




National Data

HOUSING PRODUCTION



Permits*

Permits for the construction of new housing units were down 16 percent in the third quarter of 2008, at a SAAR of 866,000 units, and were down 35 percent from the third quarter of 2007. One-unit permits, at 558,000 units, were down 12 percent from the level of the previous quarter and down 40 percent from a year earlier. Multifamily permits (five or more units in structure), at 275,000 units, were 24 percent below the second quarter of 2008 and 21 percent below the third quarter of 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	866	1,033	1,335	- 16	- 35
One Unit	558	633	932	- 12	- 40
Two to Four	33	35	54	- 7**	- 40
Five Plus	275	364	350	- 24	- 21

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


**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Starts*

Construction starts of new housing units in the third quarter of 2008 totaled 879,000 units at a SAAR, 13 percent below the second quarter of 2008 and 32 percent below the third quarter of 2007. Single-family starts, at 602,000 units, were 10 percent lower than the previous quarter and 39 percent lower than the third-quarter level of the previous year. Multifamily starts totaled 262,000 units, a statistically insignificant 20 percent below the previous quarter and a statistically insignificant 5 percent below the third quarter of 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	879	1,016	1,298	- 13	- 32
One Unit	602	670	986	- 10	- 39
Five Plus	262	329	276	- 20**	- 5**

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


**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Under Construction*

Housing units under construction at the end of the third quarter of 2008 were at a SAAR of 918,000 units, 6 percent below the previous quarter and 17 percent below the third quarter of 2007. Single-family units stood at 461,000, 10 percent below the previous quarter and 31 percent below the third quarter of 2007. Multifamily units were at 435,000, down a statistically insignificant 2 percent from the previous quarter but up a statistically insignificant 6 percent from the third quarter of 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	918	977	1,110	- 6	- 17
One Unit	461	511	667	- 10	- 31
Five Plus	435	442	412	- 2**	+ 6**

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


**This change is not statistically significant.

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



Completions[★]

Housing units completed in the third quarter of 2008, at a SAAR of 1,055,000 units, were down a statistically insignificant 4 percent from the previous quarter and down 28 percent from the third quarter of 2007. Single-family completions, at 775,000 units, were down a statistically insignificant 8 percent from the previous quarter and down 34 percent from the rate of a year earlier. Multifamily completions, at 256,000 units, were a statistically insignificant 9 percent above the previous quarter but a statistically insignificant 1 percent below the third quarter of 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,055	1,103	1,464	- 4**	- 28
One Unit	775	843	1,176	- 8**	- 34
Five Plus	256	236	260	+ 9**	- 1**

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


**This change is not statistically significant.

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



Manufactured (Mobile) Home Shipments[★]

Shipments of new manufactured (mobile) homes were at a SAAR of 81,000 units in the third quarter of 2008, which is 8 percent below the previous quarter and 16 percent below the rate of a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Manufacturers' Shipments	81	88	96	- 8	- 16

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

Source: National Conference of States on Building Codes and Standards


HOUSING MARKETING



Home Sales*

Sales of new single-family homes totaled 478,000 (SAAR) units in the third quarter of 2008, down a statistically insignificant 8 percent from the previous quarter and down 35 percent from the third quarter of 2007. The average monthly inventory of new homes for sale during the third quarter was 394,000 units, a statistically insignificant 11 percent below the previous quarter and 25 percent below a year ago. The months' supply of unsold homes based on monthly inventories and sales rates for the third quarter was 10.4 months, a statistically insignificant 5 percent below the previous quarter but an 11 percent increase over the third quarter of last year.

Sales of existing homes—including single-family homes, townhomes, condominiums, and cooperatives—as reported by the NATIONAL ASSOCIATION OF REALTORS®, totaled 5,037,000 (SAAR) for the third quarter of 2008, up 3 percent from the previous quarter but down 8 percent from the third quarter of 2007. The average monthly inventory of units for sale during the third quarter was 4,266,000, 5 percent lower than the previous quarter and 2 percent lower than the third quarter last year. The average months' supply of unsold units for the third quarter was 9.9 months, 11 percent lower than the previous quarter and 4 percent lower than the third quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
New Homes Sold	478	519	731	- 8**	- 35
For Sale	394	445	528	- 11**	- 25
Months' Supply	10.4	10.9	9.4	- 5**	+ 11
Existing Homes					
Existing Homes Sold	5,037	4,910	5,457	+ 3	- 8
For Sale	4,266	4,495	4,370	- 5	- 2
Months' Supply	9.9	11.1	10.3	- 11	- 4

*Units in thousands.

**This change is not statistically significant.


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



Home Prices

The median price of new homes sold during the third quarter of 2008 was \$225,700, a statistically insignificant 4 percent lower than the previous quarter and 7 percent lower than the third quarter of 2007. The average price of new homes sold during the third quarter of 2008 was \$283,400, 7 percent lower than the previous quarter and a statistically insignificant 6 percent lower than the third quarter of last year. The estimated price of a constant-quality house is \$299,700, a statistically insignificant 1 percent lower than the previous quarter and a statistically insignificant 2 percent below the third quarter of last year. The set of physical characteristics used to represent a constant-quality house is based on the kinds of houses sold in 2005.

The median price of existing homes—including single-family homes, townhomes, condominiums, and cooperatives—that sold in the third quarter of 2008 was \$201,700, down 3 percent from the previous quarter and 9 percent lower than the third quarter of 2007, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of existing homes sold, \$244,500, was 3 percent below the previous quarter and 9 percent lower than the third quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
Median	\$225,700	\$235,300	\$241,800	- 4**	- 7
Average	\$283,400	\$304,200	\$301,200	- 7	- 6**
Constant-Quality House¹	\$299,700	\$302,900	\$305,900	- 1**	- 2**
Existing Homes					
Median	\$201,700	\$208,100	\$221,200	- 3	- 9
Average	\$244,500	\$252,600	\$267,500	- 3	- 9

**This change is not statistically significant.

¹ Effective with the December 2007 New Residential Sales release in January 2008, the Census Bureau began publishing the Constant-Quality (Laspeyres) Price Index with 2005 as the base year. (The previous base year was 1996.) "Constant-Quality House" data are no longer published as a series but are computed for this table from price indexes published by the Census Bureau.




Housing Affordability

Housing affordability is the ratio of median family income to the income needed to purchase the median-priced home based on current interest rates and underwriting standards, expressed as an index. The NATIONAL ASSOCIATION OF REALTORS® composite index of housing affordability for the third quarter of 2008 shows that families earning the median income have 126.0 percent of the income needed to purchase the median-priced existing single-family home. This figure is 1 percent higher than the second quarter of 2008 and 16 percent higher than the third quarter of 2007.

The increase in the third quarter 2008 housing affordability index reflects current changes in the marketplace. The rise in median family income and the decrease in the median sales price of existing single-family homes had positive effects on housing affordability and more than offset the negative impact of the increase in the home mortgage interest rate. Median family income increased 0.5 percent from the previous quarter to \$60,621, which was a 2.0 percent gain over last year's third quarter. The median sales price of existing single-family homes decreased to \$200,467, which was 3 percent below the previous quarter and 9 percent lower than the third quarter of 2007. The national average home mortgage interest rate of 6.41 is 27 basis points higher than the previous quarter.

The third quarter 2008 fixed-rate index of housing affordability increased 1 percent from the previous quarter and was 16 percent higher than the third quarter of 2007. The adjustable-rate index was 1 percent higher than the previous quarter and 20 percent above last year's third quarter.


	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Composite Index	126.0	125.2	108.6	+ 1	+ 16
Fixed-Rate Index	125.4	124.6	108.3	+ 1	+ 16
Adjustable-Rate Index	132.8	131.3	110.6	+ 1	+ 20

Source: NATIONAL ASSOCIATION OF REALTORS®



Apartment Absorptions

In the second quarter of 2008, 37,800 new, unsubsidized, unfurnished multifamily (five or more units in structure) rental apartments were completed, up 31 percent from the previous quarter and up 43 percent from the second quarter of 2007. Of the apartments completed in the second quarter of 2008, 48 percent were rented within 3 months. This absorption rate is 9 percent lower than the previous quarter and is 9 percent lower than the second quarter of last year. The median asking rent for apartments completed in the second quarter of 2008 was \$1,133, unchanged from the previous quarter but an increase of 13 percent over the second quarter of 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Apartments Completed*	37.8	28.8	26.5	+ 31	+ 43
Percent Absorbed Next Quarter	48	53	53	- 9	- 9
Median Asking Rent	\$1,133	\$1,138	\$1,004	—	+ 13

*Units in thousands.


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

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



Manufactured (Mobile) Home Placements

Manufactured homes placed on site ready for occupancy in the second quarter of 2008 totaled 87,700 units at a SAAR, a statistically insignificant 4 percent below the level of the first quarter of 2008 and 9 percent below the second quarter of 2007. The number of homes for sale on dealers' lots at the end of the second quarter of 2008 totaled 36,000 units, a statistically insignificant 3 percent below the previous quarter and 5 percent below the second quarter of 2007. The average sales price of the units sold in the second quarter of 2008 was \$64,100, a statistically insignificant 1 percent above the price in the previous quarter but unchanged from the price in the second quarter of 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Placements*	87.7	91.7	96.0	- 4**	- 9
On Dealers' Lots*	36.0	37.0	38.0	- 3**	- 5
Average Sales Price	\$64,100	\$63,300	\$64,100	+ 1**	—

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

**This change is not statistically significant.


Note: Percentage changes are based on unrounded numbers.

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



Builders' Views of Housing Market Activity

The National Association of Home Builders (NAHB)/Wells Fargo conducts a monthly survey focusing on builders' views of the level of sales activity and their expectations for the near future. NAHB uses these survey responses to construct indices of housing market activity. (The index values range from 0 to 100.) For the third quarter of 2008, the current market activity index for single-family detached houses stood at 16, down 1 point from the previous quarter and down 6 points from the third quarter of 2007. The index for future sales expectations, at 25, was also down 3 points from the second quarter of 2008 and down 5 points from the third quarter of last year. Prospective buyer traffic had an index value of 13, which is 5 points lower than the previous quarter and 4 points lower than the third quarter of last year. NAHB combines these separate indices into a single housing market index that mirrors the three components quite closely. For the third quarter of 2008, this index fell to 16, which is 3 points below the second quarter of 2008 and 6 points below the second quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Housing Market Index	16	19	22	- 16	- 27
Current Sales Activity—Single-Family Detached	16	17	22	- 6	- 27
Future Sales Expectations—Single-Family Detached	25	28	30	- 11	- 17
Prospective Buyer Traffic	13	18	17	- 28	- 24

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




HOUSING FINANCE



Mortgage Interest Rates

The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac increased to 6.32 percent in the third quarter of 2008, 23 basis points higher than the previous quarter and 23 basis points lower than the third quarter of 2007. Adjustable-rate mortgages (ARMs) in the third quarter of 2008 were going for 5.21 percent, 2 basis points above the previous quarter but 47 basis points below the third quarter of 2007. Fixed-rate 15-year mortgages, at 5.88 percent, were up 22 basis points from the second quarter of this year but down 33 basis points from the third quarter of 2007.


	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Conventional, Fixed-Rate, 30-Year	6.32	6.09	6.55	+ 4	- 4
Conventional ARMs	5.21	5.19	5.68	+ 0	- 8
Conventional, Fixed-Rate, 15-Year	5.88	5.66	6.21	+ 4	- 5

Source: Freddie Mac



FHA 1-4 Family Mortgage Insurance*

Applications for FHA mortgage insurance on 1-4 family homes were received for 643,300 properties in the third quarter of 2008, up 7 percent from the previous quarter and up 168 percent from the third quarter of 2007. Total endorsements or insurance policies issued totaled 442,100, up 26 percent from the second quarter and up 188 percent from the third quarter of 2007. Purchase endorsements, at 276,800 were up 57 percent from the previous quarter and up 240 percent from the third quarter of 2007. Endorsements for refinancing increased to 165,300, down 6 percent from the second quarter but up 130 percent from the third quarter of 2007. These numbers are not seasonally adjusted.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Applications Received	643.3	602.6	240.5	+ 7	+ 168
Total Endorsements	442.1	351.1	153.3	+ 26	+ 188
Purchase Endorsements	276.8	175.8	81.4	+ 57	+ 240
Refinancing Endorsements	165.3	175.3	71.9	- 6	+ 130


*Units in thousands of properties.

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



PMI and VA Activity*

Private mortgage insurers issued 173,900 policies or certificates of insurance on conventional mortgage loans during the third quarter of 2008, down 36 percent from the second quarter and down 67 percent from the third quarter of 2007. The Department of Veterans Affairs (VA) reported the issuance of mortgage loan guaranties on 57,300 single-family properties in the third quarter of 2008, up 12 percent from the previous quarter and up 57 percent from the third quarter of 2007. These numbers are not seasonally adjusted.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total PMI Certificates	173.9	273.5	528.7	- 36	- 67
Total VA Guaranties	57.3	51.3	36.5	+ 12	+ 57

*Units in thousands of properties.

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




Delinquencies and Foreclosures

Total delinquencies for all loans past due were at 6.41 percent in the second quarter of 2008, up 1 percent from the first quarter of 2008 and up 25 percent from the second quarter of 2007. Delinquencies for past due conventional subprime loans were at 18.67 percent, down 1 percent from the first quarter of 2008 but up 26 percent from the second quarter of the previous year. Conventional subprime adjustable-rate mortgage (ARM) loans that were past due stood at 21.03 percent in the second quarter of 2008, down 5 percent from the first quarter of 2008 but up 24 percent from the second quarter of 2007.

Ninety-day delinquencies for all loans were at 1.83 percent, up 12 percent from the first quarter of 2008 and up 65 percent from the second quarter a year ago. Conventional subprime loans that were 90 days past due stood at 6.19 percent in the second quarter of 2008, up 6 percent from the previous quarter and up 62 percent from the second quarter of 2007. Conventional subprime ARM loans that were 90 days past due were at 7.55 percent in the second quarter of 2008, up 4 percent from first quarter of 2008 and up 70 percent from the second quarter of 2007.

During the second quarter of 2008, 1.19 percent of all loans entered foreclosure, up 20 percent from the first quarter of 2008 and up 83 percent from the second quarter of the previous year. In the conventional subprime category, 4.70 percent of loans entered foreclosure in the second quarter of 2008, an increase of 16 percent over the first quarter of 2008 and an increase of 73 percent from the second quarter of 2007. In the conventional subprime ARM category, 7.09 percent of loans went into foreclosure in the second quarter of 2008, an increase of 12 percent over the first quarter of 2008 and an increase of 85 percent from the second quarter of 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total Past Due (%)					
All Loans	6.41	6.35	5.12	+ 1	+ 25
Conventional Subprime Loans	18.67	18.79	14.82	- 1	+ 26
Conventional Subprime ARMs	21.03	22.07	16.95	- 5	+ 24
90 Days Past Due (%)					
All Loans	1.83	1.63	1.11	+ 12	+ 65
Conventional Subprime Loans	6.19	5.84	3.83	+ 6	+ 62
Conventional Subprime ARMs	7.55	7.29	4.44	+ 4	+ 70
Foreclosures Started (%)					
All Loans	1.19	0.99	0.65	+ 20	+ 83
Conventional Subprime Loans	4.70	4.06	2.72	+ 16	+ 73
Conventional Subprime ARMs	7.09	6.35	3.84	+ 12	+ 85


Source: National Delinquency Survey, Mortgage Bankers Association

HOUSING INVESTMENT



Residential Fixed Investment and Gross Domestic Product*

Residential Fixed Investment (RFI) for the third quarter of 2008 was at a SAAR of \$477.6 billion, 5 percent below the value from the second quarter of 2008 and 23 percent below the third quarter of 2007. As a percentage of the Gross Domestic Product (GDP), RFI for the third quarter of 2008 was 3.3 percent, 0.2 percentage point below the previous quarter and 1.1 percentage point below the third quarter a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
GDP	14,429.2	14,294.5	13,950.6	+ 1	+ 3
RFI	477.6	505.0	618.1	- 5	- 23
RFI/GDP (%)	3.3	3.5	4.4	- 6	- 25

*Billions of dollars.

Source: Bureau of Economic Analysis, Department of Commerce




HOUSING INVENTORY



Housing Stock*

At the end of the third quarter of 2008, the estimate of the total housing stock, 130,357,000 units, was up a statistically insignificant 0.4 percent from the second quarter of 2008 and up a statistically insignificant 1.7 percent from the third quarter of 2007. The number of all occupied units was up from the second quarter of 2008 by a statistically insignificant 0.5 percent and increased a statistically insignificant 1.3 percent from the third quarter of 2007. Owner-occupied units increased a statistically insignificant 0.2 percent from the second quarter of 2008 and were up a statistically insignificant 1.0 percent from last year's third quarter. Renter-occupied units increased a statistically insignificant 0.9 percent from the previous quarter and increased a statistically insignificant 2.0 percent from the third quarter of 2007. Vacant units were down a statistically insignificant 0.1 percent from the previous quarter but increased 4.1 percent from the third quarter of 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Housing Units	130,357	129,871	128,189	+ 0.4**	+ 1.7**
Occupied Units	111,730	111,228	110,299	+ 0.5**	+ 1.3**
Owner Occupied	75,896	75,715	75,181	+ 0.2**	+ 1.0**
Renter Occupied	35,834	35,513	35,118	+ 0.9**	+ 2.0**
Vacant Units	18,626	18,643	17,892	- 0.1**	+ 4.1

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

**This change is not statistically significant.


Source: Census Bureau, Department of Commerce



Vacancy Rates

The homeowner vacancy rate for the third quarter of 2008, at 2.8 percent, was unchanged from the second quarter of 2008 but was up a statistically insignificant 0.1 percentage point from the third quarter of 2007.

The 2008 second quarter national rental vacancy rate, at 9.9 percent, was down a statistically insignificant 0.1 percentage point from the previous quarter but was up a statistically insignificant 0.1 percentage point from the third quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Homeowner Rate	2.8	2.8	2.7	—	+ 4**
Rental Rate	9.9	10.0	9.8	- 1**	+ 1**


**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Homeownership Rates

The national homeownership rate for all households was 67.9 percent in the third quarter of 2008, down a statistically insignificant 0.2 percentage point from the previous quarter and down a statistically insignificant 0.3 percentage point from the third quarter of 2007. The homeownership rate for minority households, at 51.0 percent, did not change from the second quarter of 2008 or from the third quarter of 2007. The 61.9-percent homeownership rate for young married-couple households was a statistically insignificant 0.3 percentage point below the second quarter of 2008 and a statistically significant 2.2 percentage points below the third quarter of 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Households	67.9	68.1	68.2	- 0.3**	- 0.4**
Minority Households	51.0	51.0	51.0	—	—
Young Married-Couple Households	61.9	62.2	64.1	- 0.5**	- 3.4

**This change is not statistically significant.

Source: Census Bureau, Department of Commerce