11 months of 1994 increased 3.5 percent over the same period in 1993. New Mexico continued to lead the region with a 4.8-percent employment gain during the period, as a result of increases in the construction, services, and mining sectors. The substantial increase in residential construction has resulted in large increases in construction employment. Shortages of skilled construction labor have been reported in northwest Arkansas and in the Albuquerque area.

Oklahoma had the lowest rate of employment growth at 1.9 percent. Arkansas had a 2.9-percent rate of growth and the lowest unemployment rate in the region at 5.0 percent. In Louisiana where unemployment remains at over 8 percent, it is anticipated that the gaming industry will have a substantial impact on job growth. In the first 11 months of 1994, Louisiana had a 2.5-percent rate of job growth partially due to gaming employment. Sixteen gaming facilities have gained approval in Louisiana, drawing many customers from nearby Texas. However, there is interest among Texas legislators in legalized gambling in their State.

The Texas economy has a huge stake in Mexican trade. In 1993 Texas exported $20.4 billion in goods and services to Mexico, representing about 20 percent of the State's total manufacturing sales. In the first 6 months of 1994, exports from Texas to Mexico increased 13.2 percent. Sales of electronic equipment, computers, transportation equipment, plastics, fabricated metals, brick, glass, and food products were particularly strong. The border cities along the Rio Grande Valley have boomed as a result of the North American Free Trade Agreement (NAFTA), and Dallas-Fort Worth, Houston, and San Antonio have also benefitted significantly.

The Southwest economy, especially in south Texas, has begun to feel the impact of the devaluation of Mexico's currency. In the border markets of Laredo, McAllen, and Brownsville, many holiday and post-holiday shoppers from Mexico stayed home. Hotels in the San Antonio area report an overall 40-percent decline in Mexican guests in the wake of the peso's devaluation.

Building-permit activity and housing construction in the Southwest region, continued to grow in 1994 for the fifth consecutive year. The largest percentage growth remained in New Mexico where the number of permits issued grew by over 30 percent from a year ago. Single-family building permit activity in the Southwest region totalled 97,517 units, a slight gain compared to the same time period in 1993. Multifamily activity continues to show strong growth. From 1992 to 1993, multifamily activity increased 57 percent. In 1994 multifamily permits (41,517 units) were more than double the 1993 level. All States reported significant gains.

The median sales price of existing homes in New Orleans, Oklahoma City, Tulsa, Austin, El Paso, and Fort Worth increased in the third quarter of 1994 compared to a year ago. But price decreases were noted in Dallas, Houston, San Antonio, and Little Rock.

Growth has slowed due to higher fixed-interest rates, but continued interest in homebuying is being promoted with the revival of ARM loans. In Texas and New Mexico, ARMs currently represent about 20 percent of the mortgage loan market. Popular ARMs in these strong housing markets are fixed rates beginning at 8 3/8 percent for 7 or 10 years, which roll over to 1-year ARMs. Most borrowers in Louisiana are using fixed-rate mortgages, though the use of ARMs has increased moderately with the rise in interest rates. Homebuilders throughout the Southwest appear to be cutting back on construction moderately, but they are not offering buydowns or other concessions except in certain areas of Louisiana.

Rents and occupancy rates remain high, but small occupancy declines in some markets indicate that some renters took advantage of the low interest rates to purchase homes. Slight rental occupancy declines were noted in Tulsa, Oklahoma, and Houston as rehabilitated units in those markets came on the market. Rental housing occupancy rates continued to rise moderately in the Dallas/Fort Worth and Albuquerque areas. Rents have risen at a pace exceeding 5 percent annually in many markets, with multifamily occupancy averaging over 92 percent almost everywhere. As more multifamily units are completed in the coming months, rent and occupancy increases are likely to moderate. Nearly all of the proposed projects continue to be expensive units appealing to the affluent renter who desires single-family amenities without the hassle of ownership. New construction rents typically exceed $0.80 a square foot and some are in the $1.00 a square foot range.

Spotlight on

New Orleans, Louisiana

New Orleans, a major center for grain shipping and export, is expected to benefit from the North American Free Trade Agreement (NAFTA) and General Agreement on Tariffs and Trade (GATT). In 1994 over 10 million tons of general cargo passed through the port, the highest level since the 1960s. In addition, New Orleans recently was designated 1 of 11 places in the United States to house an Export Assistance Center.

By 1991 New Orleans had regained many of the 40,000 jobs lost in the 1980s. However, declines in 1991 and 1992 in the petroleum industry and large layoffs at two of area's largest employers, Avondale Shipyards and Martin Marrietta, negated a significant part of the previous recovery.

Job growth for the first 11 months of 1994 was a modest 1.4 percent compared with the same period in 1993. Much of the recent gain has been in services, attributable to health care and the gaming industry. Tourism has increased due to higher convention attendance and to growing riverboat and land-based casino operations. The gaming industry, however, is showing signs of overbuilding. One casino has closed and others on the Gulf Coast are expected to close.

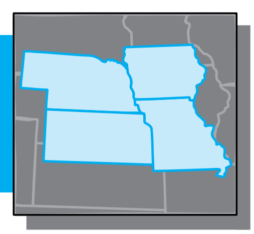
The local construction outlook continues to be positive. The downtown office and commercial real estate markets have experienced a resurgence partly due to the prospect of casino gambling and a convention center expansion. Downtown New Orleans added 650 new hotel rooms in 1994, and financing is in place for 1,300 more rooms. Several other projects that would add another 2,300 rooms could get under way in 1995. A major hotel consulting firm put New Orleans third in the country, behind Las Vegas and Orlando, in the number of rooms under construction. Conversion of office building space to hotels is a popular method of adding to the local inventory of rooms. Local sources estimated citywide hotel occupancy for 1994 at around 77 percent, about 5 percent higher than in 1993.

The housing market continued to recover from the collapse of the 1980s. For 1994 single-family permits (3,522 units) increased 4.4 percent over the same period in 1993. Multifamily activity totalled only 504 units in 1994. Building-permit activity and construction was strong during the first half of 1994, but has slowed in the later half of the year due to the rise in interest rates. The median sales price in the New Orleans area increased 8 percent between 1991 and 1994. Sales volume declined 6.2 percent in 1994 compared to 1993 due to rising interest rates and construction costs.

In the last 2 years more than 50 percent of the new homes built in the New Orleans metropolitan area have been in northern suburban St. Tammany Parish, with the cities of Mandeville and Covington being the most popular locations.

The rental market has also improved in the last 2 years. The weak economy in the second half of the 1980s resulted in an oversupply of rental housing with increased vacancy rates and declining rents. Recently, occupancy rates have reached 93 percent overall and as high as 97 to 98 percent in prime areas. Average rents increased by 3.6 percent during 1993 to 1994. The rental market is expected to continue to hold firm due to demand from new workers in gaming and related industries and the limited supply of new units coming on the market.

Great Plains



During 1994 employment growth in the Great Plains continued at a slightly faster rate than the previous year, the first 11 months averaging 2.6 percent greater than the same period in 1993. Unemployment rates in the region remain well below the national rate as of November 1994. Nebraska had the lowest unemployment rate, 2.6 percent. Iowa at 3.3 percent was next, followed by Missouri at 4.1 percent, and Kansas at 4.9 percent.

Missouri employment increased by 73,000 jobs in the past 12 months, a 3.1-percent increase. Automobile manufacturing has been a major contributor to employment growth. Over a year ago, the "Big Three" (General Motors, Ford, and Chrysler) began spending $2 billion to renovate the State's five automobile assembly plants. Ford Motor Company recently introduced new cars, the Ford Contour and the Mercury Mystique, that will be built at the Claycomo assembly plant in the Kansas City, Missouri, area.

Kansas City, Missouri, one of the leading convention areas in the Nation, recently completed a $130 million expansion to the H. Roe Bartle Convention Center. The expansion is the centerpiece of the more than 1.8 million square feet of convention, meeting, and exhibition facilities. The addition of nearly 400,000 square feet of contiguous, column-free exhibit area creates the largest such space in North America.

Iowa had the second fastest growth rate in the region, adding 32,300 jobs, a 2.5-percent increase. Growth in manufacturing employment remains strong, with November 1994 employment 7,000 jobs over November 1993. While there are no automobile assembly plants in Iowa, the State has several manufacturers that make automobile parts and supplies. Expansion at these concerns has increased manufacturing employment. Atwood Industries in West Union completed an expansion to its plant that added 600 jobs. Lennox Industries in Marshalltown added an air conditioning line that doubled employment to 1,050.

Kansas nonagricultural wage and salary employment increased by 25,400. With the General Aviation Revitalization Act of 1994 reducing product liability costs, Cessna Aircraft Company has selected Independence, Kansas, as the site for its single-engine piston aircraft final assembly plant. This facility in southeastern Kansas is expected to create up to 1,000 jobs and an annual payroll of $20 million. The resumption of manufacturing the Cessna 172, 182, and 206 airplanes is expected to add 100 jobs in Wichita.

Nebraska had the lowest employment growth rate in the Great Plains region, 2.1 percent. Nonetheless, Nebraska added about 15,730 jobs, 2,220 of which were in manufacturing.

During 1994 residential construction in the Great Plains region increased by 14.3 percent over 1993. Single-family building permit activity (42,960 units) was up 7 percent. Most of the gain was in Iowa and Missouri where single-family activity increased 13 and 11 percent, respectively, over 1993 levels. Activity slowed in the second half of the year. For the first 6 months, permits were up almost 19 percent over the comparable 1993 period, but during the second half of the year permit activity declined 6 percent.

Multifamily activity in 1994 totalled 15,387 units, an increase of 40 percent over 1993 levels. Des Moines, Iowa, is among the more healthy rental markets in the region. The vacancy rate in multifamily rental projects is a moderately low 5 percent. Des Moines has been one of the few areas in the region not to have to resort to widescale use of rental concessions. Rents, in fact, have increased sufficiently to allow some new construction. Overall, in the region, multifamily markets continue to improve slowly, with rents and occupancy increasing gradually.

Spotlight on

St. Louis, Missouri-Illinois

St. Louis metropolitan area unemployment dropped 3.9 percent in December, the lowest unemployment rate since the current data series was started in 1974.

St. Charles County, one of the fastest growing counties in Missouri, had an unemployment rate of only 2.6 percent in November 1994. St. Charles has been a bedroom community for large employment centers located in both St. Louis City and St. Louis County. However, during the last few years, resident employment has grown significantly in health care, construction, education, and government.

Despite large layoffs a few years ago at McDonnell-Douglas, Southwestern Bell Telephone, and Chrysler, the St. Louis area is doing well. Employment figures for November show 1.3 million people employed in the 12 Missouri and Illinois counties that make up the St. Louis metropolitan area. November's employment figure is a 70,200 increase (5.8 percent) over November 1993.

St. Louis' three automobile assembly plans have added substantially to the employment growth in the area. The trend will continue in 1995, as General Motors, Ford, and Chrysler go into full operation at their local plants. Beginning in March 1995, GM's St. Louis area plant will build full-size vans. Ford will continue to build its Aerostar minivan, which was to be dropped from production but has been saved by strong consumer demand. In early 1995 Ford also began building its new Explorer sport utility vehicle at the plant. Ford spent $674 million to retool and modernize its plant and has added 200 more workers. During the first quarter of 1995, Chrysler will reopen its Plant No. 1 to build its new minivan. Chrysler spent $2.6 billion designing the new next-generation minivan. When the plant reaches full production of 1,150 vehicles a day, Chrysler will have added another 2,000 jobs to the St. Louis area.

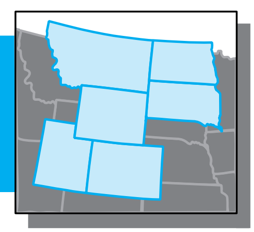
Single-family building permits (11,616 units in 1994) in the St. Louis MSA were up about 9.2 percent from 1993, a good showing considering 1993 was a strong year helped with low interest rates. Local real estate sources report sales of single-family homes were up 15 percent, despite the increase in mortgage rates. The Home Builders Association of St. Louis (HBA) reports that building permits for single-family houses in the Missouri counties of the St. Louis area were the highest in 22 years. The HBA also reports that, despite the building boom, prices for new home were holding steady.

Multifamily construction in 1994 was up over 1993 levels, but still remains weak. Since 1990 multifamily activity has averaged only about 1,000 units annually. The rental market has been weak for years due to the overbuilding that occurred in the last half of the 1980s. With continued economic growth and low levels of apartment construction, market conditions are expected to improve during 1995.

The construction labor shortage should ease some this year since the Kiel Center hockey facility has been completed and a slowdown in housing construction is expected. Major projects are still under construction, including the St. Louis Convention Center's indoor stadium. It was announced in January 1995 that the Los Angeles Rams professional football team is moving to St. Louis and will play its football games in the new facility.

The St. Louis business community is concerned about possible military cutbacks and reorganizations. Local officials indicate there are over 25,000 military and civilian employees at more than a dozen military facilities in the St. Louis area with a combined yearly economic payroll of nearly $676 million. The Secretary of Defense will identify another round of base closings in early March 1995. Cutbacks could hit some St. Louis facilities hard, causing significant job losses.

ROCKY MOUNTAIN



Strong employment gains were widespread in the Rocky Mountain region in late 1994. Annual increases were greatest in Utah (6.3 percent) and South Dakota (5.1 percent). Colorado, Montana, and North Dakota posted annual gains of 3 percent or greater, while Wyoming's 1.7-percent annual gain remains the lowest among Rocky Mountain States. The construction sector remains active in all States, but it has been especially important in Utah. Business and information services continue to provide important sources of job growth. Recreational and lodging services employment also expanded, a result of increases in tourist visits in most areas. Recovery from the 1993 floods stimulated some of the expansion in North Dakota and South Dakota last year. Although mining employment was down, both Colorado and Wyoming set records for coal production last year. The Rocky Mountain gas and oil drilling rig count dropped by the end of 1994, and the December total was 10 percent below the count of a year ago.

Low unemployment rates remain the norm for Rocky Mountain States. November rates were under 4 percent in four States and under 5 percent in the other two. The firm labor markets have made it difficult to find entry-level workers in some industries. The construction labor market remains tight, although conditions have eased from the widespread shortages of last summer.

Residential building activity remains high but the pace has slowed. Total activity in 1994 was up 27 percent from 1993. Single-family building permits were up 15.9 percent while multifamily permits, spurred by a surge in activity in the Denver area, were up almost 71 percent. As a result, 1994 will be the most active year since the "boom" of 1983 to 1984. Despite an increase in unsold home inventories in the fourth quarter, speculative inventories remain below their mid-1980s levels, a result of builder caution and tighter control by lenders.

Apartment vacancy rates remain low in major rental markets in the Rocky Mountain region. The Colorado Springs rate was up slightly in the third quarter, but it quickly fell to under 2percent by the fourth quarter. Denver's rate dropped below 4 percent in the third and fourth quarters after leveling out in the 4- to 5-percent range for several quarters. Salt Lake City's July rate of 3.3 percent remains low but is up from earlier in the year.

Recently completed apartment projects have successfully preleased units and a majority are occupied as soon as they are completed. Virtually all of these units are in the top end of the market. Units are large; one-bedroom units of 750 square feet and two-bedroom/two-bath units of 1,100 square feet are typical. Many units have washers and dryers, extensive community and recreation facilities, and most have detached garages available for monthly rental. The recent surge in construction and the concentration of units at the top of the market is likely to cause some increased competition among these units in 1995 and 1996.

The use of low-income housing tax credits has been important in some mid-sized and small markets but, regionwide, the production of these units is dwarfed by the number produced in luxury projects. Tax credit projects account for less than 10 percent of 1994 completions in the major metropolitan market areas. More tax credit units will likely be produced in 1995, but many of these units will be parts of large projects that will be set aside to meet the requirements of tax-exempt bond financing.

Home sales in the third quarter of 1994 were up from 1 year ago in most States. Declines occurred in Utah and North Dakota. South Dakota sales were up a healthy 7.7 percent from 1 year ago. It is still a seller's market in most areas but active listings are up. The proportion of homes financed with ARMs versus fixed-rate loans has reversed in many areas during 1994. ARMs began the year comprising about 10 percent of all loans but this proportion had risen to almost 90 percent by year-end in some markets. ARMs with a fixed rate or a 3-, 5-, or 7-year term with interest rates above 1-year ARMs have become increasingly popular. The increase in interest rates has put some first-time buyers on the sidelines, although the impact of rising rates on this group has been cushioned by State agency bond programs.

The beginning of a slowdown in existing sales activity has not dampened price increases. The annual increase in the median existing home sales price was back into double digits in Denver, Colorado Springs, and Salt Lake City. Increases were smaller in the smaller markets. The modest increase in new home inventories has caused some builders to begin offering concessions but this is far from universal. Builders have been reluctant to reduce advertised prices but some are offering upgrades in finish, appliances, or landscaping at no charge. The combination of higher interest rates and rising prices has also stimulated a limited resurgence of condominium/townhouse construction and the return of condominium conversions, a phenomenon that virtually disappeared in the late 1980s.

Spotlight on

Provo-Orem, Utah

The Provo-Orem economy and housing markets continue to be strong. Despite some layoffs at Novell, Inc., following its acquisition of WordPerfect, growth continued in other sectors. During the past year, over 1,100 jobs were created by businesses relocating into the area from other States. New arrivals cite a favorable business climate, low costs, and abundance of lifestyle amenities as the primary factors in their decision to locate in the area. Nonagricultural wage and salary employment growth increased by 7percent in 1994. All employment sectors grew, but the strongest gains were in construction, trade, services, and government.

Prospects for future economic growth are good. Businesses will continue to relocate to the area, with a greater percentage establishing outside the core cities of Provo and Orem. A warehouse distribution center in Spanish Fork that will add nearly 500 jobs is now under construction. Increased in-migration to the cities of American Fork and Highland is expected as a result of the recently completed Mormon temple.

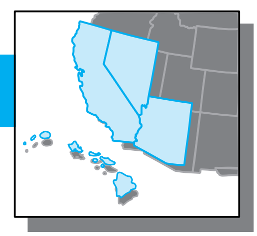
The housing market remains very tight. The average single-family price for existing homes has nearly doubled since 1988 to about $121,600 in 1994. Most of the gains were recorded during the past 3 years. New homes are generally built in the $130,000 to $170,000 price range. Prices have been driven up by higher impact fees for sewers, schools, and other infrastructure and by in-migration of affluent households. Construction of new single-family homes was more concentrated in the smaller outlying towns than in Provo and Orem. Especially active building markets are the corridor towns leading to Salt Lake City. Price increases for new and existing homes persisted despite the production of a near record average of 2,500 new sales units over the past 2 years.

Sales activity has slowed during the past few months, mostly a result of higher interest rates. This has priced out some first-time buyers and has slowed potential “move-ups” who are now more cautious. Sellers have been slow to adjust to the easing of the market. The high cost of single-family units, a tight rental market, and purchases by investors have helped maintain a strong townhouse and condominium market.

The rental market remains tight. There has been a slight softening in the student market because of the large number of condominium rentals built in Provo during the past several years. Construction for the nonstudent market, however, has been small compared to the demand. An indicator of the shortage is the estimated 5 to 10 percent of the tenants residing in newer projects located south of Salt Lake City and commuting to work in Utah County.

There are about 320 multifamily rental units currently under construction. Nearly all of these are condominium rentals in Provo or smaller rental projects scattered throughout the county. Construction has been stimulated by developers pushing ahead projects to beat the 6-month multifamily building moratorium imposed by Provo last spring.

PACIFIC



The economy in the Pacific region continues to expand. California is outperforming earlier expectations, adding at least 150,000 jobs during 1994. Expanding business services, construction, retail trade, and State and local government are more than offsetting weaknesses in manufacturing and defense-related employment. Unemployment has dropped from a recession high of 10 percent early this year to 7.4 percent in December. Much of this strength comes from newly created firms, which take months to be reflected in official monthly employment reports, and only in the fourth quarter finally signalled official job counts exceeding year earlier levels. Overall, accelerating growth is anticipated this year and next because of improving national and international demand for State products, pent-up consumer demand, population growth slightly exceeding the national pace, and a leveling out of layoffs. One emerging, but as yet unquantifiable, problem is that exports to Mexico will fall with the drop in the peso.

Arizona is among the country's star employment generators, with fourth quarter nonagricultural employment up over 70,000 for a 4.5-percent growth rate over last year. All sectors are contributing, led by services, trade, construction, State and local government, and high-tech manufacturing. About 70 percent of the increase is concentrated in the Phoenix area, and 18 percent in Tucson. The economy is expected to moderate its gains in 1995, but they will remain robust.

Employment in Nevada was up 6 percent in the fourth quarter, an increase of 40,000 jobs over the previous year. Almost three-quarters of the new jobs are in Las Vegas, as the staffing-up of several new huge casino-hotels boosted 1994 growth. Reno's more moderate pace will pick up with completion of a major casino-hotel and the National Bowling Stadium. California's economic improvement may diminish out-migration to neighboring Nevada, Arizona, and Oregon.

The Hawaiian economic picture is mixed. Visitor counts were up last year but were well below the 1990 peak. Lodging overcapacity is still a problem. Slight yearly gains in services and State government were more than offset by declining construction, defense, sugar cane processing, and real estate sectors. Fourth quarter jobs were off over 6,000, about 1 percent, making Hawaii the only State to lose employment in 1994. Jobs should increase slightly this year, driven by a new record in Japanese tourism but limited by the slow growth of American visitors.

The generally improved economy kept residential construction rising in 1994. Total units permitted in the Pacific region were up 22 percent for 1994. Three States exceeded the pace of the national construction recovery. Nevada and Arizona with 34 and 32 percent increases, respectively, were among the national leaders. Regionally, single-family units were up 15 percent, while multifamily units gained 62 percent from a depressed prior-year base. Multifamily permits more than doubled in the tighter Nevada and Arizona markets, and were up 31 percent in California and 45 percent in Hawaii.

California's single-family production, accounting for four-fifths of the total, was up about 12 percent in 1994. The volume is over 40 percent below the prerecession figures of 1990, marking the longest decline in 50 years. Improvement was widespread, occurring in 17 of 25 metropolitan areas. About 40 percent of the State's increase occurred in Orange County in advance of a fee increase. Sales have been supported by shifts to more affordable homes and by a substantial jump in ARMs. Economic improvement should bolster further production gains this year and next.

Single-family permits boomed in Nevada and Arizona, both up nearly a fifth for the year. However, the higher construction levels have cooled somewhat as fourth quarter single-family permits are showing slower growth from earlier in 1994. Arizona sales have been driven by the Phoenix market, with new construction sales up a third last year. In the last third of the year, a combination of rising prices and a concern over rising interest rates has resulted in slower traffic and sales. Labor shortages have led to delays in product delivery, but these are diminishing as pent-up demand is satisfied.

Las Vegas, where new home sales were up one-third for a second consecutive record year, cooled significantly to about a 5-percent gain in the fourth quarter over last year. There has been a marked shift toward lower priced and attached units among the first-time buyers affected most by the higher rates. Some price concessions and builder buydowns have appeared recently. ARMs are not popular in Arizona or Nevada.

In California single-family existing sales were strong in the first half of 1994, then stabilized, and then turned down modestly in the last quarter of the year. The result of this trajectory amounted to an overall increase of about 10 percent for the first 11 months of the year, boosted by a solid comeback in Los Angeles. Continued weakening of prices was evident, with a median estimated at $180,000 for the final quarter, off almost 2 percent from a year earlier. The reduced price levels have helped affordability, as has an increase in ARMs from about 40 percent to 66 percent. The adjustable rates running at under 7 percent have been attractive compared to recent fixed rates of over 9 percent. Some sources in the closing months of 1994 saw a change in this trend, with buyers beginning to favor fixed-rate mortgages over ARMs because of the perceived uncertain future for mortgage interest rates.

Arizona and Nevada resales were excellent overall in 1994. Phoenix resales broke the 1993 record pace by one-fifth. Las Vegas existing sales jumped over 30 percent for the year. Resale prices are fairly stable. Both have sales prices well below the national level, and Arizona prices are half of those of nearby California, encouraging out-migration from the coast to the interior. Hawaii resales are led by Honolulu, which saw a modest 6-percent increase for the year, but volume is well below prerecession levels.

The rental market in Los Angeles County and Riverside-San Bernardino remains weak, as property managers continue to fight back from the lingering effects of the recession, defense and aerospace restructuring, and the January 1994 Northridge earthquake. The city of Los Angeles recently announced that 85 percent of the earthquake-damaged rental structures have now been repaired or are slated for work soon; however the remaining 15 percent will be difficult to finance due to weak market conditions combined with extensive (and costly) repairs required. Rent increases are nonexistent. The Inland Empire area (Riverside and San Bernardino Counties) remains the weakest rental market in the region, with multifamily vacancy rates in the high teens. Property managers in this area report fierce competition for tenants, while small price increases imposed earlier in the year have now been rolled back to help maintain occupancy. Markets in most other California markets remain relatively balanced.

Rental demand in Nevada and Arizona is strong, with vacancies a tight 4 percent in Las Vegas and Tucson, and a balanced 6 percent in Phoenix. Rising rents in these markets are encouraging major increases in supply, requiring close monitoring of planned competition and absorption as the pipelines build. The proposed two-bedroom rents are in the $650 to $900 range, targeting the upper-middle and upper levels of the markets.

Spotlight on

Sacramento, California

The Sacramento metropolitan area stretches from Lake Tahoe to the San Francisco Bay delta. Regional economic activity is equally diverse, ranging from tourism to agriculture to high-tech manufacturing. California's State government is headquartered in the city of Sacramento.

The current population of the Sacramento area is about 1.5 million, an increase of 170,000 since the 1990 census. Relatively strong employment growth has supported gains well above the State rate. Sacramento County, with about 1.2 million residents, is the most populous county. Growth in El Dorado and Placer Counties is largely the result of suburban development from Sacramento, although there are resorts in the mountains and retirement communities in the foothills.

By November 1994, nonagricultural employment totalled 568,500, an increase of about 12,000 or 2.2 percent over the year earlier level. While the structure of the Sacramento area economy mitigated the effects of the California recession, the area did not escape completely, and 1994 employment was still below the level of September 1991. Recent employment gains have been moderate but compare favorably with those of California as a whole, and are among the best of the State's metropolitan areas. In contrast to the State's experience in 1994, Sacramento posted a modest increase of 1,000 durable goods manufacturing jobs, a 5-percent increase.

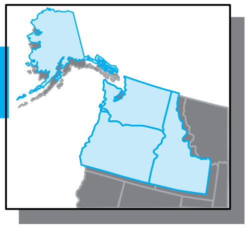
State government employed almost 75,000 in November 1994, accounting for 13 percent of the nonagricultural jobs. The State continues to expand its workforce—by about 3,000 between November 1993 and 1994. By contrast, Sacramento's large Federal establishment, which includes a major defense component, has been severely cut back in recent years, falling by 35 percent between 1988 and 1994. Layoffs were recently announced at McClellan Air Force Base.

Residential construction activity in the Sacramento area was up significantly in 1994, though levels remain small by prerecession standards. Units authorized in 1994 totalled 8,560, an 11-percent increase from the comparable year earlier figure. Single-family homes dominated the building permits issued, accounting for 8,000 units, or 93 percent of the total.

Sacramento area new home sales started well with a 10-percent first quarter increase before the interest rate hikes. Sales and traffic in the last quarter were off one-fifth to one-third from the previous year, leaving sales off moderately for the full year. Prices for new homes in the $140,000 to 150,000 range are little changed from a year earlier, but prices of starter homes below $125,000 and those over $200,000 have declined. The slowed sales and increased competition from new national builders attracted by area growth will keep prices flat.

Multifamily construction remained low in 1994. Overbuilding and weak economic performance during 1992 and 1993 produced soft apartment markets in the Sacramento area and led to depressed levels of multifamily construction. Apartment vacancy rates in the 8- to 9-percent range are not much improved from a year earlier, and rents are at best only modestly above last year's levels.

NORTHWEST



Nonagricultural employment in the Northwest grew by 2.8 percent or 122,150 jobs in 1994. All States reported net job growth for the year and, except for Alaska, substantial declines in the unemployment rates. The unemployment rate for the region declined to 5.8 percent in the fourth quarter, compared to 7 percent for the same period in 1993.

Idaho and Oregon continued to have the greatest rate of economic expansion in the Northwest. Employment grew by 4.4 percent (19,500 jobs) in Idaho and 4.2 percent (55,550 jobs) in Oregon in 1994. In Washington State employment growth during 1994 was a more modest 1.9 percent (44,400 jobs). Boeing recently announced there will be further cuts in 1995, clouding the employment outlook for the Washington economy.

Growth of high-technology industries has resulted in a major restructuring of the Northwest economy. The significant downsizing of the aerospace industry has been more than offset by the growth in high-tech, construction, banking, insurance, and utilities sectors. The pace of growth is expected to accelerate during the remainder of this decade. In the Portland metropolitan area, several companies are currently expanding and Micron, SEH American, Fujitsu, and Samsung are expected to build new plants in Oregon. Expansions at Zilog and Micron are currently underway in Idaho. The 1995 employment forecast is 2.4 percent in Oregon and 3.1 percent in Idaho.

Home sales remained strong during the first three quarters of the year due to the impressive array of mortgage instruments offered. Most popular is the 1-year ARM. The typical rate is 6.75 percent with an annual rate change not to exceed 2 percentage points; the lifetime cap is 6 percentage points. For the fourth quarter of 1994 compared to the fourth quarter of 1993, sales of new and existing homes were down in every metropolitan area except Salem, Oregon. Sales volumes fell 32 percent in Boise, 26 percent in Spokane, 23 percent in Seattle, and 18 percent in Tacoma.

Home prices, however, continued to increase. From the fourth quarter of 1993 to 1994, the median sales price of new and existing homes in Boise increased by 18.7 percent to $132,600, in Spokane by 10 percent to $98,900, in Eugene-Springfield by 7.2 percent to $89,900, in Portland by 4.7 percent to $118,200, in Tacoma by 3.5 percent to $120,800, and in Seattle by 2.6 percent to $149,700.

Single-family building activity slowed throughout the Northwest region but remained ahead of last year's levels. In 1994 building permits were issued for approximately 57,950 single-family units, 4 percent above 1993.

Rental housing markets remained tight throughout Oregon, with an average rental vacancy rate of 4.0 percent. Balanced market conditions prevail in Seattle, Boise, Anchorage, Richland-Kennewick-Pasco (Tri-Cities), Bremerton, and Olympia. Rental markets in Spokane and Fairbanks were moving from balanced to soft.

Construction of multifamily units increased across the Northwest. In 1994 the number of multifamily units permitted (22,426) was up 26 percent over 1993. Most new apartment construction has been designed to accommodate a broad market. Relatively large two-bedroom/two-bathroom units or three-bedroom/two-bathroom units have been constructed with the purpose of renting to couples, two singles, or families with children. Amenities typically include a clubhouse, fitness center, sports court, small outdoor playgrounds, and a swimming pool. Average rent in Oregon and Idaho for a two-bedroom/two-bathroom unit is between $650 and $700. In Washington the average rent for a two-bedroom unit is $870.

Spotlight on

Tacoma, Washington

The Tacoma area is the Northwest region's third largest economic center after Portland and Seattle. The economy has shown consistent growth since the 1990 to 1991 local recession. Nonagricultural employment increased by 2.1 percent in 1992, by 1.3 percent in 1993, and by 2.3 percent through November 1994. An average of 212,470 persons were employed in the Tacoma area in the fourth quarter of 1994. The unemployment rate for the fourth quarter was 6.2 percent.

The services sector accounts for 34 percent of wage and salary employment, over one-third of which is related to health care. The U.S. Department of Defense is the largest employer, with approximately 27,300 military personnel and 7,200 civilian employees at Fort Lewis and McChord Air Force Base. The presence of these military personnel and their 34,500 family members has a tremendous influence on the State and local economy. The economic contribution of Fort Lewis alone is an estimated $1.1 billion each year. Boeing is the largest civilian employer in the Tacoma area. Boeing employs approximately 12,100 Pierce County residents in their King County plants and 970 persons in their south Pierce County facility.

The Tacoma area's population grew from 586,200 in 1990 to 640,700 in 1993; this represents an annual average growth rate of almost 3 percent. New jobs are expected at the Port of Tacoma. A company in Taiwan recently announced plans to utilize the Port of Tacoma, which will increase the port's cargo flows by 66 percent and create 225 local jobs. Military strength in the area is forecast to remain stable.

The sales housing market has remained strong, despite fluctuations in the number of military personnel and the local economy. Total sales increased nearly 15 percent in 1993 due to the drop in mortgage interest rates. Although sales slowed during the latter half of 1994, a record 5,742 closings were recorded for the year. The sales market is affected by the higher prices in the neighboring Seattle market. The Tacoma area, which has 25-percent lower prices and a relative abundance of new homes in the $130,000 to $150,000 price range, attracts first-time buyers and young families.

The Tacoma rental housing market has shown resilience. The overall rental vacancy rate has averaged 5.0 percent for the past 5 years. During the fourth quarter, however, the rental vacancy rate rose a full percentage point to 6.5 percent. The increase is attributed largely to the temporary assignment of several military units overseas. In addition, a developing trend in the market has been the preference of military families to rent units further south in the Olympia area. From 1990 through 1993, an average of 1,770 multifamily units were permitted each year. During 1994 1,309 multifamily units were permitted.

Communities in the Tacoma area are working with HUD to improve housing conditions and affordability. The city of Tacoma received $3.2 million in Community Development Block Grant (CDBG) funds during 1994, 60 percent of which will be used for affordable housing programs and associated public services. The county plans to use $800,000 of CDBG funds to repair and rehabilitate 500 homes in Pierce County.

Historical Data

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

		In Structures With				MSAs		Regions			
Period	Total	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	1,362.8	1,060.5	30.6	30.5	241.1	1,132.9	229.8	136.0	303.9	575.1	347.8
Monthly Data (Seasonally Adjusted Annual Rates)											
1993											
October	1,298	1,078	58		162	NA		146	307	538	307
November	1,363	1,132	59		172	NA		144	332	559	328
December	1,474	1,181	53		240	NA		172	334	656	312
1994											
January	1,312	1,071	57		184	NA		99	297	564	352
February	1,252	1,054	47		151	NA		107	286	528	331
March	1,313	1,068	55		190	NA		122	301	558	332
April	1,380	1,069	58		253	NA		134	303	601	342
May	1,357	1,083	62		212	NA		134	302	570	351
June	1,316	1,046	58		212	NA		134	290	545	347
July	1,337	1,034	63		240	NA		147	310	551	329
August	1,354	1,046	57		251	NA		138	293	576	347
September	1,425	1,052	70		303	NA		136	290	617	382
October	1,398	1,047	60		291	NA		135	318	582	363
November	1,388	1,035	69		284	NA		145	313	596	334
December	1,396	1,091	64		241	NA		156	321	605	314

* 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*

		In Structures With				MSAs		Regions			
Period	Total	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	1,453.1	1,195.6	15.0	20.5	221.9	1,180.4	272.6	137.1	327.6	637.5	350.9
Monthly Data (Seasonally Adjusted Annual Rates)											
1993											
October	1,409	1,231	31		147	NA		128	364	593	324
November	1,406	1,248	30		128	NA		137	328	622	319
December	1,612	1,383	21		208	NA		143	353	738	378
1994											
January	1,271	1,125	23		123	NA		89	258	551	373
February	1,328	1,121	33		174	NA		132	262	595	339
March	1,519	1,271	33		215	NA		139	354	648	378
April	1,471	1,211	32		228	NA		151	358	617	345
May	1,491	1,200	36		255	NA		135	324	685	347
June	1,358	1,163	19		176	NA		136	303	598	321
July	1,439	1,219	32		188	NA		130	339	598	372
August	1,463	1,176	39		248	NA		147	317	682	317
September	1,509	1,234	42		233	NA		136	336	657	380
October	1,436	1,153	37		246	NA		129	309	642	356
November	1,545	1,193	65		287	NA		159	380	668	338
December	1,529	1,226	40		263	NA		142	335	695	357

*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*

		In Structures With				MSAs		Regions			
Period	Total	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	772.1	565.6	9.2	14.0	183.3	605.8	166.3	97.4	176.1	316.6	182.0
Monthly Data (Seasonally Adjusted Annual Rates)											
1993											
October	686	551	19		116	NA		90	155	271	170
November	699	564	19		116	NA		90	161	274	174
December	713	574	20		119	NA		90	163	282	178
1994											
January	716	577	19		120	NA		91	162	282	181
February	720	578	18		124	NA		91	163	286	180
March	732	585	18		129	NA		90	165	295	182
April	740	585	18		137	NA		93	167	296	184
May	748	582	18		148	NA		93	170	304	181
June	751	584	18		149	NA		95	169	305	182
July	758	585	18		155	NA		93	170	311	184
August	768	587	18		163	NA		94	172	320	182
September	772	589	19		164	NA		91	172	323	186
October	779	587	20		172	NA		93	174	324	188
November	791	590	23		178	NA		97	180	327	187
December	803	595	24		184	NA		99	183	333	188

*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*

		In Structures With				MSAs		Regions			
Period	Total	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	1,342.3	1,156.8	12.2	19.5	153.8	1,083.2	259.1	123.1	305.6	579.5	334.1
Monthly Data (Seasonally Adjusted Annual Rates)											
1993											
October	1,248	1,081	36		131	NA		116	298	529	305
November	1,248	1,107	31		110	NA		139	272	543	294
December	1,289	1,139	21		129	NA		130	294	567	298
1994											
January	1,216	1,075	31		110	NA		104	278	532	302
February	1,334	1,185	30		119	NA		115	309	539	371
March	1,273	1,115	43		115	NA		103	300	543	327
April	1,354	1,192	34		128	NA		124	298	605	327
May	1,446	1,257	40		149	NA		146	326	583	391
June	1,329	1,151	26		152	NA		121	318	571	319
July	1,282	1,160	22		100	NA		125	286	536	335
August	1,342	1,145	27		170	NA		149	307	547	339
September	1,400	1,157	37		206	NA		131	319	620	330
October	1,364	1,157	24		183	NA		125	304	617	318
November	1,372	1,136	34		202	NA		114	300	624	334
December	1,350	1,144	33		173	NA		115	311	605	319

*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

	Shipments*	Placed for Residential Use*					Average Price	For Sale*
Period	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
Monthly Data (Seasonally Adjusted Annual Rates)								
1993								
October	260	226	15	40	142	28	$31,900	61
November	283	250	15	47	146	42	$32,600	61
December	308	257	19	54	148	36	$32,400	63
1994								
January	316	261	13	64	146	38	$33,300	65
February	301	283	14	57	172	39	$31,200	66
March	308	281	10	62	167	43	$31,900	67
April	290	283	14	52	175	42	$31,900	70
May	292	304	16	50	196	42	$32,000	70
June	292	276	12	50	173	41	$34,000	71
July	286	306	20	53	191	41	$32,500	72
August	288	258	17	52	152	40	$33,400	74
September	301	284	17	48	174	45	$34,600	74
October	310	308	20	52	188	48	$35,000	74
November	323	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: 1963–Present*

	Sold During Period					For Sale at End of Period						Month's Supply at Current U.S. Sales Rate
Period	U.S.	North-east	Mid-west	South	West	U.S.	North-east	Mid-west	South	West	U.S.	
Annual Data												
1963	560	87	134	199	141	265	48	57	85	73	NA	NA
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	294	191	349	57	64	145	84	NA	NA
Monthly Data (Seasonally Adjusted Annual Rates)						**(Not Seasonally Adjusted)**					**(Seasonally Adjusted)**	
1993												
October	723	59	149	314	201	291	51	49	116	75	291	4.9
November	766	51	133	322	260	293	52	48	118	75	294	4.9
December	817	51	213	336	217	295	53	48	121	73	294	4.5
1994												
January	642	49	131	287	176	294	52	46	122	73	296	5.7
February	697	53	132	299	213	292	50	46	123	72	298	5.1
March	722	61	129	320	212	296	50	48	123	74	298	4.9
April	673	61	130	292	191	296	50	49	122	74	298	5.3
May	692	61	122	313	197	301	51	51	123	76	301	5.3
June	628	56	117	267	189	316	52	55	129	79	313	6.1
July	630	51	110	279	190	318	54	55	129	80	317	6.2
August	673	76	116	276	204	323	54	57	134	79	322	5.9
September	692	90	109	301	192	332	53	61	138	80	328	5.9
October	709	63	130	305	211	334	52	62	139	80	333	5.7
November	641	64	135	271	172	339	54	62	142	81	339	6.6
December	637	49	123	312	152	349	57	64	145	84	347	6.7

*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	3,967	595	1,038	1,469	865	1,430	NA
Monthly Data (Seasonally Adjusted Annual Rates)							
1993							
October	4,030	590	1,070	1,470	900	2,000	5.9
November	4,120	620	1,110	1,510	880	1,870	5.4
December	4,350	650	1,160	1,590	950	1,520	4.0
1994							
January	4,250	650	1,090	1,570	940	1,710	4.8
February	3,840	590	920	1,420	900	1,800	5.6
March	4,070	580	1,010	1,560	920	1,900	5.6
April	4,120	570	1,040	1,540	970	1,930	5.6
May	4,110	650	1,040	1,570	850	1,930	5.6
June	3,960	630	1,040	1,460	830	1,830	5.5
July	3,970	620	1,050	1,450	850	1,850	5.6
August	3,930	600	1,010	1,450	870	1,850	5.7
September	3,890	560	1,090	1,430	810	1,680	5.2
October	3,910	560	1,070	1,430	840	1,810	5.6
November	3,820	570	1,090	1,340	820	1,670	5.3
December	3,890	570	1,020	1,460	840	1,430	4.4

*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.	Median Northeast	Median Midwest	Median South	Median West	U.S. Average Houses Actually Sold	U.S. Average 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	65,500
1978	55,700	58,100	59,200	50,300	61,300	62,500	74,800
1979	62,900	65,500	63,900	57,300	69,600	71,800	86,000
1980	64,600	69,500	63,400	59,600	72,300	76,400	94,900
1981	68,900	76,000	65,900	64,400	77,800	83,000	102,500
1982	69,300	78,200	68,900	66,100	75,000	83,900	105,000
1983	75,300	82,200	79,500	70,900	80,100	89,800	107,600
1984	79,900	88,600	85,400	72,000	87,300	97,600	112,300
1985	84,300	103,300	80,300	75,000	92,600	100,800	114,600
1986	92,000	125,000	88,300	80,200	95,700	111,900	120,100
1987	104,500	140,000	95,000	88,000	111,000	127,200	127,200
1988	112,500	149,000	101,600	92,000	126,500	138,300	131,800
1989	120,000	159,600	108,800	96,400	139,000	148,800	136,800
1990	122,900	159,000	107,900	99,000	147,500	149,800	138,700
1991	120,000	155,900	110,000	100,000	141,100	147,200	140,000
1992	121,500	169,000	115,600	105,500	130,400	144,100	142,600
1993	126,500	162,600	125,000	115,000	135,000	147,700	146,800
1994	130,000	169,000	132,300	116,200	140,000	154,100	152,700
Quarterly Data							
1993							
4th Quarter	127,000	162,600	124,400	115,000	135,200	148,300	146,600
1994							
1st Quarter	130,000	159,900	133,000	116,200	140,000	153,600	149,500
2nd Quarter	130,000	172,000	131,800	118,500	137,000	154,200	151,900
3rd Quarter	129,700	165,000	133,300	113,700	140,000	152,800	153,600
4th Quarter	130,000	175,000	128,500	116,100	144,500	154,400	155,500

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

	Median					Average
Period	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	109,400	139,000	87,400	95,800	146,400	136,200
Monthly Data						
1993						
October	106,600	138,000	84,900	95,100	143,400	133,000
November	107,100	140,700	85,500	95,700	140,400	133,100
December	107,400	137,000	85,700	95,700	143,700	133,700
1994						
January	107,900	139,500	85,600	95,800	144,400	134,600
February	107,200	138,200	85,200	95,400	143,100	133,300
March	107,600	140,600	85,600	94,100	145,700	134,400
April	108,900	139,600	87,400	96,000	145,800	135,500
May	109,800	138,400	87,000	97,100	148,600	136,600
June	112,800	141,800	89,300	100,300	150,000	140,900
July	111,700	142,100	89,000	97,100	150,200	139,300
August	112,400	145,000	89,000	97,800	149,200	140,600
September	108,400	137,600	87,100	94,200	146,500	135,200
October	108,000	134,900	86,900	96,300	140,200	133,700
November	108,100	135,100	86,600	94,000	146,400	134,200
December	107,700	134,700	88,100	92,400	143,600	133,600

Source: NATIONAL ASSOCIATION OF REALTORS ®

Table 9. Housing Affordability Index: 1970–Present

	U.S.				Affordability Indexes*		
Period	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	$36,837	$29,523	124.8	120.2	145.1
1993	$106,800	7.16	$37,970	$27,727	136.9	131.9	159.1
1994	$109,400	7.47	$39,332	$29,285	134.3	124.5	152.3
Monthly Data							
1993							
October	$106,600	6.75	$37,777	$26,550	142.3	138.4	162.4
November	$107,100	6.77	$37,873	$26,729	141.7	137.0	164.2
December	$107,400	6.84	$37,970	$26,996	140.6	133.9	165.1
1994							
January	$107,900	6.89	$38,083	$27,260	139.7	133.8	162.1
February	$107,200	6.83	$38,197	$26,919	141.9	136.4	165.6
March	$107,600	7.01	$38,310	$27,517	139.2	133.5	161.7
April	$108,900	7.21	$38,424	$28,414	135.2	127.6	154.9
May	$109,800	7.52	$38,537	$29,539	130.5	121.0	150.8
June	$112,800	7.54	$38,651	$30,405	127.1	116.6	143.6
July	$111,700	7.68	$38,764	$30,522	127.0	116.9	143.4
August	$112,400	7.76	$38,878	$30,951	125.6	115.9	141.6
September	$108,400	7.74	$38,991	$29,792	130.9	120.2	146.1
October	$108,000	7.76	$39,105	$29,740	131.5	119.5	146.7
November	$108,100	7.72	$39,218	$29,653	132.3	117.8	146.6
December	$107,700	7.97	$39,332	$30,260	130.0	117.6	142.9

*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.

[1] The 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
Quarterly Data			
1993			
3rd Quarter	22,100	76	$560
4th Quarter	16,900	73	$564
1994			
1st Quarter	14,300	83	$577
2nd Quarter	24,700	83	$577
3rd Quarter	31,500	82	$597

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 to Present

Period	Current Sales Activity				Prospective Buyer Traffic		Future Sales Expectations			
	Single-Family Detached		Single-Family Attached				Single-Family Detached		Single-Family Attached	
	Good to Excellent	Poor	Good to Excellent	Poor	High to Very High	Low to Very Low	Good to Excellent	Poor	Good to Excellent	Poor
Annual Data (%)										
1978	59	10	32	27	31	18	40	9	24	30
1979	30	34	29	36	15	51	17	43	17	52
1980	5	67	8	61	7	73	9	57	13	53
1981	2	86	2	74	4	77	2	71	4	66
1982	5	76	5	70	9	73	8	52	8	52
1983	31	27	23	36	30	35	38	19	27	31
1984	30	27	19	42	21	39	29	25	18	42
1985	39	24	20	47	27	34	41	17	21	44
1986	47	23	18	53	36	31	50	17	18	52
1987	42	22	19	49	25	35	39	19	17	49
1988	37	24	15	53	24	38	37	19	13	51
1989	29	29	10	61	20	46	33	18	10	56
1990	16	44	6	70	11	58	18	34	6	65
1991	16	44	3	73	13	55	23	26	6	63
1992	27	27	7	63	22	44	34	16	8	53
1993	41	18	12	49	30	33	47	11	14	41
1994	38	16	14	39	22	35	36	12	14	37
Monthly Data—Seasonally Adjusted										
1993										
October	55	15	18	44	39	26	61	8	24	38
November	59	12	22	39	49	25	72	7	23	34
December	63	10	22	40	48	23	62	6	23	35
1994										
January	52	12	20	37	36	25	52	7	23	35
February	48	12	19	39	28	26	51	8	20	35
March	44	12	12	36	26	27	46	7	14	34
April	44	11	14	36	23	22	40	6	16	34
May	42	12	15	34	23	29	39	8	15	34
June	39	14	13	43	21	36	35	11	14	37
July	33	16	10	38	20	35	36	9	12	33
August	36	18	12	39	23	40	34	12	13	38
September	32	19	10	38	16	41	27	13	10	36
October	29	20	14	42	18	43	30	15	13	39
November	28	22	12	43	15	44	26	19	12	40
December	24	27	13	48	11	50	18	24	7	46

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
Monthly Data								
1993								
October	7.00	0.2	6.83	1.5	6.37	1.5	4.25	1.4
November	7.00	0.6	7.16	1.5	6.69	1.5	4.24	1.4
December	7.50	0.1	7.17	1.7	6.68	1.6	4.23	1.4
1994								
January	7.50	0.1	7.06	1.7	6.57	1.7	4.21	1.4
February	7.00	0.4	7.15	1.8	6.66	1.7	4.20	1.5
March	7.50	0.6	7.68	1.7	7.18	1.7	4.55	1.5
April	8.50	0.5	8.32	1.8	7.80	1.7	4.96	1.5
May	8.50	0.4	8.60	1.8	8.08	1.7	5.46	1.5
June	8.50	0.4	8.40	1.8	7.91	1.8	5.45	1.5
July	9.00	0.2	8.61	1.8	8.10	1.8	5.52	1.5
August	8.50	1.1	8.51	1.8	8.02	1.8	5.53	1.5
September	8.50	1.1	8.64	1.8	8.13	1.8	5.54	1.5
October	9.00	0.7	8.93	1.8	8.39	1.8	5.79	1.5
November	9.00	1.6	9.17	1.8	8.64	1.9	6.10	1.5
December	9.50	0.2	9.20	1.8	8.80	1.8	6.66	1.5

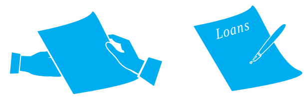
[1] Excludes origination fee.
Source: Federal Home Loan Mortgage Corporation (Conventional), and Office of Housing, Department of Housing and Urban Development (FHA)

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
Monthly Data								
1993								
October	6.87	1.02	7.04	25.0	5.35	1.07	5.51	28.4
November	6.91	1.11	7.10	25.4	5.23	1.18	5.40	29.9
December	7.12	1.19	7.31	25.7	5.21	1.10	5.36	29.5
1994								
January	7.13	1.12	7.32	25.7	5.46	0.90	5.59	27.8
February	7.06	0.97	7.22	25.3	5.26	1.07	5.42	28.8
March	7.26	1.08	7.43	26.0	5.42	0.97	5.56	28.8
April	7.61	1.08	7.80	25.7	5.79	1.04	5.95	29.2
May	8.06	1.28	8.28	25.2	5.95	1.03	6.10	29.2
June	8.24	1.14	8.43	25.9	6.22	1.06	6.38	29.2
July	8.31	1.24	8.53	25.8	6.33	1.03	6.49	29.5
August	8.41	1.07	8.60	26.5	6.44	1.04	6.59	29.3
September	8.44	1.14	8.64	25.9	6.51	1.02	6.66	29.5
October	8.57	1.09	8.76	26.1	6.58	1.00	6.73	29.3
November	8.74	1.15	8.94	26.0	6.61	0.97	6.76	29.3
December	8.82	1.36	9.06	25.6	6.83	1.33	7.03	29.6

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
Monthly Data					
1993					
October	182,856	81,898	40,250	49,645	107,154
November	161,608	99,688	47,491	51,044	119,916
December	119,290	109,875	50,474	47,078	126,731
1994					
January	109,899	107,983	50,218	46,434	113,545
February	128,604	133,487	56,254	50,390	89,832
March	138,575	155,130	67,167	59,924	99,833
April	94,642	129,819	56,857	50,512	105,507
May	82,139	127,225	59,711	51,064	107,949
June	77,223	122,697	66,992	55,533	101,786
July	63,984	96,606	61,209	44,445	99,263
August	69,382	98,072	69,674	50,346	101,784
September	57,421	77,760	58,370	45,805	86,457
October	52,999	64,091	50,565	30,278	87,062
November	47,338	57,134	47,735	27,919	77,874
December	39,260	47,681	41,735	24,281	77,804

* 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

* Mortgage insurance written—Initial endorsements. Mortgage amounts are in millions of dollars.
[1] Includes both new construction and substantial rehabilitation under Sections 207, 220, and 221(d).
[2] Includes purchase or refinance of existing rental housing under Section 223.
[3] Includes congregate rental housing for the elderly under Section 231, and nursing homes, board and care homes, assisted-living facilities, and intermediate-care facilities under Section 232. Includes both new construction or substantial rehabilitation, and purchase or refinance of existing projects. Number of units shown includes beds and housing units.
Source: Office of 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 Guaranteed	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	53.967	445.908	562.074
1992	50.275	24.543	101.047	717.816	893.681
1993	83.455	41.036	136.727	749.116	1,010.334
Quarterly Data					
1993					
2nd Quarter	18.055	8.840	32.933	186.241	246.069
3rd Quarter	25.073	11.207	38.877	211.547	286.704
4th Quarter	23.269	13.050	40.718	212.383	289.420
1994					
1st Quarter	29.780	14.296	35.374	180.676	260.126
2nd Quarter	29.220	13.558	36.197	135.060	214.035
3rd Quarter	22.253	12.768	32.518	90.401	157.940

* Includes 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	1,010.3	30.8	1,041.1
Quarterly Data			
1993			
2nd Quarter	246.1	5.9	252.0
3rd Quarter	286.7	8.1	294.8
4th Quarter	289.4	10.3	299.7
1994			
1st Quarter	260.1	7.6	267.7
2nd Quarter	214.0	9.7	223.8
3rd Quarter	157.9	7.4	165.3

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	259.5	39.4	179.3	526.5	5.6	1,010.3
Quarterly Data						
1993						
2nd Quarter	64.6	9.9	49.5	120.9	1.2	246.1
3rd Quarter	69.9	10.4	46.8	157.8	1.8	286.7
4th Quarter	80.8	12.0	53.7	141.4	1.4	289.4
1994						
1st Quarter	62.7	7.9	35.5	152.0	1.9	260.1
2nd Quarter	55.5	7.8	34.4	114.4	1.9	214.0
3rd Quarter	43.3	6.4	27.8	78.1	2.5	157.9

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	182.6	23.7	90.1	-0.5	90.6	107.4	561.8	4.4	1,060.0
Quarterly Data									
1993									
2nd Quarter	49.9	5.6	29.0	16.1	15.9	29.2	129.4	0.9	275.9
3rd Quarter	51.0	6.0	21.3	-0.5	27.8	28.0	153.1	1.2	288.0
4th Quarter	52.0	9.7	27.2	-3.6	26.1	37.4	178.3	1.2	328.5
1994									
1st Quarter	36.2	3.3	15.2	-11.9	30.4	23.0	145.3	1.3	242.9
2nd Quarter	43.0	4.6	23.3	-9.1	14.3	22.9	96.7	1.8	197.6
3rd Quarter	41.1	4.8	21.6	-3.5	9.1	20.1	62.1	2.6	157.8

Source: HUD Survey of Mortgage Lending Activity

Table 20. Mortgage Delinquencies and Foreclosures Started: 1984–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
Annual Data												
1984												
1st Quarter	5.39	3.62	6.92	6.02	0.86	0.56	1.08	1.01	0.19	0.13	0.23	0.23
2nd Quarter	5.49	3.70	7.08	6.16	0.87	0.57	1.11	1.01	0.22	0.15	0.25	0.24
3rd Quarter	5.93	4.05	7.65	6.71	0.91	0.61	1.18	1.05	0.24	0.18	0.28	0.27
4th Quarter	5.81	4.00	7.48	6.65	0.92	0.59	1.19	1.08	0.20	0.16	0.26	0.22
1985												
1st Quarter	6.08	4.08	7.89	6.96	0.95	0.59	1.23	1.17	0.24	0.17	0.30	0.27
2nd Quarter	5.81	4.02	7.52	6.58	0.90	0.56	1.19	1.10	0.23	0.17	0.28	0.26
3rd Quarter	5.76	4.06	7.25	6.47	0.94	0.62	1.18	1.12	0.23	0.17	0.28	0.26
4th Quarter	5.69	4.01	7.19	6.52	0.96	0.65	1.21	1.15	0.22	0.17	0.27	0.25
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	4.30	2.73	6.94	6.27	0.78	0.45	1.34	1.13	0.31	0.22	0.47	0.43
2nd Quarter	4.31	2.69	7.30	6.44	0.79	0.46	1.44	1.16	0.33	0.25	0.48	0.42
3rd Quarter	4.19	2.68	7.06	6.23	0.77	0.47	1.38	1.17	0.31	0.24	0.46	0.38
4th Quarter	4.09	2.51	7.24	6.25	0.75	0.41	1.44	1.16	0.31	0.22	0.49	0.43
1994												
1st Quarter	4.12	2.62	7.25	6.29	0.76	0.43	1.45	1.19	0.31	0.22	0.51	0.43
2nd Quarter	4.21	2.71	7.39	6.40	0.82	0.51	1.50	1.23	0.35	0.25	0.56	0.49
3rd Quarter	3.90	2.47	6.97	6.00	0.74	0.44	1.41	1.16	0.35	0.22	0.62	0.53

*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				Major Replacements
				Total	To Structures		To Property Outside Structure	
					Additions	Alterations		
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	55,583	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
Quarterly Data (Seasonally Adjusted Annual Rates)								
1993								
2nd Quarter	106,800	41,300	65,400	41,200	NA	NA	NA	24,200
3rd Quarter	111,100	41,200	69,900	50,200	NA	NA	NA	19,700
4th Quarter	113,000	42,700	70,300	50,700	NA	NA	NA	19,600
1994								
1st Quarter	108,500	40,300	68,300	51,500	NA	NA	NA	16,800
2nd Quarter	115,500	43,800	71,700	50,300	NA	NA	NA	21,400

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
Monthly Data (Seasonally Adjusted Annual Rates)					
1993					
October	216,600	149,500	138,800	10,700	NA
November	222,400	154,100	142,900	11,200	NA
December	228,500	159,500	148,200	11,300	NA
1994					
January	229,800	160,800	149,900	10,900	NA
February	233,300	164,200	152,900	11,400	NA
March	236,800	167,000	155,000	12,000	NA
April	238,000	168,400	156,800	12,600	NA
May	241,100	170,100	156,800	13,300	NA
June	240,700	168,900	155,800	13,100	NA
July	237,800	168,800	155,500	13,300	NA
August	236,900	167,900	154,200	13,800	NA
September	238,500	168,900	153,500	15,500	NA
October	239,300	167,800	152,800	15,000	NA
November	242,400	169,300	153,000	16,300	NA
December	244,400	170,800	153,500	17,300	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	6,736.9	282.3	4.2
Quarterly Data (Seasonally Adjusted Annual Rates)			
1994			
4th Quarter	6,478.1	267.2	4.1
1994			
1st Quarter	6,574.7	277.1	4.2
2nd Quarter	6,689.9	283.6	4.2
3rd Quarter	6,791.7	283.4	4.2
4th Quarter	6,891.1	285.1	4.1

Source: Bureau of Economic Analysis, Department of Commerce

Table 24. 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
Quarterly Data										
1993										
4th Quarter	110,351	3,137	107,214	8,727	2,609	882	5,236	98,487	63,647	34,840
1994										
1st Quarter[5]	110,263	3,044	107,219	9,237	2,915	895	5,429	97,982	62,522	35,459
2nd Quarter	110,470	3,161	107,309	9,039	2,859	909	5,271	98,270	62,684	35,586
3rd Quarter	111,266	3,065	108,201	9,274	2,798	933	5,543	98,927	63,391	35,536
4th Quarter	111,806	2,845	108,961	9,368	2,864	1,076	5,428	99,593	63,947	35,646

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

1 Census of Housing 1970

2 Census of Housing 1980

3 Census of Housing 1990

4 Annual Housing Survey estimates through 1981 based on 1970 Census weights; 1983 to 1989 estimates based on 1980 Census weights; 1991 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.

5 The 1994 First Quarter estimate represents the introduction of estimation weights derived from 1990 adjusted Census counts rather than 1980 unadjusted Census counts for the quarterly series, resulting in a lower estimate.

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 25. Rental Vacancy Rates: 1979–Present

						Regions				Units in Structure		
Period	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	7.4	7.6	8.3	6.7	6.5	7.1	6.6	8.0	7.5	3.8	9.5	10.3
1994	7.4	NA	NA	NA	NA	7.1	6.9	8.0	7.1	5.2	9.0	9.8
Quarterly Data												
1993												
3rd Quarter	7.1	7.4	8.1	6.6	5.7	6.5	6.8	7.6	6.9	3.7	9.0	9.8
4th Quarter	6.9	7.0	7.5	6.3	6.5	6.4	6.2	7.4	7.1	3.5	8.8	9.4
1994												
1st Quarter	7.5	7.3	8.3	6.2	8.4	7.3	7.0	8.2	7.2	4.6	9.2	10.0
2nd Quarter	7.4	NA	NA	NA	NA	7.1	7.1	7.7	7.3	4.1	9.2	10.1
3rd Quarter	7.2	NA	NA	NA	NA	7.0	6.5	7.8	7.2	4.3	8.9	9.7
4th Quarter	7.4	7.2	7.7	6.5	8.2	7.1	6.8	8.3	6.8	4.9	8.8	9.4

Source: Bureau of the Census, Department of Commerce

Table 26. 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	NA	NA	NA	NA	NA	NA	NA
Quarterly Data								
1993								
2nd Quarter	63.9	15.8	34.0	50.7	65.4	75.3	79.4	77.1
3rd Quarter	64.2	15.1	33.6	51.1	65.4	75.5	80.1	77.1
4th Quarter	64.2	14.0	34.4	51.6	64.8	75.5	80.4	77.3
1994								
1st Quarter	63.8	14.5	34.1	50.0	64.4	75.0	79.3	77.4
2nd Quarter	63.8	14.9	33.9	49.6	64.6	75.2	79.1	77.2
3rd Quarter	64.1	15.0	33.4	51.2	64.3	75.5	79.4	77.2
4th Quarter	64.2	NA	NA	NA	NA	NA	NA	NA

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

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