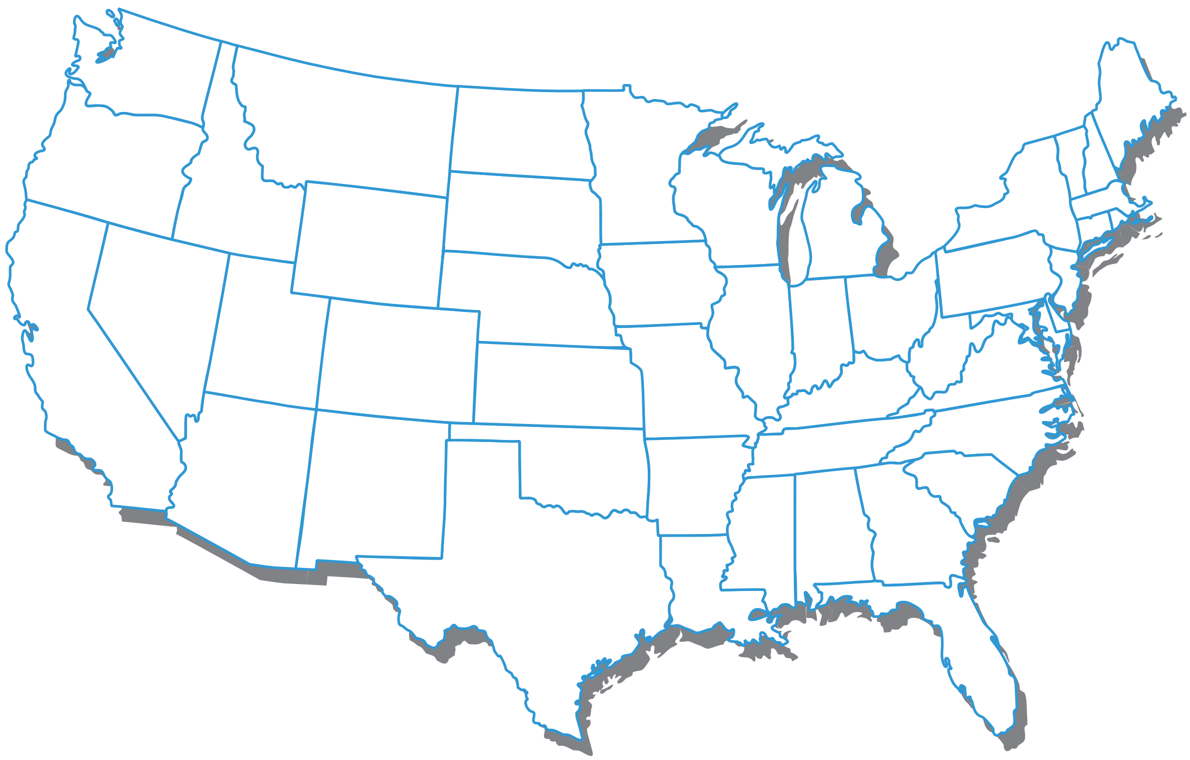
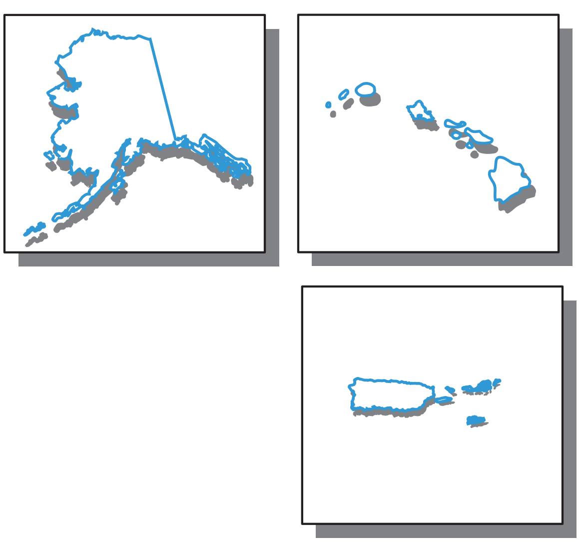
Regional Activity

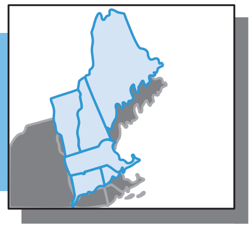




The following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends within each region of HUD management. Also included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

Regional Reports

New England



Nonfarm employment in the New England region averaged 6,930,000 jobs during 2005, an increase of 66,300 jobs, or 1.0 percent, from 2004. Although Massachusetts accounts for almost half of the jobs in the region, the net gain of 21,100 jobs in that state represents only about one-third of the regional increase. New Hampshire had the highest rate of job growth, at 1.9 percent, or 12,100 jobs.

Employment in goods-producing industries increased for the first year since 2000, gaining 9,400 jobs over 2004. Almost half of the goods-producing increase was in Connecticut, where construction jobs accounted for almost all of the growth. Construction employment was also up in Massachusetts as the pace of residential construction activity has accelerated. Employment in service-providing industries increased by 56,900 jobs, or 1.0 percent, in 2005 compared with 2004. At 5,862,600 jobs, the region has surpassed the 2001 peak of 5,820,700 service-providing jobs. All states recorded increases, led by New Hampshire with 9,800 jobs, or 1.9 percent, mostly in trade, transportation, and utilities and leisure and hospitality. Rhode Island gained 7,000 jobs, or 1.7 percent, mostly in education and health services and professional and business services. In the short term, most of the job growth will continue to occur in the Greater Boston area; however, smaller surrounding metropolitan areas in New Hampshire and Rhode Island are also expected to register significant rates of job growth.

The unemployment rate in New England continues to decline. During the 12 months ending December 2005, the average unemployment rate was 4.7 percent, down from 4.8 percent in the previous 12 months. Vermont continues to have the lowest unemployment rate in the region, at 3.5 percent. The unemployment rates in Connecticut and Maine increased over the year to an average of 5.1 percent and 4.9 percent, respectively.

Moderate job growth and favorable mortgage market conditions have helped maintain a level quantity of single-family construction in the region. During 2005, permits were issued for 41,039 single-family homes, slightly less than in 2004. Massachusetts and Maine had increases in permit activity of 2.5 percent and 0.4 percent, respectively, while activity declined slightly in the four other states.

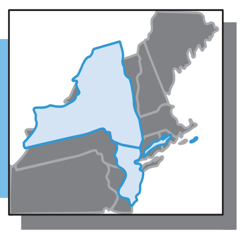
The sales market for existing single-family homes has been strong throughout the region, but has begun to show signs of slowing in the fourth quarter of 2005. In Massachusetts, total sales in 2005 declined by about 4 percent to approximately 48,650 according to the Massachusetts Association of REALTORS® (MAR). The median sales price for the year was up 5.5 percent to $359,750, considerably less than the double-digit increases of a few years ago. The Rhode Island Association of REALTORS® (RIAR) reported that sales for 2005 were down 3 percent to 9,711 homes. The median sales price increased by 6.9 percent during the year to $282,900. In Maine, slower sales in the last quarter of 2005 resulted in only a 1-percent drop in total home sales for the year to 14,396 units. The median sales price for 2005 was $191,000, up 9.1 percent from 2004.

The condominium market has been strong throughout 2005. In Massachusetts, MAR data indicate that condominium sales increased by 16 percent to approximately 22,950 units. The median sales price increased by 7.3 percent to $276,900. In Rhode Island, the RIAR reported that sales were up 28 percent to 2,250 units with the median sales price increasing 6.8 percent to $218,900. In downtown Boston, however, where demand has been very strong and prices rising rapidly, the condominium market slowed considerably in 2005. According to Listing Information Network, Inc., total sales in Boston's downtown neighborhoods declined by about 15 percent to 3,900 units in 2005 from a record 4,590 units in 2004. The increase in median sales price was 9.5 percent to $463,000.

Permits were issued for approximately 16,000 new multifamily units during all of 2005, up almost 11 percent from 2004. More than half of these units were located in Massachusetts as multifamily construction levels continue to increase in the Boston metropolitan area. Multifamily building activity in Connecticut was up almost 10 percent to 3,000, reflecting increased construction in the Hartford metropolitan area and the Fairfield County metropolitan areas of Bridgeport and Stamford. In Rhode Island, multifamily units permitted were up more than 100 percent in 2005 to 1,157 units as several projects in downtown Providence were started.

Fourth quarter 2005 data from Reis, Inc., indicate that the region's three major rental markets have all tightened during the past year. In the Boston market, the apartment vacancy rate was reported at 4.7 percent, down from 5.2 percent a year ago. The asking rent, at $1,581, was up 1.8 percent from the fourth quarter of 2004. More than 3,300 new market-rate units were delivered in 2005 and Reis, Inc., anticipates an additional 5,265 units will enter the market in 2006. Without an increased level of job creation, the market will soften and vacancy rates will rise. In Fairfield County, the apartment vacancy rate was 3.4 percent, up slightly from the previous quarter due to the delivery of about 500 new rental units, but down from 3.5 percent in the fourth quarter of 2004. Rents increased by 1.8 percent last year in Fairfield County, which maintains the second highest level of rents in the nation, next to New York City. The apartment vacancy rate in the Hartford metropolitan area was reported at 4.6 percent, down from 4.9 percent in 2004. Currently, it is estimated that about 1,200 multifamily units are under construction, most of which will enter the market in 2006.

NEW YORK/ NEW JERSEY



Moderate employment growth and low mortgage interest rates supported continued strong housing sales throughout most of the New York/New Jersey region in 2005. Total nonfarm employment in the region increased 1 percent to 12.6 million during the year. In New York State, nonfarm employment increased by 76,400, up 0.9 percent to 8.5 million. A total of 51,200 jobs were added in New Jersey in 2005, a 1.3-percent increase. Employment gains in both states were concentrated in the financial activities, professional and business services, and leisure and hospitality sectors.

During 2005, nonfarm employment in New York City increased by 36,000 jobs, up 1 percent from a year ago, to 3.6 million. In 2005, Wall Street bonuses totaled $21.5 billion, an increase of approximately 15 percent from last year and a new record, which surpassed the previous $19.5 billion record established in 2000.

In New York State, the unemployment rate declined to 5.0 percent for 2005, down from 5.8 percent in 2004. In New Jersey, the unemployment rate went from 4.8 in 2004 to 4.2 percent in 2005.

According to the New York State Association of REALTORS®, the median price of a single-family home in New York State increased 11.4 percent in 2005 to $255,000. In 2005, total home sales in New York State hit a record 105,100, 2 percent greater than 2004. Based on data from the New Jersey Association of REALTORS®, sales in the state for the 12-month period ending September 2005 totaled an estimated 188,700, an 8-percent increase compared with a year earlier. The steady pace of sales activity of 2003 and 2004 continued in most of the Upstate New York markets this year. Sales activity in the Buffalo metropolitan area has been relatively steady over the past 36 months. Sales have averaged 10,350 annually from 2003 through 2005. According to the Buffalo-Niagara Association of REALTORS®, a total of 10,480 homes were sold in the area in 2005, a 1.5-percent increase above 2004. The median sales price for 2005 sales is $95,500, 3.3 percent above last year. Local sources expect sales for 2006 will be strong but lower than the recent past.

With 2005 employment 1.2 percent above last year, strong single-family housing sales continued in the Albany-Schenectady-Troy metropolitan area. Statistics obtained from the Greater Capital Association of REALTORS® indicated that the median sales price of for the 10,600 homes sold in the area in 2005 was $180,000, a 13-percent increase compared with 2004. The median price of an existing single-family home in the Rochester metropolitan area increased 5.7 percent to $112,000 compared with last year. Sales increased 3 percent to 11,300.

During 2005, residential construction in the New York/New Jersey region, as measured by building permit activity, increased 8 percent to 97,900 units, compared with 2004. Total permit activity increased 8 percent in New York to 59,400 units, while in New Jersey building permits were issued for 38,500 units, up 7 percent. Increases in multifamily building permit activity offset declines in single-family activity.

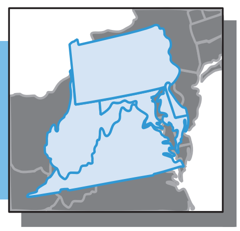
Multifamily activity increased 16 percent to 35,200 units in New York State and 20 percent to 16,600 units in New Jersey.

The rental market in New York City remains extremely tight. Preliminary fourth quarter 2005 statistics from Reis, Inc., indicated an apartment rental vacancy rate of less than 3 percent and an average rent of $2,400 a month. The volume of condominium conversion activity during the past year has contributed to the tighter conditions and low rental vacancy rate. In both the Long Island and central New

Jersey areas, apartment vacancy rates have edged up slightly to approximately 3.5 percent and average asking rents increased minimally to $1,445 and $1,050, respectively.

According to many local sources, housing sales throughout the New York/New Jersey region in 2006 are expected to decline slightly as mortgage rates gradually rise. In many Upstate New York areas, such a decline would be a positive impact on the rental markets, which have generally softened as more renters moved to homeownership.

MID-ATLANTIC



The economy of the Mid-Atlantic region continued to grow at a moderate pace during 2005, as nonfarm employment rose by approximately 196,800 jobs, or 1.5 percent, to 13.8 million. The professional and business services sector added 51,800 jobs, the largest increase of all sectors. Employment gains in the Washington, D.C. metropolitan area accounted for approximately one-half of the regional job increase in this sector. Educational and health services jobs in the Mid-Atlantic region increased by 42,800 and accounted for almost 22 percent of the total annual growth. Approximately 52 percent of the gain in that sector, or 22,300 jobs, occurred in Pennsylvania, up from 40 percent during 2004.

The unemployment rate in the Mid-Atlantic region for 2005 declined to 4.5 percent, down from 2004. Unemployment rates declined slightly in both Virginia and West Virginia to 3.5 and 5.1 percent, respectively, and remained unchanged in Delaware, at 4.1 percent, and in Maryland, at 4.2 percent. The significant change was in the District of Columbia, where the rate declined from 8.2 to 6.8 percent. In Pennsylvania, the rate dropped to 5 percent, the lowest rate since 2001.

With the solid fundamentals of economic growth and continued low mortgage interest rates, demand for existing homes was high throughout the Mid-Atlantic region in 2005. The Virginia Association of REALTORS® reported approximately 138,000 existing home sales for 2005, 1 percent more than the number sold during 2004. The average price of a home sold during 2005 was $264,411, or 21 percent greater than last year. The number of sales in the Northern Virginia suburbs in the Washington, D.C. metropolitan area declined by close to 7 percent during the year, but average prices increased 22 percent to $536,554. In the Richmond, Virginia metropolitan area, the number of sales remained relatively unchanged, totaling approximately 16,450 during 2005. The average price increased almost 17 percent to $240,492.

Nearly 100,000 existing homes were sold in Maryland during 2005, an increase of 2 percent compared with 2004. According to the Maryland Association of REALTORS®, the average price rose slightly more than 19 percent to $338,688. During the 12-month period, 46,061 homes were sold in the Baltimore metropolitan area at an average price of $292,829, reflecting a 2-percent increase in sales and an 18-percent increase in price from 2004.

Existing home sales activity in Pennsylvania increased dramatically in 2005. During the 12 months ending September 2005 (the most recent data available), the Pennsylvania Association of REALTORS® reported approximately 243,600 sales, a 17-percent increase over the comparable period a year ago. The average price rose 15 percent to $215,457.

The continued expansion of the economy has kept single-family home construction stable during 2005. During the year, permits for new homes totaled 123,414, nearly unchanged from 2004. The largest increase in single-family activity occurred in Maryland, where permits were issued for 24,108 homes, 10 percent more than in 2004. Activity continued at relatively high levels in Virginia and Pennsylvania, up 900 homes and down 700, respectively. In the largest metropolitan areas in the region, activity in 2005 exceeded that of 2004 only in Baltimore, with permits for 8,448 new homes, and Richmond, with permits for 8,827.

Multifamily activity, as measured by building permits, totaled approximately 29,700 units in the Mid-Atlantic during 2005, down almost 5 percent from 2004. The number of units in Pennsylvania and Virginia decreased by 1,900 and 2,400 units, respectively, offsetting increases in the other states. Maryland had a significant increase, with 8,168 units permitted, 26 percent greater than 2004.

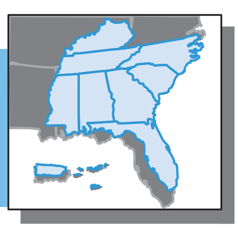
Conditions vary between the three largest rental markets in the region. In the Washington, D.C. metropolitan area, the market continues to tighten. According to Delta Associates, the vacancy rate for Class A units in the suburban counties in the

Washington metropolitan area decreased from 6.4 percent in December 2004 to 4.0 percent in December 2005. Vacancy rates in Class A highrise units in the District of Columbia declined dramatically from 18 percent to 6 percent during the same period. The absorption of more than 5,200 vacant rental units and the loss of approximately 6,400 rental units to condominium conversion significantly reduced the available supply.

In the Baltimore metropolitan area, conditions in the apartment market softened in 2005. Delta Associates reported a significant increase in the vacancy rate in the city from 13 percent in December 2004 to more than 17 percent in December 2005. With almost 450 units in marketing and 1,000 under construction, rates are expected to remain high in the city. Vacancy rates in Anne Arundel, the southernmost county in the metropolitan area, rose from 8.5 percent to 11.5 percent during the same period, but absorption of recently completed units is good and the market should return to a balanced condition during 2006.

Conditions in rentals in the suburban counties of the Philadelphia metropolitan area remain soft due to slower than expected lease up of new units entering the market during the past 24 months. According to Delta Associates, apartment vacancies declined from 18.5 percent a year ago to 12 percent currently. The rental market in the Center City Philadelphia submarket tightened during 2005 as fewer rental units were brought to market and an increasing number of existing rentals were converted to condominiums. Delta Associates reports an apartment vacancy rate of 7.8 percent in December of 2005, down from 9.8 percent in December of 2004. Currently, it is estimated that approximately 600 new rental units will come on the Center City market during the next 3 years.

Southeast/ Caribbean



The economy of the Gulf Coast continues to be affected by the damage from Hurricanes Katrina and Rita. As of the fourth quarter of 2005, the average nonfarm employment in Mississippi fell to 1,107,600, a decline of 26,700 jobs, or 2.3 percent, below that reported in the fourth quarter of 2004. The most severely affected area in the state was the Gulfport-Biloxi area. Recent employment statistics indicate a rebound is under way. Data for November indicate resident employment had increased to 86,800. In the Mobile metropolitan area, nonfarm employment increased by 4,800 jobs in 2005, a strong performance considering the damage to the tourism, farming, and seafood industries in the area. For the region as a whole, nonfarm employment during 2005 increased by 394,800 jobs, or 1.5 percent, to 26 million. The unemployment rate for the region remained unchanged at 5.5 percent.

The largest increase in nonfarm employment occurred in Florida where 248,000 new jobs were added, a 3.3-percent gain due to the strength of growth in tourism. North Carolina recorded the next highest gain at 53,400 jobs, or 1.4 percent, to 3.9 million. Employment in Alabama increased by 28,000 jobs, or 1.5 percent. Unlike most states in the region, manufacturing employment in Alabama increased in 2005 by 5,000 jobs to 295,900. Automobile manufacturing accounted for 54 percent of the gain.

Increases in employment varied widely among metropolitan areas throughout the region. Employment increased by 43,100 jobs, or 4.5 percent, in the Orlando metropolitan area during 2005 to 1,011,100. The largest absolute increase among the metropolitan areas was in Florida. Impressive job increases of 33,900 and 24,900 were reported for the Tampa and Fort Lauderdale metropolitan areas, respectively. Employment growth in the Charlotte metropolitan area continues to lead growth in North Carolina, with employment in 2005 averaging 798,500, an increase of 25,100 jobs, or 3.2 percent, from the previous year.

Total housing production in the region, as measured by building permit activity, increased significantly in 2005. Permits were issued for 639,410 units during the year, an increase of 8 percent. The number of single-family units increased by 50,004, or 11 percent, to 513,362. Only Alabama and Kentucky registered declines in single-family activity. Regionwide multifamily permit activity for the year declined by 1,930 units, or 1.5 percent, to a total of 126,048 permits. Increased activity was reported for Florida and South Carolina. In Florida, multifamily activity was up 12 percent, or almost 8,000 units, to 72,361 units. Much of the increase is due to the growing demand for condominiums.

The single-family sales market continues to be strong in the Orlando metropolitan area, where, for the first half of 2005, Charles Wayne Consulting, Inc., reported that sales of new single-family homes totaled 6,840, a 10-percent increase over the first half of 2004. For the same period, the company reported that the number of multifamily units sold more than doubled to 3,778.

Rapid population in-migration and employment growth in Florida is causing huge demand for new rental housing and tighter market conditions. In the Orlando metropolitan area, the vacancy rate in large apartment complexes was reported to be 3.9 percent by Charles Wayne Consulting, Inc., as of September 2005. This rate was the lowest in the history of the survey, which began in 1987. The number of rental units under construction at the end of the third quarter of 2005 had declined to 3,940 compared with 6,196 units at the end of the third quarter of 2004. The escalating growth in demand for condominiums has increased competition and prices for land suitable for multifamily development and made it more difficult and costly to develop rental properties.

According to data from Reis, Inc., the apartment vacancy rate in the Memphis area as of the fourth quarter of 2005 was 9.4 percent, down slightly from 9.6 percent the previous year due in part to absorption of vacant units by evacuees from the Gulf Coast. Conditions in the Nashville rental market have tightened recently and the apartment vacancy rate as of the fourth quarter was reported to be 6.6 percent. Conditions in most North Carolina rental markets have tightened during the past 12 months. Fewer apartment completions, strong household growth, and a reduced rental supply due to increased condominium conversions have contributed to a 1.8-percentage point decline in the Charlotte area to an estimated 8.3 percent as of the fourth quarter of 2005. According to MPF/Yieldstar, the apartment vacancy rate in Atlanta in December 2005 decreased to 6.2 percent from 8.7 percent in December 2004 due primarily to the absorption of more than 6,000 units by Katrina evacuees.

MIDWEST

In the Midwest region, 2005 was another strong year for sales housing. Favorable interest rates and growing local economies meant increased demand. The economy in the Midwest region continued to grow at a slow pace in 2005. Nonfarm employment in the region averaged 24.1 million, an increase of 120,000 jobs, or 0.5 percent, from 2004. All states recorded job gains except Michigan. Gains in the professional and business services, education and health services, and leisure and hospitality sectors offset losses in the manufacturing and information services sectors. Modest employment growth of approximately 1.0 percent in 2006 is expected in most states of the region, stimulated by a strong construction sector and expansion in service-providing employment.

Private surveys of business conditions in the last 6 months of 2005 showed local economies strengthening in the Chicago, Milwaukee, Cincinnati, and Cleveland metropolitan areas. DaimlerChrysler Corporation is expected to add 1,000 workers to support increased automobile production at the Belvedere assembly plant in northern Illinois.

Labor markets generally improved in the Midwest region during 2005. The regional average unemployment rate was 5.6 percent for the year, down from 6.1 percent in 2004. Despite a loss of jobs in Michigan, the unemployment rate in the state averaged 6.8 percent, down slightly from 2004. Unemployment rates in the remaining states ranged from 4 percent in Minnesota to 5.7 percent in Illinois.

According to the NATIONAL ASSOCIATION OF REALTORS®, the annual rate of all existing homes sales in 2005 topped more than 1.2 million homes, up 2 percent from 2004. Significant increases in sales activity for the year were reported for Illinois, Indiana, Ohio, and Wisconsin.

The Ohio Association of REALTORS® reported record sales of existing homes in 2005 for the fifth straight year. Sales activity in the state increased by 4 percent from 2004, and the average sales price increased by 3 percent to $156,600 in 2005. In the Columbus area, the strong demand for existing homes boosted the homeownership rate to a record 71 percent as of the third quarter of 2005. The Illinois Association of REALTORS® reported that a record 183,100 existing single-family homes sold in 2005. Condominium sales in the state in 2005 were robust, up 10 percent from 2004. Sales activity in Illinois is expected to remain strong in 2006. A record number of existing homes were sold in the Milwaukee area in 2005, increasing the homeownership rate in the metropolitan area to a high of 66 percent. In the Detroit area, existing home sales in 2005 increased by 4 percent and the median sales price held steady at $164,000, despite a slower local economy.

Single-family building activity continued at a strong pace throughout much of the Midwest region, but activity varied by state. Building permits were issued for 222,000 single-family homes in 2005, approximately equal to the high level of single-family permits in 2004. In Illinois, permits for single-family homes were up 7 percent to 49,000 because of strong activity in the Champaign-Urbana, Chicago, and Rockford metropolitan areas. Chicago area builders expect to start 28,000 to 30,000 new homes in 2006, about equal to the number in 2005. In Ohio, single-family permit activity for 2005 totaled 45,100 homes, up 10 percent from 2004.

The number of building permits for single-family homes in Michigan and Minnesota decreased by 9 and 5 percent, respectively, in 2005 compared with 2004. Detroit area builders cut back because of the slowdown in the local economy. Approximately 19,000 new homes were started in the metropolitan area compared with 24,000 in 2004. According to Housing Consultants, Inc., homebuilders in the Detroit-Ann Arbor area expect to start 5 to 10 percent fewer homes in 2006.

In Minnesota, the Builders Association of the Twin Cities reported starts for 2005 totaled 18,000 homes in the Minneapolis-St. Paul area, down from a record of 19,000 new homes set in 2003. Builders in the Twin Cities are reported to be less optimistic about homebuilding in 2006 because of the increased inventory of unsold new homes and fewer potential buyers at the Fall Parade of Homes held throughout the metropolitan area.

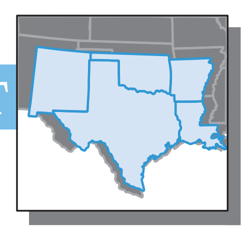
The Wisconsin Builders Association reported slower residential construction activity in the first half of 2005, but demand strengthened in the second half of the year, and 2005 finished slightly below the record of 2004. Building permits were issued for 26,800 single-family homes in 2005 compared with 28,000 units in the previous year. In 2006, new home construction in Wisconsin is expected to remain robust because of the growing economy.

The volume of multifamily building permit activity in the region was unchanged in 2005. Building permits were issued for 57,000 units, approximately equal to the number in 2004, but activity varied by state. In Illinois, multifamily activity for the year increased by 29 percent to 18,700 units due to strong demand for condominiums in the Chicago area. By contrast, the number of multifamily units authorized in Michigan in 2005 decreased by 17 percent in response to a lower demand for condominiums and rental units due to the slower economy and job losses of the past 12 months. In the Detroit-Ann Arbor area, building permits for apartments were down 52 percent to 1,050 units compared with 2004. Minnesota recorded a significant decrease in multifamily activity, particularly for new apartment developments in the Twin Cities area. In Ohio, multifamily permit activity was up 10 percent in 2005 to 10,000 units. In Indiana, activity was essentially unchanged at 6,000 units.

Conditions in most major rental markets in the Midwest region as of the fourth quarter of 2005 were somewhat tighter compared with 12 months earlier. In the nine market areas surveyed by Reis, Inc., in the region, all but the Dayton and Detroit market areas recorded modest declines in the apartment vacancy rate. The Detroit-Ann Arbor rental market is expected to remain somewhat soft throughout much of 2006 because of the slow local economy.

Conditions in the Chicago area are now more balanced as occupancy increased during 2005 due to growing renter demand, limited rental production, and the reduction of rental supplies from condominium conversions. In Ohio, the apartment vacancy rates in the Columbus, Cincinnati, and Dayton areas were all around 8.5 percent as of the fourth quarter of 2005, not significantly different from a year earlier. The increased demand for apartments in the Cleveland area boosted rents 1 to 2 percent during the past 12 months. The apartment market in Madison, Wisconsin tightened in 2005. The apartment rental vacancy rate in the metropolitan area was 5.7 percent in the fourth quarter, down from 6.3 percent in the fourth quarter of 2004. Conditions in the Indianapolis rental market remain soft and the apartment vacancy rate is reported to be approximately 9.5 percent, down 1 percentage point from the fourth quarter of 2004.

SOUTHWEST



The economy in the Southwest region grew at a moderate pace as employment increased in every state but Louisiana; however, post-Katrina preliminary data indicate employment levels are improving in the state. Nonfarm employment in Texas increased by 128,000 jobs, or 1.4 percent, during 2005 to 1.7 million, and for the first time since 2000, increases were recorded in every sector. The largest increases in Texas were 26,000 jobs in the educational and health services sector and 22,000 jobs in the professional and business services sector and the trade, transportation, and utilities sector. In Oklahoma, a gain of 26,500 jobs was reported during 2005, with increases in all sectors except manufacturing. Nonfarm employment increased by 16,000 jobs, or 2.0 percent, in New Mexico, and 13,000 jobs, or 1.1 percent, in Arkansas during 2005.

Most of the major metropolitan areas in the Southwest region had rates of job growth in excess of 1.0 percent during 2005; however, the rate was much higher in some areas. The Austin area had the highest rate of growth, 2.3 percent for the year. Of the 15,000 jobs added in the Austin area, 87 percent were distributed throughout the service-providing sector. Employment increased by 6,600 jobs in the Albuquerque area, a 1.8-percent gain. Employment increased by 1.7 percent in both the San Antonio and Oklahoma City areas in 2005. In the largest metropolitan areas in the Southwest region, Dallas-Fort Worth and Houston, employment increased by 37,900 and 31,700 jobs, respectively, for the year.

Significant declines in unemployment rates were reported in the Southwest region during 2005. In Texas, the unemployment rate declined from 6.1 percent in 2004 to 5.5 percent in 2005. In Arkansas, the rate for 2005 dropped to 5.3 percent. The unemployment rate declined from 4.9 percent to 4.5 percent in Oklahoma.

Residential building activity in the region increased 15 percent during 2005 as permits were issued for 280,000 units, or 36,000 higher than during 2004. Since 2000, permits have been issued for 1,384,000 units in the Southwest region, including more than 1 million single-family homes. Single-family homebuilding continues at record levels in many parts of the region. Permits were issued for 226,400 single-family homes during 2005, a 16-percent increase compared with 2004. In Texas, 141,800 new homes were permitted during 2005, a gain of 23,750, or 17 percent, compared with the previous year. In Oklahoma, activity for the year was also up 17 percent to 15,550 single-family homes. In New Mexico, permits were issued for 13,550 single-family homes, an increase of 15 percent. In Arkansas, activity increased 23 percent to 11,900 new homes. Permits were issued for approximately 19,800 homes during 2005 in Louisiana, a gain of 8 percent.

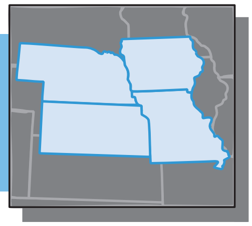
Existing home sales in the Southwest region also continue at record levels and double-digit increases in volume compared with 2004. According to the Real Estate Center at Texas A&M University, more than 261,500 homes were sold in Texas during 2005, a 9-percent increase compared with 2004. In the Houston area, home sales during 2005 totaled 72,450, an 8-percent increase compared with the previous year. Existing homes sales in the Dallas-Fort Worth area were up 9 percent, where 69,000 homes were sold in 2005. Compared with the previous year, the 26,900 sales in Austin are a 19-percent increase and the 23,350 homes sold in San Antonio are a 14-percent gain. In Albuquerque, the number of home sales rose during 2005 to 14,350, or 17 percent more than the previous year.

Prices of existing homes in the Southwest region increased at a faster pace during 2005 than in recent years, but remain relatively affordable. The average sales price in Texas during the past 12 months was $174,000, or 6.5 percent more than during 2004. The average annual increase in price from 2000 to 2004 was less than 3.0 percent. In the major metropolitan areas of the state, the lowest average price during 2005 was $133,200 in the Fort Worth area, an 8.5-percent increase compared with 2004. The average price in both the Austin and Dallas areas exceeded $200,000 in 2005, and the increases were 8 percent greater than in 2004. Homes prices averaged $180,000 during 2005 in the Houston area and $160,000 in San Antonio. The average sales price in the Albuquerque area was $197,350.

Multifamily permit activity in the Southwest in 2005 increased 9 percent to 53,650 units, with 80 percent of the gain, or 43,400 units, in Texas. A 17-percent increase in activity in Texas offset declines in all the other states of the region. The largest increases in multifamily permit activity were in the Austin, Dallas-Fort Worth, and San Antonio housing market areas.

Conditions were soft in the rental markets of most major metropolitan areas in the Southwest region before Hurricanes Katrina and Rita. Although vacancies declined significantly and conditions improved with the relocation of evacuees from the Gulf Coast, the improvement has been temporary. During the fourth quarter of 2005, apartment occupancy rates in some markets have begun to fall toward prehurricane levels and conditions remain soft and very competitive. According to ALN, an apartment data company, occupancy has improved the most in the Austin area, where average occupancy for 2005 was 92 percent, up 2.5 percentage points from 2004. Apartment occupancy in the Houston and Dallas-Fort Worth areas averaged 90 percent, and in the San Antonio area averaged 91 percent, during 2005, a slight improvement. In Louisiana, as expected, conditions in the rental markets of most metropolitan areas are reported to be very tight, especially for affordable units.

Great Plains



The economy of the Great Plains region continued to grow through 2005. An estimated 100,000 new nonfarm jobs were added during the 12 months ending December 2005, growing to 6.5 million, a 2-percent gain. Employment increases were recorded in all four states of the region and in all sectors of the economy. The sharpest rate of growth occurred in the financial activities sector, in which employment increased 3 percent for the year. The fastest rate of employment growth during the 12-month period was in Iowa at 2.2 percent, driven by substantial gains in the financial activities and education and health services sectors. The unemployment rate in the region for 2005 averaged 4.6 percent, little changed from 2004.

Sales market conditions remained strong throughout the Great Plains region during 2005. For 2005, the annual rate of sales totaled 337,300 units, a 3-percent increase over 2004, according to data from the NATIONAL ASSOCIATION OF REALTORS®. In the Des Moines, Iowa metropolitan area, existing homes sales for all of 2005 totaled 11,300, a 4-percent increase over 2004. The median sales price of $168,000 is 13 percent higher than that for 2004, according to the Iowa Association of REALTORS®. Elsewhere in Iowa, existing home sales in the Cedar Rapids and Iowa City areas in 2005 were up 5 and 6 percent, respectively. The median sales price in the industrial city of Cedar Rapids increased by only 3 percent to $128,000, but in Iowa City, home of Iowa University, the median price increased 12 percent to $168,000.

In Omaha, Nebraska, the annual rate of new and existing home sales for 2005 rose by 1 percent to 11,600 in 2005 compared with 2004, according to data from the Omaha Board of REALTORS®. The average sales price of $170,000 was a 6-percent increase over the 2004 price. In Lincoln, Nebraska, demand for sales housing has not changed during the past 24 months. Total sales of new and existing homes totaled 4,500 in 2005, not significantly different than the activity in 2004, based on data from the REALTORS® Association of Lincoln. The average sales price for an existing home in 2005 was $136,000 and the average price for a new home was $225,000.

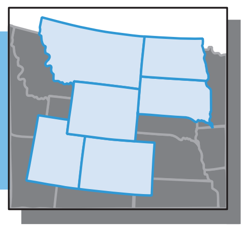
In the Kansas City metropolitan area, new and existing home sales in 2005 totaled 39,400, a 4-percent increase compared with 2004, according to Heartland Multiple Listing Service data. The median sales price rose 5 percent to $180,000 during the period. Approximately 8,900 new units were sold in the area, an increase of 6 percent, at an average price of $248,000. The annual volume of existing home sales did not change appreciably in 2005. An estimated 29,400 existing homes were sold during the year at an average sales price of $160,000. According to the Wichita Area Association of REALTORS®, existing home sales in the area for 2005 rose 12 percent to 9,900 and the average sales price increased 3 percent to $108,900.

Single-family building permit activity for 2005 increased 6 percent in the Great Plains compared with 2004. Moderate increases in activity were reported for many of the metropolitan housing markets. Activity in the two largest areas—Kansas City and St. Louis—was lower than last year, but not significantly so. Permits were issued for 58,300 homes in the region. Forty percent of the activity, or 24,300 units, was in Missouri, up 2 percent from 2004. In Kansas, the number of single-family permits issued for the year was up 12 percent to 12,000 homes.

Rental market conditions have tightened somewhat throughout most of the Great Plains region during the past 12 months because of increased renter demand. In the St. Louis area, the overall apartment vacancy rate declined to 7 percent in December 2005 compared with 8 percent in 2004, according to Kramer and Associates. The overall average rent for a two-bedroom unit was $700 in 2005. Rent increases have been minimal averaging 1 percent in the metropolitan area in 2005. Concessions of 1 or 2 months rent free on a 1-year lease, common in 2004, have almost disappeared. In the Kansas City metropolitan area, the overall rental vacancy rate declined to 7 percent as of December 2005, compared with 8 percent a year earlier. The average rent for a two-bedroom apartment was $700. Rent increases averaged 1 percent in the metropolitan area. Significantly, rental concessions have fallen from 2 months free rent in 2004 to 1 month in 2005. The rental market was balanced in the Omaha metropolitan area in 2005, with an overall rental vacancy rate of 5.8 percent. The rent for a two-bedroom units averaged $650 in the area. The tightest submarket in Omaha is the southern part of the metropolitan area near Offutt Air Force Base, where the rental vacancy rate averaged 5 percent for 2005.

The number of multifamily units authorized by building permits totaled 14,500 in the Great Plains region in 2005, up 16 percent compared with the 2004. Multifamily building permit activity was up 26 percent in the Kansas City metropolitan area and 40 percent in Des Moines. Activity was down 4 percent in the St. Louis area and 8 percent in the Omaha area for the year.

Rocky Mountain



The economy of the Rocky Mountain region continued to grow through the fourth quarter of 2005. Nonfarm employment in the region increased by 113,900 jobs in 2005, or a 2.4-percent increase from 2004. The most significant increase was in Colorado, where 46,200 jobs were added, followed by Utah with an increase of 41,000 jobs. Led by strong gains in construction and professional and business services, the economy in Colorado is in the second year of a recovery. The total of 2.2 million jobs for 2005 is almost equal to the peak employment level in the state in 2001. In Utah, employment growth across all industries contributed to a 3.7-percent increase this year, one of the fastest rates of job growth in the nation. Other states in the region had moderate employment increases that helped maintain an improved job picture for the region.

The Census Bureau estimated population of the Rocky Mountain region was nearly 10,000,000 as of July 2005, an increase of 1.3 percent since July 2004. The 2-percent growth rate in Utah led the region and placed the state as the fifth fastest growing in the nation. Net in-migration accounted for 35 percent of the 130,000-person increase for the region. Colorado and Utah recorded the largest increases in net in-migration due to increased international in-migration.

Homebuilding activity in 2005, as measured by building permits, remained at relatively high levels. More than 70,600 single-family permits were issued in 2005, 3 percent greater than 2004. Increased single-family permit activity was recorded in three of the six states in the region. Utah was the most active with a 12-percent increase in single-family homes, accounting for most of the rise in permit volume for the region. In Colorado, single-family permits were up by 1 percent from the past year, while activity in Montana, North Dakota, and South Dakota declined slightly.

Demand for sales housing in the Rocky Mountain region continued to increase through the fourth quarter of 2005. According to the NATIONAL ASSOCIATION OF REALTORS®, the annual rate of existing home sales in the region for 2005 was reported to be 256,200, an increase of 7 percent from 2004. Sales activity in Utah, North Dakota, and South Dakota was up 19, 9, and 6 percent, respectively. Annual rates of home price appreciation also increased according to data released by the Office of Federal Housing Enterprise Oversight (OFHEO) in its third quarter 2005 survey. Prices increased in all states over the third quarter of 2004 but remained at or below the national rate of 12 percent. Reflecting the strong economy in Utah, the appreciation rate of 11 percent was nearly triple the 4-percent rate recorded a year ago. The average home price in Colorado increased 6 percent for 2005, the first significant gain in 4 years.

Sales market conditions are strong and balanced throughout most metropolitan areas of the region. After modest annual increases in sales activity from 2000 through 2004, the volume of home sales in the Salt Lake City area increased significantly in 2005. According to the Salt Lake City Area Multiple Listing Service, the number of single-family sales for the year increased by 18 percent and the median sales price increased by 12 percent to $185,500. According to the Denver Board of REALTORS®, existing single-family sales for 2005 were down slightly from a strong 2004, indication of the continued strength of the market. The median home sales price increased by 6 percent to $246,600. The Pikes Peak Association of REALTORS® reports that the volume of single-family sales in 2005 for the Colorado Springs area was up 12 percent from 2004 and the median sales price increased by 8 percent to $203,400.

Large increases in sales prices and sales activity were reported for several smaller housing market areas of Colorado in 2005, according to the Colorado Association of REALTORS®. In the Pueblo and Grand Junction areas, the number of existing single-family home sales in each increased by more than 15 percent and the median sales price increased by approximately 12 and 7 percent, respectively, compared with 2004. Both areas are among the most affordable housing markets in the state. The median sales price in Pueblo is 60 percent of the median price of $204,000 for the state. The median price in the Grand Junction area is 85 percent of that for the state. The resort areas of Pagosa Springs and Glenwood Springs, where the median sales prices in 2005 were $240,800 and $271,300, respectively, registered 25-percent increases in sales volume from 2004. Compared with homes in Aspen or Telluride, with median sale prices of more than $1 million, these markets provide a relatively affordable alternative.

Multifamily building permit activity totaled 13,100 units in the Rocky Mountain region for 2005, down 17 percent from 2004. The decrease was mostly attributable to a decline in Colorado, where activity was down by approximately 1,700 units from last year. Activity was also down in Montana, South Dakota, and Utah. Local sources speculate that the decrease in permit activity in 2005 is a reaction to the persistent competitive rental market conditions and low rent levels, as well as higher costs of construction.

With renewed consistent employment growth and reduced apartment construction, conditions are steadily improving in the rental markets in Utah and Colorado. In the Salt Lake City area, according to a fourth quarter 2005 report by Reis, Inc., the apartment vacancy rate declined and effective rents advanced modestly in 2005. The vacancy rate declined from 7.4 percent as of the fourth quarter of 2004 to 5.7 percent, while the average rent grew by 1 percent.

In Colorado Springs, a survey conducted by Doug Carter, LLC, revealed an apartment vacancy rate of 10.8 percent as of the fourth quarter, down from 12.8 percent a year ago. The rental market in Colorado Springs is expected to strengthen in 2006 with the return of 4,000 soldiers to Fort Carson Army Base. In the Denver area, the apartment vacancy rate fell to a 5-year low, according to the Denver Apartment Association's fourth quarter 2005 survey. The vacancy rate of 7.9 percent at the end of 2005 is well below the rate of 10 percent at the end of 2004, but well above the low of 4.7 percent in 2000. The third quarter 2005 survey by the Colorado Division of Housing reported tightening conditions in other rental markets throughout the state. Of the 20 communities surveyed, apartment vacancy rates were down in 15 from the past year. Resort areas showed the greatest change as tourism and the demand for service workers have significantly increased demand for rentals. The rental vacancy rate in the Vail area dropped to 5.2 percent and the rate in Aspen remained a low 3 percent.

PACIFIC

The rate of employment growth in the Pacific region accelerated significantly in 2005. Nonfarm employment in the region averaged 19.1 million for the year, a 2.2-percent increase from the previous year. An estimated 418,600 new jobs were added during the year, compared with 302,500 jobs in 2004. The job growth occurred in all states in the region and nearly all major industry sectors. Employment in service-providing sectors increased by more than 312,000, or 2 percent, led by gains in the leisure and hospitality and professional and business service sectors. The strong economic expansion and subsequent increases in housing demand have meant a boom in residential and commercial building throughout the region and employment in the construction industry increased by nearly 100,000 jobs, an 8-percent gain during the year. In California, nonfarm employment rose by 231,600 jobs in 2005, an increase of 1.6 percent compared with a 1-percent gain in the previous year. The construction and leisure and hospitality sectors led job growth in the state with 7- and 3-percent increases, respectively. Employment in the San Francisco Bay Area increased by more than 20,000 jobs in 2005, the first reported annual gain since 2000.

In Arizona, employment rose by 97,700 jobs in 2005, a 4.1-percent increase primarily due to hiring in the construction, trade, transportation, and utilities, and education and health sectors. Employment in Phoenix increased 4.2 percent in 2005, the fastest rate of growth since 1999. Nevada led the region in the rate of job growth, an increase of approximately 73,000 jobs, or a 6-percent gain for the year. Nearly 85 percent of the new jobs are located in the Las Vegas area, where expanding gaming and tourism and rapid population growth are driving the need for workers in its service industries and in construction. Employment in Hawaii increased by 6,400 nonfarm jobs in 2005, a 2.8-percent gain. Half of the new jobs were added in the trade, transportation, and utilities and leisure and hospitality sectors, supported by growing domestic and international travel.

Reflecting rapid economic growth, the unemployment rate in the region averaged 5.1 percent in 2005, down from 5.9 percent in the previous year. Unemployment rates ranged from 2.8 percent in Hawaii to 5.3 percent in California.

The population of the Pacific region was estimated to be 45.8 million as of July 2005, according to the Census Bureau. From early 2000 to 2005, regional population rose an average of 675,000, or 1.5 percent, annually. During that time, population in Arizona and Nevada led the region with average annual growth rates of nearly 4 percent because of continued high levels of in-migration. The population of California grew by 1.2 percent a year between 2000 and 2005, but accounted for nearly half of the regional increase.

Home sales remained strong in the region in 2005. According to the California Association of REALTORS® (CAR), existing home sales in California totaled 623,000 for the year, essentially unchanged from the record level set in 2004. During 2005, the median sales price for an existing home increased 16 percent to $525,650. CAR reported that although unsold inventories were up compared with the previous year, these inventories remain at historically low levels in most areas. In Southern California, new and existing homes sold at a near-record pace. Reduced sales in Los Angeles and San Diego Counties tended to be offset by higher sales volume in the other counties, particularly Riverside and San Bernardino. Sales in 2005 in the San Francisco Bay Area were down 6 percent from an extremely strong 2004 pace. According to DQ News, the median sales price for all homes in Southern California and in the Bay Area rose 16 and 18 percent, respectively, compared with 2004.

In the Phoenix area, sales of existing and new homes increased 18 and 19 percent, respectively, to record levels in 2005, according to the Phoenix Housing Market Letter. The median sales price of existing homes rose to $240,000 because of rapid increases in demand from households moving to the area, many with substantial assets from homes sales in higher priced areas, as well as demand from investors.

Closings for both existing and new homes set records in Tucson, rising 10 and 16 percent, respectively, according to the Tucson Housing Market Letter. The median sales price for existing homes in Tucson increased to $209,200 in 2005. Existing sales in Honolulu were essentially unchanged from the record-level pace of 2004.

Single-family building permit activity in the Pacific region reflected the strong demand for new homes with 270,000 permits issued in 2005, virtually unchanged from 2004. Approximately half of all the new home activity in the region occurred in the Phoenix, Riverside-San Bernardino, and Las Vegas housing market areas. Activity in Arizona rose 2 percent to a record 78,000 homes. California builders obtained 147,300 single-family permits in 2005, off 2 percent from 2004, and the second highest level since 1989. The Riverside-San Bernardino, Los Angeles, and Sacramento areas registered the largest volumes of single-family permit activity in the state. In Nevada, 37,800 single-family permits were issued during 2005, slightly below the record volume of 2004. Single-family permit activity in Hawaii rose 20 percent to a record 6,900 homes.

Rental market conditions in the major metropolitan areas of the Pacific region were tighter in 2005, as reflected by the lower vacancy rates. The current conditions are the result of increased renter demand because of the strong employment and population growth, together with a lower volume of apartment production during 2005. In the San Francisco area, the apartment vacancy rate declined to 4.7 percent as of the fourth quarter from 5 percent a year earlier, according to Reis, Inc. The apartment vacancy rate in the San Jose area for the fourth quarter was 4.3 percent, significantly below the 5.4-percent vacancy rate recorded a year earlier. Conditions in the Oakland-East Bay rental market remain balanced with a reported apartment vacancy rate of approximately 5 percent, not significantly different from a year ago. Reflecting tighter conditions, apartment rents in the San Francisco Bay Area rose moderately in 2005, up 1.5 percent in Oakland and 3.5 percent in San Francisco.

In Southern California, conditions remained somewhat tight in most of the rental markets in the area. The rental vacancy rate declined in both Los Angeles and Orange Counties to approximately 4 percent because renter household growth exceeded the supply of new apartments. Conditions in San Diego County remained balanced where the overall rental vacancy rate is reported to be approximately 5 percent. The supply of available rentals remained constant in the area during 2005 as the completion of new multifamily rental units offset the loss of rental conversions to condominiums.

Conditions in the rental markets in Arizona tightened significantly during 2005 because the moderate levels of new apartment construction were not enough to meet the increased renter demand due to rapid population growth. The Arizona Real Estate Center reported that the apartment vacancy rate as of the fourth quarter of 2005 had declined to 5 percent, down 3 percentage points from a year earlier. Concessions were much reduced and rents rose nearly 4 percent during the year, compared with declines in the 2 previous years. In Tucson, the apartment rental vacancy rate is estimated currently to be 6.2 percent, compared with 7.7 percent in the fourth quarter of 2004, according to Reis, Inc. The average rent increased approximately 2 percent in 2005, compared with growth of less than 1 percent in 2004. The Honolulu rental market remained tight, with a rental vacancy of 4 percent.

Stronger rental markets and increased condominium sales supported regional multifamily building permit activity of 74,200 units in 2005, a decline of less than 1 percent from 2004. California builders took out permits for 50,200 multifamily units during the year, the second highest level since 1990. In Arizona, permits were issued for 11,600 multifamily units, a 3-percent increase over 2004 volume. Multifamily permit activity in Nevada for 2005 totaled 9,950 units, compared with 5,640 units authorized in 2004. The increase is due primarily to new planned condominiums in the Las Vegas area.

NORTHWEST

Nonfarm employment in the Northwest region increased by 154,900 jobs during 2005, up 3 percent compared with 2004, a 6-year high rate of growth. Nonfarm employment for 2005 averaged 5.4 million in the region, with an average of 2.7 million in Washington and 1.7 million in Oregon. In Idaho and Alaska, nonfarm employment averaged 621,000 and 298,600, respectively. Idaho led the region with a 4.6-percent annual growth rate primarily because of hiring in the construction, wholesale trade, and professional and business services sectors. Job gains in the construction sector also contributed to the 3.5-percent growth rate in Oregon, as did increases in healthcare services and the transportation and information sectors. Employment in Washington increased 2.4 percent, followed by Alaska with a 1.8-percent rate of job growth. Gains in Washington came from the professional and business services, construction, and manufacturing sectors. More than half of new manufacturing jobs in Washington were in the aerospace products and parts industry because of hiring at Boeing. In Alaska, most of the job gains occurred in healthcare services as well as the natural resources, mining, and retail trade sectors. Because of steady employment growth during 2005, the average unemployment rate in the region declined from 6.2 percent in 2004 to 5.3 percent. The unemployment rate in Idaho was the lowest level in 27 years at 3.3 percent. In Alaska, the unemployment rate was 7 percent, and both Oregon and Washington had an average rate of 5.5 percent.

Sales market conditions in the Northwest region remained strong in 2005 because of job growth and low mortgage interest rates, according to local sources and data from the NATIONAL ASSOCIATION OF REALTORS® (NAR). The annual rate of existing home sales increased 14 percent in Washington to 167,700 in 2005, the highest rate of increase within the four-state region. In the Puget Sound Region, the number of existing homes sold increased 6 percent to 71,700 in 2005 compared with 2004, based on Northwest Multiple Listing Service data. Two-thirds of the Puget Sound Region activity was in the Seattle metropolitan area where existing home sales increased 4 percent and the median sales price rose 16 percent to $349,400. In the Olympia and Tacoma areas, existing home sales increased 10 and 12 percent, respectively. The median sales price rose 23 percent in the Olympia area to $227,950 and 20 percent in the Tacoma area to $239,500. In the Bremerton metropolitan area, existing sales were off 2 percent, but the median sales price rose 21 percent to $250,000. New home sales increased 7 percent in the Puget Sound Region between 2004 and 2005. The increase in new home sales was greatest in the Tacoma area. In 2005, new sales were 27 percent greater than in 2004. The median sales price was $270,000 for 2005. The condominium market in the Puget Sound Region remained active during the past year. Existing condominium sales activity increased 12 percent and new construction sales increased 9 percent. Median sales prices were highest in the Seattle area at $209,000 for existing units and $261,300 for newly constructed units.

Oregon existing home sales totaled 100,500 in 2005, up 11 percent compared with 2004 figures from NAR. Total sales of new and existing homes increased 13 percent in the major markets of western Oregon based on Oregon Residential Multiple Listing Service data. The highest rates of increase were in the metropolitan areas of Willamette Valley, up 17 percent, and Portland-Vancouver, up 14 percent. The median sales price in Willamette Valley for new and existing homes in 2005 was $199,750, a 16-percent increase from 2004.

In the Portland-Vancouver area, the median sales price rose 17 percent to $201,500. Demand was particularly strong in the Vancouver, Washington submarket because of the relative affordability of homes in this area.

In the Boise metropolitan area, 18,500 new and existing homes were sold in 2005, 37 percent above the number sold the previous year, according to Intermountain Multiple Listing Service data. The median sales price in Boise rose 18 percent to $170,600 during the same period. Approximately 20 percent of buyers during the first 9 months of 2005 were from outside of Idaho, compared with 12 percent for the same period in 2004. In Alaska, home sales increased 10 percent in 2005 compared with 2004 based on data from NAR. In the Anchorage area, Alaska Multiple Listing Service data indicated that the average sales price increased 11 percent in 2005 to approximately $289,300. The number of new and existing homes sold in Anchorage was 3 percent below the record level of 3,330 closings in 2004.

Single-family construction activity reflected the strong housing sales market conditions in the Northwest during 2005 with permits issued for 85,000 units, a 15-percent increase compared with 2004. The number of single-family permits in Idaho increased by 29 percent to 18,700. Permit activity in Oregon increased 15 percent, followed by Washington with a 10-percent increase. The number of single-family permits issued in Washington totaled 40,300 homes, nearly half the regional total for 2005. In Alaska, single-family activity declined 5 percent to 1,750 units, still slightly above the annual average from 2000 to 2004. The metropolitan areas where single-family activity increased at the highest rate between 2004 and 2005 were Boise and Portland. In the Puget Sound Region, single-family permits rose 6 percent to 20,900.

Rental market conditions tightened throughout the Northwest region during 2005, mainly due to steady job growth and moderate levels of new apartment construction. In the Puget Sound Region, the estimated rental vacancy rate was 5 percent in December 2005, down from 6.5 percent in December 2004. According to data from RealFacts, average rents in the Seattle and Tacoma areas increased 3 percent between the fourth quarters of 2004 and 2005. In Eastern Washington, the rental vacancy was estimated to be 4 percent in both the Spokane and Yakima metropolitan areas during the past year. The Richland-Kennewick-Pasco area was the only soft market in Washington; the rental vacancy rate was reported to be 11 percent, up from approximately 6 percent a year ago.

The Portland-Vancouver, Medford-Ashland, and Salem metropolitan areas had balanced rental market conditions as of the fourth quarter of 2005. The estimated rental vacancy rate in the Portland area declined from 6.7 percent to 5.7 percent between the fourth quarters of 2004 and 2005. According to data from RealFacts, the average contract rent in the Portland area increased 2 percent to $751 during the same period. The Eugene and Bend market areas had tight rental market conditions and vacancy rates below 4 percent. In Idaho, markets were balanced with the exception of the Boise area. Rental market conditions improved in the Boise area during the past year because of job growth, but were still competitive due to previous overbuilding and competition from the sales market. The rental vacancy rate in Boise declined from 7.8 to 7.0 percent between the fourth quarters of 2004 and 2005. Rental market conditions in the Anchorage metropolitan area remained competitive because of new units entering the market during the past year. The estimated rental vacancy rate in Anchorage was 7 percent as of the fourth quarter of 2005.

Multifamily building, as measured by permits, totaled 23,000 units in the Northwest region for 2005, up 4 percent compared with 2004. In Idaho, Oregon, and Washington, multifamily permit activity increased between 2 and 5 percent. In Washington, 12,400 units were permitted, followed by 7,000 in Oregon and 2,350 in Idaho. Multifamily activity declined 5 percent in Alaska to 1,300 units.

Housing Market Profiles

Atlanta, Georgia

The Atlanta-Sandy Springs-Marietta Metropolitan Statistical Area is composed of 28 counties in northwest Georgia. During the past 20 years, former bedroom communities of Atlanta have developed into major employment centers that attract commuters from throughout the metropolitan area and beyond. Approximately 10 percent of the population of the metropolitan area lives in the city of Atlanta.

In response to the substantial increase in employment opportunities, net in-migration continues to be the major factor in the population growth of the metropolitan area, accounting for nearly 60 percent of the gain. As of July 1, 2004, the Census Bureau estimated the population was approximately 4.7 million, an average increase of 108,000, or 2.5 percent, annually since the 2000 Census. In the past 18 months, based on the moderate level of job growth, it is estimated that the rate of population growth has continued at close to this pace. As of January 1, 2006, the population of the metropolitan area is estimated to be 4.9 million. For the 12 months ending November 2005, nonfarm employment in the metropolitan area averaged 2,282,800, an increase of 20,300 jobs, or 0.9 percent, from the same period a year ago. The employment gain during the period occurred in the service-providing sector, which increased by 22,300 jobs, offsetting the loss of 2,000 jobs in the goods-producing sector. Most of the job growth for the period occurred in the professional and business services, local government, and leisure and hospitality sectors, which increased by 7,800, 5,800, and 5,300 jobs, respectively.

Growing traffic congestion and longer commuting are among the reasons why demand for sales and rental housing in communities closer to downtown Atlanta is increasing. One of the largest of these new planned communities is Atlantic Station in Midtown. When complete, Atlantic Station will contain up to 5,000 residential units, 1.5 million square feet of retail space, and 1,000 hotel rooms. Currently, 231 apartments, 347 condominiums, and 90 townhouses have been completed. The apartments are 93 percent occupied and all the condominiums have been sold. Five additional residential developments, totaling an estimated 800 rental units and 320 condominiums, are scheduled to be completed in 2006 and 2007. In addition to Atlantic Station, more than 1,700 residential units are under construction in 2005 in the Midtown area, and 3,800 units are in various stages of the planning and development pipeline.

Continued population growth in the metropolitan area in the past year has resulted in a strong market for both new and existing sales housing. Harry Norman, REALTORS® reports that increased second home purchases by "baby boomers" have helped increase demand for homes in the metropolitan area. As a measure of demand for new homes, permits were issued for 60,500 single-family homes in the 12 months ending November 2005, a 3.5-percent increase from the previous 12 months. Record single-family building permit activity is expected for 2005. One of the major reasons for the strength of the demand for existing home sales in the metropolitan area is price. According to SmartNumbers, the Atlanta metropolitan area is one of the most affordable large metropolitan areas in the United States. The median sales price for the area ranks 30th among the largest 52 metropolitan areas at $171,200. In 2005, the average sales price for an existing single-family detached home was $214,000. The average sales price for a new single-family home in 2005 was $259,900.

Condominiums have become an increasingly important part of the Atlanta sales market. Reis, Inc., estimates that, in the 12 months ending September 2005, 2,300 apartments were converted to condominiums, up from 1,750 units converted in the previous 12 months. In 2005, the average price of an existing condominium was approximately $164,300, according to SmartNumbers, virtually unchanged from 2004. The average price of new condominiums was $192,000.

During the 12 months ending November 2005, building permits were issued for 12,500 multifamily units. Currently conditions in the overall rental market in the Atlanta area are relatively balanced. According to MP/F YieldStar, the apartment vacancy rate in the Atlanta area declined from 8.7 percent in December 2004 to 6.2 percent in December 2005. A combination of factors, including a reduction of supply due to condominium conversions, the relocation of Hurricane Katrina evacuees to the area, and a significant decline in the number of apartments completed during the past 12 months, accounted for the decline in the vacancy rate. During 2005, approximately 16,000 additional apartments were absorbed in the rental market, with approximately 6,200 units, or 39 percent, leased during the third quarter. The relocation of Katrina evacuees accounted for a significant portion of this demand during the third quarter of 2005. The rental market is expected to continue to tighten in 2006.

Bloomington, Indiana

The Bloomington metropolitan area, which includes Greene, Monroe, and Owen Counties, is located in southwest Indiana approximately 50 miles from Indianapolis. As of January 1, 2006, the population is estimated to be 182,400, an average increase of 1,200, or 0.7 percent, annually since the 2000 Census. The city of Bloomington is the economic center of the three-county region and the location of the main campus of Indiana University (IU). With 38,000 students and 7,000 employees, IU is estimated to have a direct annual impact of $687 million on the local economy.

Nonfarm employment averaged 80,600 jobs during the 12 months ending November 2005, essentially unchanged since 2000. The professional and business services sector and the education and healthcare sector each increased by 200 jobs during the 12-month period ending November 2005 compared with the previous 12 months, offsetting slight job losses in goods-producing sectors. The completion of a second hospital in mid-2006 is expected to initially add 200 jobs, followed by several hundred more in the next few years. Service employment is also expected to increase when a new downtown hotel opens in April 2006. Nearby establishments anticipate revenue increases that will also necessitate adding employees.

The types of manufacturing jobs in the Bloomington area have changed over the past 5 years, although employment levels in this sector have remained stable. During this period, durable goods manufacturers have downsized and life science-based manufacturers have expanded. Jobs eliminated by manufacturers, including the 2,000 jobs cut by General Electric since 2001, have been replaced primarily by jobs in smaller biotechnology firms such as Cook Pharmica, Baxter Pharmaceutical, and Bio-Convergence.

Affordable home prices combined with low mortgage interest rates have continued to support an active market for new and existing homes. Almost 1,700 existing single-family homes were sold in the metropolitan area in 2005, which is similar to the 2004 total. The median sales price for existing single-family homes increased 7 percent to $139,500.

Single-family building activity is estimated to have averaged 800 homes annually since 2000. Typical new homes range in price from $125,000 to $250,000 and contain 1,500 to 3,000 square feet. Most of the new construction has occurred in Monroe County, in or near the city of Bloomington. Several builders have planned subdivisions along the new byway to State Route 37, the primary connector between Bloomington and Indianapolis. The largest development, Renwick, is an 80-acre planned unit development in southeast Bloomington. Construction began in late 2005 on 364 single-family homes, multifamily condominiums, and rental units. Prices range from $190,000 for 1,400-square-foot single-family homes to more than $400,000 for 3,000-square-foot luxury homes.

Demand for condominiums has increased and become an important segment of the sales market in the Bloomington area. Primarily targeted to empty nesters, 430 new and existing condominiums were sold in 2005, a 35-percent increase compared with 2004. The median sales price increased by 12 percent to $106,000. Condominiums in converted, small commercial properties have been well received in the city of Bloomington.

The Bloomington rental market is currently balanced and has an estimated vacancy rate of 7 percent. Demand for rental housing from university students comprises a substantial segment of the rental market. An estimated 5,700 IU student households occupy more than 20 percent of the rental market. Near the university, rents average $400 per bedroom. In the rental market, the monthly rent for a typical two-bedroom unit averages $650. Although university enrollment has been stable since 2000, student demand for off-campus rentals has increased.

Multifamily building activity, as measured by permits, has been relatively stable during the past 3 years, averaging approximately 480 units a year. For the 12 months ending in November 2005, permits were issued for 430 units. Several apartment buildings in the pipeline expected to be completed in 2007 include 120 units in the suburbs of Bloomington and 100 units near the university that will be targeted to students.

Chicago, Illinois

The Chicago Housing Market Area (HMA) consists of nine counties in northeast Illinois and has a population estimated at 8.6 million as of July 2005. Since 2000, the population of the HMA has increased by 86,000, or 1 percent, annually. Approximately 85 percent of this population growth has occurred in suburban Kane, Lake, and Will Counties.

The Chicago area economy is showing signs of increased employment gains. During the 12 months ending November 2005, nonfarm employment increased by 50,000 to approximately 4.2 million jobs, up 1.2 percent from the previous 12-month average. Strong job gains in the professional and business services, education and healthcare, and leisure and hospitality sectors offset continued job declines in the manufacturing and information services sectors. The average unemployment rate declined significantly from 5.6 to 5.1 percent on the basis of the job gains.

The outlook for employment in 2006 is favorable because of the strengthening local economy. Area businesses in the trade, transportation, and construction sectors have reported plans to increase hiring. In suburban Joliet, Wal-Mart started construction of a $157 million distribution facility that will employ 1,000 workers when it opens in the fall of 2006. Employment in the construction sector is forecast to increase with the $7 billion expansion and modernization of O'Hare International Airport. When completed in 2013, the new runways, passenger terminals, and infrastructure improvements are expected to create an estimated 50,000 new jobs and contribute $6 billion annually in economic activity. Currently, the airport generates an estimated 400,000 direct and indirect jobs to the local economy.

The strengthening local economy has affected modest improvement in the soft commercial office market. As of the third quarter of 2005, the office vacancy rate was 15 percent, down from 17 percent a year earlier. Net-absorption of office space in the first 9 months of 2005 totaled 3 million square feet. Commercial office developers continue to be optimistic about market conditions in 2006. Approximately 50 new commercial projects are expected to start construction during the next 12 months.

The improved job market, increased household growth, and low interest rates were the factors behind another robust year for new homebuilding in the Chicago area. After a record year in 2004, 2005 is on pace to equal that mark. During the first 11 months of 2005, single-family building permits were issued for 29,000 units, unchanged from last year for the same period. Homebuilding in south and southwest suburban areas such as Joliet and Oswego has been very active, meeting the continued strong demand for new homes, particularly among first-time buyers.

The 34,000 new homes sold in the Chicago area during 2005 set a record. Sales activity in the city was especially strong in 2005, up 39 percent from 2004. Robust sales of condominiums and townhomes in the downtown area contributed to the strong performance. In suburban Chicago, new home sales remained solid in 2005. The average sales price was $283,000. The Homebuilders Association of Greater Chicago is optimistic about new home construction and sales; it estimates that as many as 30,000 new homes are expected to start construction during 2006.

Neighborhoods in the city of Chicago continue to benefit from significant residential construction activity and new home sales. In the historic Bronzeville community in south Chicago, the Jazz on the Boulevard condominium development is under construction; more than half of its 135 units have already sold at prices between $175,000 and $300,000. Encouraged by strong sales, developers will start construction of another 300 units in the neighborhood. In 2002, Chicago initiated a partnership with area developers to build affordable housing. The city helps with the permit process, waives permit fees, and helps identify eligible homebuyers for the units. Since the initiative began, more than 1,000 affordable condominiums and townhomes have become available in higher cost neighborhoods.

In the high-cost downtown and lakefront communities, private developers are setting aside sales and rental units for low- and moderate-income families making up to $60,000 a year. City officials expect 2005 to go down as another big year for affordable housing, with $400 million planned for the development of 10,000 new homes and apartments, up from $360 million committed in 2004. In the first 9 months of 2005, Chicago contributed $287 million toward the development of 7,900 new affordable sales and rental units. Under the 2004–08 plan for the city, approximately 48,000 affordable units are expected to be built using federal, state, and local funds.

The market for existing home sales in 2005 continued to show strength throughout the Chicago area. In the first 11 months of 2005, sales totaled 125,000, up 3 percent from the same period in 2004. The condominium sales market in the HMA is strong, with activity increasing by 10 percent from last year. The strong sales market helped boost the homeownership rate in the third quarter of 2005 to a record 71 percent. The Illinois Association of REALTORS® expects that the existing sales market in the Chicago area will remain active in 2006.

In 2004, Chicago was among the 10 most active metropolitan areas in the nation for construction of seniors housing, according to the 2004 Seniors Housing Construction Report. Of the 2,600 units built during the year, 1,500 are located in suburban communities. The same report shows that approximately 9,000 units were built for seniors throughout the Chicago area between 1999 and 2004, the fourth highest number of units built for seniors in U.S. metropolitan areas during the 6-year period. New seniors housing, particularly new affordable apartments, receives strong market response. In south suburban Richton Park, a development of 60 low-income housing tax credit units for seniors leased up in 2 months.

Conditions in the rental market of the Chicago HMA continued to strengthen in 2005. Apartment occupancy was up, rents increased modestly during the past 12 months, and concessions subsided. According to Appraisal Research Counselors, occupancy as of the fourth quarter of 2005 in the suburbs was 96 percent, up from 95 percent in the fourth quarter of 2004. The apartment market in downtown Chicago also tightened in 2005; however, much of the change was the result of a reduction of supplies because of condominium conversions and a low number of new rental units entering the market. Approximately 4,000 rental units were converted to condominium ownership in 2005. At the same time, fewer than 1,000 new rental units came on the market. As a result, apartment occupancy in downtown Chicago increased to 96 percent as of the third quarter of 2005, up from 94 percent 12 months earlier.

Multifamily building permit activity in the Chicago HMA for the first 11 months of 2005 totaled approximately 14,000 units, up 50 percent from the same period in 2004. Much of the increase in permits is for condominiums in response to the increasing demand. Encouraged by strong sales, builders are expected to start construction of as many as 7,000 condominiums and townhomes in downtown Chicago during 2006.

Fayetteville-Springdale-Rogers, Arkansas

The Fayetteville-Springdale-Rogers Housing Market Area (HMA) includes the northwestern Arkansas counties of Benton, Madison, and Washington, and McDonald County, Missouri. The HMA is the home of the University of Arkansas and the corporate headquarters of Wal-Mart, J.B. Hunt Transport Services, and Tyson Foods. The area has one of the highest rates of population growth in the nation due to relatively substantial job gains in the local economy since 2000. The population in the HMA is currently estimated at 423,600, an average annual increase of 14,300, or 3.7 percent, since 2000. Net in-migration to the area accounts for more than three-fourths of the population increase.

Nonfarm employment averaged 194,300 for 2005, an increase of 6,400 jobs compared with 2004. This level of employment growth has been typical since 2000. During 2005, gains were reported in all sectors, except in manufacturing and transportation and utilities in which small declines were recorded. Approximately 77 percent of the new jobs in the most recent 12-month period occurred in service-providing sectors.

Wal-Mart is the leading employer in the HMA and, together with an estimated 2,000 vendors, accounts for more than 20,000 workers. J.B. Hunt Transport Services and Tyson Foods employ approximately 15,000 workers each. Tyson Foods represents more than 96 percent of all of jobs in food manufacturing in the HMA.

The University of Arkansas has a major financial impact on the local economy with an enrollment of approximately 17,300, including graduate, law, and medical students, and a faculty and staff totaling 3,000. The university has set a goal of expanding enrollment to 22,500 students by 2010. The university has an annual economic impact of approximately $1.2 billion. Student households make up approximately 50 percent of the renters in the city of Fayetteville. Including other area colleges, approximately 10,000 student households live off campus, primarily in the private rental market.

Reflecting the substantial job and population growth in the HMA, strong demand exists for both new and existing sales housing. Since 2000, single-family building permit activity in the HMA has increased 64 percent. In 2005 permits were issued for 4,744 homes, a 36-percent increase from 2004. According to the Cooperative Arkansas Multiple Listing Services, 8,565 existing homes with an average price of approximately $182,000 were sold in Benton and Washington Counties during 2005. Prices for existing homes in the HMA have increased an average of 10 percent annually since 2000. Currently, conditions in the sales market are balanced and the owner vacancy rate is estimated to be about 2 percent.

In addition to working households moving to the HMA for job opportunities, the area is becoming increasingly popular as a retirement destination. A number of communities are developed exclusively for the active adult population. One of the largest is Bella Vista Village in northern Benton County near the Missouri border. The community was designed and built for retirees and includes eight golf courses. It has approximately 20,000 residents, and homes range from affordable mobile homes and cabins to homes priced above $800,000.

Currently, conditions in the rental market are balanced with some softness in certain segments of the market. From 2000 through 2004, multifamily building permit activity in the HMA averaged approximately 2,000 units annually. In 2005, multifamily permit activity totaled 2,366 units. Currently, more than 3,000 rental units are under construction. With the constant supply of new units entering the market, rent increases have been minimal. Softer market conditions are reported in some segments of the market, most notably rentals of three or more bedrooms. More than 68 percent of new rental housing built in the HMA is in Fayetteville, near the University of Arkansas. This construction has increased interest in redevelopment of commercial properties in the downtown area near the campus. Currently, five small rental loft projects totaling about 125 units are under renovation or construction.

Fredericksburg, Virginia

The Fredericksburg, Virginia Housing Market Area (HMA) is located about 50 miles south of Washington, D.C., in the southernmost tip of the Washington-Arlington-Alexandria metropolitan area. It includes the independent city of Fredericksburg, Spotsylvania County, and Stafford County. The population growth rate of the HMA continues to outpace that of the metropolitan area as a whole. Since 2000, the HMA population increased by an average of 4.6 percent a year, compared with 1.6 percent for the entire metropolitan area, to an estimated 260,600 as of December 31, 2005. According to Census Bureau population estimates, Spotsylvania and Stafford were among the 25 fastest growing counties in the nation from 2000 to 2004. The growth is primarily from net in-migration to the HMA due to its proximity to major employment centers in the Washington metropolitan area and the relative affordability of housing. Easy access to Washington, D.C., via Interstate 95 (I-95) and a rail line, make the HMA attractive to new households.

Significant increases in Fredericksburg area resident employment continued in 2005 as a result of job growth throughout the metropolitan area. For the 12 months ending November 2005, resident employment in the Fredericksburg HMA increased by 4,800 people, or 3.9 percent, compared with the same period in 2004, bringing total employment to 127,900 people. As of the 2000 Census, 36 percent of working HMA residents commuted to the District of Columbia and other counties in the metropolitan area; that figure is estimated to have increased as a result of recent in-migration.

The HMA is also an attractive location for companies seeking lower operating costs. Leading employers include GEICO Direct, Capital One Financial Services, and General Motors. Rapid population growth led to increased demand for new housing, retail, and commercial space and to an increase of 900 jobs in the construction sector in the 12 months ending June 2005 (the most recent data available). New retail centers have increased the need for workers in the retail trade sector, which added 900 jobs during the period. With at least eight more centers in development, retail trade is likely to remain one of the fastest growing sectors of the local economy. Increases have also occurred in education and health services, leisure and hospitality, and local government to support the growing population.

Marine Corps Base Quantico is the largest employer in the HMA with more than 10,000 military and civilian personnel. According to the Defense Base Closure and Realignment Commission's final report, a net increase of approximately 3,000 jobs at Quantico will take place over the next 6 years. Because most of the jobs are to be transferred from military bases and complexes within the metropolitan area, the impact of the changes on the housing market are unknown at this time.

The sales market remained strong in 2005 as the HMA remains relatively affordable when compared with nearby markets. Metropolitan Regional Information Systems, Inc., reported a new record of 6,226 existing homes sold in the HMA during the year, up 1 percent from 2004. The average sales price rose to $358,000 in 2005, a 28-percent increase from 2004 and more than double the average price in 2000. Recent increases in sales prices have not stalled the in-migration of households because local prices remain affordable when compared with the Northern Virginia markets of Prince William and Fairfax Counties. These areas had average prices of $409,250 and $537,000, respectively, in 2005.

Single-family homebuilding, as measured by building permits, has averaged more than 3,300 units a year from 2000 through 2004. During the 12 months ending November 2005, permits were issued for 3,377 single-family homes, compared with 2,807 during the same period a year earlier. Developers in the HMA usually locate communities close to I-95 in response to demand from commuters. Typical new single-family homes are priced between $400,000 and $600,000 and new townhouses are priced from $350,000 to $450,000.

Housing for active adults is an important and growing segment of the local sales market. Available land and the proximity of the HMA to Washington, D.C., have prompted developers to build communities targeted to empty nesters and retirees. More than 2,000 homes, ranging in price from $300,000 to $600,000, are under construction or planned in resort-style communities for seniors.

The rental market in the HMA is tight. Recent rental production has not kept pace with increased demand from local retail and service workers and military households. The Fredericksburg Area Multihousing Association reported an average apartment vacancy rate of 4.7 percent from January through August of 2005. This limited availability of rental units has resulted in sustained rent increases in both market-rate and low-income housing tax credit units. The average monthly market-rate rent for a two-bedroom unit was $1,037 through the first 8 months of 2005, an increase of 10 percent compared with a year earlier. The average tax credit unit rent increased 5.8 percent to $878. The rapid leaseup of recently completed apartment developments and active preleasing in projects under construction indicate continued demand for rental units. A modest boost in rental production in 2004 was quickly absorbed and production during 2005 will not match the 2004 level. During the 12 months ending November 2005, building permits for rental units declined to 357 from 575 a year earlier.

Hartford, Connecticut

The Hartford, Connecticut Housing Market Area (HMA) includes Hartford, Middlesex, and Tolland Counties. Located halfway between New York City and Boston, the area historically has been a center for financial institutions, particularly insurance companies. Since 2000, the population in the HMA has increased by an average of 5,525, or 0.5 percent, each year to a total of 1,180,000 as of November 1, 2005. In-migration, primarily commuters working in areas outside the HMA, accounted for one-third of the growth, a significant reversal from the 1990s when annual out-migration averaged 2,600 people. The relative affordability of housing in the HMA has been the primary reason for the recent population growth.

According to the Connecticut Association of REALTORS®, the median home price for existing homes in the HMA during the current 12-month period ending June 30, 2005, was $262,500, a 12.3-percent increase from the previous 12-month period. The volume of sales increased 25 percent during this period to 29,100.

Recently, demand for condominiums has been particularly strong in the city of Hartford. According to the Capitol Region Council of Governments, for the 12-month period ending June 2005 the volume of condominium sales in the city increased nearly 80 percent compared with the same period in 2004. The median sales price increased 25 percent to $66,450 during the same period. A significant factor in this increased demand is the relative affordability of condominiums compared with homes in surrounding areas. Nearly 500 condominium units are in various stages of construction in the HMA. Blue Back Square, situated in the central business district of West Hartford, is a 550,000-square-foot mixed-use development. Upon completion, the project will provide 230,000 square feet of retail space, 175,000 square feet of office space, and more than 100 condominiums. The new retail space alone will nearly double the current amount of retail space in the central business district. Currently, 62 condominium units under construction in The Heritage at Blue Back Square are expected to be completed in 2006. The project will include one-, two-, and three-bedroom condominiums that are expected to sell at prices between $400,000 and $900,000.

Since 2000, rental markets have softened as a result of increases in the number of renters purchasing homes. The current rental vacancy rate is 7.0 percent, an increase over the 5.9-percent vacancy rate in 2000. Renter households currently make up 32 percent of all households; their share of total households has been declining steadily since 1990.

The city of Hartford has recently been undertaking a series of revitalization projects focused on a downtown area called Adriaen's Landing. Construction activity has been supported by approximately $1 billion in state funds, of which approximately $850 million have already been used for property acquisition, infrastructure improvements, and construction. The centerpiece of the project is a 540,000-square-foot Connecticut Convention Center, a 2,550-car parking structure, and a new 22-story hotel with more than 400 rooms. All were completed before the fall of 2005. A significant cultural addition to the downtown area will be the 140,000-square-foot Connecticut Center for Science and Exploration, which is expected to open by 2008.

Additional residential and commercial projects have recently opened or are set to enter the market in the near future. Trumbull on the Park, which opened in

December 2005, is one of the new downtown developments and includes 100 one- and two-bedroom rental units. The Hartford 21 project, slated for completion in the fall of 2006, will include 262 luxury apartments, 93,000 square feet of office space, and 53,000 square feet of retail and restaurant space.

Jersey City, New Jersey

The Jersey City, New Jersey Housing Market Area (HMA) is defined as Hudson County and is part of the Greater New York-Northern New Jersey metropolitan area. The HMA is located on the western shore of the Hudson River, opposite Brooklyn and lower Manhattan in New York City. Since 2000, the population has increased by 0.9 percent a year to an estimated 640,000, of which 250,000 are located in Jersey City. Most of the population increase has been concentrated in Jersey City and Hoboken, which contain more than 45 percent of the people in the HMA.

Employment within the HMA was stable during 2005 with a gain of 1,000 jobs, or 0.4 percent, relative to 2004. The largest employing sectors are financial activities and professional and business services, with 14.5 and 12.1 percent of total nonfarm employment, respectively. The leading employers are Union Bank of Switzerland, with 5,000 employees, and Pershing LLC, with 3,500 employees. Liz Claiborne, Matsushita Electric Corporation of America, and Liberty Health are the only other private-sector employers with 2,000 or more employees. The 2000 Census indicated that out-commutation by residents, which is primarily to Manhattan, totaled 26 percent of all resident workers; currently, out-commutation is estimated to be 30 percent.

Hudson County has been called a sixth borough of New York City because of a distinct similarity to the Manhattan housing market and production types, although land for development is less costly in the HMA. Multifamily building permit activity for structures of five or more units increased from 678 in 2001 to 2,381 in 2004 and totaled 3,193 for the first 11 months of 2005. This total does not include the construction of more than 500 units now being developed through the conversion of nonresidential properties. Approximately 75 percent of the 3,800 units in larger structures currently under construction are in Jersey City and intended for condominium ownership.

Sales housing production in the HMA is dominated by large-scale, multiphase condominium projects. A pipeline of approximately 19,400 units currently exists, including 11,875 units in Jersey City. The 1,815-unit Port Liberte is more than half completed. Conversion of the former Jersey City Medical Center, the only large-scale development located away from the waterfront, has begun and 315 units are scheduled to be completed by the middle of 2006. A total of 2,500 units is expected. Liberty Harbor North, with a projected 6,500 units, and Trump Plaza, including 860 units in two buildings, have begun construction. Just outside Jersey City, in Hoboken, Maxwell Place, which will have 832 units on the site of a former coffee processing plant, has also begun construction. The largest development in the county is in Bayonne, south of Jersey City, and is situated on a 150-acre parcel that was part of the former Bayonne Military Ocean Terminal. A total of 6,700 units is projected when the project is finished; construction on the first 1,000 units is expected to begin in the spring of 2006.

The existing sales inventory in the HMA is also dominated by multifamily structures. Although the condominium market is still tight, the additional supply in both the HMA and Manhattan is helping to prevent significant price increases. Existing one-bedroom condominium prices in larger buildings start at $350,000 in Jersey City and are approximately 15 percent higher in Hoboken.

The destruction of the World Trade Center in 2001 suspended commuter rail access to Manhattan. As a result, the rental housing market had substantially increased vacancies until the reopening of the Port Authority Trans-Hudson rail service in late 2003. After rail service was fully restored, housing market conditions tightened. The rental market remains tight due to limited production and the conversion of units to condominiums. The current rental vacancy rate is estimated to be 2.5 percent. In Jersey City, the Portofino and the Mandalay, two buildings located on the shore of the Hudson River and containing more than 300 apartments each, were converted to condominiums. Current rental rates in the Newport Complex, the oldest highrise near the Hudson River, range from $1,560 to $2,220 a month for a one-bedroom unit. In the same complex, two-bedroom units were priced at $2,530 a month. The Pier, a newer project in close proximity, has available one-bedroom units priced at $1,850 a month and two-bedroom units at $3,000 a month. Rents for comparable units are at least 10 percent higher in Hoboken.

Jersey City public agencies, in partnership with private entities and the New Jersey Housing and Mortgage Finance Agency, are jointly developing or financing five new mixed-income rental communities. These new units, along with Whitlock Mills, a 330-unit rental project built on a former industrial site, will replace major parts of three obsolete public housing projects.

Killeen-Temple, Texas

Located in central Texas, the Killeen-Temple metropolitan area is 60 miles north of Austin and includes Bell, Coryell, and Lampasas Counties. As of January 1, 2006, the metropolitan area has a population estimated at 367,700. The city of Killeen is the most populous city in the metropolitan area; the city of Temple, located 20 miles to the east, is the second most populous city. Fort Hood Army Base, located adjacent to Killeen, is home to two military divisions with 15,000 soldiers each. The divisions have been alternating 12-month tours of duty in the Middle East. Each time a division leaves or returns, the local housing market, particularly the rental market, undergoes a 3- to 4-month adjustment period before returning to balanced conditions. Despite these temporary cyclical fluctuations, the local economy is strong, employment continues to increase, and the sales market remains very active. A major factor in the strength of the local sales market is the significant number of military personnel retiring to the area because of the affordable housing and availability of military-related services. Coldwell Bankers' 2005 Home Price Comparison Index ranked the single-family housing market as the most affordable out of 344 areas surveyed nationally.

Fort Hood is not the only driving force in the local economy. Medical facilities also have a significant impact on the local economy. Scott & White Memorial Hospital and Clinic has a staff of more than 6,000 employees. In addition to providing health care, the facility also collaborates with the College of Medicine at Texas A&M University as a teaching hospital. The hospital operates 19 satellite offices and clinics in the metropolitan area and surrounding region. The Olin E. Teague Veterans' Center employs more than 2,800 people and construction was recently completed on a 300-bed acute care hospital and a 60-bed nursing home at the center. The center also has an onsite domiciliary that houses income-qualified veterans in an independent-living setting. Other major private-sector employers in the area include Wilsonart International, a producer of plastic laminates, with 1,700 employees, and McLane Co., a provider of computer software and distribution services, with 1,500 employees.

Employment continues to grow at a moderate rate, increasing by 2,600 jobs in 2005. The goods-producing sector increased by 400 jobs, mainly due to increases in residential and commercial construction. The service-providing sector increased by 2,200 jobs. Leisure and hospitality employment increased by 600 jobs, while the expansion of local hospitals and medical clinics resulted in a gain of 300 jobs in education and health services. The unemployment rate averaged 5.4 percent over the 12 months ending November 2005, down from 5.7 percent during the previous 12-month period.

Continued employment and population growth have increased demand for new sales housing. During the 12-month period ending November 2005, building permits were issued for 2,620 single-family homes, a 25-percent increase from the previous 12 months. At the current pace, homebuilding activity for 2005 is on track to exceed the previous record of 2004. Most new homes are priced between $120,000 and $180,000. Custom homes in Morgan's Point Resort City, located west of Temple on Belton Lake, are priced from $250,000 to $500,000. Salado, located in southern Bell County, also has many upscale homes; many residents of this community commute to the Austin area.

The market for existing homes is also strong. The Fort Hood Board of REALTORS®, servicing Killeen and the surrounding area, reported that 2,870 homes were sold during 2005 at a median sales price of $103,000. Sales volume for the year was 50 percent greater than in 2004. The relatively affordable prices in the Killen area make homeownership easier, especially for first-time homebuyers and service men and women. Beginning in March 2005, after the 1st Calvary Division returned from deployment, the sales market became very active, with multiple sales bids commonplace. According to the Temple-Belton Board of REALTORS®, the market for existing homes is also doing well. The Temple market has been more stable than the market in Killeen because troop movements at Fort Hood do not have as much of an effect. During 2005, 1,800 homes were sold in Temple, a 22-percent increase over 2004. The average sales price of homes for 2005 is $125,500.

Troop deployments at Fort Hood have a significant impact on the local rental market, especially in Killeen. According to the Apartment Association of Central Texas, Inc., the rental vacancy rate was 5 percent in the summer of 2005 when personnel from both divisions at Fort Hood were at the base and conditions were tight. With the deployment of the 4th Infantry Division in December 2005, conditions have become more balanced and the vacancy rate has increased to approximately 10 percent. During the 12 months ending November 2005, multifamily building permits were issued for 540 units. Although large-scale apartment developments are built in the area, much of the demand for rental housing is met by duplexes and quads.

Las Vegas, Nevada

The Las Vegas metropolitan area remains the fastest growing major metropolitan area in the nation. From 2000 through 2005, the population grew by an average of 81,800, or 5.3 percent, annually to an estimated 1.85 million. The substantial growth was primarily from in-migration due to increased employment opportunities as well as the lower cost of housing compared with many surrounding areas in the western region. Young adults and retirees account for most of the new residents; approximately 36 percent of the in-migration is from California.

Employment in the Las Vegas area continues to grow rapidly. For the 12 months ending November 2005, nonfarm employment increased by 7.2 percent compared with the previous 12 months. Employment in the construction, leisure and hospitality, and trade, transportation, and utilities sectors increased 16, 6, and 5 percent, respectively, during this period. This growth is attributable to growth in the gaming industry. Major new developments completed in 2005 include the 2,700-room Wynn Casino Resort, the $2 billion World Market Center, and 618,000 square feet of additional convention space at four hotel resorts. Approximately 349,000 square feet of convention space and 2,100 additional hotel rooms are scheduled to be completed in 2006. The unemployment rate in 2005 decreased to an average of 3.7, the lowest rate since 1990.

The Las Vegas metropolitan area is one of the most active housing markets in the nation. The rapid rate of growth in households, 5.1 percent annually, has meant very strong demand for both sales and rental housing. The median prices for new and existing homes have doubled since 2000. According to the Las Vegas Housing Market Letter, new home sales, including condominiums, increased 31 percent in 2005 to a near-record 38,517 units. Existing sales in 2005 totaled 58,500 homes, down 9 percent compared with 2004, but still very high. Given the current rate of growth in households, single-family homebuilding in 2005, as measured by building permits, did not keep pace with the increased demand. In 2005, permits were issued for 32,500 single-family homes, about 2.4 percent more than in 2004. As a result, the sales vacancy rate declined to 2.1 percent in 2005.

In 2005, the median sales price for existing homes was $285,000, 14 percent higher than in 2004. The median sales price for new homes and condominiums was $310,000 in 2005, which is 7 percent higher than in 2004. The median price for existing condominiums and condominium conversions was $185,900. Since 2003, many homebuyers have found condominiums an increasingly attractive affordable alternative and have increased the demand for this type of housing. With the increased demand and rising prices, property owners have been converting apartments to condominiums to meet that demand. Local sources estimated that in 2005 approximately 7,700 rental units were converted to condominiums. These sources also reported that approximately 14,000 more units are in the pipeline for potential conversion.

Since 2003, the demand for land to build new homes and apartments has increased faster than the supply of buildable land in the Las Vegas metropolitan area. The Bureau of Land Management has auctioned approximately 2,000 acres a year for each of the past 10 years. Local real estate sources report that the average price per acre has increased by 20 percent annually since 2003, double the rate of increase from 2000 to 2002. The higher land cost is one of the reasons for the rate of increase in sales prices for new homes.

Rental market conditions in Las Vegas were tight throughout 2005. The rental vacancy rate dropped to 5.1 percent, down from a rate of 10.0 percent that existed for much of the time from 2000 through 2003. Strong demand, low levels of apartment construction since 2000, and a significant reduction of rental supplies due to condominium conversion since 2003 have tightened the rental market. Multifamily building permit activity increased by 1 percent to 4,375 units in 2005 compared with the previous year, but this level is still approximately 26 percent below the volume of 2003. If the level of condominium conversions continues to exceed the level of new rental construction, given the increasing demand for rental housing, conditions in the rental market can be expected to become much tighter during the coming year. The current tight market conditions have enabled landlords to increase rents an average of 4 percent in 2005, compared with 2 percent annually from 2000 through 2004. The Henderson area has the highest average rents in the metropolitan area—approximately $925. The Las Vegas and North Las Vegas areas have the most affordable rents, which average approximately $770 in each area. CB Richard Ellis reported that typical concessions are $100 to $400 off the first month's rent on a 6- to 12-month lease. These concession levels are greatly reduced from the previous year.

Medford-Ashland, Oregon

Set apart from the rest of Oregon by the Siskiyou Mountains, the Medford-Ashland metropolitan area is the economic center for the southern Oregon region. Ashland is home to the internationally known Oregon Shakespeare Festival, which draws 400,000 people annually to the area. Medford is the headquarters for Harry and David, the leading private-sector employer in the area and one of the leading fruit catalog merchandisers in the United States.

According to the Center for Population Research at Portland State University, from 2000 to 2005 the population of the metropolitan area increased an average of 2,525, or 1.4 percent, annually to 194,515. Much of the growth is from in-migration, mainly from California and elsewhere in Oregon.

Nonfarm employment increased by 2,150 jobs, or 2.8 percent, to 80,650 in 2005, reflecting the second highest rate of job growth among metropolitan areas in the state. In support of steady population growth, the hotel, food services, retail trade, and healthcare industries were the leaders in job gains in 2005. Employment in the retail trade sector increased by 700 jobs, a 5-percent gain; the food services sector grew by 350 jobs, or 4.5 percent; and the healthcare services sector generated 300 new jobs, up 3 percent.

During 2005 manufacturing employment increased by 1.4 percent, or 100 jobs, to 7,167 workers, compared with a 1-percent gain during 2004. The arrival of organic food processor Amy's Kitchen during the summer of 2006 is expected to add 200 jobs, the largest increase to the manufacturing sector by a single employer in the past 5 years.

The unemployment rate averaged 6.2 percent in 2005, down 1.2 percentage points compared with 2004. During 2006, job growth in the service-providing sector is expected to be modest.

The number of homes sold in the Medford-Ashland area during 2005 nearly totaled the record set in 2004. According to Roy Wright Appraisal Services, 3,227 new and existing homes were sold during the year, compared with 3,390 in 2004. The median price of a home sold in 2005 was $288,900, 22 percent greater than the price of $237,750 for 2004. The increase reflects the effect of increased demand as well as construction of larger new homes. Demand has also been very strong in 2005 at the lower price ranges. Homes listed at $200,000 and below attracted multiple offers within hours of coming on the market. The city of Ashland had the highest median sales price of any municipality in the state at $415,000, up 10 percent from 2004.

Local sources report that sales of houses to investors have been a major factor contributing to the strength of the sales market in 2005. During the first 6 months of 2005, investors accounted for one-fourth of all home sales in Medford-Ashland, according to a report by First American Corporation. In one new single-family subdivision, 50 percent of sales were to buyers not planning to occupy the homes. According to local REALTORS®, these nonresident buyers included buyers investing in homes as rental properties or for resale as well as households buying in anticipation of retiring to the Medford-Ashland area within the next 2 to 5 years.

During 2005, 1,762 building permits for new single-family homes were issued, exceeding the average annual volume issued from 2000 through 2004 by nearly 300 homes.

Because of the low levels of rental construction activity and increased renter household growth due to the rise in home prices, rental market conditions tightened somewhat during 2005 but remain balanced. The rental vacancy rate is estimated by local property managers to be approximately 5 percent, down from 7 percent in 2004. Property managers reported a strong demand for seasonal rental units this winter, which also contributed to the lower vacancy rate.

During 2005, 180 multifamily units were authorized for construction, compared with 308 in 2004. Mainly due to the lack of land zoned for large-scale multifamily development and strong investor interest in small projects, rental apartment construction in Ashland and Medford was concentrated in duplexes and structures of 3 to 15 units during 2005. As of December 2005 the rent for a typical one-bedroom unit was $500, for a two-bedroom unit was $650, and for a three-bedroom unit was $850. In view of the limited supply of land zoned for rental apartment development and continued population growth, the rental market is expected to continue to tighten throughout 2006.

Ponce, Puerto Rico

The Ponce metropolitan area is located approximately 75 miles southwest of San Juan, Puerto Rico, and includes the municipalities of Ponce, Juana Diaz, and

Villalba. Ponce, the largest municipality, is the regional center for most of the trade, manufacturing, health, education, and government employment activities for southern Puerto Rico. As of October 1, 2005, the population is estimated to be 270,300, an average annual increase of 980, or 0.4 percent, since 2000.

Nonfarm employment in the metropolitan area declined in 2005 after increasing by 2,700 jobs, or more than 4 percent, during 2004. In 2005, employment averaged 62,800 jobs, a net reduction of approximately 1,900 jobs, or 3 percent, from 2004. Most of the losses occurred in the construction sector. The completion of upgrades to commercial and institutional facilities and a general slowdown in residential building contributed to the losses. These losses were partially offset by an increase of 1,100 jobs in the manufacturing sector. The average unemployment rate for 2005 was 12.2 percent, up from 11.2 percent in 2004.

As a result of public and private economic development efforts, employment growth is expected in 2006. The local government, through its tax exemption program, is attracting new manufacturing companies such as Zimmer Caribe, an orthopedic implant manufacturer, and Medtronic, a diabetes control device maker. Together, the two companies will add 500 new jobs to the local economy. RGM Technologies, a radio transmitter manufacturer, opened a plant in Ponce this year and is hiring 200 new employees. Stimulated by the $50 million expansion of Saint Lucas Hospital in 2006, more than 200 new jobs are expected in the healthcare sector. The tourism industry will benefit from the $152 million renovation of the Hilton Hotel and Casino.

Scheduled infrastructure improvements are also expected to improve the economic outlook for the area. A $14 million program to rehabilitate the historic district of Ponce will be completed during 2006. In addition to promoting residential and commercial development, the project has generated more than 150 construction jobs during the past 3 years. The redevelopment of the Port of Ponce into a regional transshipment center will generate an estimated 200 jobs over the next 5 years.

Reflecting the slowing pace of the economy, residential building activity, as measured by building permits, was down during 2005. For the 12-month period ending November 2005, the number of units permitted totaled approximately 880, down from 1,360 the previous year. All permits issued were for sales units. The decline was due to a drop in the number of permits issued for multifamily units. Single-family building permit volume remained stable at about 800 units. Currently, the estimated median price for newly constructed homes is $149,000. It is estimated that the sales vacancy rate has remained steady at 2.5 percent since 2000.

Public sector assistance has aided in the construction and rehabilitation of housing in the metropolitan area. The Corporation for Economic Development of Ponce sponsored the construction of a $1.6 million HOME-funded affordable housing sales project consisting of 108 three-bedroom units. Homes produced under this program are priced at $76,000 and are in high demand.

Rental units are being created from the conversion of the second story of existing single-family homes to apartments. Renter income levels in the area are generally not sufficient to support the production of new large-scale, market-rate projects. Average monthly market-rate rents for existing one-, two-, and three-bedroom units are $500, $600, and $700, respectively. Rents do not include utilities. Nearly all the rental apartment projects built in the metropolitan area (about 160 units) receive low-income housing tax credit (LIHTC) assistance. Approximately 120 LIHTC rental units are currently under construction for seniors housing.

The current rental market is balanced, with an estimated vacancy rate of 5 percent, slightly below the 5.4-percent vacancy rate reported by the 2000 Census. The lack of new rental housing is the principal cause for the drop in the rental vacancy rate. The rental vacancy rate is expected to decline further during 2006.

Reno, Nevada

The Reno metropolitan area, consisting of Washoe and Storey Counties in northwestern Nevada, continues to have strong population growth, employment gains, and housing demand. As of December 2005, the population of the area is estimated to be 395,000, an average annual increase of more than 9,050, or 2.5 percent, since 2000. Net in-migration, primarily from California, accounts for approximately 75 percent of the population gain since 2000. Although much of the in-migration has been from relocation for employment opportunities, a substantial portion has also been from active adult retirees.

In the 12 months ending November 2005, average nonfarm employment increased by 9,200 jobs, or 4.4 percent, to 216,900 jobs. Job growth has been steady at a 4-percent annual change since 2003. The unemployment rate in the 12 months ending November 2005 averaged 3.8 percent, unchanged from the previous 12-month period. Wal-Mart, ARAMARK, Carry-On Trailers, and several manufacturing companies are either opening or expanding operations in the Reno area. In the 12-month period ending November 2005, construction employment increased by 3,000 jobs, a 15-percent annual change. Demand for construction employees remains high as the $280 million Reno Transportation Rail Access Corridor project nears completion and the $240 million expansion of Washoe Medical Center continues. The professional and business services sector increased by 2,800 jobs and the wholesale and retail trade sector gained 1,100 jobs. Half the increase in the wholesale and retail sector was due to the opening of a 550-employee Wal-Mart distribution center.

The strong gains in employment have contributed to a significant increase in demand for housing. Based on data from Northern Nevada Regional Multiple Listing Service (MLS), existing home sales totaled 6,867 in the 12 months ending October 2005, an 11-percent gain compared with the preceding comparable period. New home sales activity has also been high. According to the Gregory Group, new home sales totaled 5,561 units in the 12 months ending September 2005, a 30-percent increase from the previous 12-month period.

The strong demand in the sales market has led to substantial increases in sales prices. The median price of existing homes increased 25 percent to $320,500 in the 12-month period ending October 2005. In the 12 months ending September 2005, the median price for a new home increased by 30 percent to $341,000. This gain is partially due to the higher sales volume of luxury houses. Sales in the upscale southwestern part of the Reno area, where the average price is $960,000, increased from 1 percent to 10 percent of total new sales during the past 24 months. In response to the strong sales market, a record 5,158 single-family building permits were issued in 2005, 3 percent more than in the preceding year. In 2004, single-family permit activity totaled 5,009, an 18-percent increase compared with 2003.

In the Reno area in 2005, multifamily building activity, as measured by building permits, totaled 1,171 units. Between 2002 and 2004, the Reno area averaged approximately 800 multifamily units permitted annually. Because of the rapidly increasing prices for single-family homes, demand for condominiums as an affordable alternative has increased. According to local MLS data, condominiums accounted for 15 percent of total sales during the 12 months ending October 2005. The median sales price of condominiums increased 27 percent to $175,500 in the 12 months ending October 2005 compared with the previous 12 months. In downtown Reno two hotels are being converted to condominiums and a new condominium tower is under construction. The three developments have a total of 600 units in a range of sizes from studios to four-bedroom penthouses. Sales of units in the converted Comstock Hotel have been strong, with the price for two-bedroom units ranging from $250,000 to $550,000.

Rental market production has not kept pace with demand and the market has tightened in the past 24 months. According to RealFacts, the rental vacancy rate decreased from 6.2 percent in projects with 100 or more units in the fourth quarter of 2003 to 4.3 percent in the fourth quarter of 2005. RealFacts reported that the average rent was $821 in the fourth quarter of 2005, up almost 5 percent from the year before. One apartment project with nearly 350 units is currently under construction in the southeastern part of the city of Reno and two more projects totaling more than 470 units are planned for northern Reno.

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

HUD Region and State	2005 Through December			2004 Through December			Ratio: 2005/2004 Through December		
	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*
Connecticut	11,671	8,586	3,085	11,672	9,222	2,450	1.000	0.931	1.259
Maine	8,765	7,847	918	8,383	7,668	715	1.046	1.023	1.284
Massachusetts	23,840	14,236	9,604	21,219	14,100	7,119	1.124	1.010	1.349
New Hampshire	7,699	6,457	1,242	8,446	6,481	1,965	0.912	0.996	0.632
Rhode Island	2,791	1,765	1,026	2,493	1,908	585	1.120	0.925	1.754
Vermont	3,034	2,655	379	3,491	2,678	813	0.869	0.991	0.466
New England	**57,800**	**41,546**	**16,254**	**55,704**	**42,057**	**13,647**	**1.038**	**0.988**	**1.191**
New Jersey	38,481	21,892	16,589	36,033	22,223	13,810	1.068	0.985	1.201
New York	59,386	24,166	35,220	54,963	24,490	30,473	1.080	0.987	1.156
New York/New Jersey	**97,867**	**46,058**	**51,809**	**90,996**	**46,713**	**44,283**	**1.076**	**0.986**	**1.170**
Delaware	7,977	6,768	1,209	7,947	7,539	408	1.004	0.898	2.963
District of Columbia	2,294	123	2,171	1,936	226	1,710	1.185	0.544	1.270
Maryland	32,276	24,108	8,168	28,384	21,929	6,455	1.137	1.099	1.265
Pennsylvania	44,178	37,250	6,928	46,814	37,981	8,833	0.944	0.981	0.784
Virginia	60,956	50,054	10,902	62,437	49,121	13,316	0.976	1.019	0.819
West Virginia	5,399	5,111	288	5,070	4,647	423	1.065	1.100	0.681
Mid-Atlantic	**153,080**	**123,414**	**29,666**	**152,588**	**121,443**	**31,145**	**1.003**	**1.016**	**0.953**
Alabama	30,272	24,065	6,207	28,458	23,404	5,054	1.064	1.028	1.228
Florida	285,062	208,528	76,534	250,887	184,538	66,349	1.136	1.130	1.154
Georgia	104,659	90,250	14,409	105,889	85,121	20,768	0.988	1.060	0.694
Kentucky	19,943	17,405	2,538	22,705	18,253	4,452	0.878	0.954	0.570
Mississippi	12,988	11,372	1,616	13,572	10,860	2,712	0.957	1.047	0.596
North Carolina	100,220	86,193	14,027	91,808	76,137	15,671	1.092	1.132	0.895
South Carolina	53,755	43,599	10,156	42,530	35,484	7,046	1.264	1.229	1.441
Tennessee	46,204	39,677	6,527	44,551	37,345	7,206	1.037	1.062	0.906
Southeast/Caribbean	**653,103**	**521,089**	**132,014**	**600,400**	**471,142**	**129,258**	**1.088**	**1.106**	**1.021**
Illinois	67,852	49,084	18,768	60,277	45,748	14,529	1.126	1.073	1.292
Indiana	37,993	31,582	6,411	39,130	32,282	6,848	0.971	0.978	0.936
Michigan	46,989	40,392	6,597	52,800	44,782	8,018	0.890	0.902	0.823
Minnesota	35,877	29,276	6,601	40,834	31,075	9,759	0.879	0.942	0.676
Ohio	55,237	45,155	10,082	49,627	40,788	8,839	1.113	1.107	1.141
Wisconsin	35,843	26,847	8,996	37,797	28,031	9,766	0.948	0.958	0.921
Midwest	**279,791**	**222,336**	**57,455**	**280,465**	**222,706**	**57,759**	**0.998**	**0.998**	**0.995**
Arkansas	16,625	11,925	4,700	15,239	9,689	5,550	1.091	1.231	0.847
Louisiana	21,794	19,783	2,011	20,719	18,244	2,475	1.052	1.084	0.813
New Mexico	14,331	13,553	778	12,684	11,743	941	1.130	1.154	0.827
Oklahoma	18,304	15,556	2,748	16,186	13,342	2,844	1.131	1.166	0.966
Texas	208,980	165,579	43,401	179,030	141,810	37,220	1.167	1.168	1.166
Southwest	**280,034**	**226,396**	**53,638**	**243,858**	**194,828**	**49,030**	**1.148**	**1.162**	**1.094**
Iowa	16,733	12,712	4,021	15,667	12,235	3,432	1.068	1.039	1.172
Kansas	14,404	11,814	2,590	12,098	10,517	1,581	1.191	1.123	1.638
Missouri	31,278	24,732	6,546	29,637	23,541	6,096	1.055	1.051	1.074
Nebraska	10,922	9,547	1,375	10,199	8,635	1,564	1.071	1.106	0.879
Great Plains	**73,337**	**58,805**	**14,532**	**67,601**	**54,928**	**12,673**	**1.085**	**1.071**	**1.147**
Colorado	46,262	40,477	5,785	45,585	38,164	7,421	1.015	1.061	0.780
Montana	5,068	3,822	1,246	3,936	2,258	1,678	1.288	1.693	0.743
North Dakota	3,835	2,186	1,649	3,787	2,357	1,430	1.013	0.927	1.153
South Dakota	5,790	4,877	913	5,891	4,721	1,170	0.983	1.033	0.780
Utah	28,302	24,645	3,657	23,728	19,899	3,829	1.193	1.239	0.955
Wyoming	3,533	2,785	748	3,304	2,670	634	1.069	1.043	1.180
Rocky Mountain	**92,790**	**78,792**	**13,998**	**86,231**	**70,069**	**16,162**	**1.076**	**1.124**	**0.866**
Arizona	91,436	80,648	10,788	87,646	78,841	8,805	1.043	1.023	1.225
California	202,221	151,022	51,199	207,944	150,710	57,234	0.972	1.002	0.895
Hawaii	9,828	6,641	3,187	8,938	5,631	3,307	1.100	1.179	0.964
Nevada	47,038	37,438	9,600	44,411	38,817	5,594	1.059	0.964	1.716
Pacific	**350,523**	**275,749**	**74,774**	**348,939**	**273,999**	**74,940**	**1.005**	**1.006**	**0.998**
Alaska	2,877	1,682	1,195	3,185	1,800	1,385	0.903	0.934	0.863
Idaho	21,767	19,464	2,303	16,997	14,650	2,347	1.281	1.329	0.981
Oregon	31,864	24,925	6,939	28,000	21,372	6,628	1.138	1.166	1.047
Washington	52,784	40,928	11,856	49,247	36,815	12,432	1.072	1.112	0.954
Northwest	**109,292**	**86,999**	**22,293**	**97,429**	**74,637**	**22,792**	**1.122**	**1.166**	**0.978**
United States	**2,147,617**	**1,681,184**	**466,433**	**2,024,211**	**1,572,522**	**451,689**	**1.061**	**1.069**	**1.033**

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

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

CBSA*	CBSA Name	2005 Through December		
		Total	Single Family	Multi-family**
12060	Atlanta-Sandy Springs-Marietta, GA	72,223	60,952	11,271
35620	New York-Northern New Jersey-Long Island, NY-NJ-PA	65,602	19,994	45,608
38060	Phoenix-Mesa-Scottsdale, AZ	62,375	53,964	8,411
26420	Houston-Baytown-Sugar Land, TX	62,217	51,134	11,083
19100	Dallas-Fort Worth-Arlington, TX	59,756	49,322	10,434
16980	Chicago-Naperville-Joliet, IL-IN-WI	53,170	36,728	16,442
40140	Riverside-San Bernardino-Ontario, CA	51,295	45,792	5,503
33100	Miami-Fort Lauderdale-Miami Beach, FL	45,634	23,076	22,558
29820	Las Vegas-Paradise, NV	38,534	30,358	8,176
36740	Orlando, FL	35,873	26,520	9,353
47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	35,600	25,315	10,285
45300	Tampa-St. Petersburg-Clearwater, FL	34,005	27,425	6,580
31100	Los Angeles-Long Beach-Santa Ana, CA	32,264	16,399	15,865
15980	Cape Coral-Fort Myers, FL	29,330	22,211	7,119
42660	Seattle-Tacoma-Bellevue, WA	25,656	17,704	7,952
27260	Jacksonville, FL	25,090	18,610	6,480
12420	Austin-Round Rock, TX	22,986	17,076	5,910
41700	San Antonio, TX	22,226	14,622	7,604
33460	Minneapolis-St. Paul-Bloomington, MN-WI	22,196	17,181	5,015
16740	Charlotte-Gastonia-Concord, NC-SC	22,146	19,348	2,798
19740	Denver-Aurora, CO	20,751	17,586	3,165
37980	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	20,157	15,090	5,067
40900	Sacramento--Arden-Arcade--Roseville, CA	18,645	15,755	2,890
38900	Portland-Vancouver-Beaverton, OR-WA	17,175	12,728	4,447
14460	Boston-Cambridge-Quincy, MA-NH	16,845	7,974	8,871
34980	Nashville-Davidson--Murfreesboro, TN	16,779	14,063	2,716
19820	Detroit-Warren-Livonia, MI	16,442	13,668	2,774
26900	Indianapolis, IN	15,460	12,374	3,086
41180	St. Louis, MO-IL	15,403	13,241	2,162
28140	Kansas City, MO-KS	15,263	12,129	3,134
41860	San Francisco-Oakland-Fremont, CA	14,945	8,091	6,854
39580	Raleigh-Cary, NC	14,571	13,946	625
42260	Sarasota-Bradenton-Venice, FL	14,419	11,636	2,783
41740	San Diego-Carlsbad-San Marcos, CA	14,215	7,485	6,730
29460	Lakeland, FL	13,119	11,897	1,222
17140	Cincinnati-Middletown, OH-KY-IN	12,783	10,752	2,031
18140	Columbus, OH	12,386	8,908	3,478
46060	Tucson, AZ	11,885	11,006	879
14260	Boise City-Nampa, ID	11,613	10,993	620
34820	Myrtle Beach-Conway-North Myrtle Beach, SC	11,477	6,336	5,141
12580	Baltimore-Towson, MD	11,294	8,448	2,846
47260	Virginia Beach-Norfolk-Newport News, VA-NC	11,286	7,571	3,715
38940	Port St. Lucie-Fort Pierce, FL	10,782	9,112	1,670
32820	Memphis, TN-MS-AR	10,665	9,708	957
16700	Charleston-North Charleston, SC	10,472	8,021	2,451
40060	Richmond, VA	9,892	8,827	1,065
48900	Wilmington, NC	9,515	7,950	1,565
41620	Salt Lake City, UT	9,248	7,128	2,120
36420	Oklahoma City, OK	9,170	8,249	921
32580	McAllen-Edinburg-Pharr, TX	8,715	6,846	1,869

* Based on Office of Management and Budget's metropolitan and micropolitan statistical area definitions announced on June 6, 2003.
** Multifamily is two or more units in structure.
CBSA=Core Based Statistical Area.
Source: Census Bureau, Department of Commerce