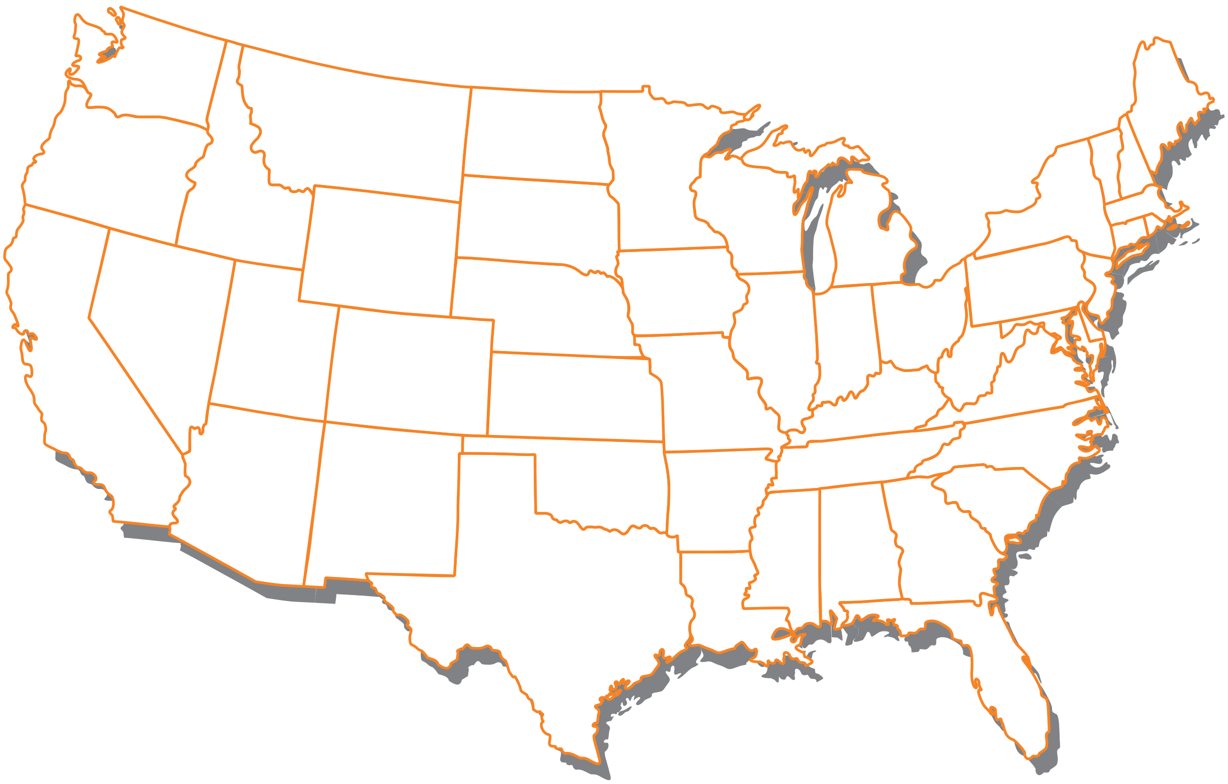
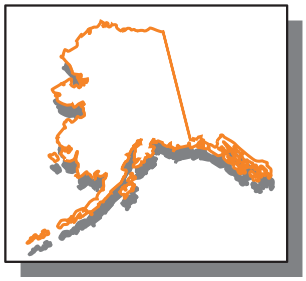
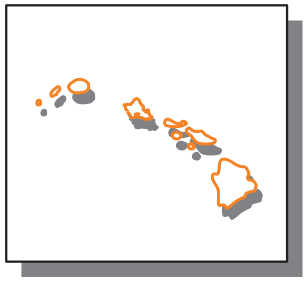
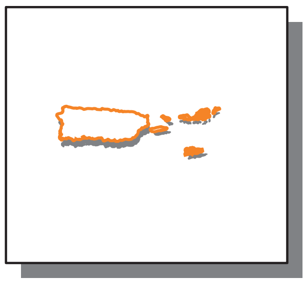
Regional Activity





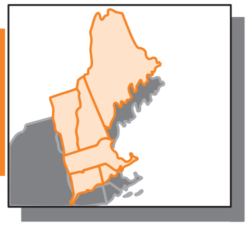




The following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends within each region of HUD management. Also included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



HUD Region I*

Nonfarm employment in the New England region continued to decline in the second quarter of 2010 after peaking in mid-2008 at nearly 7.2 million jobs. During the 12 months ending June 2010, average nonfarm employment in the region declined by 189,000 jobs, or 2.7 percent, to 6.7 million jobs compared with the loss of 142,500 jobs, or 2.0 percent, during the 12 months ending June 2009. During the 12 months ending June 2010, job losses were posted in all sectors, except the education and health services sector, which increased by 20,100 jobs, or 1.5 percent. Job losses were greatest in the goods-producing sectors of manufacturing and construction, where 51,400 and 34,200 jobs were lost, down 7.8 and 12.8 percent, respectively. The highest job losses in the service-providing sectors were posted in the trade and the professional and business services sectors with losses of 36,500 and 35,900 jobs, or 7.9 and 4.1 percent, respectively.

Every state in the region lost jobs during the 12 months ending June 2010, with Massachusetts and Connecticut accounting for more than 70 percent of the total regional decline. Massachusetts experienced the largest employment decline, losing a total of 84,300 jobs, or 2.6 percent, including losses of 20,700 jobs, or 7.5 percent, in the manufacturing sector, and 17,100 jobs, or 7.9 percent, in the trade sector. During the same period, Connecticut lost 50,700 jobs, a 3.0-percent decline, including 13,500 jobs in the professional and business services sector and 12,500 jobs in the manufacturing sector, representing declines of 6.8 and 6.9 percent, respectively. Rhode Island lost 17,700 jobs, or 3.8 percent, the highest percentage loss among the New England states during the 12 months ending June 2010. During the same period, New Hampshire and Vermont recorded the smallest declines, losing 12,400 and 7,200 jobs, or 2.0 and 2.4 percent, respectively. The unemployment rate in New England during the 12 months ending June 2010 was 8.8 percent, up from 6.9 percent during the previous 12-month period. Average unemployment rates for the states ranged from 6.6 percent in both New Hampshire and Vermont to 12.1 percent in Rhode Island.

Continued declining home sales prices since September 2005, significantly lower interest rates, and the extension of the federal tax credit programs have led to increasing sales levels of existing single-family homes during the 12 months ending June 2010. During this period, the Massachusetts Association of REALTORS® (MAR) reported that sales of existing homes increased 9 percent to 38,840 homes compared with a decrease of 9 percent to 35,600 home sales during the 12 months ending June 2009. In June 2010, the median sales price was $331,150, up 8 percent, compared with the median sales price of $306,000 in June 2009, which was down 9 percent compared with the median price in June 2008. The inventory of unsold homes as of June 2010 increased 5 percent to 31,540 homes, or a 6.1-month supply, compared with the supply of a year earlier; the number of days a house remained on the market averaged 107 days, which is down 28 days or 21 percent from June 2009. According to the Rhode Island Association of REALTORS® (RIAR), during the 12 months ending June 2010, the number of existing home sales in Rhode Island totaled 8,040, up 19 percent after virtually no change in the level of home sales during the previous 12 months. The median sales price was $210,000, up 9 percent compared with the 23-percent decline in the previous 12-month period. In Connecticut, during the 12 months ending June 2010, The Warren Group reported that 27,840 existing homes were sold, an increase of 25 percent from the 22,350 homes sold in the previous 12 months. The median sales price of $264,900 was 3 percent higher than the $257,000 price recorded in June 2009.

The Maine Real Estate Information System, Inc., reported that in Maine, during the 12 months ending June 2010, existing home sales increased 27 percent to 11,600 homes; the median sales price increased 3 percent to $175,000. According to the Northern New England Real Estate Network, Inc. (NNEREN), the number of existing homes sold in New Hampshire increased 15 percent to 11,550 homes during the 12 months ending June 2010, and the median sales price increased 2 percent to $229,000.

According to the Federal Housing Finance Agency, home sales prices in the New England region decreased by just under 1 percent during the first quarter of 2010 (the most recent data available) compared with prices in the first quarter of 2009. Nationally, home prices were down just slightly more than 1 percent. Price changes for the individual states ranged from an increase of about 1 percent in Maine to a loss of 3 percent in Connecticut. According to the Lender Processing Services Mortgage Performance Data, in June 2010, the number of loans in foreclosure, 90 days or more delinquent, or in REO (Real Estate Owned) in the region increased by 21 percent to 104,330 homes compared with the number reported in June 2009. This level represents 7 percent of all home loans in the region in June 2010 compared with 5 percent in June 2009. The national rate in June 2010 was 9 percent.

*For an explanation of HUD's regions, please turn to page 47 at the end of the Regional Reports section.

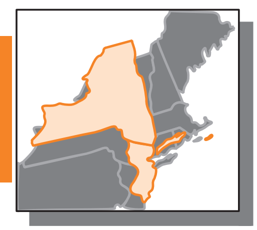
Condominium sales markets in New England have improved significantly during the 12 months ending June 2010. According to the MAR, during the 12 months ending June 2010, condominium sales totaled 17,660 units, an increase of 25 percent compared with the number sold during the previous 12 months, and the median condominium sales price increased by 4 percent, to $285,000. In Connecticut, The Warren Group reported that condominium sales increased more than 21 percent to 8,400 units during the past 12 months and the median sales price increased by more than 5 percent to $186,000 in June 2010 compared with the sales price in June 2009. The NNEREN reported that condominium sales in New Hampshire increased by 20 percent during the 12 months ending June 2010 and the median sales price was up 6 percent to $177,900. According to the RIAR, condominium sales increased 24 percent to 1,310 units and the median sales price was virtually unchanged at $179,600.

As a result of moderating single-family sales price declines and increasing single-family home sales levels, demand for new single-family homes has started to increase. During the 12 months ending June 2010, single-family home construction activity, as measured by the number of homes permitted, increased by 18 percent to 11,600 homes compared with a decline of 41 percent during the previous 12-month period, based on preliminary data. All states in the region posted gains in the number of single-family homes permitted, with Massachusetts reporting the largest increase of 21 percent, to 4,600 homes, compared with a decline of 37 percent during the previous 12-month period. During the 12 months ending June 2010, the number of single-family homes permitted in Maine and Rhode Island increased 22 and 16 percent to 1,780 and 825 homes, respectively. The number of single-family homes permitted in Connecticut, New Hampshire, and Vermont increased between 10 and 13 percent to 2,180, 1,560, and 540 homes, respectively.

The substantial declines in multifamily building activity, as measured by the number of units permitted, since the peak year in 2005 appeared to be moderating during the 12 months ending June 2010. During this period, 5,470 multifamily units were permitted, down only 2 percent compared with the 30-percent decline in the number of units permitted during the previous 12-month period, based on preliminary data. During the 12 months ending June 2010, Massachusetts permitted 2,650 multifamily units, up 7 percent compared with a 54-percent, or 2,870-unit, decline during the previous 12-month period. New Hampshire and Vermont had small increases of 16 and 10 percent to 810 and 290 units permitted, respectively. The number of multifamily units permitted in Rhode Island, Connecticut, and Maine declined by 46, 19, and 7 percent to 130, 1,360, and 240 units, respectively.

In general, during the second quarter of 2010, the rental markets in New England were balanced, but tightening, as vacancy rates declined. Employment growth, however, has not been strong enough to keep rents from moderately weakening. In the second quarter of 2010, according to Reis, Inc., in the Boston metropolitan area, the apartment vacancy rate was 6.2 percent, down from 6.5 percent in the second quarter of 2009. Average asking rent in the second quarter of 2010 was $1,717, down less than 1 percent from the asking rent reported a year earlier. In Fairfield County, Connecticut, the apartment vacancy rate in the second quarter of 2010 was 4.9 percent, down from 5.6 percent, and the average asking rent was $1,748, down 2 percent from the second quarter of 2009. The Hartford metropolitan area rental market had an apartment vacancy rate of 5.7 percent in the second quarter of 2010, virtually unchanged from the previous year. The average rent was $969, down less than 1 percent from a year earlier. During the second quarter of 2010, New Haven had one of the lowest apartment vacancy rates in the region, at 2.9 percent, down from 3.3 percent the previous year; however, in the second quarter of 2010, the average rent increased nearly 2 percent to $1,100 compared with the average rent during the previous year. Currently in downtown New Haven, 360 State Street, a 500-unit, mixed-use development and one of the region's largest residential properties under development, will open soon with 20 percent of its units preleased.

NEW YORK/ NEW JERSEY



HUD Region II

After peaking at nearly 12.9 million jobs in late 2008, employment in the New York/New Jersey region continued to decline in the second quarter of 2010. Nonfarm employment averaged approximately 12.4 million jobs during the 12-month period ending June 2010, down 282,900 jobs, or 2.2 percent, compared with the loss of 209,100 jobs, or 1.6 percent, during the 12 months ending June 2009. Employment losses were the most severe in the manufacturing and construction sectors, down 67,200 and 54,400 jobs, or 8.5 and 10.9 percent, respectively. The service-providing sectors recorded a decline of 160,800 jobs, or 1.4 percent. The unemployment rate in the New York/New Jersey region during the 12 months ending June 2010 was 9 percent, up from the 7-percent rate recorded during the previous 12-month period. The average unemployment rate increased from 7.3 to 9.8 percent in New Jersey and from 6.9 to 8.6 percent in New York during the 12 months ending June 2010.

Both states in the region lost jobs during the 12 months ending June 2010. New Jersey reported a 2.6-percent decline in nonfarm employment to nearly 3.9 million jobs. During the same period, New Jersey lost 24,000 jobs, or 4.0 percent, in the professional and business services sector, 23,500 jobs, or 8.3 percent, in the manufacturing sector, and 21,900 jobs, or 14.4 percent, in the construction sector, which accounted for two-thirds of the total jobs lost in the state. In New York State, 179,700 jobs were lost, a 2.1-percent decline to 8.5 million jobs, during the 12 months ending June 2010. These job losses were significantly higher than the 93,100 annual average job losses, a 1.1-percent decline, which occurred in New York State during the 12 months ending June 2009.

The economy in New York City, during the second quarter of 2010, continued the decline that began in mid-2009. During the 12-month period ending June 2010, nonfarm employment fell by 84,200 jobs, or 2.2 percent, to nearly 3.7 million jobs. Job losses were partially offset by job increases in the education and health services sector of 15,100 jobs, or 2.1 percent, and job gains in the leisure and hospitality sector of 1,400 jobs, or 0.4 percent. Job losses in the professional and business services and financial activities sectors of 4.5 and 5.3 percent, respectively, accounted for 60 percent of the total job decline.

Most sales housing markets in the New York/New Jersey region are slightly soft because of weak economic conditions; however, markets are showing signs of improving. The NATIONAL ASSOCIATION OF REALTORS® reports that home sales in the region during the first quarter of 2010 (the latest information available) were up 22 percent from a year earlier to a seasonally adjusted annual rate of 377,800 homes sold. According to Lender Processing Services Mortgage Performance Data, in June 2010, the number of home loans in foreclosure, 90 days or more delinquent, or in REO (Real Estate Owned) remained nearly unchanged from June 2009 at 232,800 loans, or 8.2 percent of all loans recorded in the region.

According to data from the New York State Association of REALTORS®, the number of existing single-family home sales (excluding parts of New York City) during the 12 months ending June 2010 increased 18 percent, to 85,600 homes, compared with the number sold a year earlier and comparable to the 86,000 homes sold 2 years earlier. The median price of an existing home increased 12 percent from $183,000 in June 2009 to nearly $204,500 in June 2010. In the Rochester metropolitan area, the Greater Rochester Association of REALTORS® reported a 19-percent increase in home sales to more than 12,000 homes, during the 12 months ending June 2010, and the median home price increased 2 percent to $120,000. For the same period, the Greater Capital Association of REALTORS®, Inc., reported that existing home sales in the Albany-Schenectady-Troy metropolitan area increased by 1,300 homes, or 17 percent, to nearly 8,825 homes, and the median home price rose from $182,000 to $190,000, a 4-percent increase. During the 12 months ending June 2010, the Buffalo Niagara Association of REALTORS® reported that sales of single-family homes increased nearly 5 percent to 10,200 homes and the median home price increased 4 percent to $119,000.

The New York City home sales market remains slightly soft, but has improved significantly during the past 12 months. Prudential Douglas Elliman Real Estate reported that, during the 12 months ending June 2010, existing condominium and cooperative home sales in Manhattan, Brooklyn, and Queens increased 30 percent to 31,700 homes compared with sales during the 12 months ending June 2009. During the 12-month period ending June 2010, the average sales price rose by more than 7 percent, from nearly $700,200 to $753,000. During the same period, the average number of days a home remained on the market declined by 34 days to 101 days. Manhattan accounted for one-third of the home sales, and the median sales price increased nearly 8 percent from $835,700 to $899,000, for the 12-month period ending June 2010. Home sales in Manhattan during the same period increased 28 percent compared with the number sold during the 12 months ending June 2009. During the 12 months ending June 2010, 9,850 homes were sold in Manhattan, which is 5 percent higher than the average of 9,350 homes sold during the 5 years ending June 2009.

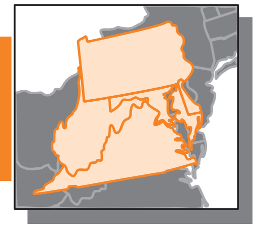
Home sales markets in New Jersey are slightly soft; despite increasing home sales, home prices remain flat or have decreased in most areas during the 12 months ending June 2010. According to data from the New Jersey Association of REALTORS®, the number of existing homes sold during the 12 months ending March 2010 (the latest information available) increased by 11,300 homes, or nearly 11 percent, to 118,800 homes sold, compared with the 107,500 homes sold during the previous 12 months. During the 12 months ending March 2010, home sales were 37 percent lower than the number sold during the recent peak in 2004. The median price of a home in New Jersey decreased 2 percent to $293,100 during the 12 months ending March 2010. All three regions of the state reported higher home sales and more stable home prices, with the exception of Central New Jersey where prices declined and the foreclosure rate increased. For the 12 months ending March 2010, Central New Jersey home sales rose 11 percent to 30,900 homes, and the median price declined 3 percent to $298,600; the number of home loans in foreclosure, 90 days or more delinquent, or in REO increased from 5 to 8 percent from March 2009 to March 2010, according to Lender Processing Services Mortgage Performance Data. For the 12 months ending March 2010, Northern New Jersey's existing single-family homes sales were up nearly 11 percent to 57,000 homes, and the median price increased 1 percent to $360,000. For the same period, existing single-family homes sales in Southern New Jersey increased nearly 10 percent to 30,900, and the median price remained unchanged from a year earlier at $198,700.

Builders in the New York/New Jersey region have responded to improvements in the sales housing market with moderate increases in the construction of single-family homes and multifamily units. During the 12-month period ending June 2010, based on preliminary data, the number of single-family homes permitted increased 17 percent to 8,800 homes compared with a 33-percent decline recorded during the same period a year earlier. For the 12 months ending June 2010, both states reported increases in single-family home construction, including 560 homes, or 17 percent, in New Jersey and 690 homes, or 16 percent, in New York. In the region, multifamily building activity, as measured by the number of units permitted, increased by 11 percent to 7,500 units during the 12 months ending June 2010 compared with an 82-percent decrease during the 12 months ending June 2009. In New York, the number of multifamily units permitted rose by 1,200 units, or 31 percent, to 5,125 units from a year earlier. In New Jersey, the number of multifamily units permitted decreased by 450, or 16 percent, to 2,350 units during the 12 months ending June 2010, which is less than the 62-percent decline that occurred during the 12 months ending June 2008.

Rental market conditions in the New York/New Jersey region were balanced with several markets showing signs of softening. According to Reis, Inc., in the second quarter of 2010, the apartment vacancy rate in New York City declined slightly from 3.2 to 3 percent, and the average asking rent increased by 0.4 percent to nearly $2,800. The New York City rental market remains tight; however, 7,500 new apartment units are expected to begin leasing during the latter part of 2010, the highest number of apartment completions in the region since 1999, according to Reis, Inc. The Long Island apartment market tightened as the vacancy rate declined from 3.9 to 3.7 percent; rents increased 2 percent to $1,540, representing the largest percentage increase in rent in the region. For the second quarter of 2010, the average rent in Westchester declined by 2.6 percent to nearly $1,840, and the vacancy rate remained unchanged from the previous year at 4.5 percent.

For the second quarter of 2010, most Upstate New York and New Jersey rental markets were balanced, but have softened. The Buffalo metropolitan area market remained stable with a 5.7-percent vacancy rate, nearly unchanged from 5.8 percent a year earlier, and the average rent increased 0.8 percent to $730. For the same period, the vacancy rate in the Rochester metropolitan area increased from 4.2 to 4.7 percent, and the average rent increased 2 percent to $760. For the second quarter of 2010, vacancy rates increased significantly in the Syracuse metropolitan area from 3.9 to 5.8 percent, because two vacant apartment buildings returned to the market, adding 400 additional units to the inventory; the average rent increased 0.6 percent to $690. For the same period, in both Central and Northern New Jersey, vacancy rates rose slightly to 4.1 and 5.1 percent from 3.8 and 4.9 percent, respectively; average rents declined slightly by 0.3 percent to $1,150 in Central New Jersey and by 0.6 percent to $1,490 in Northern New Jersey.

MID-ATLANTIC



HUD Region III

The Mid-Atlantic region experienced a 2-year economic decline that began in mid-2008 and continued into the second quarter of 2010. The number of jobs in the region declined from an average of 14.1 million during the 12 months ending June 2008 to 13.9 million during the 12-month period ending June 2009, a decrease of 1.5 percent. During the 12 months ending June 2010, the region averaged 13.6 million jobs, down 314,600 jobs, or slightly more than 2 percent, from the previous year. During this period, only the education and health services sector and the federal government subsector added jobs. The education and health services sector added 32,700 jobs, or 1.5 percent, and the federal government subsector, bolstered by the temporary hiring of workers for the 2010 Decennial Census, increased by 26,000 jobs, or 4.2 percent. The manufacturing sector lost 89,300 jobs, down 8.3 percent from the previous year; the construction sector reported the greatest percentage loss with a decline of 11 percent, or 71,500 jobs. The wholesale and retail trade subsectors lost a combined total of 60,600 jobs, or 3 percent.

Total nonfarm employment declined in every state in the region during the 12 months ending June 2010, but the District of Columbia reported a net gain of less than 1 percent, or 1,600 total jobs, as a result of adding 8,500 new federal government jobs, an increase of 4.4 percent in that subsector. Pennsylvania lost the most jobs, declining by 136,400, or 2.4 percent. The loss of 54,300 manufacturing jobs, or 8.9 percent, and nearly 25,500 professional and business services jobs, or 3.7 percent, accounted for 58 percent of all jobs lost in the state. Virginia lost 91,300 jobs, or 2.5 percent, and Maryland lost 55,700 jobs, or 2.2 percent. In Virginia and Maryland, the construction sector led job losses, down 22,800 and 18,400 jobs, or 11 and 12 percent, respectively. In West Virginia, employment declined by 18,800 jobs, or 2.5 percent, and Delaware reported the largest percentage of jobs lost, a decline of 3.3 percent, or 13,950 jobs. During the 12 months ending June 2010, the unemployment rate in the region averaged 7.9 percent, up from the regional average of 6.2 percent recorded during the 12 months ending June 2009, but nearly 2 percentage points lower than the national rate of 9.6 percent. During the 12 months ending June 2010, average unemployment rates among the states in the region ranged from 6.9 percent in Virginia to 8.7 percent in West Virginia. During that period, the District of Columbia reported an unemployment rate of 10.7 percent, up from 8.3 percent a year earlier.

During the 12 months ending June 2010, sales markets in the region were slightly soft but improved compared with sales market conditions during the same period ending in 2009. Both the number of days that homes stayed on the market and the existing levels of unsold inventory declined during the 12 months ending 2010. In addition, the extension of the closing date for sales using homebuyer tax credits, lower interest rates, and a continued decline in home prices contributed to increased volume in existing home sales during this period. The Maryland Association of REALTORS® reported that in Maryland, during the 12 months ending June 2010, 55,100 existing homes were sold, 28 percent more than the 43,200 sold during the 12 months ending June 2009 and 12 percent more than were sold during the 12 months ending June 2008. During the 12 months ending June 2010, Maryland's average home sales price declined 7 percent to $295,600, and the average monthly inventory of homes for sale declined more than 9 percent to nearly 42,800 homes. In the Baltimore metropolitan area, sales volume increased 20 percent to 23,900 homes sold at an average price of $279,700, which reflects a 4-percent decline in average price from the 12 months ending June 2009.

According to the Virginia Association of REALTORS®, during the 12 months ending June 2010, more than 97,800 existing homes were sold in Virginia, with an average price of $281,400, which is virtually unchanged from the $280,600 reported for the previous year. Home sales increased 12 percent in the Richmond area to 15,900 homes and 17 percent in the Norfolk-Virginia Beach area to 20,400 homes; however, in both Richmond and Norfolk-Virginia Beach, home prices declined 5 percent to approximately $233,800 and $248,300, respectively.

According to the NATIONAL ASSOCIATION OF REALTORS®, during the first quarter of 2010 (the most recent data available), the resale markets in Pennsylvania, West Virginia, and Delaware improved compared with the sales volume reported during the first quarter of 2009. In Pennsylvania, an annual rate of 163,200 home sales was recorded, up nearly 14 percent compared with the rate of 143,600 in 2009. In West Virginia, during the first quarter of 2010, an annual rate of 26,400 home sales was reported, a 16-percent increase from the annual rate during the first quarter of 2009. In Delaware, the annual rate of home sales in the first quarter of 2010 was relatively unchanged, at 11,200 homes. In the Philadelphia metropolitan area, according to data from Trend and Metropolitan Regional Information Systems, Inc. (MRIS®), during the 12 months ending March 2010 (the most recent data available), 52,100 homes were sold, 5 percent more than the volume sold during the comparable period ending in 2009, but the average home sales price was $248,000, down 6 percent from the average price recorded during the same period ending in 2009. In the Washington, D.C. metropolitan area, during the 12 months ending June 2010, MRIS® reported a total of 68,400 homes sold, an 11-percent increase from the 61,400 homes sold during the same period a year earlier, and average home prices in the area were $365,200, slightly more than 1 percent higher than the average price of $360,600 reported a year earlier.

According to Lender Processing Services Mortgage Performance Data, in June 2010, the number of home loans in foreclosure, 90 days or more delinquent, or in REO (Real Estate Owned) in the region increased to approximately 221,880, 17 percent more than were recorded during June 2009. This level represents a current rate of 6.3 percent of all loans recorded in the region compared with a rate of 5.3 percent recorded in June 2009; however, the regional total is less than the current 8.5-percent rate for the nation.

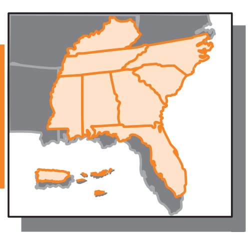
New single-family home construction has begun to increase in the region, but lack of financing continues to hamper the development of multifamily units. In the Mid-Atlantic region, during the 12 months ending June 2010, single-family homebuilding activity, as measured by the number of building permits issued, increased by 9 percent, a significant improvement after a 5-year trend of declining production. Based on preliminary data, the number of homes permitted increased to approximately 39,830 homes compared with the 36,550 permitted during the 12-month period ending June 2009. During the 12 months ending June 2010, the production of new homes increased nearly 25 percent to 2,995 homes in Delaware and 16 percent to 8,150 homes in Maryland. Pennsylvania, Virginia, and West Virginia permitted 12,220, 14,840, and 1,490 homes, respectively; these increases of 8, 4, and 1 percent, respectively, were significant improvements over the 36-, 29-, and 44-percent declines reported during the previous 12-month period. During the 12 months ending June 2010, the District of Columbia issued permits for 140 homes compared with the 103 homes permitted during the previous period. During the 12-month period ending June 2010, multifamily construction activity, as measured by the number of units permitted, continued to decline but at a slower rate than during the previous year. According to preliminary data for the 12 months ending June 2010, the number of multifamily units permitted declined by 1,090 units to 11,100 units permitted, a decline of 9 percent compared with a 36-percent decline during the previous period ending June 2009. The number of multifamily units permitted in Delaware and the District of Columbia during the 12-month period ending June 2010 increased by 30 and 190 percent to a total of 540 and 1,050 units, respectively. Reductions in multifamily production occurred in Maryland, Virginia, and Pennsylvania, which recorded decreases of 7, 5, and 25 percent to totals of 2,800, 2,420, and 4,100 units permitted, respectively. West Virginia issued permits for 173 units, 151 fewer units than were permitted during the previous 12-month period.

Conditions in apartment markets throughout the region were mixed during the second quarter of 2010. In the Baltimore metropolitan area, the rental market in the suburban areas was balanced, but it remained soft in Baltimore City. Delta Associates reported that, from June 2009 to June 2010, the apartment vacancy rate decreased from 7.4 to 4 percent in the suburbs of the metropolitan area. In Baltimore City, during the same period, vacancy rates fell slightly from 14.9 to 13.5 percent. Average rents in the Baltimore suburbs, from the second quarter of 2009 to the second quarter of 2010, increased by 4 percent, from $1,370 to $1,420; in Baltimore City, average rents increased by 6 percent, from $1,530 to $1,620.

The apartment market in the suburbs of the Philadelphia metropolitan area is currently balanced as of the end of June 2010. Delta Associates reported that, from June 2009 to June 2010, vacancy rates decreased from 12 to 5 percent. During that period, the average rent rose 5 percent from $1,470 to $1,540. Between June 2009 and June 2010, the lack of new units in the Center City Philadelphia submarket caused the apartment market to tighten significantly and vacancy rates to fall from 9.2 to 1.9 percent. Rents in Center City during that period increased 4 percent, from $1,920 to $1,995.

In the Washington, D.C. metropolitan area, during the 12 months ending June 2010, the rental market remained soft as units completed during the past 2 years continue to lease. According to Delta Associates, in June 2010, vacancy rates in Class A garden apartments in the Northern Virginia and suburban Maryland submarkets were 7.4 percent, unchanged from the rate recorded in June 2009. During the 12 months ending June 2010, rents in garden apartments rose approximately 6 percent in the suburbs surrounding the city to average $1,542 in the Maryland suburbs that are close to Washington, D.C., and to $1,607 in Northern Virginia. Vacancy rates in highrise units during that period increased from 8.8 to 9 percent in Northern Virginia but decreased in both the District of Columbia and the Maryland suburbs from 18 to 16.2 percent and from 18.6 to 13.8 percent, respectively. In June 2010, rents for highrise apartments averaged $2,370 in the District of Columbia, $2,100 in suburban Maryland, and $2,180 in Northern Virginia, up 5.4, 2.2, and 5.1 percent, respectively, from June 2009.

Southeast/ Caribbean



HUD Region IV

Since peaking at 27.1 million jobs in 2007, nonfarm employment in the Southeast/Caribbean region has continued to decline. During the 12 months ending June 2010, nonfarm employment in the region averaged 25 million jobs, a decrease of 940,200 jobs, or 3.6 percent, compared with a loss of 1,090,000 jobs, or 4 percent, during the previous 12-month period. During the 12 months ending June 2010, employment declined in each of the region's eight states and in the Caribbean; losses ranged from 2.2 percent, or 1,000 jobs, in the Virgin Islands to 3.8 percent, or 286,800 jobs, in Florida.

Employment declines in the goods-producing sectors accounted for 480,000 jobs lost, or about one-half of total job losses in the region during the 12-month period ending June 2010. For the same period, the largest job declines occurred in the manufacturing and construction sectors, which decreased by 247,000 jobs, or 10 percent, and 197,000 jobs, or 17 percent, respectively. Construction employment continued to decline primarily as a result of soft housing market conditions. Florida lost 82,800 construction sector jobs, or 18 percent, during the 12 months ending June 2010, more than any other state, and accounted for 42 percent of construction job losses in the region. The only sectors in the region to record job increases during the 12 months ending June 2010 were the education and health services sector, which increased by 54,700 jobs, or 1.6 percent, and the government sector, which increased by 10,600 jobs, or less than 1 percent. The average unemployment rate for the Southeast/Caribbean region increased to 11.2 percent during the 12-month period ending June 2010, up from 8.7 percent during the same period a year earlier. The average unemployment rate increased in each state and in the Caribbean and ranged from 10.2 percent in Georgia to 16.0 percent in Puerto Rico.

Home sales market conditions throughout the Southeast/Caribbean region are generally soft due to homebuilding exceeding demand from 2003 through 2006 and significant job losses in the region during the past 2 years. Although some local housing markets recorded increases in the number of homes sold during the 12 months ending June 2010, the large number of home mortgages in default put downward pressure on sales prices in many housing markets in the region. According to Lender Processing Services Mortgage Performance Data, 12 percent of home loans in the region were in foreclosure, 90 days or more delinquent, or in REO (Real Estate Owned) in June 2010 compared with 10 percent in June 2009. The percentage of loans in these three categories increased for all states in the region. Florida recorded the highest rate in the region at 19 percent in June 2010, up from 16 percent in June 2009. During the 12 months ending June 2010, according to data from the Florida Realtors®, 178,400 existing single-family homes were sold in Florida, a 29-percent increase from the same period a year earlier. During the first 6 months of 2010, the median sales price for an existing home in Florida was $143,400, a decrease of 3 percent from the first 6 months of 2009. Statewide sales of existing condominiums during the 12 months ending June 2010 totaled 69,000 units, a 61-percent increase. The median home sales price for the first 6 months of 2010 for existing condominiums was $95,000, 16 percent less than during the first 6 months of 2009.

The Alabama Center for Real Estate reported that 40,900 new and existing single-family homes and condominiums sold statewide during the 12 months ending June 2010, a 6-percent increase from the number sold during the 12 months ending June 2009. The average home sales price was approximately $145,300 for the 12 months ending June 2010, down 3 percent from the 12 months ending June 2009. During the 12 months ending June 2010, the Alabama Center for Real Estate reported that the number of home sales increased in three of the four largest metropolitan areas of the state—Birmingham, Mobile, and Montgomery—where sales increased by 2, 5, and 9 percent, respectively. During the same period, average home sales prices in the three metropolitan areas fell, with declines ranging from 2 to 6 percent.

In the two largest metropolitan areas of Kentucky, sales of existing single-family homes increased significantly in 2010. The Greater Louisville Association of REALTORS® reported that during the 12 months ending June 2010, home sales increased by 28 percent to approximately 13,100 homes compared with the number sold during the previous 12 months. During the 12 months ending June 2010, the average home sales price increased 1 percent to $161,100. The Lexington Bluegrass Association of REALTORS® reported the number of homes sold during the 12 months ending June 2010 increased 16 percent to approximately 7,650 compared with the number of homes sold during the previous 12 months. The average sales price decreased by 1 percent to $167,500 for the 12 months ending June 2010. For the same period, approximately 650 condominiums and townhomes were sold in the Lexington metropolitan area, up 14 percent from the number sold during the 12 months ending June 2009. The average price of a condominium or townhome sold during the 12 months ending June 2010 decreased by 1 percent from the previous period to $137,000.

According to the North Carolina Association of REALTORS®, Inc., 86,300 existing homes were sold statewide during the 12 months ending June 2010, a 13-percent increase from the number sold during the previous 12-month period. The number of home sales increased in 17 of 20 reported areas. The statewide average home sales price decreased to $200,200, a 3-percent decline. Home prices fell in 17 out of the 20 reported areas during the 12 months ending June 2010. The three largest metropolitan areas of North Carolina recorded increases in the number of homes sold and decreases in average prices. During the 12 months ending June 2010, in Charlotte, Greensboro, and Raleigh, the number of homes sold increased by 8, 13, and 22 percent, respectively. During the same period, average home prices fell by 2, 4, and 5 percent, respectively. During the 12 months ending June 2010, South Carolina REALTORS® reported that the number of homes sold statewide increased by 23 percent to 23,400 homes. Sales increased in 13 of the 15 reported areas. The statewide median price of a home sold was virtually unchanged between the first 6 months of 2009 and the first 6 months of 2010, at $140,000.

The median home price increased in 10 of the 15 areas reported; increases ranged from less than 1 percent to 30 percent. The remaining 5 reporting areas recorded price declines ranging from 4 to 16 percent, offsetting the price increases and resulting in a stable median home price for the state.

During the 12 months ending June 2010, the Greater Nashville Association of REALTORS® reported that sales of single-family homes and condominiums increased 12 and 15 percent to approximately 19,100 homes and 2,850 units, respectively. From June 2009 to June 2010, the monthly median home sales price increased 2 percent to $181,300 for a single-family home and decreased 5 percent to $145,000 for a condominium unit. According to the Knoxville Area Association of REALTORS®, 10,150 single-family homes sold during the 12 months ending June 2010, with an average sales price of $171,100, a 4-percent decline. During the same period, 1,100 condominium units were sold at an average price of $159,600, down 4 percent. During the 12 months ending June 2010, the Memphis Area Association of REALTORS® reported that sales increased by 1 percent for single-family homes, to 11,350, and by 4 percent for condominium units, to 450. The average sales price increased for each type of home by 2 percent, to $143,800 and $141,900, respectively.

In the region, during the 12-month period ending June 2010, single-family homebuilding activity, as measured by the number of permits issued, increased by 6,800 homes, or 6 percent, to 114,100 homes, based on preliminary data. Current single-family homebuilding activity is significantly below the average of 467,600 homes permitted from 2003 through 2006. During the 12 months ending June 2010, all states in the region recorded increases in single-family building permit activity, except Mississippi, where the number of permits issued decreased by 560, or 12 percent, to approximately 4,350 homes. The number of permits issued for single-family homes in Florida increased by 3,600 homes, or 13 percent, the largest increase in the region.

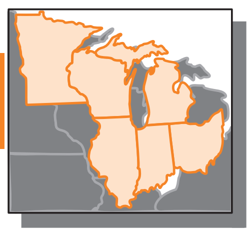
Apartment markets throughout the Southeast were soft but improving during the second quarter of 2010, primarily because of decreases in apartment construction activity during the past 2 years. During the 12 months ending June 2010, the number of multifamily units permitted decreased by 43 percent, to approximately 27,000 units, with declines in each state, based on preliminary data. Fewer units were permitted in 2009 than in any other year during the past three decades. During the past 12 months, the largest decline in the number of multifamily units permitted in the region occurred in Florida, falling by 6,725 units, or 47 percent, to 7,500 units.

Because of the significant cutbacks in apartment construction throughout the region during the past 2 years, apartment vacancy rates have generally declined. According to Reis, Inc., vacancy rates ranged from 5.7 percent in Chattanooga to 13.2 percent in Jacksonville.

Out of the 20 areas reported in the region, 11 markets recorded vacancy rate declines between the second quarter of 2009 and the second quarter of 2010; the vacancy rate in the remaining 8 markets each increased less than 1 percentage point. The apartment markets in South Carolina recorded the largest decreases in vacancy rates during the past 12 months. During the second quarter of 2010, the vacancy rates fell from 13.2 to 11.2 percent in Columbia, from 13.3 to 10.6 percent in Charleston, and from 11.7 to 9.8 percent in Greenville. The vacancy rate in Atlanta was virtually unchanged during the second quarter of 2010, at 11.4 percent. Miami recorded a slight increase in the vacancy rate from 5.9 to 6.2 percent from the second quarter of 2009 to the second quarter of 2010. During the same period, average rents decreased in 9 of 20 covered areas in the region. Rents in Orlando and Atlanta had the largest declines; rents fell by approximately 2 percent in each area to $863 and $841, respectively. Average rents in the reporting areas with rent growth increased by approximately 1 percent or less between the second quarter of 2009 and the second quarter of 2010.

MIDWEST

HUD Region V



Employment levels decreased in the Midwest region during the second quarter of 2010, which is the ninth consecutive quarter of job losses. In the 12 months ending June 2010, nonfarm employment decreased to 22.6 million jobs, down nearly 878,000 jobs, or 3 percent, compared with the number of jobs during the previous 12-month period, and down 7 percent below the recent peak of 24.3 million jobs in 2007. During the past 12 months, only the education and health services sector added jobs, increasing by 1.3 percent, or 44,700 jobs, to 3.6 million jobs. Employment levels in all other sectors declined, led by a loss of 305,000 jobs, or 10 percent, in the manufacturing sector during the 12 months ending June 2010. For the same period, the manufacturing sector had about 2.8 million jobs, which are approximately two-thirds of the 4.1 million manufacturing jobs the sector had a decade ago. Job losses in the manufacturing sector for the 12 months ending June 2010 were more than twice the losses in the next most affected sector, the professional and business services sector, which lost 133,000 jobs, or 4.7 percent. Other significant job declines occurred in the trade sector and the construction sector, down 132,000 and 123,000 jobs, or 3.6 and 13.3 percent, respectively.

Each of the six states in the Midwest region posted job losses in the second quarter of 2010, which is the seventh consecutive quarter without job gains in any of the six states. The magnitude of employment declines during the 12 months ending June 2010 ranged from 3.0 percent in Minnesota to 4.2 percent in Michigan. The unemployment rate in the region rose from 8.5 percent for the 12 months ending June 2009 to 10.7 percent for the 12 months ending June 2010. The unemployment rate rose in each state, ranging from 7.5 percent in Minnesota to 14 percent in Michigan.

The market for existing home sales in the Midwest region improved during the 12 months ending March 2010 but remained soft as states and metropolitan areas posted increases in the number of home sales compared with the number sold during the same period a year earlier, although home prices continue to fall in many areas. According to the NATIONAL ASSOCIATION OF REALTORS®, the number of annualized regional existing home sales for the first quarter of 2010 (the latest data available) increased 13 percent from the first quarter of 2009, to 896,400 existing homes sold. Home sales prices fell in many areas, however, influenced by an increase in the number of homes in the foreclosure process. According to Lender Processing Services Mortgage Performance Data, in June 2010, the percentage of home loans in foreclosure, 90 days or more delinquent, or in REO (Real Estate Owned) was 8.6 percent, an increase from the 7.3-percent rate recorded in June 2009.

State and local REALTOR® organizations report rising home sales figures, with mixed trends in home sales prices. In Illinois, home sales increased 9 percent, to 111,100 homes, for the 12 months ending March 2010 (the latest data available), but the average sales price declined almost 13 percent, to $207,200. In the Chicago metropolitan area, existing home sales increased nearly 13 percent to 73,250 and the average sales price declined 16 percent, to $250,600. In Michigan, the Michigan Association of REALTORS® reported a 22-percent increase in existing home sales for the 12 months ending June 2010 compared with sales for the same period in the previous year, to 124,400 homes sold and a drop in the average sales price of less than 1 percent, to $103,200. The Indiana Association of REALTORS® reported an increase in home sales of 8 percent, to 65,700 homes, and a 5-percent increase in the median sales price, to $109,900, for the 12 months ending June 2010. The Ohio Association of REALTORS® reported that both home sales and the average sales price increased by 10 and 3 percent, respectively, to 110,900 home sales and an average sales price of $134,200. REALTOR® associations in both Minneapolis and Milwaukee reported increased home sales and declining sales prices during the 12 months ending June 2010. In Minneapolis, home sales increased nearly 12 percent, to 46,550, but the average sales price declined 3 percent, to $207,300. In Milwaukee, home sales increased nearly 16 percent, to 13,850 homes, and the average sales price declined almost 4 percent, to $203,000.

Single-family homebuilding activity, as measured by the number of building permits issued, stabilized in the Midwest region during the 12 months ending June 2010, reversing the trend of more than 5 years of decline. During the 12 months ending June 2010, based on preliminary data, the number of single-family homes permitted increased by 7 percent to 44,950 homes compared with the number permitted during the same period a year earlier but remained about 14 percent below the average of 52,400 single-family homes permitted annually during the previous 3 years. Single-family home construction activity increased in all states in the region, except in Illinois, where the decline was 8 percent, to 6,375. In Michigan, during the 12 months ending June 2010, single-family homes permitted increased by nearly 18 percent from the same period a year earlier, to 5,775 homes. Minnesota and Indiana reported increases of 11 and 10 percent, to 6,700 and 9,525 homes permitted, respectively. In Ohio and Wisconsin, single-family permits increased 9 and 5 percent, to 9,750 and 6,850 homes, respectively.

Major metropolitan areas in the region reported increased single-family homebuilding activity during the 12 months ending June 2010, with the exception of Chicago, where the number of single-family homes permitted declined nearly 13 percent, to 4,700 homes, according to preliminary data. The three largest Ohio metropolitan areas of Cincinnati, Cleveland, and Columbus all reported increases in the number of single-family homes permitted, up 18, 8, and 19 percent, respectively, to 3,350, 2,025, and 2,925 homes permitted. Single-family homebuilding in Detroit increased 30 percent, to 1,775 homes permitted, which remains below the average of 2,000 single-family homes permitted annually over the past 3 years. In Minneapolis and Milwaukee, the number of homes permitted was up 17 and 3 percent, to 4,175 and 980 homes permitted, respectively; in Indianapolis, the number of single-family homes permitted increased nearly 10 percent, to 4,050 homes.

Multifamily construction activity, as measured by the number of units permitted, continued to decline in the Midwest region during the 12 months ending June 2010. The number of multifamily units permitted was down 22 percent, to 14,000 units, 33 percent fewer than the average of 20,950 units permitted during the previous three 12-month periods, based on preliminary data. During the 12 months ending June 2010, multifamily construction activity decreased in each Midwest state, except in Minnesota, where the number of multifamily units permitted increased nearly 16 percent, to 2,250 units. In each of the other five states, the decline in multifamily units permitted was significant, ranging from a decrease of 16 percent in Wisconsin, to 2,750 units, to a 37-percent decrease in Michigan, to 750 units. The number of multifamily unit permits issued declined 33 percent in Ohio, 28 percent in Illinois, and 24 percent in Indiana.

In the Midwest metropolitan areas, multifamily construction activity was mixed during the 12 months ending June 2010. In Chicago, the number of multifamily units permitted continued to decline, to 3,225 units, which is 28 percent fewer than the number permitted during the 12 months ending June 2009, according to preliminary data. In Ohio, the number of multifamily units permitted increased from 1,475 to 1,525 units in Columbus and decreased in Cincinnati and Cleveland, from 500 to 320 units and from 520 to 85 units, respectively. The number of multifamily units permitted increased in other metropolitan areas in the Midwest region, ranging from a 6-percent increase in Minneapolis, to 1,325 units, to a 15-percent increase in Detroit, to 400 units. Increases in Indianapolis and Milwaukee were 7 and 9 percent, respectively.

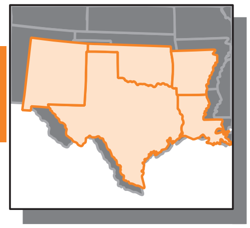
Rental market conditions were mixed in the major metropolitan areas of the Midwest region during the second quarter of 2010, although most markets were softer than they were during the same period a year earlier. According to Reis, Inc., the apartment vacancy rate in the Chicago metropolitan area decreased slightly, from 6.7 percent in the second quarter of 2009 to 6.6 percent in the second quarter of 2010, and the average rent declined 2 percent, to $1,050. The downtown Chicago rental market strengthened during the 12 months ending June 2010. According to Appraisal Research Counselors, the vacancy rate for the second quarter of 2010 was 6.3 percent, down from 7.2 percent in the second quarter of 2009. During the 12 months ending June 2010, net effective rents in downtown Class A properties rose 2.3 percent from the previous 12-month period and rose 2.6 percent in Class B properties. Concessions were 1.5 months of free rent with a 12-month lease, down from 2 months or more of free rent offered previously.

Rental market conditions were balanced in the Minneapolis-St. Paul metropolitan area, where Reis, Inc., reported a 5.1-percent apartment vacancy rate in the second quarter of 2010, up from the 4.4-percent rate in the second quarter of 2009. The average rent remained unchanged at $950. During the second quarter of 2010, the major metropolitan markets in Ohio were soft, because Cincinnati and Columbus both reported weaker conditions than in the second quarter of 2009, with 7.7- and 9.7-percent apartment vacancy rates, respectively, while the average rent remained at $710 in Cincinnati and increased 1 percent, to $690, in Columbus. In Cleveland, Reis, Inc., reported the vacancy rate and average rent were unchanged, at 6.7 percent and $730, respectively.

The rental market in Indianapolis was soft during the second quarter of 2010. In the second quarter of 2010, the apartment vacancy rate was 9.6 percent, up from 8.2 percent for the second quarter of 2009, while the average rent remained at $675, according to Reis, Inc. In Detroit, the market softened slightly when the vacancy rate increased from 7.5 to 7.9 percent while the average rent declined from $830 to $820. The market remained balanced in Milwaukee, where the vacancy rate and average rent were unchanged at 5 percent and $830, respectively.

Southwest

HUD Region VI



Economic conditions in the Southwest region continued to decline in the second quarter of 2010, a trend that began in May 2009. During the 12 months ending June 2010, average nonfarm employment decreased by 378,800 jobs, or 2.4 percent, to 15.6 million jobs. By comparison, nonfarm employment declines averaged 0.5 percent or 82,200 jobs for the 12 months ending June 2009. During the 12 months ending June 2010, gains in 2 employment sectors, totaling 131,400 jobs, were offset by a combined loss of 510,200 jobs in the remaining 10 sectors. The education and health services sector recorded the largest growth among employment sectors in the region, adding 80,000 jobs, an increase of 3.9 percent. The government sector increased by 51,400 jobs, or 1.8 percent, with all states in the region recording increased employment in the sector. Significant declines continued in the construction sector during the 12 months ending June 2010 as soft housing and commercial property markets contributed to a decrease of 107,900 jobs, or 11.2 percent, compared with a decrease of 28,000 jobs, or 2.8 percent, during the 12 months ending June 2009. The manufacturing sector, which recorded declines in all states in the region, lost 113,900 jobs, or 8.2 percent, during the 12 months ending June 2010.

Job losses have occurred in every state in the Southwest region since June 2009. During the 12 months ending June 2010, Texas lost 234,800 jobs, or 2.2 percent, led by a decline of more than 82,100 jobs in the construction sector. In Oklahoma, employment decreased by 51,600 jobs, or 3.3 percent, led by losses of 17,900 jobs in the manufacturing sector and 11,000 jobs in the professional and business services sector. Employment in Louisiana decreased by 37,400 jobs, or 1.9 percent, as combined gains of more than 10,900 jobs in the other services and the education and health services sectors were offset by losses of a combined 19,600 jobs in the manufacturing and professional and business services sectors. Employment in New Mexico declined by 27,600 jobs, or 3.3 percent, for the 12 months ending June 2010. In Arkansas, employment declined by 27,400 jobs, or 2.3 percent, with declines in the manufacturing, trade, and transportation and utilities sectors accounting for nearly 90 percent of the total loss. For the 12 months ending June 2010, the unemployment rate in the region increased to 7.9 percent compared with 6.1 percent for the previous 12 months. The average unemployment rates ranged from a low of 6.8 percent in Oklahoma to a high of 8.2 percent in Texas and New Mexico; Louisiana and Arkansas recorded rates of 7.2 and 7.6 percent, respectively.

Sales housing market conditions in the Southwest region improved but remained slightly soft with the continued job losses. During the 12 months ending June 2010, approximately 224,000 homes were sold in Texas, up nearly 8 percent when compared with the number sold during the previous 12 months; however, home sales still remain nearly 14 percent below the average annual level of 259,200 homes sold from 2005 through June 2009. The inventory of unsold homes is at a 7-month supply, the highest level since 2000 and well above the 5.3-month average supply recorded between 2000 and 2007. During the 12 months ending June 2010, the number of homes sold increased in most major Texas markets, with increases ranging from 4 percent in Dallas to 13 percent in Austin and San Antonio. The average home sales price in the state increased 1 percent to $188,400 during the 12 months ending June 2010, reversing a trend of price declines that began in late 2008. Home sales price changes among major Texas markets ranged from a decline of 3 percent in San Antonio to an increase of 2 percent in Houston.

Home sales began to increase in a number of markets in states elsewhere in the region during the 12 months ending June 2010 following 3 years of declines. According to the New Orleans Metropolitan Association of REALTORS®, home sales were up 9 percent to 8,525 homes, and the average sales price declined less than 1 percent to $201,500. In Baton Rouge, the number of sales increased 8 percent to 7,125 homes, based on data from the Greater Baton Rouge Association of REALTORS®, and the average sales price declined approximately 2 percent to $191,200. The Greater Albuquerque Association of REALTORS® reported that the number of home sales was up 21 percent in Albuquerque to 7,400 homes, though it still remains more than 23 percent below the average annual level of 9,600 homes sold from 2006 through June 2009. The average sales price in Albuquerque declined by 4 percent to $212,300. According to the Oklahoma Association of REALTORS®, the number of homes sold in Oklahoma increased 7 percent during the 12 months ending June 2010 to 46,050, and the average sales price declined 4 percent to $144,700. According to the Arkansas REALTORS® Association, home sales for the state increased by 11 percent to 25,550 and the average price fell by 2 percent to $144,400, during the 12 months ending May 2010. Home sales still remain more than 12 percent below the average annual level of 29,150 homes sold from 2005 through June 2009.

In the Southwest region, increased home sales resulted in increased single-family construction activity, as measured by the number of single-family building permits issued. During the 12 months ending June 2010, the total number of single-family homes permitted in the region was 95,150, an increase of 11,550 homes, or 14 percent, compared with the number permitted during the previous 12 months, based on preliminary data. Texas recorded a 14-percent increase in the number of single-family homes permitted, up 8,675, to 69,600 homes. In other states in the region, changes ranged from an increase of 7 percent in New Mexico to an increase of 23 percent in Arkansas. Oklahoma and Louisiana recorded increases of 9 and 14 percent, respectively.

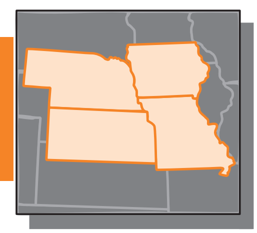
Rental housing market conditions in the largest metropolitan areas in Texas remained soft during the 12 months ending June 2010 due, in part, to continued job losses and the large number of units completed since 2005. According to ALN Systems, Inc., the apartment vacancy rate in Austin was 10.6 percent for the 12 months ending June 2010, down slightly from 10.9 percent during the previous 12 months, and the average rent declined 3 percent to $840. In Dallas, the apartment vacancy rate increased from 10.6 to 12.3 percent during the 12 months ending June 2010 as the average rent declined 2 percent to $800. Rental markets in Fort Worth and Houston remained very soft, with vacancy rates of 12.8 and 14.3 percent, respectively, during the 12 months ending June 2010. The average rent in Fort Worth declined by 2 percent to $710, during the 12 months ending June 2010. During the same period, the average rent in Houston increased 2 percent to $790, the smallest increase in average rents in Houston during a 12-month period since 2006. In San Antonio, during the 12 months ending June 2010, the vacancy rate rose slightly to 11.5 percent from the 11.3-percent rate recorded during the 12-month period ending June 2009, and the average rent increased less than 1 percent to $730. The smaller metropolitan areas of Abilene, Corpus Christi, and Lubbock had three of the lowest apartment vacancy rates in Texas, at 8.7, 9.8, and 9.9 percent, respectively, during the 12 months ending June 2010.

Rental housing market conditions were mixed in large metropolitan areas in other states throughout the Southwest region during the second quarter of 2010. During the same period, the rental markets in Albuquerque and Little Rock were balanced. According to Reis, Inc., the apartment vacancy rate in Albuquerque was 6.3 percent in the second quarter of 2010, down from 7.2 percent 1 year earlier, and the average rent remained essentially unchanged at $710. In Little Rock, for the second quarter of 2010, the apartment vacancy rate was 8.3 percent, down slightly from 8.7 percent 1 year earlier, and the average rent increased approximately 2 percent to $650. Rental markets in the largest metropolitan areas in Oklahoma were soft during the second quarter of 2010. In Oklahoma City, the apartment vacancy rate rose from 9.6 percent in the second quarter of 2009 to 10.2 percent in the second quarter of 2010 and the average rent remained essentially unchanged at $550. In Tulsa, the vacancy rate increased from 8.8 percent for the second quarter of 2009 to 9.8 percent for the same period in 2010 and the average rent remained essentially unchanged at $580. Rental market conditions in New Orleans remained soft as the apartment rental vacancy rate fell to 12 percent during the first quarter of 2010, according to the Greater New Orleans Multi-Family Report©, down slightly from the 13-percent rate recorded 1 year earlier, and the average rent remained unchanged at $840.

As a result of soft rental markets in many large metropolitan areas, multifamily construction activity, as measured by the number of units permitted, decreased in the Southwest region during the 12 months ending June 2010, based on preliminary data. The 18,400 units permitted during the 12 months ending June 2010 reflect a 57-percent decline compared with the number of units permitted during the 12-month period ending June 2009. During the 12 months ending June 2010, the number of multifamily units permitted in Texas declined 60 percent from the previous year, down 20,400 units to 12,300 units. In other states in the region during the 12 months ending June 2010, changes in the number of multifamily units permitted ranged from a decline of 23 percent in Oklahoma to a decline of 74 percent in Louisiana. Arkansas and New Mexico recorded declines of 34 and 44 percent, respectively, for the same period.

Great Plains

HUD Region VII



Nonfarm employment continued to decline in the Great Plains region during the second quarter of 2010, a trend that began in April 2007, but the job loss pace has slowed. During the 12-month period ending June 2010, nonfarm employment in the Great Plains region declined by 173,300 jobs, or 2.6 percent, to an average of 6.4 million jobs, compared with a loss of 1.5 percent during the 12-month period ending June 2009. During the 12 months ending June 2010, job declines were greatest in the manufacturing sector, which lost 65,000 jobs, or 8.4 percent. Employment in the construction sector declined by 35,600 jobs, or 11 percent. For the same period, employment gains were most significant in the education and health services and government sectors, which grew by 16,000 jobs, or 1.7 percent, and 13,000 jobs, or 1.1 percent, respectively. During the 12 months ending June 2010, nonfarm employment in Missouri declined by 78,000 jobs, or 2.8 percent, to an average of 2.7 million jobs. In Kansas, nonfarm employment decreased by 45,000 jobs, or 3.3 percent, to an average of 1.3 million jobs and, in Iowa, employment fell by 34,000 jobs, or 2.2 percent, to 1.5 million jobs. During the 12 months ending June 2010 in Nebraska, employment declined by 17,000 jobs, or 1.8 percent, to an average of 940,000 jobs.

As a result of the job losses that occurred during the 12-month period ending June 2010, the regional unemployment rate increased to 7.6 percent, up from the 6.3-percent rate recorded during the 12 months ending June 2009. During the 12-month period ending June 2010, Nebraska had the lowest average unemployment rate at 5 percent compared with 4.4 percent a year earlier. In Iowa, the unemployment rate averaged 6.6 percent compared with 5.1 percent a year earlier. The unemployment rate in Kansas during the 12-month period ending June 2010 increased to 6.8 percent, up from the 5.7-percent rate recorded during the 12-month period ending June 2009. Missouri recorded the greatest increase in the jobless rate, with an average 9.5-percent rate compared with the 7.9-percent rate recorded during the previous 12-month period.

As of the second quarter of 2010, sales housing market conditions were balanced in Iowa, Kansas, and Nebraska, but soft in Missouri. Mainly because of the home buyer tax credit program, the number of home sales during the first quarter of 2010 (most recent data available) marked the first increase in existing home sales since the second quarter of 2006 in the Great Plains region. According to the NATIONAL ASSOCIATION OF REALTORS®, sales of existing single-family homes, apartment condominiums, and cooperatives in the four Great Plains states increased during the first quarter of 2010 (the most recent data available) by 6 percent to an annualized rate of 240,400 from 226,400 homes sold for the same quarter a year earlier. Sales of existing homes increased by more than 2 percent in Kansas and Missouri from annualized rates of 50,400 and 96,400 homes sold in the first quarter of 2009 to 51,600 and 100,800 homes sold in the first quarter of 2010, respectively, and in Iowa, existing homes sales grew by 9 percent from 52,000 to 56,800 homes. In Nebraska, sales of existing homes increased by 13 percent from an annualized rate of 27,600 homes sold during the first quarter of 2009 to 31,200 homes sold in the first quarter of 2010.

In the region's metropolitan areas, sales housing markets were balanced in Des Moines and Omaha, but soft in Kansas City, Wichita, and St. Louis. According to the Des Moines Area Association of REALTORS®, existing home sales increased 27 percent to 9,310 homes sold during the 12-month period ending June 2010 from 7,350 homes sold a year earlier; the average home sales price fell 5 percent to $156,400; and the inventory of unsold existing homes fell from a 7- to a 6-month supply. During the 12 months ending June 2010, new and existing home sales in Omaha increased to 11,260 homes sold, up 23 percent from the previous 12 months, and the average sales price increased 1 percent to $161,600, according to the Omaha Board of REALTORS®. For the same period, existing home sales increased 21 percent to 9,835 homes and the average price of an existing home sold rose to $151,600, a 3-percent gain. During the 12-month period ending June 2010, new home sales increased by 38 percent to 1,425 homes, but the average new home sales price fell from $260,875 to $230,500 due to builders scaling down newly built homes in both size and amenities.

The Kansas City Regional Association of REALTORS® reported that new and existing home sales increased nearly 10 percent to 27,045 homes and that the average sales price fell from $162,075 to $161,250 during the 12 months ending June 2010. Existing home sales increased 12 percent to 24,670 homes sold, the average price of an existing home rose 2 percent to $144,000, and the inventory of unsold existing homes increased from a 6- to a 7-month supply. New home sales decreased 12 percent to 2,380 homes, the average sales price declined 1 percent to $298,325 for a new home, and the inventory of unsold new homes decreased from a 10- to a 6-month supply because of decreased new construction activity.

The Wichita Area Association of REALTORS® reported that sales of new and existing homes increased by less than 2 percent from 8,660 to 8,800 homes during the 12-month period ending June 2010, and that the average price fell 2 percent to $133,000. For the same period, existing home sales increased by 5 percent from 7,450 to 7,800 homes, the average existing home sales price fell 1 percent to $121,600, and the unsold existing home inventory was unchanged at a 5-month supply. During the 12-month period ending June 2010, new home sales decreased 14 percent to 1,000 homes, the average new home sales price increased 2 percent to $223,575, and the inventory of unsold new homes declined from a 6- to a 4-month supply. According to HousingTracker, existing home sales in St. Louis declined 10 percent to 25,360 homes during the 12-month period ending June 2010, and the median sales price fell to $160,800 in June 2010 from $170,700 a year earlier, a decline of nearly 6 percent.

New single-family home construction in the Great Plains region, as measured by the number of single-family building permits issued, rose 9 percent to 18,180 homes, during the 12-months ending June 2010, compared with a 32-percent decrease recorded during the previous 12 months, based on preliminary data. In Iowa, the number of single-family building permits issued during the 12 months ending June 2010 totaled 5,230 homes, a 16-percent increase compared with the 26-percent decline recorded during the previous 12 months. During the 12 months ending June 2010, new single-family home construction activity in Kansas fell 4 percent to 3,340 homes compared with the 32-percent decline that occurred a year earlier. In Missouri, single-family home construction increased 23 percent to 5,960 homes compared with a decline of 46 percent a year earlier, and in Nebraska, permits issued for single-family homes decreased 7 percent to 3,650 homes compared with the 14-percent decline recorded a year earlier.

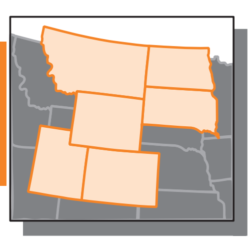
Lender Processing Services Mortgage Performance Data for June 2010 show that the percentage of total loans in foreclosure, 90 days or more delinquent, or in REO (Real Estate Owned) increased in all four states in the region between June 2009 and June 2010. Missouri had the greatest increase, rising from 4.7 to 5.5 percent, and in Nebraska, the percentage of total loans in the three categories increased from 3.4 to 3.7 percent, and in both Iowa and Kansas, it increased from 4.1 to 4.8 percent.

As of the second quarter of 2010, the Great Plains metropolitan area rental markets were soft. According to Reis, Inc., as of the second quarter of 2010, the Kansas City rental apartment vacancy rate increased to 9.4 percent from the 8.6-percent rate recorded in the second quarter of 2009 and the average rent was unchanged at $704. In Wichita, as of the second quarter of 2010, the rental apartment vacancy rate was up to 7.8 percent from the 7.5-percent rate 1 year earlier. The average rent in Wichita increased during the past year from $510 to $513. The rental apartment vacancy rate in the St. Louis area was 8.8 percent in the second quarter of 2010, unchanged from a year earlier, as was the average rent of $726—the highest rent level among the metropolitan areas in the Great Plains region.

Multifamily construction activity, as measured by the number of units permitted, declined in the Great Plains region during the 12-month period ending June 2010 to 7,000 units, down 14 percent compared with a 28-percent decline a year earlier, based on preliminary data. In Nebraska, during the 12 months ending June 2010, multifamily construction activity declined 50 percent to 550 units compared with a decline of 40 percent a year earlier, and in Missouri it decreased 29 percent to 2,615 units compared with a 27-percent decline a year earlier. During the 12 months ending June 2010, multifamily construction activity in Kansas remained relatively unchanged at 1,830 units. In Iowa, multifamily construction activity increased by 35 percent to 2,000 units compared with a decline of 19 percent during the previous 12 months.

Rocky Mountain

HUD Region VIII



In the second quarter of 2010, the economy of the Rocky Mountain region continued the decline that began in late 2008. Nonfarm employment for the 12 months ending June 2010 averaged about 4.9 million jobs, a decrease of 160,500 jobs, or 3.2 percent, from the previous 12 months. This loss followed a 1.7-percent decline during the 12 months ending June 2009. The steepest declines during the 12 months ending June 2010 occurred in the goods-producing sectors. The manufacturing sector lost about 30,000 jobs, a decrease of nearly 9 percent, with most of the losses concentrated in durable-goods manufacturing. Construction sector employment fell by nearly 51,000 jobs, or 16 percent, because of a decline in residential and commercial building activity. Based on data from Torto-Wheaton Research, during the 12 months ending May 2010, spending on commercial construction projects was down 60 percent from a year earlier. Mining and logging sector employment in the region fell by about 12,000 jobs, or 13 percent. Falling energy prices during the past 2 years have led to a decline in energy exploration within the mining subsector. Partly offsetting these declines, the education and health services sector added 14,100 jobs, a 2-percent increase, and government sector employment grew by 10,500 jobs, or 1 percent, helped by a temporary increase in jobs related to the 2010 Decennial Census.

Within the Rocky Mountain region, during the 12 months ending June 2010, Colorado and Utah had the largest employment declines, with 94,100 and 37,000 jobs lost, a decrease of 4.1 and 3 percent, respectively. In both states, nearly one-third of the job losses occurred in the construction sector. In Colorado, during the 12 months ending June 2010, the professional and business services sector lost more than 18,000 jobs, a 5.3-percent decline, and employment in the mining and logging sector fell by 4,800 jobs, or 17 percent. Many of those losses were in the energy-intensive western areas of Colorado. For the same period, employment in Wyoming fell by 12,900 jobs, or 4.4 percent, with a large share of the losses occurring in the mining and logging sector, which declined by 3,900 jobs, or 14 percent. During the 12-month period ending June 2010, employment in Montana and South Dakota fell by 11,700 and 6,600 jobs, or 2.4 and 1.6 percent, respectively. By contrast, for the same period, employment in North Dakota increased by 700 jobs, or 0.2 percent, led by strong growth in the government and the education and health services sectors. North Dakota has been among the top states in the country for job growth since the recession began. The unemployment rate for the Rocky Mountain region during the 12 months ending June 2010 averaged 7 percent, up from 5.7 percent a year earlier. During the 12-month period ending June 2010, unemployment rates ranged from 4.1 percent in North Dakota to 7.8 percent in Colorado, but all states in the region were below the national average of 9.7 percent.

Despite the weaker economy, home sales in the Rocky Mountain region have increased in the first quarter of 2010, but home sales markets remain soft in most places. According to data from the NATIONAL ASSOCIATION OF REALTORS®, home sales for the region in the first quarter of 2010 (the most recent data available) were up 10 percent from a year earlier, to a seasonally adjusted annual rate of 185,200 homes sold. The largest increases occurred in Utah, Wyoming, and North Dakota, where home sales were up by 20 percent or more. The pending expiration of the homebuyer tax credit in April 2010 helped increase sales. Despite the increase in sales volume, sales prices for existing homes in the region were down 5 percent in the first quarter of 2010, according to the Federal Housing Finance Agency house price index. The steepest decline occurred in Utah, where prices fell 10 percent from a year earlier, but home prices were also down by more than 4 percent in Colorado, Montana, and Wyoming. The weak economy has also resulted in rising mortgage defaults and foreclosures throughout the region. According to Lender Processing Services Mortgage Performance Data, in June 2010, the number of home loans in foreclosure, 90 days or more delinquent, or in REO (Real Estate Owned) averaged 4.9 percent of total loans in the region, up from 4 percent a year earlier. During the 12 months ending June 2010, the percentage of loans in those three categories in the Rocky Mountain states ranged from 2 percent in North Dakota to 6.2 percent in Utah, but all states in the region were well below the national average rate of 8.5 percent.

Although home sales activity increased in most metropolitan areas in Utah during the 12 months ending June 2010, market conditions remain soft in most areas, as indicated by price declines, a trend that has persisted for the past 2 to 3 years. In the Salt Lake City area, according to NewReach, Inc., during the 12 months ending June 2010, sales of existing single-family homes were up 25 percent from a year earlier, to about 9,600 homes sold. During the same period, the average sales price fell 3 percent, to about $252,600. In the Ogden-Clearfield area, home sales were up 17 percent, to 5,100 homes sold, and the average sales price increased by 9 percent to $205,700. According to the Utah County Association of REALTORS®, for the 12 months ending June 2010, single-family home sales in Provo-Orem were up 29 percent from a year earlier, to about 4,700 homes sold. The average sales price fell by 9 percent during the same period, to about $239,700.

According to data from the Colorado Association of REALTORS®, during the 12 months ending June 2010, single-family sales statewide were up 1 percent from a year earlier, to about 61,200 homes sold. During the second quarter of 2010, the median sales price for single-family homes fell 9 percent, to about $192,700. In the Colorado Springs area, for the 12 months ending June 2010, single-family sales were up 16 percent, to about 9,200 homes sold. During the same period, single-family sales in the Boulder area were up 13 percent, to 2,800 homes sold, and in the Fort Collins area increased by 15 percent, to 2,500 homes sold. In the Denver metropolitan area, during the second quarter of 2010, sales fell by 2 percent from a year earlier, to about 34,700 homes sold. The median price during this same period was up 5 percent in the Denver area, to $231,100, and up more than 2 percent in Colorado Springs, to $195,300. These increases were offset by declines elsewhere. Median prices for single-family homes fell 6 percent in Fort Collins, to about $228,700, and 12 percent in Grand Junction, to $186,500.

Increased home sales in many parts of the region have contributed to an increase in homebuilding activity. Based on preliminary data, during the 12 months ending June 2010, single-family construction, as measured by the number of building permits issued, totaled about 20,900 homes, up from 17,700 in the previous 12 months, an increase of 18 percent. During the 12 months ending June 2010, the strongest growth occurred in Utah, where the number of single-family homes permitted was up 32 percent, to about 6,700 homes, and North Dakota, where single-family home permits were up 31 percent, to about 1,700 homes. In Wyoming, during the same period, however, permits for single-family homes were down 3 percent, to about 1,300 homes. For the region, despite recent increases, production of single-family homes remains far below the peak years of 2004 through 2006, when homebuilding activity averaged more than 72,000 homes a year.

Much of the increase in single-family construction was offset by a decline in multifamily building activity, as measured by the number of units permitted. Based on preliminary data, in the 12 months ending June 2010, about 7,800 multifamily units were permitted in the Rocky Mountain region, a decline of 26 percent from the same period a year earlier. Although building activity during the 12 months ending 2010 was up strongly in Wyoming, North Dakota, and Montana, where the number of multifamily units permitted for the three states combined nearly doubled, to about 2,700 units, the number of multifamily units permitted fell by 41 percent in Colorado, to about 2,100 units, and by 52 percent in Utah, to about 2,000 units. Most of the decline in Colorado occurred in the Denver area, where units permitted were down by 55 percent, to about 1,100, but Colorado Springs and Greeley also had significant declines. Most of the decrease in Utah occurred in Salt Lake City, where the number of multifamily units permitted was down by 58 percent, to about 1,500 units. The declines in Colorado and Utah are partly a result of decreased demand for new condominiums, but the weak economy and tight lending standards have also reduced apartment construction.

Rental market conditions in the Rocky Mountain region in the second quarter of 2010 ranged from slightly soft in some areas to somewhat tight in others. Conditions were slightly soft in the Salt Lake City area. According to Reis, Inc., in Salt Lake City in the second quarter of 2010, the average apartment vacancy rate was 7.1 percent, up from the 5.9-percent rate recorded a year earlier. The average monthly apartment rent declined by nearly 1 percent during the same period, to $747. During the 12 month-period ending June 2010, about 2,500 new apartment units were completed in the area, which contributed to the increase in vacancies, although the market appears to be stabilizing. Vacancy rates in Salt Lake

City during the second quarter of 2010 were essentially unchanged from the first quarter of 2010 and, according to Hendricks & Partners, Inc., the use of rent concessions to boost occupancies by apartment complexes has declined in the past 6 months. Rental market conditions in the Fargo area remain balanced. As of June 2010, according to Appraisal Services, Inc., apartment vacancy rates in the area averaged 6 percent, up slightly from the 5.9-percent rate recorded for June 2009.

The Denver area rental market is currently balanced. According to Apartment Appraisers & Consultants, in the second quarter of 2010, apartment vacancy rates in the Denver metropolitan area averaged 6.4 percent, down from 8.3 percent a year earlier. In the second quarter of 2010, monthly rents in Denver averaged $862, up slightly from $855 a year earlier. The Colorado Springs rental market also tightened, because of an increase in troop levels at Fort Carson Army Base in 2009, and also because of a sharp decline in the number of new rental units coming on line. Apartment vacancies in the second quarter of 2010 averaged 6.2 percent, down from 8.5 percent a year earlier. Monthly rents averaged $699, up from $691 a year earlier. Rental markets in the Fort Collins area are now balanced to tight, with a vacancy rate of 5.1 percent recorded during the second quarter of 2010, down from 6.1 percent a year earlier. In the second quarter of 2010 in Fort Collins, monthly rents averaged $793, up from $776 a year earlier. With more than 1,000 new units under construction or in the development pipeline, market conditions should begin to ease over the next several quarters.

PACIFIC

HUD Region IX

Widespread employment losses that began in 2008 in the Pacific region continued to accelerate through the second quarter of 2010. During the 12 months ending June 2010, nonfarm employment averaged 18 million jobs, reflecting a decline of nearly 1 million jobs, or 5.3 percent, compared with the number of jobs during the previous 12 months. In the 12 months ending June 2009, losses totaled 715,200 jobs, or a 3.6-percent decrease compared with the preceding 12-month period. In the 12 months ending June 2010, the goods-producing sectors declined by 381,300 jobs, or 14.3 percent. With continued soft conditions in the real estate markets and reduced lending, the construction sector continued to lead regional job losses, down 220,200 jobs, or 22.3 percent. The service-providing sectors decreased by 618,500 jobs, or 3.8 percent, led by the professional and business services and leisure and hospitality sectors, down 180,200 and 92,100 jobs, or 6.5 percent and 4.1 percent, respectively. The education and health services sector had the only growth in the region, adding 26,900 jobs, or 1.2 percent, during the 12 months ending June 2010.

Nonfarm employment declined in every state in the region. During the 12 months ending June 2010, employment in California decreased by 748,600 jobs, or 5.1 percent, to average 13.9 million jobs. Job losses were concentrated in the construction, trade, and professional and business services sectors with respective job declines of 145,100, 140,600 and 140,000 jobs, or 20.1, 6.2, and 6.5 percent. The education and health services sector gained 15,900 jobs, or 0.9 percent. During the 12 months ending June 2010, employment contracted in the San Francisco Bay Area by 167,400 jobs, or 5.2 percent, and in Southern California by 402,800 jobs or 4.9 percent. During the same period, employment declined in Hawaii by 20,000 jobs, or 3.3 percent, to average 587,900 jobs.

In Arizona, employment during the 12 months ending June 2010 decreased by 141,600 jobs, or 5.6 percent, to average 2.4 million jobs. The construction and the professional and business services sectors declined the most, by 43,100 jobs, or 26.7 percent, and 27,300 jobs, or 7.4 percent, respectively. The education and health services sector added 7,800 jobs, or 2.4 percent. Decreasing tourism revenue and continued foreclosure distress in Nevada led to a loss of 89,500 jobs, a 7.4-percent decline, to average 1.1 million jobs, during the 12 months ending June 2010. During the same period, employment levels in the construction and the leisure and hospitality sectors declined by 32,000 jobs, or 30.9 percent, and 17,300 jobs, or 5.4 percent, respectively, and the education and health services sector gained 2,400 jobs, or 2.5 percent. The average unemployment rate in the region increased from 8.7 to 11.8 percent from the 12 months ending June 2009 to the 12 months ending June 2010. During the 12 months ending June 2010, unemployment rates in the region ranged from 6.9 percent in Hawaii to 13.1 percent in Nevada.

Some signs of improved home sales activity are appearing in the home sales markets because of increasing affordability, but most major markets in the region remain soft. According to the California Association of REALTORS®, during the 12 months ending June 2010, 532,200 existing homes were sold, a decline of less than 1 percent compared with the number of sales in the previous 12 months. During the 12 months ending June 2010, the median sales price of an existing home was $299,600, up nearly 5 percent from the median sales price recorded during the previous 12-month period. Foreclosed homes accounted for 36 percent of existing homes sold in California in the second quarter of 2010, compared with 50 percent in the second quarter of 2009 and with the peak level of 58 percent in the first quarter of 2009. The volume of new homes sales in California has also continued to decline, but at a slower rate. According to Hanley Wood LLC, during the 12 months ending March 2010, builders sold 28,750 new homes in the 30 largest California counties, an 11-percent decline compared with the 32,150 homes sold in the previous 12-month period. In Honolulu, existing home sales increased 27 percent, to 7,125 homes sold in the 12 months ending June 2010. In the 12 months ending June 2010, the median price of a single-family home in Honolulu was $585,200, down 1 percent, and the median price of a condominium was $304,300, down 2 percent compared with the median price in the preceding 12-month period.

In Phoenix and Las Vegas, existing home sales have continued to increase since the fourth quarter of 2008 and the percentage of foreclosed home sales fell slightly during the second quarter of 2010. During the 12 months ending June 2010, 96,700 existing homes were sold, an increase of 25 percent compared with the number sold during the previous 12-month period, according to the *Phoenix Housing Market Letter*. From the 12 months ending June 2009 to the 12 months ending June 2010, the median price of an existing home decreased 11 percent to $125,700 and the median price of a new home declined nearly 2 percent to $200,200. New home sales in Phoenix continued to decline, 10,700 new homes sold in the 12 months ending June 2010, down 25 percent compared with the number sold during the preceding 12-month period. Since peaking in the first quarter of 2009 at 65 percent of total existing home sales, the percentage of foreclosed homes in Phoenix has fallen to 49 percent in the second quarter of 2010. The *Las Vegas Housing Market Letter* reported that existing home sales in Las Vegas increased 21 percent to 46,400 homes in the 12 months ending June 2010 compared with 38,250 homes sold in the previous 12 months. From the 12 months ending June 2009 to the 12 months ending June 2010, the median existing home price declined by 23 percent to $124,900 and the median new home price decreased 12 percent to $205,700. The new home sales volume continued to fall in Las Vegas, but at a slower rate, with 5,925 new homes sold in the 12 months ending June 2010, down 16 percent from the previous 12-month period. Since peaking in the second quarter of 2009 at 72 percent, foreclosed homes sales as a proportion of all Las Vegas home sales have declined to 49 percent in the second quarter of 2010.

In a reversal of a 4-year trend that began in 2006, builders throughout most of the region are increasing the pace of new home construction, as measured by the number of single-family home building permits issued. During the 12 months ending June 2010, 46,400 single-family homes were permitted in the region, an 8-percent increase compared with the number of permits issued during the preceding 12 months, but still significantly lower than the 10-year average, from 2000 through 2009, of 182,700 permits. In Nevada and Arizona, single-family permits increased by 1,250 and 1,200 homes, respectively, or by 26 and 10 percent, to total 6,000 and 13,200 homes, during the 12 months ending June 2010. During the same period, California experienced a modest 4-percent increase in single-family building activity, up 980 homes, to total 25,200 single-family homes. In contrast, permits for single-family homes in Hawaii decreased by slightly more than 1 percent, to total 2,000 single-family homes, during the 12 months ending June 2010.

As of the second quarter of 2010, major rental markets were balanced in California but soft throughout the rest of the Pacific region. The San Francisco Bay Area rental market remained balanced because landlords continued to lower rents to maintain occupancy levels. Reis, Inc., reported that from the second quarter of 2009 to the second quarter of 2010, the apartment rental vacancy rate decreased from 5.7 to 5.5 percent in the Oakland submarket, from 5 to 4.2 percent in the San Jose submarket, and remained stable at 5 percent in the San Francisco submarket. Average rents declined by 2 percent in both the Oakland and San Francisco submarkets to $1,334 and $1,819, respectively. The San Jose submarket recorded a 1 percent decrease to the average rent of $1,499. In Sacramento, the rental market was slightly soft, with a current vacancy rate of 7.1 percent, down from 7.2 percent in the second quarter of 2009, and the rents declined by 2 percent to average $911 in the second quarter of 2010.

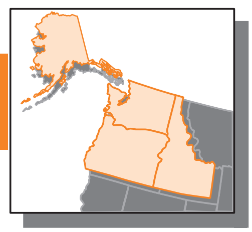
Rental markets in southern California were balanced in the second quarter of 2010 as rental vacancy rates and rent trends stabilized. From the second quarter of 2009 to the second quarter of 2010, Reis, Inc., reported that the apartment rental vacancy rates increased slightly in the three largest metropolitan areas. For the same period, the vacancy rates in Los Angeles and San Diego increased by 0.1 percentage points to 5.5 and 4.9 percent, respectively, and gained 0.2 percentage points in Orange County to 6.4 percent. Both Ventura County and the Riverside-San Bernardino metropolitan area had modest decreases in their vacancy rates, from 5.5 to 5.3 percent and from 8.1 to 7.8 percent, respectively. In the second quarter of 2010, Reis recorded that the average rent in Southern California was $1,366, a 3-percent decrease compared with the average rent of $1,399 in the second quarter of 2009.

Other major rental housing markets in the region were soft. According to Reis, Inc., the Phoenix apartment market vacancy rate was 11.5 percent in the second quarter of 2010, down from the 11.7-percent rate recorded in the second quarter of 2009. The average asking rent in Phoenix declined 3 percent to $750 in the second quarter of 2010. From the second quarter of 2009 to the second quarter of 2010, Reis, Inc., reported that the apartment vacancy rate increased from 10.1 to 11.1 percent in Las Vegas, and the average rent decreased 4 percent to $820. The Honolulu rental market remained soft, with an estimated vacancy rate of 7 percent in the second quarter of 2010, down from 8 percent in the second quarter of 2009.

Multifamily construction activity, as measured by the number of units permitted, continued to decline in the region. During the 12 months ending June 2010, permits for 16,350 multifamily units were issued, a 37-percent decline compared with the previous 12-month period, based on preliminary data. During the 12 months ending June 2010, permits in Arizona and Nevada totaled 1,500 and 1,525 multifamily units, respectively; this reflected a 51- and 71-percent decline compared with the preceding 12-month period. In California, permits for 11,900 multifamily units were issued during the 12 months ending June 2010, a 28-percent decline compared with the previous 12-month period. In contrast, permits for 1,425 multifamily units were issued in Hawaii, a 34-percent increase compared with the previous 12-month period.

Northwest

HUD Region X



The Northwest regional economy continued to lose jobs during the 12 months ending June 2010, a trend that began in 2009. Nonfarm employment declined by 202,100 jobs, or 3.7 percent, to average 5.3 million jobs compared with the number recorded during the 12 months ending June 2009. During the 12 months ending June 2010, nonfarm employment in Washington averaged 2.8 million, down 107,200 jobs, or 3.7 percent. For the same period, Oregon registered the second largest absolute decline with 71,300 jobs lost, or 4.3 percent, down to an average of 1.6 million nonfarm jobs while Idaho lost 24,500 jobs, a 3.9-percent decline, resulting in an average of 605,100 nonfarm jobs. In Alaska, the only state that gained jobs during the 12 month-period ending June 2010, employment increased by 900 jobs, or 0.3 percent, to average 322,800 nonfarm jobs.

The construction and manufacturing sectors led employment declines in the Northwest region during the 12 months ending June 2010. The construction sector declined by 60,900 jobs, or 18.9 percent, primarily because of declines in the level of new residential construction during the previous 3 years. In Washington, construction employment fell by 36,900 jobs, or 20.3 percent, followed by the loss of 15,500 jobs in Oregon, an 18.6-percent decline. In Idaho, construction sector employment decreased by 7,900 jobs, or 20 percent. In Alaska, commercial construction and relatively stable housing market conditions limited losses in the construction sector to 600 jobs, a 3.7-percent decline. Regionwide during that period, the manufacturing sector declined by 42,800 jobs, or 8.1 percent, with the manufacturing sector in Washington losing 20,300 jobs, or 7.3 percent, and in Oregon by 17,900 jobs, or 9.9 percent. In Idaho, the manufacturing sector lost 5,300 jobs, down 8.9 percent, compared with the number of manufacturing jobs recorded during the previous 12 months. Boosted by oil industry-related hiring, the manufacturing sector in Alaska gained 600 jobs.

Regional nonfarm employment gains during the 12 months ending June 2010 occurred primarily in the education and health services sector, which added 15,200 jobs, or 2.1 percent. Employment in this sector during that period increased by 7,900 jobs in Washington, 3,500 jobs in Idaho, 2,200 jobs in Oregon, and 1,700 jobs in Alaska. Between the 12 months ending June 2009 and the 12 months ending June 2010, job losses throughout the Northwest region caused the average regional unemployment rate to increase from 7.8 to 9.6 percent. The unemployment rate increased in every state in the region and ranged from 8.3 percent in Alaska to 10.8 percent in Oregon during the 12 months ending June 2010.

Sales housing market conditions in the Northwest region were still soft during the 12 months ending June 2010, but home sales increased in most areas because of lower prices and the homebuyer tax credit program, a trend that has occurred since early 2010. In Washington, during the 12 months ending June 2010, according to the Northwest Multiple Listing Service, a total of 47,500 new and existing homes were sold in the combined Puget Sound metropolitan areas of Seattle, Tacoma, Bremerton, and Olympia, 28 percent more than were sold during the previous 12 months. The average sales price of a home sold in the combined Puget Sound metropolitan areas was down 8 percent to $359,200. In the Seattle metropolitan area, during the 12 months ending June 2010, 30,700 homes were sold, a 33-percent increase compared with the number sold during the same period in 2009. During the 12-month period ending June 2010, the average sales price of a home sold in the Seattle metropolitan area declined by 8 percent to $418,900; in the Bremerton, metropolitan area the average price declined by 5 percent to $293,100; and in the Olympia metropolitan area it declined by 8 percent to $256,100. Home sales during that period increased by 20 percent in the Bremerton area and by 11 percent in the Olympia area. In the Tacoma metropolitan area, during the 12 months ending June 2010, home sales increased 23 percent, but the average sales price was down 17 percent to $233,000 compared with the average price recorded during the same period a year earlier.

According to data from the local multiple listing services, during the 12 months ending June 2010, the number of new and existing single-family homes sold in the 11 largest markets in Oregon totaled approximately 41,400 homes, a 26-percent increase compared with the number of homes sold during the previous 12 months. During the same 2010 period, the average price for new and existing single-family homes decreased by 8 percent to $247,900. In the Portland-Vancouver-Beaverton, Oregon-Washington metropolitan area, the number of new and existing homes sold totaled 26,200, up 30 percent compared with the number sold during the 12 months ending June 2009, but the average price decreased 8 percent to $275,200. In the 19 Idaho counties covered by the Intermountain Multiple Listing Service, during the 12-month period ending June 2010, the number of new and existing homes sold increased to 11,400 homes, up 35 percent, but the average price decreased 16 percent to $155,400.

Market conditions were balanced in Anchorage where, during the 12 months ending June 2010, according to the Alaska Multiple Listing Service, Inc., new and existing home sales totaled 2,550 homes, a 13-percent increase, and the average price remained relatively unchanged at $324,100. In the Boise metropolitan area, during the same period, new and existing home sales totaled 9,500 homes, a 39-percent increase compared with the total sold in the previous 12 months, but the average price decreased by 18 percent to $157,900. According to Lender Processing Services Mortgage Performance Data, as of June 2010, the percentage of mortgage loans in foreclosure, 90 or more days delinquent, or in REO (Real Estate Owned) in Boise was 8.4 percent, up from the 6.8-percent rate recorded in June 2009. In comparison, the regionwide percentage of mortgage loans in these three categories was 5.8 percent as of June 2010, up from 4.2 percent a year earlier.

New home construction increased during the 12 months ending June 2010, following a 3-year declining trend. During the 12 months ending June 2010, based on preliminary data, single-family building activity, as measured by the number of building permits issued, totaled 22,300 homes, up by 3,000 homes, or 16 percent, compared with the number permitted during the previous 12 months. During the 12 months ending June 2010, single-family building activity totaled 12,250 homes in Washington and 5,260 in Oregon, increases of 20 and 6 percent, respectively, when compared with the number permitted during the previous 12-month period. In Idaho during the same period in 2010, home building activity increased 17 percent to 4,100 homes permitted, and, in Alaska, single-family construction activity increased by 90 homes to 695 homes permitted.

Multifamily construction activity, as measured by the number of units permitted, slowed considerably in the Northwest region during the 12 months ending June 2010. Based on preliminary data, during that period, the number of units permitted in the region totaled 5,400, down 45 percent from the number of units permitted during the previous 12-month period. During the 12 months ending June 2010, Washington, with a decline of 2,600 units, or 44 percent, to 3,315 units permitted, accounted for most of the regional decline of 4,340 units. In Oregon, 1,400 multifamily units were permitted, 1,400 fewer than the number permitted during the 12 months ending June 2009. In Idaho, during the 12-month period ending June 2010, multifamily activity declined by 220 units to a total of 500 units permitted, and, in Alaska, multifamily construction activity totaled 195 units, down by 105 units from the number of units permitted during the previous 12 months.

Rental housing market conditions were mostly balanced throughout much of the Northwest region during the 12 months ending June 2010 because declining rents and reduced levels of apartment production were starting to put downward pressure on vacancy rates in some market areas. According to data from Apartment Insights, as of June 2010, the apartment rental vacancy rate in the Seattle metropolitan area was 6.1 percent, down from the 7.2-percent rate recorded in June 2009. The average asking rent for apartments in the Seattle metropolitan area was $1,020 per unit, down nearly 2 percent from the average asking rent of $1,037 per unit recorded a year earlier. In the Tacoma metropolitan area, the apartment vacancy rate was 6.8 percent in June 2010, up from the 6.1-percent rate recorded a year earlier. In the past 1 to 2 months, however, the vacancy rate in the Tacoma area has been declining; this is expected to continue as troops from Joint Base Lewis-McChord return from Iraq. During the 12 months ending June 2010, the average asking rent in Tacoma was essentially unchanged at $839 per unit. On the eastern side of Washington in the Spokane metropolitan area, during that same period, according to data from Reis, Inc., the apartment vacancy rate increased from 6.1 to 6.6 percent, and the average asking rent decreased by less than 1 percent from $640 to $634 per unit.

In the Portland-Vancouver-Beaverton metropolitan area, rental housing market conditions were balanced as of the second quarter of 2010. According to Reis, Inc., the apartment vacancy rate was 5.8 percent in the second quarter of 2010, down from the 6.2-percent rate recorded in the second quarter of 2009. The average asking rent was essentially unchanged at $824 over the same period. In the Boise metropolitan area, during the second quarter of 2010, rental housing market conditions were soft, with an apartment vacancy rate of 10 percent, up from the 9.2-percent rate recorded in the same quarter a year earlier. In the second quarter of 2010, the average asking rent was $690 per unit in the Boise area, representing a decline of less than 1 percent from an average asking rent of $694 per unit in the second quarter of 2009. In Anchorage, based on data from the Alaska Housing Finance Corporation and the U.S. Department and Housing and Urban Development, rental market conditions were tight to balanced, with an estimated apartment vacancy rate of 4 percent as of the second quarter of 2010, which was similar to the rate recorded a year earlier.

HUD's 10 regions are grouped as follows:

- **Region I, New England:** Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.
- **Region II, New York/New Jersey:** New Jersey and New York.
- **Region III, Mid-Atlantic:** Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia.
- **Region IV, Southeast/Caribbean:** Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, Puerto Rico/U.S. Virgin Islands, South Carolina, and Tennessee.
- **Region V, Midwest:** Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.
- **Region VI, Southwest:** Arkansas, Louisiana, New Mexico, Oklahoma, and Texas.
- **Region VII, Great Plains:** Iowa, Kansas, Missouri, and Nebraska.
- **Region VIII, Rocky Mountain:** Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming.
- **Region IX, Pacific:** Arizona, California, Hawaii, and Nevada.
- **Region X, Northwest:** Alaska, Idaho, Oregon, and Washington.

Housing Market Profiles

Albuquerque, New Mexico

The Albuquerque metropolitan area is located in central New Mexico, 60 miles south of Santa Fe, and consists of Bernalillo, Sandoval, Torrance, and Valencia Counties. The two leading employers in the metropolitan area are Kirkland Air Force Base (KAFB), which includes Sandia National Laboratories, and the University of New Mexico (UNM). As of July 1, 2010, the population of the metropolitan area was estimated at 868,700. The population increased by 10,800, or 1.3 percent, during the 12 months ending May 2010, a decline compared with an average annual increase of 14,000, or 1.7 percent, since 2005.

Economic conditions have weakened since 2008 following strong economic growth from 2003 to 2007. During the 12 months ending May 2010, nonfarm employment in the metropolitan area declined by 13,800 jobs, or 3.5 percent, to an average of 376,500 jobs, compared with the decline of 5,800 jobs, or 1.5 percent, recorded during the previous 12 months. In contrast, from 2003 through 2007, nonfarm employment increased by an average of 8,200 jobs, or 2.2 percent, annually. During the 12 months ending May 2010, the professional business services, manufacturing, and mining and logging sectors lost 3,800, 3,400, and 3,400 jobs, or 6, 16, and 13 percent, respectively. Job losses occurred in every sector except the education and health services and government sectors, which increased by 1,800 and 800 jobs, or 3 and 1 percent, respectively. Gains in the government sector resulted, in part, from an increase of 1,000 jobs at UNM, which currently has 15,300 employees and has an annual economic impact of $2 billion on the local economy, according to the UNM FY 2008–09 Operating and Capital Budget Plans. Employment at KAFB has remained virtually unchanged during the past 3 years, with 35,700 civilian workers and 4,875 military personnel. According to the KAFB Economic Impact Statement FY 2008, KAFB has a local economic impact of $3 billion annually. During the 12 months ending May 2010, the unemployment rate averaged 8.2 percent, up from 5.5 percent during the 12 months ending May 2009. The unemployment rate was below 5 percent for the Albuquerque metropolitan area from 2004 through 2008.

Home sales market conditions in the Albuquerque metropolitan area are currently soft, due to the slowdown in economic activity and despite recent increases in home sales activity resulting from the first-time homebuyer tax credit program. According to data from the Greater Albuquerque Association of REALTORS®, during the 12 months ending May 2010, approximately 7,350 new and existing single-family homes were sold, an increase of 15 percent compared with the number sold during the previous 12 months. The average sales price of single-family homes, during the 12 months ending May 2010, declined by 5 percent, to $212,400, down 12 percent from the peak, which occurred in 2008. According to Lender Processing Services Mortgage Performance Data, the percentage of mortgage loans in foreclosure, 90 or more days delinquent, or in REO (Real Estate Owned) in the Albuquerque metropolitan area during May of 2010 was 6 percent, up from the 4-percent rate recorded a year earlier. Even with the inventory of unsold homes decreasing to an 8.3-month supply in May 2010 from a 9.4-month supply in May 2009, the estimated sales vacancy rate is 2.5 percent as of May 2010, unchanged from the rate reported in the 2008 ACS data. According to data from the Greater Albuquerque Association of REALTORS®, condominium sales averaged 75 units a month during the 12 months ending May 2010, up from 55 units sold a month during the previous 12-month period. The average home sales price during the 12 months ending May 2010 declined by 6 percent, to $150,600, from the previous 12-month period, and declined by 9 percent from the peak in May 2008. The Elements Urban Townhomes includes 72 two-bedroom units, located near UNM, priced from $223,600 to $489,900, and is expected to be completed in September 2011.

Reflecting increased home sales and a reduced inventory of unsold homes, single-family home construction activity, as measured by the number of single-family building permits issued, increased during the past year. Based on preliminary data, about 1,625 single-family homes were permitted during the 12 months ending May 2010, a 6-percent increase compared with the number permitted during the previous 12 months. Between 2005 and 2008, an average of 5,000 single-family homes was permitted annually in the metropolitan area. Due to the economic downturn, Mesa Del Sol, the largest development in Albuquerque with a total of 37,500 homes planned over the next 20 to 30 years, delayed the start of residential construction from the fall of 2009 to December 2011. Prices will range from about $125,000 to $290,000. Another development, the Orchards, will begin building the first of 91 homes at the end of July 2010, with prices starting at $130,000. At Loma Colorado, where homes are priced from $170,000 to $370,000, approximately 425 of the planned 990 homes have been built since August 2007.

The Albuquerque metropolitan area rental housing market is currently balanced, despite slowed economic activity. Due to limited multifamily building activity, the average apartment vacancy rate declined slightly during the first quarter of 2010 to 6.4 percent, down from 6.8 percent a year earlier, according to Reis, Inc., but the average apartment asking rent remained relatively unchanged at $710. During the 12-month period ending July 2010, multifamily construction activity, as measured by the number of units permitted, totaled 140 units compared with 370 units permitted during the previous 12-month period, based on preliminary data. Multifamily construction activity averaged 500 units a year from 2005 to 2008. The most recent project, Las Mananitas Apartments Phase II, consisting of 88 market-rate apartments in northwest Albuquerque, was completed in May 2010. Las Mananitas offers one-bedroom units starting at $925, two-bedroom units starting at $1,200, and three-bedroom units starting at $1,600.

Allentown-Bethlehem-Easton, Pennsylvania-New Jersey

The Allentown-Bethlehem-Easton metropolitan area, referred to as Lehigh Valley, is located approximately 50 miles north of Philadelphia and 70 miles west of New York City. It comprises Carbon, Lehigh, and Northampton Counties in Pennsylvania and Warren County in New Jersey. With a total population of 820,200 as of July 1, 2010, Lehigh Valley is the third most populous metropolitan area in Pennsylvania, after Philadelphia and Pittsburgh. During the past 12 months, the population increased by 4,200 people, or 0.5 percent, a rate of growth that was virtually unchanged from the previous period. Lehigh Valley was once a major center for industrial manufacturing and home to the Bethlehem Steel Corporation, at one time the second largest steel manufacturer in the nation. The remnants of Lehigh Valley's industrial past have been transformed into more than $80 million in residential and $803 million in commercial redevelopment during the past 5 years, including the most recent conversion of a portion of the former Bethlehem Steel site into the Sands Casino Resort in May 2009.

During the 12 months ending May 2010, average nonfarm employment totaled 330,500 jobs, down 2.7 percent, or 9,200 jobs, compared with nonfarm employment during the previous 12-month period. The largest declines occurred in the manufacturing and professional and business services sectors and the retail trade subsector, which lost 3,400, 1,600, and 1,500 jobs, respectively. Despite the overall job losses, two sectors continued to grow. The education and health services sector, accounting for approximately 20 percent of all nonfarm jobs in Lehigh Valley, increased by approximately 900 jobs, or 1.3 percent, during the 12 months ending May 2010. During the same period, the leisure and hospitality sector increased by 700 jobs, or 2.2 percent, due to the opening of the Sands Casino Resort, which added 860 jobs. Job creation in the education and health services sector and modest gains in the leisure and hospitality sector are expected to continue over the next few years. Lehigh Valley Health Network, with 9,470 employees, is the leading employer in the metropolitan area. St. Luke's Hospital and Health Network, the second leading employer, with 6,380 employees, is expected to undergo a $140 million multiphase expansion, creating 680 jobs upon its completion within the next 3 to 4 years. Phase I of the expansion is expected to be completed in 2011. Further construction completions in 2011 include the Sands Casino Resort's 300-bedroom hotel and ArtsQuest's $60 million SteelStacks entertainment campus; both developments will further transform the Bethlehem Steel site into an entertainment destination. Despite these expansions, job losses during the 12 months ending May 2010 resulted in an increase of the average unemployment rate to 9.5 percent from 6.8 percent during the previous 12 months.

The sales housing market in Lehigh Valley is currently balanced to soft, with an estimated vacancy rate of 1.8 percent as of July 2010. According to the Lehigh Valley Association of REALTORS®, during the 12 months ending May 2010, total existing home sales increased by 23 percent to 480 homes compared with the 390 homes sold during the previous 12 months, while average days on the market declined from 80 to 70 days during the same period. Home sales increased as prices declined. The average sales price of an existing home during the 12 months ending May 2010 was $199,900, down 6 percent from $213,500 during the 12 months ending May 2009. According to Lender Processing Services Mortgage Performance Data, from May 2009 to May 2010, the number of loans that are in foreclosure, 90 days or more delinquent, or in REO (Real Estate Owned) increased from 5.3 to 7.3 percent of all home loans recorded in the area.

Slightly improving sales market conditions resulted in an increase in single-family construction activity, as measured by the number of building permits issued. According to preliminary data, during the 12 months ending May 2010, a total of 1,475 homes were permitted, up 12 percent compared with the number of homes permitted during the previous 12 months. Single-family home construction peaked from 2002 through 2006, when the average annual number of homes permitted was 4,125. That average annual number declined to 1,850 homes from 2007 through 2009. The number of homes permitted declined by 43 percent to 990 homes during the 12 months ending May 2009. Current single-family developments include Wrenfield, a 98-townhome community scheduled to start construction in August 2010; Towne Center at Sullivan Trail, an 84-townhome community under construction; and Cottages at Belmont Glen, a 27-home, active-adult community under construction, with 13 homes completed. Prices of new homes range from $184,900 to $259,900.

Despite current economic conditions, the overall rental housing market as of July 2010 is balanced, with an estimated vacancy rate of 6 percent, virtually unchanged from the rate of the previous year, but softer than conditions as of July 2008, when the rate was 5.4 percent. According to Reis, Inc., the average rents in the first quarter of 2010 for one-, two-, and three-bedroom apartments were $760, $900, and $1,100, respectively. Average rents were virtually unchanged from 2009 but were down 1 percent from 2008.

Multifamily construction activity, as measured by the number of units permitted, declined during the 12 months ending May 2010. According to preliminary data for the 12 months ending May 2010, multifamily construction totaled 170 units, down 75 units compared with the number of units permitted during the same period a year earlier. Multifamily development peaked from 2005 through 2007, averaging 1,100 units permitted annually, before declining to an average of 350 units a year from 2008 through 2009. Nearly 90 percent of the multifamily development in the area consists of apartments, with recent additions since 2005 including conversions from existing warehouse and manufacturing structures, totaling more than $80 million in redevelopment. Conversions from these structures include Farr Lofts, a 21-unit complex; Woodmont Mews, a 204-unit complex; Silk Mill, a 151-unit complex still under construction; Riverport, a 171-unit condominium complex located on the Bethlehem Steel site, with 29 units set aside for rental by the developer; and Pomeroy, a 30-unit apartment complex scheduled to start construction in August 2010. Average asking rents for newly constructed efficiency, one-bedroom, and two-bedroom apartment units are $750, $950, and $1,300, respectively.

Houston-Sugar Land-Baytown, Texas

The Houston-Sugar Land-Baytown metropolitan area, which encompasses 10 counties in the Gulf Coast region of southeastern Texas, is the sixth largest metropolitan area in the United States. Among metropolitan areas with at least 1 million residents, it is the third fastest growing metropolitan area in the nation. As of July 1, 2010, the population of the metropolitan area was estimated at 6 million, which represents an average annual increase of 137,200, or 2.6 percent, since July 1, 2005. More than 55 percent of this population increase was due to net in-migration into the area. During the 12 months ending June 2010, population growth slowed to 118,100, or 2 percent, compared with 140,800, or 2.5 percent, during the previous 12-month period, due to continued job losses. Harris County, which contains the primary city of Houston, is home to approximately 70 percent of the metropolitan area's population.

Nonfarm employment began to decline in the metropolitan area in early 2009, after nearly 5 years of growth. Total nonfarm employment decreased by 78,700 jobs, or 3 percent, during the 12 months ending May 2010, after remaining unchanged during the previous 12 months. Job losses were widespread during the 12 months ending May 2010, with employment declining in most sectors. The largest job losses occurred in the mining, logging, and construction sector, which declined by 29,300 jobs, or 10.1 percent, as construction of new homes in the area slowed. The professional and business services sector also declined, losing 25,200 jobs, or 6.7 percent. Administaff, Inc., an administrative staffing firm that serves as a full-service human resources department for small and medium-sized businesses and is the third largest employer in the area, recorded an employment decline of 15 percent to 17,500 employees, during the 12 months ending May 2010. Other sectors that declined by more than 10,000 jobs include the manufacturing sector, which lost 20,700 jobs, or 8.6 percent, and the trade sector, which lost 10,800 jobs, or 2.7 percent. Wal-Mart Stores, Inc., the largest employer in the area with 30,550 employees, recorded an employment decline of 4 percent during the 12 months ending May 2010. The only sector to record growth of more than 10,000 jobs was the education and health services sector, which grew by 12,700 jobs, or 4.4 percent. This sector includes, 3 of the 10 largest employers in the area, including the second largest employer, Memorial Hermann Healthcare System, which grew by 4 percent to 21,000 employees during the past 12 months. Reflecting overall job losses, the unemployment rate increased from 5.9 to 8.3 percent during the 12 months ending May 2010.

Home sales market conditions in the Houston-Sugar Land-Baytown metropolitan area are soft. The sales vacancy rate is currently estimated at 3.5 percent, up from 2.9 percent in July 2008. Recent job losses in the metropolitan area and tight lending standards have combined to reduce demand for single-family homes. According to the Real Estate Center at Texas A&M University, during the 12 months ending May 2010, 62,650 homes were sold, representing a 6-percent increase from the 58,950 homes sold during the previous 12-month period. Home sales are still more than 20 percent below the peak level of 81,750 homes sold during the 12 months ending February 2007. During the past 5 years, home sales have averaged 70,650 homes annually. During the 12 months ending May 2010, the level of unsold housing inventory continued to increase slightly from a 6.4- to a 6.6-month supply. Unsold housing inventory is at the highest level since 2000 and is well above the 5.4-month supply average recorded between 2000 and 2007. Despite the soft home sales market, the average home sales price increased 2 percent to $204,800 during the 12 months ending May 2010. The average sales price had declined by 2 percent during the 12-month period ending May 2009. The average current sales price remains approximately 2 percent below the peak level of $208,000 recorded during the 12 months ending September 2008. According to Lender Processing Services Mortgage Performance data for May 2010, 5.6 percent of the total loans in the metropolitan area were in foreclosure, 90 days or more delinquent, or in REO (Real Estate Owned), representing an increase from the 4.6-percent rate recorded in May 2009.

Single-family home construction activity, as measured by the number of single-family building permits issued, has started to increase after a large decline as builders responded to decreasing sales. During the 12 months ending May 2010, permits were issued for 25,100 single-family homes, according to preliminary data, which is an increase of approximately 14 percent when compared with the number of permits issued during the previous 12 months. After peaking at 55,700 homes permitted during the 12 months ending September 2006, single-family home construction activity has steadily declined to a low of 20,800 homes permitted during the 12 months ending August 2009.

Several new subdivisions are currently under construction or in development in the metropolitan area. One of the fastest growing areas continues to be Cinco Ranch, a 7,600-acre, mixed-use master-planned community (MPC) in the Greater Katy area, located approximately 40 miles west of Houston. According to a survey by Robert Charles Lesser & Co., an independent real estate advisory firm, Cinco Ranch was the fastest growing MPC in the nation in 2009, with approximately 890 new home sales. Sales prices range from $190,000 to $1 million, with an average sales price of $300,000. Other growing communities in the Houston area include The Woodlands, an MPC in Montgomery County (located about 30 miles north of downtown Houston) and Telfair, a 2,000-acre MPC in Sugarland (located about 20 miles southwest of Houston), which ranked as the second and fourth fastest growing communities in the nation, with approximately 630 and 450 new home sales, respectively.

The rental market in the metropolitan area is currently soft. Production of new multifamily units, as measured by the number of unit permitted, reached record highs in 2005 and 2006, when evacuees from Hurricane Katrina relocated to the area. Multifamily production peaked at 21,500 units during the 12 months ending October 2007 as economic growth began to slow. Approximately 90 percent of multifamily units permitted in the metropolitan area since 2005 were estimated to be rental units. Since 2007, economic conditions have worsened and in-migration to the area has slowed as some of the Katrina evacuees have returned to Louisiana, which has reduced the demand for new rental units. According to ALN Systems, Inc., the apartment vacancy rate was 14.3 percent during the 12 months ending June 2010, which is up from 11.5 percent during the previous 12 months. The rental vacancy rate reached a low of 8.1 percent during the 12 months ending August 2006, when approximately 130,000 evacuees from Hurricane Katrina entered the rental market. Average monthly rents increased 1 percent to $790 during the 12 months ending June 2010, which represents the smallest increase in any 12-month period since 2005.

Multifamily construction activity has slowed significantly in the past 2 years because builders responded to softening market conditions. Based on preliminary data, permits were issued for approximately 4,425 units during the 12 months ending May 2010, representing a decline of nearly 60 percent compared with the number of permits issued during the 12-month period ending May 2009.

Knoxville, Tennessee

The Knoxville metropolitan area, located in eastern Tennessee along the North Carolina border, consists of Anderson, Blount, Knox, Loudon, and Union Counties. The principal city of Knoxville is located in Knox County and is a regional center for education and healthcare. The University of Tennessee (UT) Knoxville, located in downtown Knoxville, has more than 27,000 students and 8,100 faculty and staff. UT Knoxville has an estimated $600 million impact on the local economy. Leading employers include the U.S. Department of Energy and Covenant Health with 12,600 and 8,850 workers, respectively. As of July 1, 2010, the population of the metropolitan area was estimated at 705,800, an increase of 1 percent compared with the July 1, 2009 population estimate. The rate of population growth has been slower than the 1.7-percent average annual growth rate recorded from 2005 through 2008 due to decreased in-migration, a result of the slowing economy.

Economic conditions have weakend significantly during the past year. Nonfarm employment decreased by 11,100 jobs to an average of 319,700 jobs during the 12 months ending May 2010, a 3.4-percent decline compared with the number of jobs recorded during previous 12 months. By comparison, job declines averaged 1.8 percent during the 12 months ending May 2009. Recent job losses have primarily occurred in the goods producing sectors. Jobs in both the manufacturing and the mining, logging, and construction sectors have decreased more than 10 percent each with declines of 4,200 and 1,900 jobs, respectively. Employment declines in the construction sector have totaled 3,100 jobs during the past 2 years due to a decrease in new home construction. Despite significant losses in the manufacturing sector, SL Tennessee, LLC announced in February they would undertake a $35 million expansion that is expected to create 300 new jobs for the automotive part supplier by the end of 2010. Likewise, Confluence Solar, Inc., which manufactures solar panels, announced plans to construct a $200 million facility that will create 250 jobs upon full operation in 2012. The education and health services sector added 800 jobs during the 12 months ending May 2010, a 1.8-percent increase compared with the number of jobs during the previous 12 months, due to expansions at several local hospitals. Employment in all other sectors either declined or remained flat. As a result, the average unemployment rate rose to 8.8 percent during the 12 months ending May 2010, up from 7 percent during the previous 12 months.

Home sales market conditions in the Knoxville metropolitan area are slightly soft due to continuing job losses. The pace of home sales has declined gradually since 2005, when annual volume peaked at 15,400 homes sold. Home sales have increased recently as a result of a decrease in home prices. Approximately 10,200 new and existing single-family homes were sold during the 12 months ending June 2010, based on Knoxville Area Association of REALTORS® data, up 12 percent from the 9,100 homes sold during the 12 months ending June 2009. During the same period, the average sales price in Knoxville decreased to $170,400, down 4 percent. New and existing condominium sales increased by 110 units to 1,100 units sold during the past year while the average sales price declined nearly 4 percent to $159,700. Condominium sales peaked in 2006 with 2,100 units sold at an average sales price of $164,900. According to data from Lender Processing Services, Inc., Mortgage Performance Data, as of May 2010, the percentage of mortgage loans in foreclosure, 90 days or more delinquent, or in REO (Real Estate Owned) in the Knoxville metropolitan area was 4.9 percent, an increase from the rate of 4.1 percent recorded in May 2009.

In response to the soft home sales market conditions, homebuilders have reduced new home construction activity. Based on preliminary data for the 12 months ending May 2010, single-family construction activity, as measured by the number of building permits issued, totaled 1,250 homes, a decrease of 4 percent compared with the number issued during the previous 12 months. By comparison, during the peak years of 2004 through 2006, an average of 5,175 single-family homes a year was permitted in the metropolitan area.

Rental market conditions in the Knoxville metropolitan area are currently soft. According to Reis, Inc., as of the first quarter of 2010, the apartment vacancy rate was 7.6 percent, a slight improvement from the 7.8-percent rate recorded in the first quarter of 2009. The average monthly contract rent was $590 as of the first quarter of 2010, unchanged compared with the rent during the first quarter of 2009. Apartment rents in the area averaged $500 for a 1-bedroom unit, $620 for a 2-bedroom unit, and $820 for a three-bedroom unit. Currently, concessions in the market are widespread at 5 percent of the monthly rent, unchanged during the past year. Students at UT Knoxville occupy a large portion of the local rental stock with approximately 20,000 students living off campus. Apartments near the university have rents that range from $475 to $800 a month per student.

The construction of multifamily units increased by more than 80 percent to 650 units during the 12-month period ending May 2010 compared with the number constructed during the previous 12-month period, based on preliminary building permit data. During the past 2 years, multifamily construction has dropped well below the annual average of 910 units permitted between 2006 and 2008. Apartments account for approximately 90 percent of the multifamily activity in the area; this has remained unchanged during the past

2 years. The soft rental market conditions are expected to continue through 2010 due to approximately 600 units currently under construction and the planned 336-unit Amberleigh Bluff apartments in southwest Knoxville, which builders expect to complete during the next 2 years.

Lexington-Fayette, Kentucky

Located in central Kentucky, the Lexington-Fayette metropolitan area consists of six counties with a total population estimated at 477,200 as of July 1, 2010. Population growth has been steady at about 1.7 percent each year since 2004, with 60 percent of the average annual growth during this time attributed to net in-migration. The University of Kentucky is the leading employer in the area, with nearly 12,000 employees and 27,000 students; its annual budget is $2.2 billion. Other leading employers in the area are Toyota Motor Manufacturing Kentucky, Inc., with about 7,000 employees, and Lexmark International, Inc., with about 3,100 employees.

During the 12 months ending June 2010, average nonfarm employment declined by 3,700 jobs, or 1.5 percent, to 245,700 jobs. The largest declines occurred in the manufacturing and mining, logging, and construction sectors, which lost 2,800 jobs, or 8.3 percent, and 1,200 jobs, or 10.2 percent, respectively. Partly offsetting these losses, the professional and business services sector expanded by 1,700 jobs, or 5.9 percent; the government sector expanded by 600 jobs, or 1.2 percent; and the education and health services sector expanded by 300 jobs, or about1 percent. The education and health services sector represents about 12 percent of total nonfarm employment in the area and is expected to grow over the next 6 years with $960 million worth of hospital construction projects underway. During the 12 months ending June 2010, the unemployment rate increased to an average of 8.4 percent compared with an average of 7.0 percent during the previous 12 months.

The sales housing market in the metropolitan area is balanced, with an estimated vacancy rate of 1.8 percent as of July 1, 2010. Home sales have increased in response to low interest rates and the First Time Home Buyer's Tax Credit. The Lexington-Bluegrass Association of REALTORS® reported 7,650 single-family homes were sold during the 12 months ending June 2010, up 16 percent from the number sold during the 12 months ending June 2009. The level of home sales during the past 12 months was 4 percent less than the annual average level of home sales from 2005 to 2009. The average sales price of a single-family home during the 12 months ending June 2010 was $167,500, 1 percent less than the price during the 12 months ending June 2009, and 6 percent below the price level during the 12 months ending June 2006 when sales peaked at 10,000 homes. There were 650 condominiums and townhomes sold during the 12 months ending June 2010, about 14 percent more than the 12 months ending June 2009. The average selling price for a condominium and townhome was $137,000 during the 12 months ending June 2010, about 1 percent less than the 12 months ending June 2009. For the 12 months ending June 2010, about 8 percent of units sold were condominiums and townhomes, unchanged from the previous 12 months. The inventory of unsold homes, condominiums, and townhomes has decreased about 1 percent, to an average of 6,250 homes, or a 10-month supply, during the 12 months ending June 2010, compared with the previous 12 months. The area has not been significantly affected by foreclosures.

Homebuilding activity in the area has increased as a response to increased home sales activity. Based on preliminary data, about 1,350 building permits were issued for single-family homes during the 12 months ending May 2010, up 11 percent from the previous 12-month period. Single-family construction activity peaked during 2005 when 4,300 single-family homes were permitted. An average of 2,450 single-family homes was permitted each year from 2005 to 2009. New housing developments include the 705-lot Chilesburg in Lexington in Fayette County and McClelland Springs in Georgetown in Scott County. Starting prices for these new homes are $155,950 and $176,950, respectively.

Rental housing market conditions have softened recently due to the increased affordability of homes for sale since 2007 and an increase in the supply of apartments coming online in the past couple of years. According to Reis, Inc., the apartment vacancy rate in Lexington for the second quarter of 2010 was 9 percent, an increase from 8.2 percent in the second quarter of 2009. Despite the increase in vacancy, average rent increased about 1 percent to $646 for the second quarter of 2010 compared with the average rent during the second quarter of 2009. Approximately 22,000 of the University of Kentucky students reside off campus and have a significant impact on the local rental market. In the housing submarkets surrounding the university, vacancy rates are slightly less than the overall market rents, averaging about 6 percent below the average for the total market area. Based on the number of multifamily units permitted, multifamily building activity in the metropolitan area, consisting primarily of apartment units, has decreased during the past 12 months as builders have curtailed construction in response to the softer market conditions. Approximately 200 multifamily units were permitted during the 12 months ending May 2010, about 80 percent fewer than were permitted during the previous 12 months. In 2008, about 1,425 multifamily units were permitted compared with about 450 units permitted each year from 2001 to 2007. New apartment development includes the 360-unit Forty 57 at Glasford, which is located in southern Lexington and has one-, two-, and three-bedroom units renting for $737, $854, and $997, respectively.

Los Angeles County, California

Los Angeles County, located on the Pacific coast in southern California, has been the most populous county in the nation for more than 50 years, with a population estimated at more than 10 million as of July 1, 2010. The population of Los Angeles County grew by 68,800, or 0.7 percent, during the 12-month period ending June 2010. Population growth improved to 0.4 percent in 2008 and 0.7 percent in 2009 after declining 0.5 percent in both 2004 and 2005. Net natural change (resident births minus resident deaths) accounted for all of the population increase during the 12 months ending June 2010. Since 2006, net out-migration has averaged 50,700 people annually compared with an average net out-migration exceeding 115,000 people a year during the peak years of 2004 and 2005.

Following employment gains averaging about 48,900 jobs in 2006 and 2007, nonfarm employment in Los Angeles County started to decline in 2008. Since 2008, all sectors, except for the education and health services sector, have lost jobs. During the 12-month period ending May 2010, nonfarm employment declined by 200,500 jobs, or 5 percent, to 45.3 million jobs. The largest job losses occurred in the professional and business services, manufacturing, trade, and construction sectors, which were down by 43,700, 40,700, 37,500, and 26,800 jobs, respectively. These losses represented declines of 7, 10, 6, and 20 percent, respectively. Offsetting some of these losses was a modest gain of 8,300 jobs, or 2 percent, in the education and health services sector, which includes Kaiser Permanente®, the leading private-sector employer in the county, with 34,400 employees. Other leading employers include Northrop Grumman Corporation and The Boeing Company, with 19,100 and 14,400 employees, respectively. During the 12-month period ending May 2010, the average unemployment rate of 12.2 percent was up from the 9.4-percent rate recorded during the previous 12-month period.

High levels of unemployment and out-migration have kept sales housing market conditions soft since 2008. Declining sales prices, low mortgage interest rates, foreclosure and short sales, and the federal homebuyer tax credit caused a temporary rise in existing home sales. According to DataQuick®, during the 12 months ending March 2010 (the most recent data available), a total of 59,100 existing detached homes were sold, up 9,450, or 19 percent, compared with the number of homes sold during the previous 12-month period. Although home sales levels are improving, current levels are still significantly lower than the peak of 100,200 existing detached homes sold in 2004 and are less than the average annual rate of 64,850 homes sold from 2005 to 2009. During the 12-month period ending March 2010, the estimated median price for an existing detached home declined by $43,700, or 12 percent, to $322,900 compared with the price recorded during the previous 12 months. Sales of foreclosed homes and short sales are the primary reason for the price declines.

According to Lender Processing Services Mortgage Performance Data, the number of loans that are in foreclosure, 90 days or more delinquent, or in REO (Real Estate Owned) accounted for 10.4 percent of all home loans in June 2010 compared with 9.4 percent in June 2009.

Condominiums represent more than 60 percent of new home sales and 23 percent of existing home sales in Los Angeles County. Except for North Los Angeles County, new homes are generally built on infill land, making condominiums more financially feasible to build than single-family homes. According to Hanley Wood, LLC, new condominium home sales increased by 1,150, or 54 percent, to 3,300 homes during the 12 months ending March 2010, when buyers tried to beat the federal tax credit deadline. For the 12 months ending March 2010, the estimated median price for a new condominium was $437,100, up $2,100, or 0.5 percent, from the previous 12-month period. The unsold inventory of new condominiums declined 19 percent between the first quarter of 2009 and the first quarter of 2010. According to DataQuick®, existing condominium sales also increased during the 12-month period ending March 2010, up by 3,850 homes, or 28 percent, to 17,900 homes sold compared with the number sold during the 12 months ending March 2009. The estimated median sales price of existing condominiums was $302,000, a decline of $34,400 compared with the price during the 12 months ending March 2009, due to foreclosure sales.

In contrast with the increased sales of existing detached homes and new and existing condominiums, sales of new detached homes have declined. According to Hanley Wood, LLC, during the 12 months ending March 2010, new detached home sales declined by 360 homes, to 730 homes, a 33-percent decrease compared with the number sold during the previous 12 months. The current total is significantly below the peak of 6,000 new detached homes sold in 2005 and below the average annual rate of 2,850 homes sold between 2005 and 2009. During the 12 months ending March 2010, the estimated median price for a new detached home increased by $18,450, or 5 percent, to $416,400 compared with the price during the previous 12-month period. The price increase was the result of more homes being sold in the San Fernando Valley than in North Los Angeles County.

Builders reduced single-family home construction activity because of competition from foreclosures and the continued loss of jobs in the county. Single-family construction activity, as measured by the number of building permits issued, peaked in 2005, when more than 12,200 single-family permits were issued. Preliminary data indicate that, during the 12 months ending May 2010, about 2,250 single-family homes were permitted, a decline of 5 percent compared with the number permitted during the previous 12 months.

The Los Angeles County rental market has been balanced since the fourth quarter of 2008 because it has benefited from increased demand and a lower rate of multifamily construction. Based on data from Reis, Inc., between the first quarter of 2009 and the first quarter of 2010, the rental vacancy rate increased slightly, from 5.3 to 5.5 percent. According to Reis, Inc., in the first quarter of 2010, average effective rents declined $50 to $1,350 compared with rents during the first quarter of 2009.

Multifamily construction activity, as measured by the number of units permitted, declined during the 12 months ending May 2010 compared with the number permitted during the previous 12-month period, based on preliminary data. The number of multifamily units permitted was 3,500, down 1,900 units, or 35 percent, compared with the number permitted during the previous 12 months and was significantly lower than the average annual rate of 10,200 units permitted between 2005 and 2009. Currently, 84 percent of the multifamily units permitted are for rental units, up from 52 percent in 2006. The 375-unit 1600 Vine Apartments in Hollywood opened in November 2009, with move-in special rents ranging from $1,794 for a studio to $11,125 for a three-bedroom townhome.

Philadelphia-Camden-Wilmington, Pennsylvania-New Jersey-Delaware-Maryland

The Philadelphia-Camden-Wilmington metropolitan area encompasses five counties in southeastern Pennsylvania, four counties in New Jersey, and one county each in Delaware and Maryland. As of July 1, 2010, the population of the metropolitan area totaled 6 million, an increase of approximately 33,600, or 0.5 percent, during the preceding 12 months. Steady employment increases in the education and health services sector have resulted in an average population growth of 0.5 percent annually since 2005. Since 2000, nearly 60 percent of the population growth in the metropolitan area has occurred in the city of Philadelphia and the surrounding Pennsylvania counties. Chester County, Pennsylvania, recorded the highest population growth rate, averaging 2.3 percent a year since 2000. Notably, the population of the city of Philadelphia has been increasing since 2004, primarily due to the migration of young professionals into Center City Philadelphia.

Employment levels in the Philadelphia-Camden-Wilmington metropolitan area have declined during the past year, continuing a trend that started during the 12 months ending December 2007. During the 12 months ending May 2010, average nonfarm employment declined by nearly 88,000 jobs, or 3.2 percent, compared with the number of jobs during 12 months ending May 2009. During the 12 months ending May 2010, job losses exceeded the 77,000 jobs gained in the metropolitan area from mid-2004 through 2007. The professional and business services sector registered the largest loss of 20,000 jobs, or 4.7 percent, during the 12 months ending May 2010. During the same period, employment declines occurred in the manufacturing and construction sectors, with decreases of 19,700 and 18,700 jobs, or 9.5 and 16.1 percent, respectively. During the 12 months ending May 2010, the unemployment rate rose to 9 percent from 6.5 percent a year earlier.

Despite the overall decline in employment, the education and health services sector, which accounts for 20 percent of employment in the metropolitan area, has consistently registered an average annual increase of 12,000 jobs, or 2.2 percent, since mid-2007. Employment in the education and health services sector increased by 7,100 jobs, or 1.3 percent, during the 12 months ending May 2010. Jefferson Health System, Inc., located in Pennsylvania, is the leading employer in the metropolitan area with 22,500 employees. The University of Pennsylvania is the second largest employer in the metropolitan area with 22,300 employees. The only other sector to add jobs during the past 12 months was the government sector, which added 1,400 jobs, a 0.4-percent increase.

Home sales market conditions in the metropolitan area are currently soft, reflecting recent employment declines. According to TREND, the Multiple Listing Service (MLS) and the Maryland Association of REALTORS® (for Cecil County, Maryland), during the 12 months ending March 2010 (the most recent data available), the average existing home sales price in the metropolitan area fell by 6 percent from the previous year to $247,950. For the 12 months ending March 2010, Chester County, Pennsylvania reported the highest average existing home sales price in the metropolitan area of $363,100, a nearly 8-percent decline from the previous year. The average existing home sales price in Center City rose to $294,875 in 2009 (the most recent data available), and recorded a 0.6-percent annual increase since 2006, according to the Center City District & Central Philadelphia Development Corporation. New condominium unit prices in Center City range from approximately $500,000 to $800,000. Existing condominium unit prices range from approximately $325,000 in the Art Museum area to $500,000 in the Rittenhouse Square neighborhood. Because of the overall price decline and additional buyer incentives, home sales in the metropolitan area increased by 5 percent, or 2,425 homes, to 52,100, between March 2009 and March 2010, as reported by TREND and the Maryland Association of REALTORS®. Total home sales increased by nearly 15 percent in both Cecil County, Maryland, and Salem County, New Jersey, and by 8 percent in Bucks County, Pennsylvania. Of the total existing home sales in the metropolitan area, 23 percent were in the city of Philadelphia, 15 percent in Montgomery County, and 11 percent in Bucks County. According to Lender Processing Services Mortgage Performance Data, 6.5 percent of total loans in the metropolitan area were in foreclosure, 90 days or more delinquent, or in REO (Real Estate Owned) in May 2010, up from 4.8 percent in May 2009.

Because economic conditions in the metropolitan area have declined, builders have reduced construction of new homes. During the 12 months ending May 2010, based on preliminary building permit data, the number of single-family homes permitted decreased from the previous 12-month period by 1 percent to 5,400 homes. The decline in single-family home construction during the 12 month ending May 2010, follows a nearly 35-percent decrease during the 12 months ending May 2009. In 2006 and 2007, the metropolitan area averaged an annual increase of 10,600 single-family homes permitted, and more than one-half of those homes are located in suburban Pennsylvania counties. New home sales prices range from $300,000 to $500,000 in the Pennsylvania suburbs and $200,000 to $350,000 in the New Jersey suburbs. New home sales prices in Delaware start at $350,000, and in Maryland they start at $250,000.

During the 12 months ending May 2010, multifamily construction activity, as measured by the number of units permitted, declined by 11 percent, to 1,975 units, compared with the number of units permitted during the previous 12 months, based on preliminary data. Multifamily construction peaked in 2003, when 5,700 units were permitted. Condominium construction peaked in 2004 when more than 3,500 units were permitted. In the metropolitan area between 2007 and 2009, an average of 1,525 condominium units was permitted each year; during that period, condominiums accounted for 50 percent of multifamily units built. The majority of the newly constructed condominium units were located in Pennsylvania counties, with 58 percent in or near Center City. In 2010, the number of condominium units permitted has declined to approximately 425 homes. According to Reis, Inc., more than 400 condominium units are currently under construction in the metropolitan area, with approximately 100 units located in Montgomery County and the remaindzer located in Center City.

The Philadelphia-Camden-Wilmington metropolitan area rental market is currently balanced. According to Delta Associates, the Class A apartment vacancy rate declined from nearly 12 to 5 percent from June 2009 to June 2010. Rent concessions have decreased from more than 7 percent to 5 percent of rent, during the 12 months ending June 2010. During the same period, vacancy rates in the New Jersey suburbs decreased from nearly 20 to 6 percent, and in the Pennsylvania suburbs they decreased from 10 to 6 percent. Camden County, New Jersey, reported the highest vacancy rate in the metropolitan area; the 9-percent rate is attributed to vacancies accounted for during the renovation of an apartment complex with more than 500 units. In June 2010, average rents in Class A units in the metropolitan area increased by nearly 3 percent, to $1,540, from June 2009. The market for Class A highrise units in Center City Philadelphia tightened during the 12 months ending June 2010, when the vacancy rate fell from 9 to 2 percent. Concessions in Center City decreased from 9 to 4 percent of average rent, and the average monthly rent increased 9 percent, to $3,350, during the 12 months ending June 2010.

Rochester, Minnesota

The Rochester metropolitan area consists of Olmsted, Dodge, and Wabasha Counties, and is located in southeast Minnesota. As of July 1, 2010, the population of the metropolitan area was estimated at 187,700, an increase of 2,100, or 1.1 percent, from July 1, 2009, which is slower than the average annual growth rate of 1.3-percent recorded since 2005. Rochester, the largest city in the metropolitan area with an estimated 103,500 residents, is the home of the Mayo Clinic, which draws more than 2 million patients (and visitors) a year, and is the leading employer with 31,700 employees. The Mayo Clinic had a $1.3 billion economic impact on the local economy in 2008, according to Battelle Memorial Institute. International Business Machines Corp. is the second leading employer with 4,400 employees.

The Rochester metropolitan area's economy has mirrored the national downturn during the past 2 years. Nonfarm employment declined by 2,200 jobs, or 2.0 percent, to an average of 103,300 jobs, during the 12 months ending May 2010 compared with the previous 12 months when employment decreased by 2.2 percent. During the 12 months ending May 2010, the professional and business services sector and the construction sector led all losses with declines of 1,100 jobs, or 9.3 percent, and 500 jobs, or 14 percent, respectively. Education and health services was the only sector to record growth with a gain of 500 jobs, or 1.1 percent. The addition of 1,650 jobs during the past 12 months at the Mayo Clinic more than offset losses elsewhere in the education and health services sector. During the 12 months ending May 2010, the average unemployment rate increased to an average of 6.2 percent, up from 5.6 percent during the previous 12 months.

As a result of the slow economy and tightened mortgage lending standards, the sales market for single family homes is soft; however, sales increased as a result of lower prices and the first-time homebuyer tax credit. According to data from the Southeast Minnesota Association of REALTORS®, during the 12 months ending May 2010, approximately 2,475 existing homes were sold in the Rochester metropolitan area, up nearly 7 percent from the previous 12 months. The average number of days a home remained on the market decreased from 150 days during the 12 months ending May 2009 to 140 days during the 12 months ending May 2010. For the 12 months ending May 2010, the median sales price of an existing home was $151,500, a 4-percent decline compared with the median price recorded during the same period a year earlier.

Despite the overall softness of the housing market, builders responded to the increase in home sales by increasing new home construction, as measured by the number of single-family building permits issued. During the 12 months ending May 2010, a total of 400 single-family homes were permitted, up 21 percent compared with the number permitted during the previous 12 months, based on preliminary data. Single-family construction peaked in 2003, with 1,700 homes permitted, and has averaged approximately 700 homes during the past 5 years. New home development is primarily concentrated in northwest and southwest Rochester near the Rochester International Airport. Prices for new single-family three-bedroom, two-bathroom homes start at $140,000. New single-family developments include Harvest View and Pebble Creek, with 850 and 1,200 planned single-family homes, respectively. Elk Run, an estimated $1-billion, 2,325-acre, mixed-use, master-planned community, located 15 miles north of Rochester, has begun construction on a 200-acre bioscience park that is expected to include both residential and office components when completed 2028.

Rental housing market conditions in the Rochester metropolitan area are soft. The current rental vacancy rate is estimated at 9 percent, up from 8.0 percent in 2008. For the 12-month period ending June 2010, the average monthly rent for a two-bedroom unit was $1,116, down nearly 2 percent compared with the rent during the same period a year earlier. Rent specials once absent from the market are now prevalent in virtually all existing and newly leasing complexes. Concessions include one- or two-months free rent, reduced security deposits, and no application fees. Multifamily construction, as measured by the number of multifamily units permitted, totaled 200 units during the 12 months ending May 2010, unchanged compared with the number permitted during the previous 12 months, based on preliminary data. Cascade Shores, with 90 rental townhomes, is currently in lease-up, offering two- and three-bedroom units with monthly rents of $1,240 and $1,295, respectively. The complex 318 Commons is currently under construction with 98 apartments and is expected to open in August 2011.

St. Louis, Missouri-Illinois

Located at the confluence of the Missouri and Mississippi Rivers, the St. Louis metropolitan area consists of 16 counties in eastern Missouri and southwestern Illinois. The area is a hub for shipping and transportation, and a center for manufacturing and the biomedical sciences. Leading employers include Boeing Defense, Space & Security; Monsanto Company; and Anheuser-Busch Companies, Inc., with 15,000, 4,100, and 4,000 workers, respectively. St. Louis is also home to several institutions of higher learning, including Saint Louis University and Washington University in St. Louis, which have a combined enrollment of more than 25,000 students and an estimated annual economic impact on the region of nearly $3 billion. The population of the metropolitan area as of July 1, 2010 was estimated to be 2.84 million, an increase of about 11,000 a year since 2007, or 0.4 percent annually. In contrast, from 2003 to 2007 the population increased by about 15,600 a year, or 0.6 percent annually. In recent years, population growth in the area has been due entirely to net natural increase (resident births minus resident deaths). Net in-migration averaged about 3,200 a year from 2003 to 2007, but declined sharply with the recession. In the past 3 years migration has turned negative, with net out-migration averaging about 1,300 a year.

In mid-2008, after 4 years of economic expansion, the St. Louis metropolitan area began to lose jobs. During the 12 months ending May 2010, nonfarm employment was down by 42,500 jobs from a year earlier, or 3.2 percent, to an average of about 1.3 million jobs. In contrast, from 2004 to 2008 employment growth averaged 11,500 jobs a year, or 0.9 percent annually. The largest declines over the past 12 months were in the goods-producing sectors of manufacturing, and mining, logging and construction, which decreased by 13,000 and 10,800 jobs, or 10 and 15 percent, respectively. Most of the service-providing sectors declined as well. The trade sector lost about 7,700 jobs, a 4-percent decline, and the professional and business services sector lost 11,600 jobs, a 6-percent decline. Emerson Electric Co., Chrysler Group LLC, and Monsanto Company were among major local firms announcing job cuts in the past year. Offsetting some of the losses, the education and health services sector and the government sector both expanded, adding about 1,900 and 5,100 jobs, an increase of 0.9 and 3 percent, respectively. Growth in government employment was partially due to a temporary increase in U.S. Census jobs. The unemployment rate in the metropolitan area averaged 10.3 percent during the 12 months ending May 2010, up from 8 percent during the previous 12 months.

Slower population growth and a weak economy have lead to soft sales housing market conditions. The recent home buyer tax credit, however, contributed to at least a temporary rise in sales. Based on data from local Multiple Listing Services, the Kelsey Cottrell Realty Group LLC, and the St. Louis Post-Dispatch, during the first 5 months of 2010 (the most recent data available) about 10,400 existing homes were sold in the St. Louis area, up 17 percent from 8,900 homes sold for the same period a year ago. The supply of unsold homes also fell during that period. Based on pending sales, the average number of unsold homes on the market during the first 5 months of 2010 represented about 6.5 months of supply, down from an 8-month supply for the same period a year earlier. Home sales peaked in 2004 and 2005, when more than 40,000 homes a year were sold. But by 2008 home sales had fallen by more than 25 percent from the peak, to about 30,300 homes sold. In 2009, the number of sales declined further, to about 29,500 homes sold. In the past year, home prices rose for the first time in nearly 3 years. Sales prices for existing single-family homes reported by the NATIONAL ASSOCIATION OF REALTORS® averaged about $128,000 for the 12 months ending March 2010, a 1.2-percent increase from the same period a year earlier. Home prices peaked in mid-2007 at about $147,000, but they have fallen 13 percent over the past 3 years.

Single-family home construction in the St. Louis metropolitan area peaked in 2004 and 2005, when permits were issued for more than 13,000 homes a year. From 2006 through 2009, building activity declined as demand for new homes fell with the weaker economy and tighter lending standards. Based on preliminary data, about 4,600 single-family homes were permitted in the metropolitan area during the 12 months ending May 2010, up from the 3,850 homes permitted during the previous 12 months. Much of the single-family home construction activity in the past decade has been in suburban areas such as St. Charles County, which accounted for nearly one-third of all single-family homes permitted in the metropolitan area since 2000.

The softer home sales market has led to a slowdown in condominium construction, declining from about 800 units a year, from 2003 through 2007, to fewer than 200 units a year in the past 2 years. Many condominium developments currently underway in downtown St. Louis have been converted to apartment projects. Most of the remaining condominium developments have been in suburban areas. These include the Highland Park Condominiums in St. Peters, Missouri, with 245 units, and the Valle Creek Condominiums in Pevely, Missouri, with 228 units. Prices for new 2-bedroom condominiums typically start at about $120,000. Recently, the North Side area in the northern part of St. Louis has been the focus of a proposed $8.1-billion, 20-year redevelopment plan, which could eventually add as many as 10,000 new residential units and as much as 5.5 million square feet of office and retail space.

The rental market in the St. Louis metropolitan area is somewhat soft because of job losses and net out-migration from the area. According to data from Reis, Inc., the apartment vacancy rate in the second quarter of 2010 was 8.8 percent, while the average monthly apartment rent was $726, both relatively unchanged from a year earlier. Monthly rents in the St. Louis area average about $625 for a one-bedroom unit, $750 for a two-bedroom unit, and $1,000 for a three-bedroom unit. Multifamily construction activity, as measured by the number of units permitted, has slowed in recent years due to the weaker economy and a softening rental market. Based on preliminary data, during the 12 months ending May 2010, about 1,325 multifamily units were permitted. This is a sizeable increase from the 850 units permitted during the previous 12 months; however, multifamily construction is down significantly from the peak years of 2002 to 2005, when about 2,500 units a year were permitted. Nearly 80 percent of the multifamily permits issued since 2000 have been for rental units. Currently, about 900 rental units are under construction in the metropolitan area. One downtown project is the 190-unit Laurel Apartments, which is the conversion of an historic office building to a mixed-use building that will include a 212-room hotel and retail space, with monthly rents ranging from about $930 for 1-bedroom units to $2,900 for 3-bedroom units. This project is expected to be completed and begin leasing in early 2012.

Tampa-St. Petersburg-Clearwater, Florida

The Tampa-St. Petersburg-Clearwater metropolitan area is located on the western coast of Florida bordering the Gulf of Mexico. The metropolitan area is composed of Hernando, Hillsborough, Pasco, and Pinellas Counties and includes the cities of Tampa and St. Petersburg, which are the third and fourth largest cities in Florida, respectively. As of June 2010, the population of the metropolitan area was nearly 2.8 million. Due to slower in-migration during the past 2 years, population growth increased by less than 1 percent annually compared with an average increase of 2.3 percent during the peak growth years from 2003 through 2005. The Port of Tampa is the largest port in Florida and a major economic contributor to the local economy. According to the Tampa Port Authority, the port has an estimated $8 billion annual economic impact on the surrounding region, which includes the metropolitan area, and provides nearly 100,000 jobs in the region. The metropolitan area is also home to the University of South Florida (USF), which enrolls more than 47,000 students among four campuses in the region, including two that are located in the metropolitan area, and employs more than 15,000 full-and part-time employees. The USF System has an annual economic impact of $3.2 billion on the region.

Economic conditions in the area continued to weaken during the first 5 months of 2010. In the 12 months ending May 2010, nonfarm employment averaged 1,123,600 jobs, a decrease of 50,400 jobs, or 4.3 percent, compared with the number of jobs during the 12 months ending May 2009. Employment in the metropolitan area declined during each of the past 3 years by an average of 43,000 jobs annually. Employment losses have slowed during the first 5 months of 2010, declining by an average of 29,200 jobs, or 2.5 percent, compared with a loss of 74,100 jobs, or 6 percent, during the first 5 months of 2009. During the 12 months ending May 2010, the unemployment rate for the metropolitan area averaged 12.1 percent, up from 8.9 percent during the previous 12-month period.

The goods producing sectors accounted for the largest job losses during the 12 months ending May 2010. Employment in the construction and manufacturing sectors decreased by 12,400 jobs, or 18 percent, and 8,800 jobs, or 13 percent, respectively, and accounted for a total of 42 percent of nonfarm job losses. From 2007 to 2009, the construction and manufacturing sectors decreased by a total of 33,700 jobs, or 36 percent, and 16,500 jobs, or 21 percent, respectively. Declines in the construction sector primarily resulted from weakness in the sales and rental housing markets during the past 3 years. Manufacturing sector job losses resulted from increased competition in the sector, which has occurred throughout the Southeast region during the past 10 years, gradually decreasing employment levels in traditional manufacturing industries. During the 12 months ending May 2010, employment in the professional and business services sector decreased by 8,000 jobs, or 4 percent. The professional and business services sector accounted for 16 percent of nonfarm jobs lost during the past 3 years due to lower demand for business support services that was a result of the declining local economy. The only two sectors to gain jobs during the past 12 months were the education and health services sector, which increased by 2,800 jobs, or 1.6 percent, and the government sector, which increased by 2,100 jobs, or 1.4 percent.

The sales housing market in the metropolitan area is soft due to overbuilding from 2003 to 2005, slower population and household growth, and declining employment levels. From 2003 to 2005, permits for single-family homes averaged 23,600 homes a year. Beginning in 2006, the number of homes permitted decreased each year through 2009, when the number of single-family building permits issued fell to 3,925 homes, the lowest level in more than 30 years. During the 12 months ending May 2010, permits for single-family homes increased by 450 homes, or 11 percent, to 4,575 after a decrease of nearly 2,550 homes, or 38 percent, during the previous 12 months. Current single-family home permit activity is less than one-half the average recorded during the past two decades.

According to the Greater Tampa Association of REALTORS®, 20,600 existing homes were sold during the 12 months ending May 2010, representing an increase of 26 percent compared with the number sold during the same period a year earlier. Home sales in the metropolitan area decreased to 14,750 homes in 2007 and were virtually unchanged in 2008, but began to increase in 2009 when nearly 17,000 homes sold as a result of more affordable home prices and increased homebuyer incentives. During the 12 months ending May 2010, the average price of a home decreased by 13 percent to approximately $172,500. In comparison, the average price of a home sold during 2006 was $286,600. According to Lender Processing Services Mortgage Performance Data, the percentage of loans in the metropolitan area that were in foreclosure, 90 days or more delinquent, or in REO (Real Estate Owned) increased from 11.8 percent in May 2009 to 16.8 percent in May 2010.

The rental market is currently soft but improving. According to Real Data, the apartment vacancy rate was 9 percent in May 2010, down from 10 percent a year earlier. The average rent in May 2010 was virtually unchanged from May 2009 at approximately $820. In response to employment losses, more stringent financing standards, and a soft rental market, the number of multifamily housing units permitted in the metropolitan area decreased by 32 percent during the 12 months ending May 2010, to 2,750 units. Permits for multifamily housing units declined from a decade high of 9,100 units in 2003 and from an average of 5,900 units from 2000 to 2008. According to Real Data, approximately 1,900 apartments were under construction in Hillsborough and Pinellas Counties in May 2010, down from 3,800 units in May 2009.

The large number of students at USF has a significant impact on the submarkets in which the campuses are located. More than 40,000 students attend classes on the USF Tampa campus, and on-campus residence halls and apartments provide housing for approximately 2,000 students. The remaining students live primarily in off-campus apartments. According to information from Real Data, the Tampa Northeast-1 submarket surrounding the USF Tampa campus was soft with a vacancy rate of 11.8 percent in May 2010, virtually unchanged from the previous year. Although 425 apartments were absorbed during the past 12 months, the vacancy rate remained elevated due to the completion of 270 additional units. Average rent in the Northeast-1 submarket decreased by 4 percent during the 12 months ending May 2010 to approximately $810. Because no units are currently under construction in the in the Tampa Northeast-1 submarket, the vacancy rate is expected to decrease in the next 12 months.

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

HUD Region and State	2010 Through June			2009 Through June			Ratio: 2010/2009 Through June		
	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*
Connecticut	1,985	1,253	732	1,547	861	686	1.283	1.455	1.067
Maine	1,518	1,421	97	1,162	1,078	84	1.306	1.318	1.155
Massachusetts	4,264	2,654	1,610	3,249	1,832	1,417	1.312	1.449	1.136
New Hampshire	1,542	1,033	509	924	664	260	1.669	1.556	1.958
Rhode Island	404	385	19	410	261	149	0.985	1.475	0.128
Vermont	797	727	70	496	356	140	1.607	2.042	0.500
New England	**10,510**	**7,473**	**3,037**	**7,788**	**5,052**	**2,736**	**1.350**	**1.479**	**1.110**
New Jersey	6,098	3,742	2,356	5,990	3,186	2,804	1.018	1.175	0.840
New York	10,189	5,062	5,127	8,292	4,368	3,924	1.229	1.159	1.307
New York/New Jersey	**16,287**	**8,804**	**7,483**	**14,282**	**7,554**	**6,728**	**1.140**	**1.165**	**1.112**
Delaware	1,687	1,495	192	1,296	1,155	141	1.302	1.294	1.362
District of Columbia	311	25	286	271	49	222	1.148	0.510	1.288
Maryland	6,601	4,471	2,130	5,410	3,883	1,527	1.220	1.151	1.395
Pennsylvania	9,721	8,311	1,410	7,684	6,511	1,173	1.265	1.276	1.202
Virginia	10,867	8,937	1,930	10,907	8,151	2,756	0.996	1.096	0.700
West Virginia	994	827	167	790	712	78	1.258	1.162	2.141
Mid-Atlantic	**30,181**	**24,066**	**6,115**	**26,358**	**20,461**	**5,897**	**1.145**	**1.176**	**1.037**
Alabama	6,041	4,688	1,353	6,021	4,280	1,741	1.003	1.095	0.777
Florida	21,776	17,570	4,206	17,805	12,636	5,169	1.223	1.390	0.814
Georgia	9,639	8,524	1,115	8,432	7,028	1,404	1.143	1.213	0.794
Kentucky	3,386	2,965	421	3,142	2,459	683	1.078	1.206	0.616
Mississippi	2,461	2,342	119	4,180	2,732	1,448	0.589	0.857	0.082
North Carolina	18,525	14,783	3,742	17,006	12,071	4,935	1.089	1.225	0.758
South Carolina	8,370	7,589	781	7,599	6,588	1,011	1.101	1.152	0.773
Tennessee	9,291	6,830	2,461	7,257	5,730	1,527	1.280	1.192	1.612
Southeast/Caribbean	**79,489**	**65,291**	**14,198**	**71,442**	**53,524**	**17,918**	**1.113**	**1.220**	**0.792**
Illinois	5,705	4,243	1,462	4,398	3,643	755	1.297	1.165	1.936
Indiana	6,726	5,433	1,293	5,485	4,443	1,042	1.226	1.223	1.241
Michigan	4,176	3,697	479	2,840	2,542	298	1.470	1.454	1.607
Minnesota	4,740	3,509	1,231	4,004	2,784	1,220	1.184	1.260	1.009
Ohio	6,867	5,721	1,146	6,077	5,000	1,077	1.130	1.144	1.064
Wisconsin	5,617	4,161	1,456	4,565	3,467	1,098	1.230	1.200	1.326
Midwest	**33,831**	**26,764**	**7,067**	**27,369**	**21,879**	**5,490**	**1.236**	**1.223**	**1.287**
Arkansas	3,992	2,559	1,433	3,684	1,970	1,714	1.084	1.299	0.836
Louisiana	5,625	5,268	357	6,653	5,507	1,146	0.845	0.957	0.312
New Mexico	2,503	2,269	234	2,359	1,985	374	1.061	1.143	0.626
Oklahoma	4,569	3,785	784	4,327	3,547	780	1.056	1.067	1.005
Texas	45,893	37,842	8,051	42,926	32,285	10,641	1.069	1.172	0.757
Southwest	**62,582**	**51,723**	**10,859**	**59,949**	**45,294**	**14,655**	**1.044**	**1.142**	**0.741**
Iowa	3,693	3,001	692	2,728	2,412	316	1.354	1.244	2.190
Kansas	2,431	2,012	419	3,037	1,706	1,331	0.800	1.179	0.315
Missouri	4,093	3,113	980	3,712	2,530	1,182	1.103	1.230	0.829
Nebraska	2,461	2,219	242	2,573	2,299	274	0.956	0.965	0.883
Great Plains	**12,678**	**10,345**	**2,333**	**12,050**	**8,947**	**3,103**	**1.052**	**1.156**	**0.752**
Colorado	6,050	4,800	1,250	4,520	3,491	1,029	1.338	1.375	1.215
Montana	1,038	765	273	798	661	137	1.301	1.157	1.993
North Dakota	1,385	1,157	228	992	709	283	1.396	1.632	0.806
South Dakota	1,612	1,217	395	1,626	1,079	547	0.991	1.128	0.722
Utah	4,873	4,012	861	5,605	2,918	2,687	0.869	1.375	0.320
Wyoming	1,272	669	603	715	557	158	1.779	1.201	3.816
Rocky Mountain	**16,230**	**12,620**	**3,610**	**14,256**	**9,415**	**4,841**	**1.138**	**1.340**	**0.746**
Arizona	7,182	6,450	732	6,306	5,672	634	1.139	1.137	1.155
California	21,178	13,396	7,782	16,946	11,810	5,136	1.250	1.134	1.515
Hawaii	2,185	964	1,221	1,406	995	411	1.554	0.969	2.971
Nevada	4,019	3,315	704	3,276	1,898	1,378	1.227	1.747	0.511
Pacific	**34,564**	**24,125**	**10,439**	**27,934**	**20,375**	**7,559**	**1.237**	**1.184**	**1.381**
Alaska	480	392	88	463	284	179	1.037	1.380	0.492
Idaho	2,806	2,453	353	2,454	1,959	495	1.143	1.252	0.713
Oregon	3,947	3,173	774	4,014	2,715	1,299	0.983	1.169	0.596
Washington	10,480	7,975	2,505	7,997	5,778	2,219	1.310	1.380	1.129
Northwest	**17,713**	**13,993**	**3,720**	**14,928**	**10,736**	**4,192**	**1.187**	**1.303**	**0.887**
United States	**314,065**	**245,204**	**68,861**	**276,356**	**203,237**	**73,119**	**1.136**	**1.206**	**0.942**

*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	2010 Through June		
		Total	Single Family	Multifamily*
26420	Houston-Sugar Land-Baytown, TX	16,287	13,350	2,937
19100	Dallas-Fort Worth-Arlington, TX	9,582	8,254	1,328
35620	New York-Northern New Jersey-Long Island, NY-NJ-PA	8,709	3,548	5,161
47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	6,662	5,127	1,535
38060	Phoenix-Mesa-Scottsdale, AZ	4,870	4,379	491
31100	Los Angeles-Long Beach-Santa Ana, CA	4,869	2,020	2,849
42660	Seattle-Tacoma-Bellevue, WA	4,744	3,400	1,344
12060	Atlanta-Sandy Springs-Marietta, GA	4,307	3,680	627
12420	Austin-Round Rock, TX	4,031	3,481	550
37980	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	3,618	2,851	767
41700	San Antonio, TX	3,529	3,047	482
40140	Riverside-San Bernardino-Ontario, CA	3,516	2,828	688
16740	Charlotte-Gastonia-Concord, NC-SC	3,454	2,771	683
16980	Chicago-Naperville-Joliet, IL-IN-WI	3,406	2,176	1,230
29820	Las Vegas-Paradise, NV	3,390	2,868	522
14460	Boston-Cambridge-Quincy, MA-NH	3,214	1,823	1,391
36740	Orlando-Kissimmee, FL	3,136	2,401	735
26900	Indianapolis, IN	3,131	2,181	950
45300	Tampa-St. Petersburg-Clearwater, FL	3,125	2,396	729
39580	Raleigh-Cary, NC	3,064	2,649	415
12580	Baltimore-Towson, MD	2,919	1,823	1,096
34980	Nashville-Davidson--Murfreesboro, TN	2,916	2,187	729
41180	St. Louis, MO-IL	2,897	2,323	574
33100	Miami-Fort Lauderdale-Miami Beach, FL	2,856	1,709	1,147
21340	El Paso, TX	2,678	1,550	1,128
33460	Minneapolis-St. Paul-Bloomington, MN-WI	2,527	1,955	572
19740	Denver-Aurora, CO	2,377	1,924	453
38900	Portland-Vancouver-Beaverton, OR-WA	2,365	1,954	411
18140	Columbus, OH	2,292	1,588	704
41740	San Diego-Carlsbad-San Marcos, CA	2,261	1,390	871
41860	San Francisco-Oakland-Fremont, CA	2,259	1,237	1,022
47260	Virginia Beach-Norfolk-Newport News, VA-NC	2,243	1,708	535
27260	Jacksonville, FL	2,216	2,073	143
36420	Oklahoma City, OK	2,079	1,614	465
40060	Richmond, VA	1,870	1,347	523
30780	Little Rock-North Little Rock, AR	1,804	938	866
32580	McAllen-Edinburg-Mission, TX	1,769	1,575	194
17900	Columbia, SC	1,767	1,505	262
17140	Cincinnati-Middletown, OH-KY-IN	1,764	1,645	119
16700	Charleston-North Charleston, SC	1,724	1,528	196
38300	Pittsburgh, PA	1,667	1,496	171
22180	Fayetteville, NC	1,635	847	788
46140	Tulsa, OK	1,625	1,385	240
32820	Memphis, TN-MS-AR	1,609	939	670
41620	Salt Lake City, UT	1,607	1,043	564
40900	Sacramento--Arden-Arcade--Roseville, CA	1,567	1,285	282
12940	Baton Rouge, LA	1,486	1,399	87
36540	Omaha-Council Bluffs, NE-IA	1,440	1,389	51
19820	Detroit-Warren-Livonia, MI	1,327	976	351
19780	Des Moines, IA	1,305	1,090	215

*Multifamily is two or more units in structure. **As per new Office of Management and Budget metropolitan area definitions. CBSA = Core Based Statistical Area.
Source: Census Bureau, Department of Commerce