Joint Center for Housing Studies of Harvard University

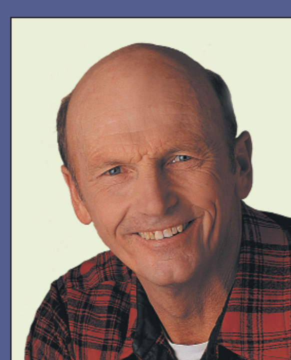
The State of the Nation's Housing

2001







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Executive Summary

Housing markets stood up well in 2000 despite growing uncertainty about the direction of the economy. After years of rapidly rising rents and home prices, however, housing affordability remains the greatest concern. While current property owners clearly benefit from this price inflation, prospective homebuyers must come up with more money to make even small downpayments, while renters have to shoulder mounting housing costs. Indeed, nearly one in four owners and four in ten renters now spend at least 30 percent of their income on housing.

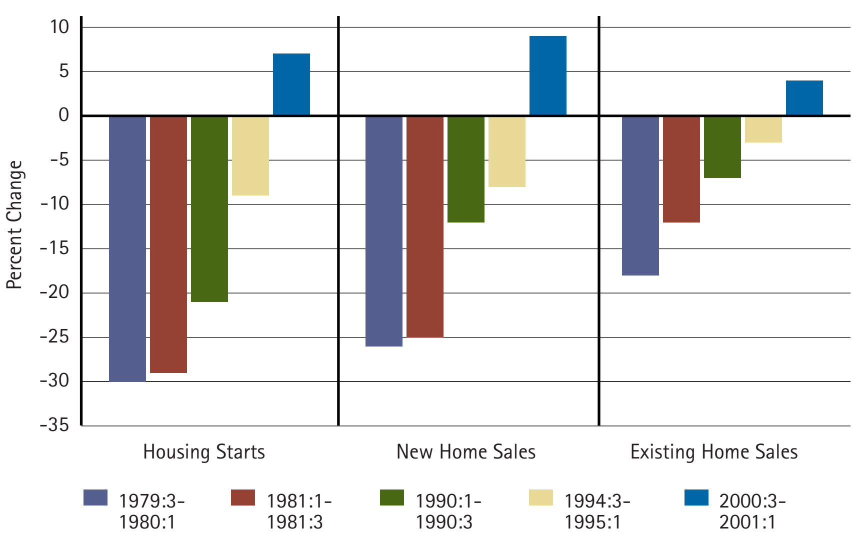
Housing's Unexpected Strength

Compared with previous economic slowdowns, the housing sector has so far remained strong *(Figure 1)*. At the end of 2000, starts were down just 4 percent and residential fixed investment a mere 0.5 percent. Both home prices and rents rose faster than general inflation, while homeownership rates set yet another record of 67.4 percent. Thanks to falling interest rates through the first quarter of 2001, the pace of home sales and refinances also picked up.

The number of homeowners has grown by 8.1 million since 1994—a record increase for a six-year period. Homeownership rates have risen for all income, racial, and ethnic groups, with minorities experiencing the fastest growth. Even so, the homeownership gap narrowed only slightly in 2000, with the white rate standing at 73.8 percent and the minority rate at 48.1 percent.

While residential fixed investment showed only a modest decline in 2000, the number of homes built did drop in most markets. Eight states—including such major markets as New York, California, and Georgia—posted a rise in housing permits last year, but fully half registered at least a 10 percent retreat. For the nation as a whole, multifamily starts were flat and single-family starts were down by five percent. The correction in the manufactured home segment left shipments off 28 percent and placements down 17 percent.

1 Housing Is Holding Up Well Relative to Previous Economic Slowdowns



Notes: Percent change is measured from two quarters preceding the start of a recession/softening, through the first quarter of the recession/softening. Recessions are defined by the NBER Business Cycle Dating Committee. The 1995 "softening" reflects two quarters of modest real growth.
Sources: Housing starts and new homes sales are from Census Bureau, Series C-20 and C-25; existing home sales are from the National Association of Realtors.

Concerns about the continued robustness of housing markets and the sustainability of homeownership gains are, however, mounting. A more severe or prolonged downturn in the economy that results in additional job losses would place more pressure on the many households that are already stretching to pay for housing. Moreover, with a growing number of homebuyers making downpayments of five percent or less and relying on two incomes to make their monthly mortgage payments, a full-blown recession could leave many borrowers at risk of default.

Decentralization of People and Jobs

In the 1990s, housing and jobs continued to migrate to the edges of metropolitan areas where open land is most readily available. Housing demand was especially strong in rural suburbs, where inflation-adjusted median house prices soared 18 percent between 1985 and 1999—well above the rate of appreciation in central cities and urbanized suburbs. The intensity of development in the nation's lowest-density counties has stirred widespread concern about sprawl.

While a true "back-to-the-city" shift did not materialize in the 1990s, many major cities saw their best population growth in more than two decades. Among the 31 central cities of the nation's 50 largest metropolitan areas that lost population in the 1970s, 9 reversed their declines in the 1980s and continued to grow in the 1990s. Another seven made turnarounds by the end of the 1990s.

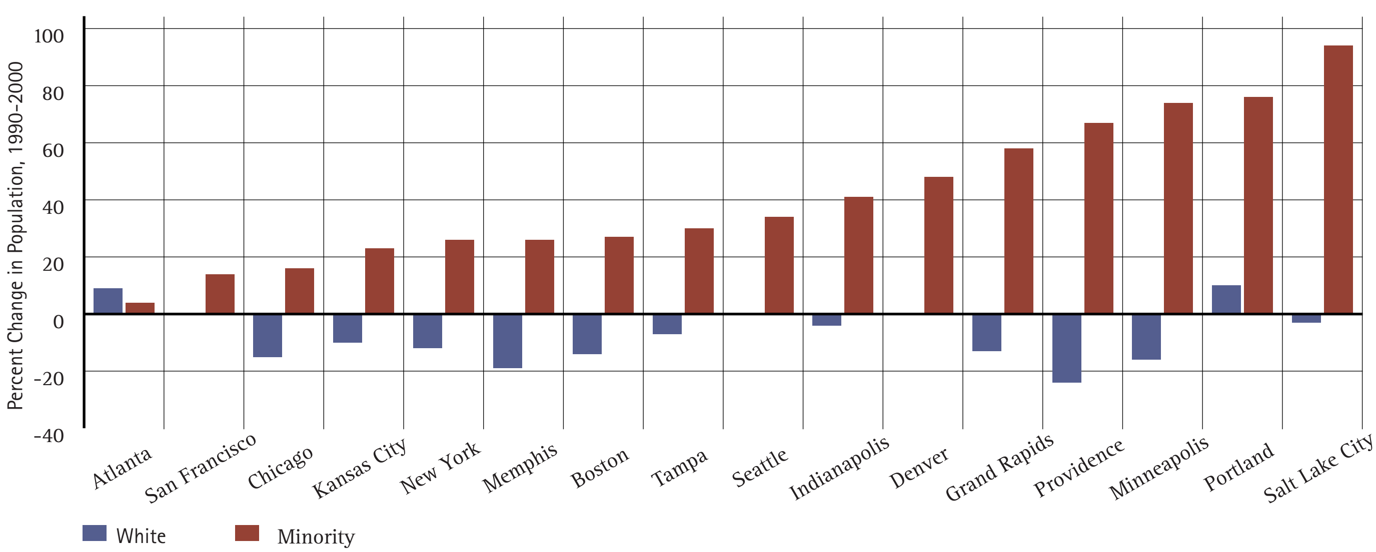
Nevertheless, for every three households that moved to central cities in 1999, five departed. In only a few cases did population growth in cities exceed that in the suburbs. Moreover, the white populations in nearly all central cities continued to decline. Were it not for immigration and natural increases among minorities, almost all cities that made turnarounds over the past two decades would have instead lost population *(Figure 2)*.

Even among minority movers, though, more left central cities than settled in them during the 1990s. In the next 10 years, increasingly diverse populations will thus contribute to housing demand in cities, suburbs and non-metropolitan areas throughout the country.

Housing Affordability

Notwithstanding 1990s income gains, housing affordability problems in the United States have become more pervasive, affecting a small but growing number of moderate-income

2 Minority Growth Has Spurred a Population Turnaround in Many Cities



Notes: Turnaround cities are central cities of the 50 largest MSAs (as of 2000) that lost population in the 1970s and gained population in the 1980s or 1990s, or both. Whites are non-Hispanic.
Sources: 1990 and 2000 Decennial Census.

households (earning between 80 percent and 120 percent of the area median income) as well as millions of low-income families (earning less than 80 percent of the area median income). Over 14 million owner and renter households spent more than half their incomes on housing in 1999. Two million—many of them also cost-burdened—lived in homes with serious structural deficiencies. Poor-quality housing is particularly widespread in rural areas, where 8 percent of households live in inadequate units.

The number of American households that now depend on two incomes to pay for housing is on the rise. Even with both spouses employed, more than one in five low-income married couples have severe cost burdens, paying more than half their incomes for housing *(Figure 3)*. A family with one full-time worker earning the minimum wage cannot afford (at 30 percent of income) the local fair-market rent for a two-bedroom apartment anywhere in the country. Indeed, in fully 24 states, even households with two full-time minimum wage earners lack the income to cover fair-market rents on such a unit without exceeding the 30-percent-of-income threshold for affordability.

Contributing to these pressures is the ongoing loss of affordable rentals. More than 300,000 units affordable to households with low incomes were lost on net between 1997 and 1999 alone. Restrictions on land development and exclusionary zoning practices are making it difficult for the market to produce housing that low-income people can afford. As the supply contracts, production flags, and household growth adds to demand, the mismatch between the supply of low-cost rentals and the number of households who need them will likely grow.

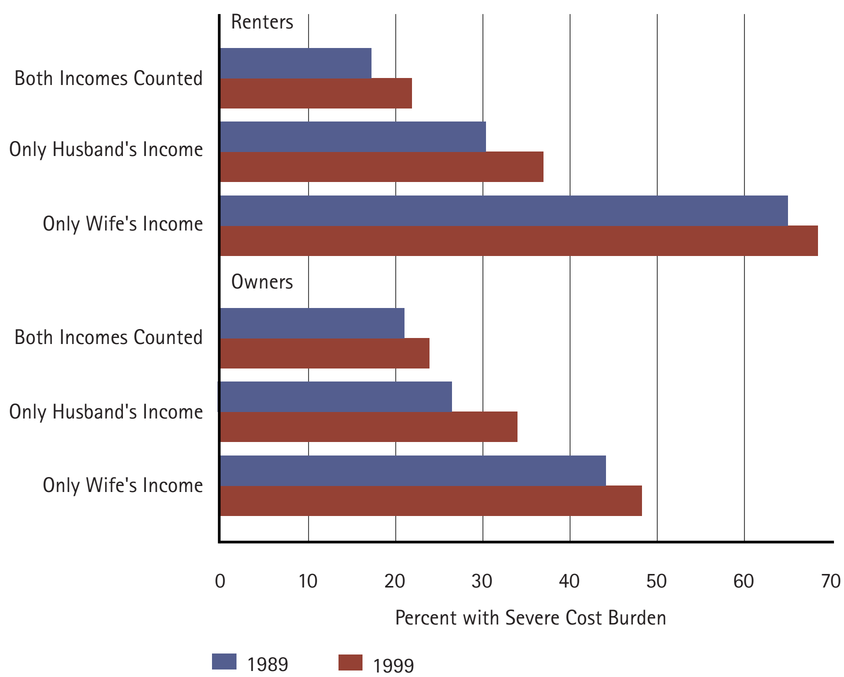
The Decade Ahead

Housing production in the coming decade should rival—if not exceed—1990s levels. As the oldest of the echo boomers reach young adulthood, they will drive up demand for apartments and starter homes. The baby boomers, meanwhile, will be well within their peak earning years, strengthening demand for second and tradeup homes, as well as for luxury apartments. These gains at the high end of the market should push the value of residential fixed investment to new records.

Minorities will have an especially large impact on housing demand. With the ongoing arrival of immigrants and a higher rate of natural increase, the minority share of US households will likely grow from 25 percent in 2000 to about 29 percent by 2010. Indeed, minorities will account for about two-thirds of household growth over the next ten years. Much of this increase will come from the Hispanic population, which has already grown to a level that rivals that of the black population.

Housing affordability problems may well worsen over the coming decade. Because of their lower average incomes and wealth, many minority households will face special challenges affording higher rents and achieving homeownership.

3 Many Low-Income Married Couples Now Rely on Both Spouses' Incomes to Afford Housing



Notes: Low income is defined as less than 80% of area median. Severe cost burden is defined as paying more than 50% of income for housing.
Source: Joint Center tabulations of the 1989 and 1999 American Housing Surveys.

Housing Markets

- Production and sales slowed slightly in 2000, but only manufactured housing showed a sharp downturn. The slowdown in construction has, however, spread to 42 states.
- While the surge in refinancings injected more cash into the economy, it also left home equity as a share of value at a new low.
- House prices continued their ascent, bringing the inflation-adjusted increase between 1993 and 2000 to 16 percent.
- With more households moving out of cities than moving in, development pressures in the suburbs and outlying areas continue to intensify.

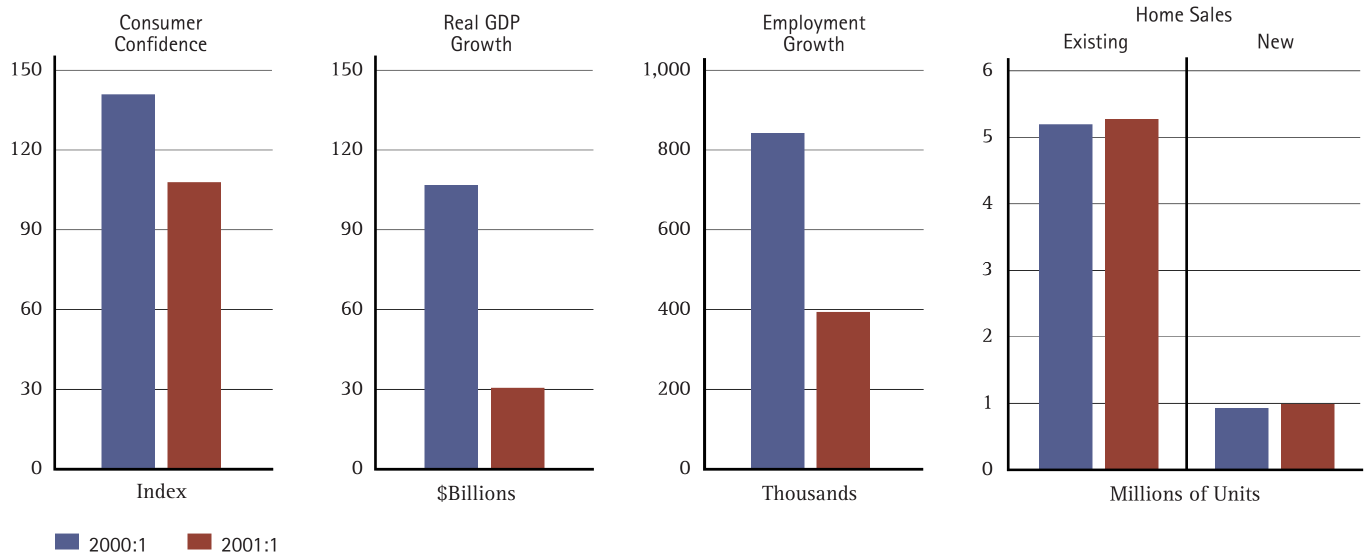
After a remarkably long and steady expansion, housing production slowed in 2000. Even so, strong income growth kept house prices and rents appreciating faster than inflation, and falling interest rates late in the year helped push home sales to near-record levels early in 2001.

Over the course of the 1990s, both job and housing growth were particularly strong in lower-density counties within and adjacent to metropolitan areas. As a result, growth in suburban areas continued to outstrip that in cities even in most metropolitan areas where city populations increased.

Production and Sales Surprisingly Strong

Given the slowdown in the economy, housing markets did relatively well in 2000. Housing production held up, with starts at just under 1.6 million units. Although single-family starts did drop by 5 percent, at 1.23 million they remained near their highest levels since the 1970s. Multifamily starts finished the year around the 340,000 mark, where they have hovered for the past three years. Manufactured housing, however, suffered a significant inventory correction when credit for its buyers dried up.

4 Housing Has Been Resilient Despite the Weakening Economy

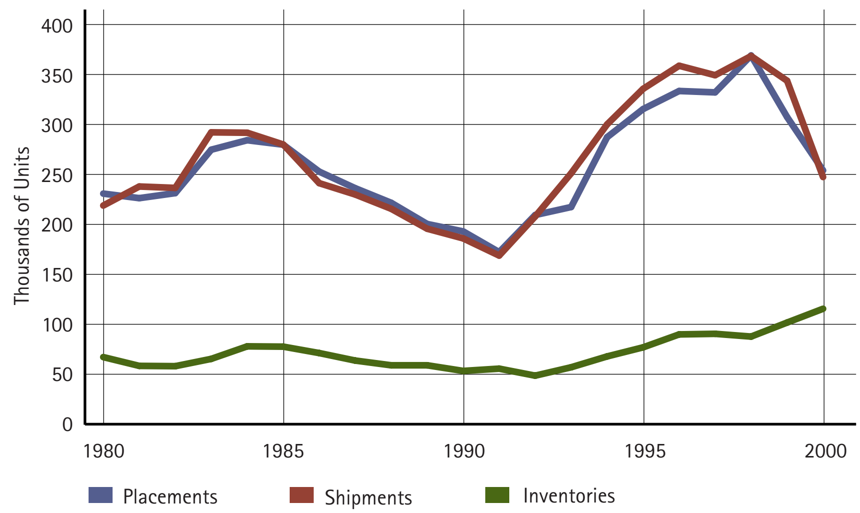


Notes: Real GDP growth is the difference in real GDP (SAAR) in 1996 dollars between the first and fourth quarters. Employment growth is for total non-agricultural employment.
Sources: Consumer confidence is the Conference Board's index. Real GDP growth is from Bureau of Economic Analysis, Table 1.10. Employment growth is from Bureau of Labor Statistics, Form 790. New home sales are from the Census Bureau, Series C-25. Existing home sales are from the National Association of Realtors.

With the production of more expensive homes and the persistent strength of remodeling activity, residential fixed investment managed to hold steady. The value of construction put in place, adjusted for inflation, fell just 1 percent to $332 billion.

For their part, homebuyers hung tough in the last quarter of 2000 and first quarter of 2001 *(Figure 4)*. New home sales rebounded from a setback earlier in 2000, exceeding an annualized rate of 1.0 million units by December. Existing home sales also revived in the first quarter of 2001, rising to a 5.28 million unit annual rate.

5 Manufactured Housing Is Still Undergoing a Correction



Note: Inventory figures are averages of monthly totals.
Source: Census Bureau, Manufactured Housing Statistics.

A Reversal of Roles

Housing typically leads the economy into recession as interest rates rise, job growth slows, and inventories accumulate. The softening that began in the last half of 2000, however, has been unusual in several ways. At 7 percent in the first quarter of 2001, interest rates were lower than those prevailing prior to and during the most recent recessions or the 1995 cooldown. Indeed, the Federal Reserve's successive interest rate cuts sparked a flurry of refinancing, enabling the housing sector to help offset the drag on economic growth from rising energy prices and falling stock prices.

By refinancing, millions of homeowners either lowered their monthly mortgage payments (leaving more money available to purchase other goods and services) or replaced a smaller mortgage with a larger one and pocketed the difference. Since many homeowners devote a significant share of the freed-up funds to home improvements or other expenditures, these "cash-out" refinances bolster the broader economy.

On the supply side, industry restraint has held down inventories of homes. Even if sales were to drop by about 20 percent as in past cycles, the supply of homes for sale would remain under 4 months—well below the 10 months' overhang during the 1990-91 recession. Also in contrast to conditions in the early 1990s, there has been no overbuilding in the multifamily market, where supply is in line with demand.

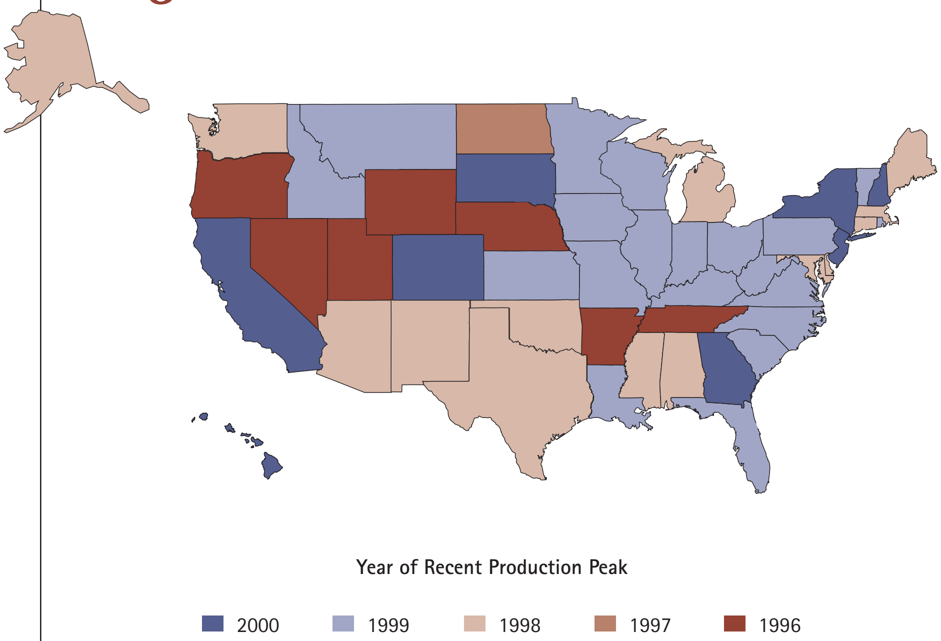
Manufactured Housing Slumps

Unlike the rest of the housing sector, the manufactured housing segment has faced a sharp inventory correction. Placements of manufactured units soared in 1996-98 in response to generous lending programs, only to plummet in 1999 when heavy loan losses led to a credit crunch. Last year alone, manufactured housing shipments were down 28 percent and placements were down 17 percent *(Figure 5)*.

The credit crunch in the manufactured housing segment should ease as excess inventories—caused by shipping ahead of demand and repossessions of homes whose owners defaulted—start to fall. With a retreat in inventories and a return of lenders to the market, the manufactured housing sector should stabilize.

Assuming lenders confront the challenges of establishing a steady stream of credit, the manufactured home segment will continue to play a central role in meeting low-income homeownership demand. Nonetheless, it remains to be seen whether manufactured housing will again serve as large a proportion of homebuyers as it did in the credit environment of the 1990s. Between 1993 and 1999, for example, 15 percent of the growth in homeowners in the nation—and 29 percent in the South—came from buyers of manufactured

6 Housing Production in Most States Is in Retreat



Source: Table A-11.

homes. With improvements in the quality of manufactured homes and increasing opportunities to locate improved units on owners' lots, however, demand from moderate-income households is likely to grow.

Construction Slowdown Spreads

While housing markets appear relatively strong overall, only eight states issued more housing permits in 2000 than in 1999. Home building activity was up primarily in states that only recently recovered from the last recession, such as California and New York. California in fact accounted for over nine percent of all permits issued nationwide last year. The technology slowdown and the state's current energy crisis, however, place California's housing expansion at risk.

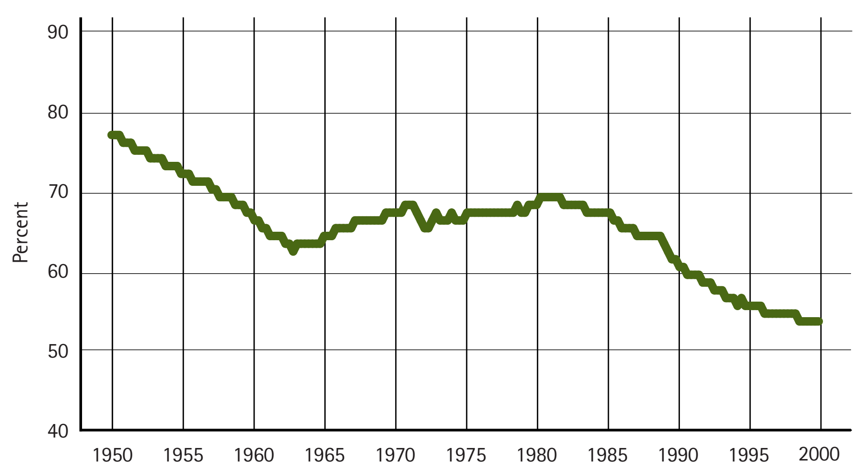
In the meantime, permits in fully 22 states declined for at least a second year in a row *(Figure 6)*. In the South, new construction in every state except Georgia was one or two years past recent peaks. In the Midwest, South Dakota was the only state where housing production did not stumble as a result of the broader economic slowdown. Permits in more than half the Western states continued to drop. The Northeast was split, with production in New York, New Jersey and New Hampshire still climbing.

Home Prices Keep Rising

Despite the chill in construction activity, home prices continued to appreciate in most areas of the country in 2000. Nationally, the increase in prices outpaced general inflation for the seventh consecutive year, surpassing the 1980s runup in both duration and magnitude. Indeed, inflation-adjusted house prices have soared 16 percent since 1993, compared with 14 percent between 1984 and 1989.

Rising home prices and falling interest rates prompted many homeowners to tap into their home equity through refinancing and lines of credit. The median age of loans refinanced

7 Despite Rising Prices, Home Equity Fell as a Share of Value in the 1990s

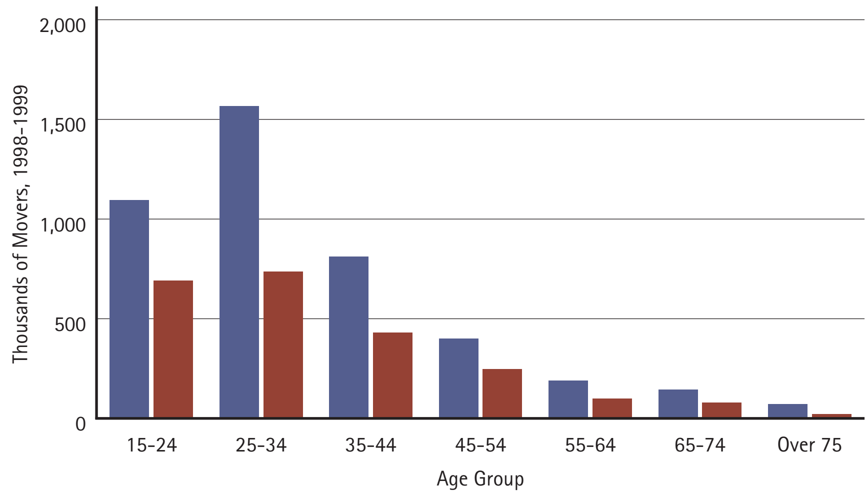


Source: Federal Reserve Flow of Funds of Accounts, Table B.100.

in the first quarter of 2001 was 1.6 years—the lowest quarterly figure ever reported. Borrowing was so heavy over the 1990s that home equity as a share of home value dropped 10 percentage points even as housing prices rose sharply *(Figure 7)*. At more than $5 trillion, the level of household mortgage debt outstanding is now larger than that of either corporate or federal government debt.

With the economy showing signs of weakness, concerns over the sustainability of home price increases have been growing. Such concerns are understandable given the 1980s experience. During that cycle, 18 of the nation's 50 largest metropolitan areas posted price appreciation of 20 percent or more above inflation. Following a prolonged period of job losses and mounting unemployment, 15 metropolitan areas then saw home prices depreciate by at least 10 percent. In the 1990s, 24 metropolitan areas experienced home price appreciation of 20 percent or more. The contraction in local economies would have to be much more severe than it has been so far, however, to trigger similar price declines this time around.

8 Despite Some Back-to-the-City Movement, More People Are Still Leaving for the Suburbs



Source: Census Bureau, Current Population Survey, Migration Table 23.

Suburbs Continue to Outperform Cities

As it has for decades, population growth in the suburbs exceeded that in central cities in most of the nation's metropolitan areas. With few exceptions, the gap between suburban and city growth rates was generally smaller in the South and West where many cities encompass annexed, low-density areas quite distant from the original urban core. Among the exceptions were Oklahoma City, San Antonio, Greensboro and Charlotte.

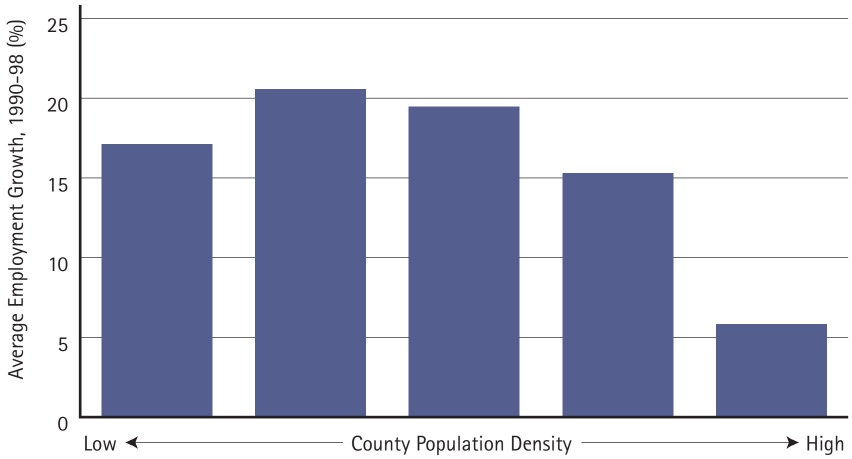
Contrary to reports of a major population shift back to the cities, more households have been moving out than have been moving in *(Figure 8)*. For every three households that moved to central cities in 1999, five departed for the suburbs. Notably, among 25 to 34 year-olds—the group perceived to be leading the back-to-the-city movement—twice as many individuals left cities as moved in. The imbalance is especially large for those with higher incomes: among movers earning $70,000 or more, for every one household that headed to the cities, more than three left.

This trend also holds for minorities. Even though minority population growth—spurred by natural increases and immigration—prevented many central cities from losing population in the 1990s, more minority movers settled in the suburbs than in the cities.

Nevertheless, cities as a group did experience their strongest population growth in decades. Fully 16 of the 31 cities in the largest metropolitan areas that lost population in the 1970s or 1980s (or both) gained population in the 1990s. Among the 16 were some of the nation's largest and oldest cities, such as New York, Chicago, and Boston. Most of the 15 that continued to lose population were concentrated in the Northeast and Midwest—including Hartford, Philadelphia, Pittsburgh, Cleveland, Detroit, and St. Louis.

Although up significantly from cyclical troughs, the central city share of building permits issued between 1995 and 1999

9 Job Growth Remains Centered in Low- and Moderate-Density Areas



Notes: Each bar represents one-fifth of the US population as of 1990. The number of counties represented by each bar varies.
Source: Joint Center tabulations of the Regional Economic Information System (REIS) database.

in the largest metropolitan areas was still modest. Even where central city population was increasing, growth in the suburbs was so much greater that building permits in the city amounted to only about 15 percent of the metropolitan total *(Table A-12).*

The building activity that has occurred in many cities has largely served to offset losses in the lower-quality housing stock. There are, however, a few exceptions. Chicago's addition of nearly 20,000 units, for example, signaled both the resumption of population growth after decades of loss and the return of some higher-income households. While such gentrification is often welcomed as a way to improve the mix of urban incomes, it can also displace lower-income residents. Indeed, gentrification has resurfaced as a major concern in many metropolitan areas ranging from Atlanta, New York and Boston to Chicago and Denver.

Mounting Development Pressures

Development has been especially intense in less populated areas of the country, where strong job growth has enabled people to work at ever-greater distances from traditional employment centers. Between 1990 and 1998, average job growth exceeded 15 percent in the nation's low- and moderate-density counties. In contrast, job gains in the highest-density counties averaged less than six percent *(Figure 9)*.

Soaring employment in outlying areas has fueled equally strong housing demand. In response, inflation-adjusted median home prices in rural suburbs climbed 18 percent between 1985 and 1999—well ahead of the 8 percent increase in urban portions of metropolitan areas. Rural areas outside metropolitan areas posted the largest increase, with real prices up 21 percent over the same period.

The vigorous pace of home building has stirred political activism at both the state and local levels to curb growth in outlying areas and closer-in, low-density suburbs. These efforts are primarily intended to preserve open space and to slow or halt further development. As additional growth limitation measures are approved, land costs will rise even more sharply and housing affordability in less developed areas will continue to erode. These pressures underscore the importance of finding ways to strike a balance between the desire to preserve open space and the need to expand the supply of affordable housing.

Demographic Drivers

- Household growth should meet or exceed the 1.15 million annual level of the 1990s as more echo boomers reach adulthood and immigration continues.
- Minorities will increasingly shape housing demand, contributing two-thirds of household growth over the next 20 years.
- While accounting for most of population growth in many central cities, minorities are also joining the exodus to the suburbs and beyond.
- Inequalities in income and wealth remain stubbornly large, leaving minority households at a disadvantage in housing markets.

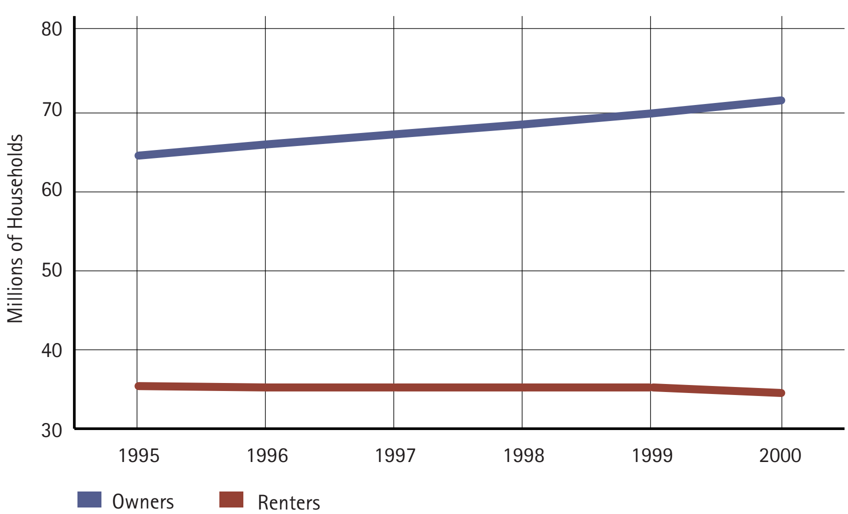
Housing demand is shaped primarily by shifts in the age and family composition of the adult population, immigration, and income and wealth trends. Aging of the population and ongoing immigration should keep household growth over the decade at or above the 11.5 million pace of the 1990s. In addition, immigration will serve to lift the minority share of net household growth to roughly two-thirds.

While age and family composition shape housing preferences, the distribution of income and wealth are what determine the ability of households to act on their preferences. With even greater inequalities in wealth than in income, and housing costs rising faster than general inflation, access to wealth will increasingly differentiate homebuying power. Given their lower average incomes and limited access to wealth, minorities will thus remain at a disadvantage in the marketplace.

Household Growth Slows

People are more likely to form independent households during good economic times and share living quarters during bad times. During the late 1990s, the number of owner households did rise, but the number of renter households did not. While the robust economy helped millions of renters make the move to homeownership, it is nonetheless surprising that renter household growth was flat *(Figure 10)*.

10 Recent Economic Good Times Boosted the Number of Homeowners, But Not of Renters

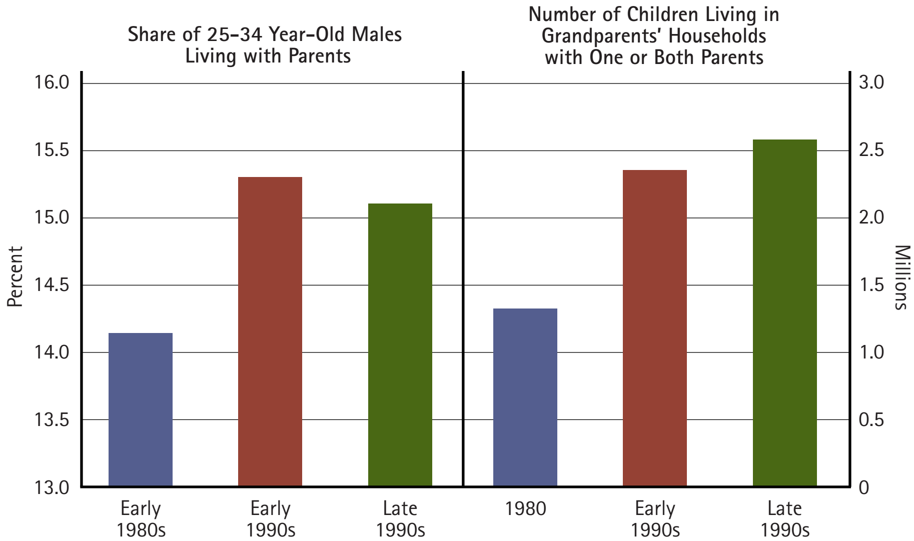


Source: Census Bureau, Housing Vacancies and Homeownership Historical Tables, Table 15.

The squeeze on affordable rental housing no doubt played a part. Rising rents prevented many young singles from living on their own. In 1999, the number of 25 to 34 year-olds living with their parents remained near historic highs. Fully 1 in 7 males and 1 in 12 females in this age group lived in their parents' homes. With a median income of $17,000—less than two-thirds that of single renters their age—many of these young adults could not afford to pay rent and also cover basic living expenses.

Households comprising three generations of family members have also continued to increase in number in recent years. In 1980, only 1.3 million children under the

11 Multigenerational Households Are Becoming More Common



Note: All numbers are from the Current Population Survey, except the 1980 number for children living in grandparents' households, which is from the 1980 Census.
Source: Census Bureau, "Fertility of American Women: June 1998," Tables AD-1 and CH-7.

age of 18 lived with one or both parents in their grandparents' homes. By the late 1990s, that number had doubled to 2.6 million *(Figure 11)*. This growth may reflect in part the immigration of racial and ethnic groups that are likely to live in multigenerational households.

Whether this doubling-up phenomenon primarily reflects an affordability squeeze or signals an emerging social trend is unclear. If it continues, however, household growth could again fall short of expectations. Future immigration flows and their impact on household formation also add to the uncertainty. In the absence of age- and family-specific data from the 2000 Census, the Joint Center currently estimates that net household growth will pick up slightly to 1.17 million annually over the next 10 years.

Shifting Age and Family Composition

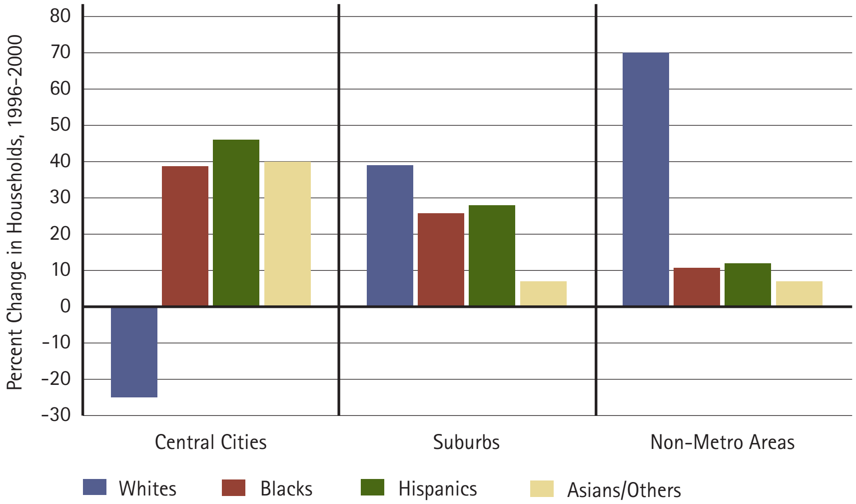
While the pace of household growth may be uncertain, its composition is not. Not surprisingly, the baby boomers will continue to drive the most significant changes in the age and income distribution. Although the total number of baby-boomer households will start to fall off as the oldest among them reach 65 in 2010, the number of households aged 45 to 64 will climb by more than 10 million over the decade *(Table A-5)*. The aging baby-boomers will boost spending on home remodeling, demand for luxury apartments, and purchases of new, tradeup, and second homes. Members of the baby-bust generation, now in the prime childbearing and childrearing years, will also add modestly to the demand for starter and tradeup homes, as well as for remodeling services.

In the meantime, the next big wave of households is just gathering. As the echo boomers begin to reach adulthood over the coming decade, they will form about 20 million new households and lift the number of household heads under the age of 35 by more than 1.0 million. These younger households will bolster demand for single-family starter homes, small multifamily units, and manufactured homes.

For their part, the parents of the baby boomers are reaching old age in better health, and with better prospects for longer lives, than any generation before them. As a result, the ranks of household heads over the age of 75 are expected to increase by roughly 1.3 million over the decade. This growth implies rising demand for housing that allows seniors to age safely in place and for specialized facilities such as assisted living and continuing care communities.

The changing age profile of the population will also drive changes in the composition of households over the next 10 years. With many of the baby boomers becoming empty-nesters and their children starting to marry, the fastest growing household type will be married couples without minor children living at home. Strong growth among both the senior and young adult populations, together with low rates of remarriage, will make single-person households the second fastest-growing household type. Of the nearly 5 million one-person households added over the decade, almost one-third will be over the age of 65. The numbers of single-parent households and married couples with children are expected to hold steady.

12 White Households Continue Their Exodus From the Nation's Central Cities



Notes: Hispanics can be of any race. Whites, blacks, and Asians/others are non-Hispanic. Asians/others are primarily Asians, but also include Pacific Islanders and Native Americans.
Source: 1996 and 2000 Current Population Surveys.

including New York, Providence, Houston, Minneapolis, and Salt Lake City—would not have done so without the impressive growth of minorities. Moreover, minorities are now the new majority in several cities such as Boston, Philadelphia, Norfolk, Milwaukee, Sacramento, and San Diego. The increasing diversity in cities also reflects the net out-migration of white households to the suburbs and beyond *(Figure 12)*.

While minority populations are on the rise in cities as a result of immigration and natural increases, minority households are also joining the move to the suburbs. More minorities of all ages and incomes left cities for suburbs than migrated to cities between 1998 and 1999. And in some metropolitan areas, growing numbers of new immigrants—especially Asians and Hispanics—are bypassing the cities altogether and settling in the suburbs.

Immigration Fuels Diversity

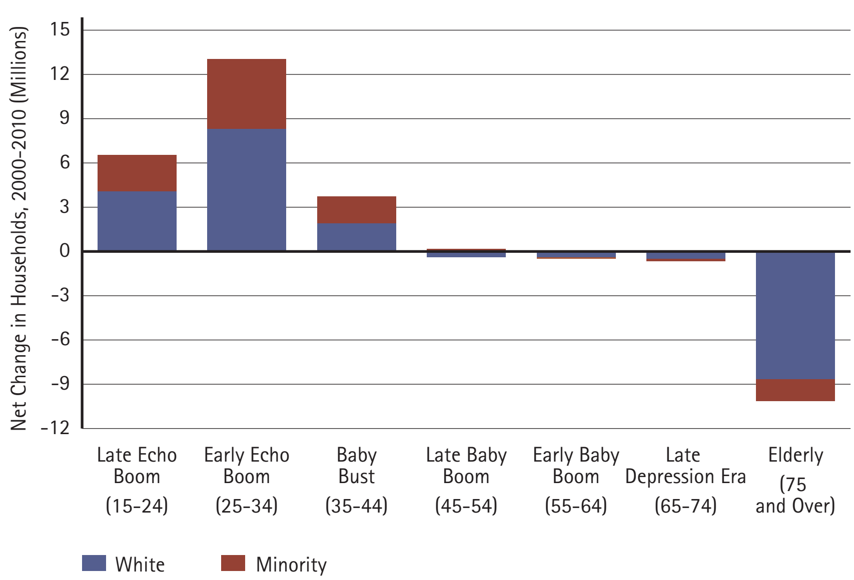
Since 1995, the foreign-born have contributed fully a third of household growth in the nation. Immigration was a particularly important force in the Northeast, accounting for more than half of household growth.

The influx of immigrants, together with losses of older white households, has pushed minority household growth far ahead of white household growth in both absolute and relative terms. Immigrants contributed more than 50 percent of Hispanic and over 80 percent of Asian household growth between 1996 and 2000. By comparison, immigrant households accounted for less than 20 percent of the growth in non-Hispanic white households and just over 10 percent of the growth in non-Hispanic black households.

The impact of immigrants and minorities has been particularly profound in central cities *(Table A-3)*. Indeed, most major cities that gained net population in the 1990s—

Minorities will have an even greater influence on housing demand in the years ahead as the children of the foreign-

13 The Echo Boomers—Including a Large Share of Minorities—Will Fuel Household Growth



Note: Age ranges are shown in parentheses for each group in 2010.
Source: George Masnick and Zhu Xiao Di, "Updating and Extending the Joint Center Household Projections Using New Census Bureau Population Projections," Joint Center Research Note N00-1.

born reach young adulthood. The age structure of the minority population is decidedly younger than that of the white population. As a result, losses among the elderly will disproportionately dampen white household growth over the next 10 years *(Figure 13)*. Hispanics, Asians, and blacks are thus expected to account for nearly 80 percent of population growth and about 65 percent of household growth in each of the first two decades of the 21st century *(Table A-8)*.

Women's Growing Impact

The past three decades have witnessed profound changes in women's aspirations and achievements. Thanks to substantial increases in education, gains in earning power, and greater independence, women's impact on housing markets has grown substantially.

The homeownership rate for female-headed households stood at 53 percent in 2000, up from 48 percent in the early 1980s. Between 1985 and 1999, the number of female first-time homebuyers under the age of 45 living alone jumped more than 65 percent. This increase boosted the homeownership rate for this group to 29.6 percent—up from 22.6 percent in 1985 and rivaling that of their male counterparts. Meanwhile, the number of female renters under 45 living alone increased from about 3.1 million to nearly 3.8 million.

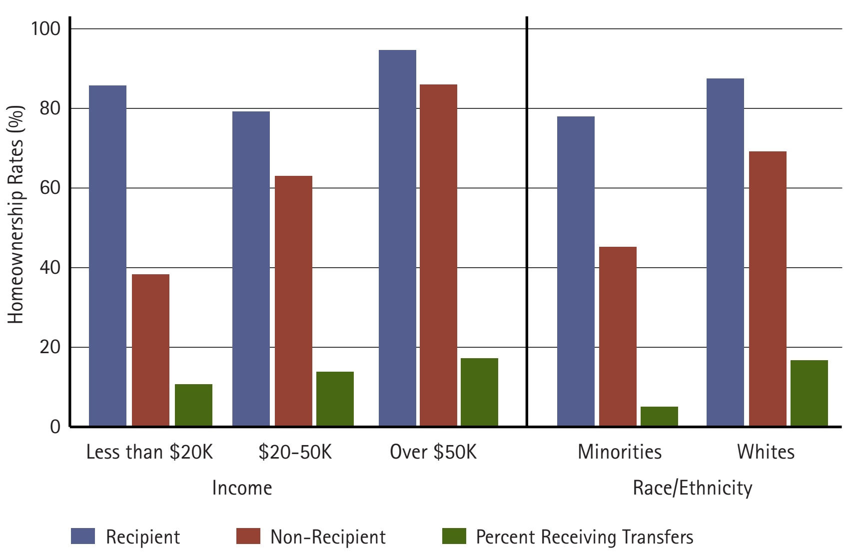
The share of married women contributing to household income also increased considerably to 63 percent in 1999, compared with 52 percent in 1981. Women's earnings have become especially critical for relieving the heavy housing cost burdens of low-income families and for enabling moderate-income families to qualify for homeownership.

Income and Wealth Disparities Widen

Despite the longest expansion in the nation's history, the disparity between the richest and poorest households widened in the 1990s. From the start of the recovery in 1992 through 1999, household incomes (adjusted for inflation) at the top 5 percent of the distribution increased by more than 20 percent, while incomes at the bottom 5 percent rose just over 10 percent. At the same time, incomes at the top 1 percent grew almost 50 percent, while those at the bottom 1 percent declined by about the same amount. Although blacks and Asians made particularly strong gains, their incomes—along with those of Hispanics—continued to lag those of whites by wide margins.

Household wealth is more unevenly distributed than income. In 1998, the top one percent of households held more than one-third of the nation's household net wealth. The bottom *half* held just three percent. Moreover, the median wealth of black and Hispanic households was less than one-fifth the median wealth of white households.

14 Intergenerational Wealth Transfers Boost Homeownership



Source: Survey of Consumer Finances, 1998.

The distribution of wealth has important implications for housing demand. Transfers of family assets can make the difference between buying a home and not, especially for minority and low-income households *(Figure 14)*. Because white households have more accumulated wealth than minority households, they can make substantial financial gifts to their children. Nearly 17 percent of white households have received assets from their parents, compared with only 5 percent of minority households. Moreover, the amounts minorities typically receive are considerably lower than those whites receive. These patterns reinforce differences in homebuying power, adding to the advantages of white households in the housing market.

Homeownership

- Despite the economic good times of the 1990s, minority homeownership rates still lag those of whites by a wide margin.
- While special and subprime lending programs have boosted ownership, they also leave marginal buyers at risk of default if the economy contracts sharply.
- With affordability eroding, sustaining the homeownership boom depends even more on continued employment growth, interest rate reductions, transaction cost cutting, and mortgage product innovation.
- Even without an increase in age-specific ownership rates, the entrance of the echo boomers into the housing market should lift homeownership rates to new peaks.

The number of net new homeowners has climbed by more than eight million since 1994. Employment and income growth, modest mortgage interest rates, innovative mortgage products for low-income buyers, and expected home price appreciation all contributed to the ownership rally. Although consumer confidence weakened and job growth slowed at the end of last year, nearly 1.2 million net households were added to the ranks of homeowners. This growth pushed the national homeownership rate to a record 67.4 percent in 2000.

While the economic slowdown has so far been modest, a more severe or prolonged downturn would make it difficult for some homeowners to pay their mortgages. With many buyers putting less than five percent down and more relying on two incomes to make their monthly housing payments, a full-blown recession could leave many owners vulnerable to default.

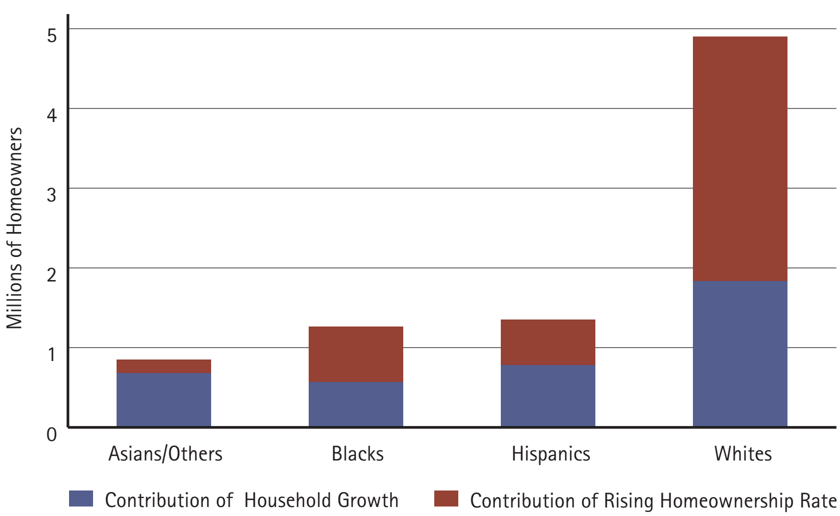
Minority and Low-Income Gains

Minority households continued to lead the growth in homeownership in 2000. Although representing less than one-fifth of all owners, minorities contributed two-fifths of the net gain between 1994 and 2000. The impressive 24 percent net increase in black owners and 39 percent net gain among Hispanic owners far exceeded the 9 percent growth among white owners. Nevertheless, the combined gain in black and Hispanic owners (1.2 million each) amounted to less than half that in new white owners.

While white homeownership rates rose across all age groups and family types, much of the minority increase was driven by strong household growth *(Figure 15)*. This in turn reflects the rising number of young adults in these groups. The majority of the nation's minorities are now under age 35, the prime household formation and first-time homebuying years.

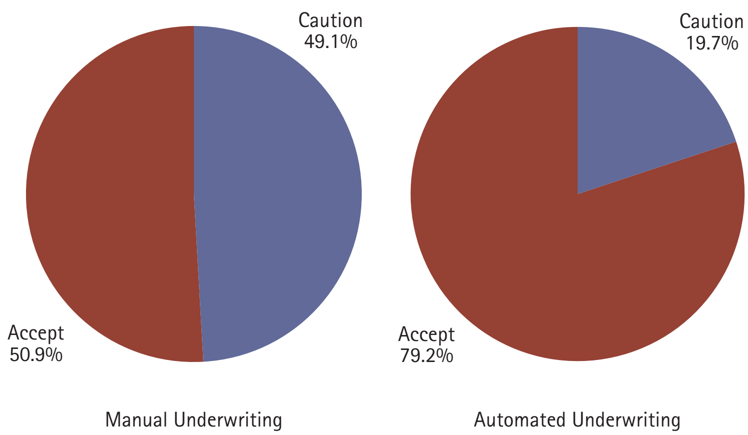
At 25.7 percent, the gap between the minority and white ownership rate narrowed by just one-tenth of a percentage point between 1999 and 2000. Indeed, both the black-white and Hispanic-white

15 Strong Household Growth Has Driven the Increase in Minority Homeowners Since 1994



Notes: Whites, blacks, and Asians/others are non-Hispanic. Hispanics can be of any race.
Source: Joint Center tabulations of Census Bureau Housing Vacancy Survey, Table 6A (unpublished).

16 Automated Underwriting Has Boosted the Number of Minorities Qualifying for Mortgages



Notes: Risk grading is shown for 350 minority loans purchased by Freddie Mac in 1995. Automated underwriting results are from Freddie Mac's Loan Prospector. Numbers for automated underwriting do not add to 100% because the "unscorable" category is excluded.
Source: Freddie Mac.

homeownership gaps have improved by just 1.3 percentage points since 1994. The black ownership rate now stands at 47.6 percent, the Hispanic rate at 46.3 percent, and the Asian/other rate at 53.9 percent—all considerably below the 73.8 percent rate of whites.

Similarly, the homeownership gap between high- and low-income households remains stubbornly wide. Although a slim majority (52 percent) of low-income households now own their homes, the comparable share for high-income households is fully 30 percentage points higher.

What these numbers conceal, however, is the spectacular growth in lending to low-income households. Loans to low-income homebuyers shot up 97 percent between 1993 and 1999, increasing their share of total home purchase loans from 26 percent to 32 percent *(Table A-13)*. By comparison, lending to high-income borrowers increased 47 percent over this period. But because growth among high-income owners starts from a much larger base, the number of net new high-income homeowners added since 1995 (2.8 million) still exceeds the number of net new low-income owners (2.4 million).

Many low-income buyers are also making the move to the suburbs. In 1999, about two-thirds of low-income homebuyers within metropolitan areas purchased homes in suburban neighborhoods. Indeed, the shares in Atlanta, Hartford, Washington, Minneapolis, and Seattle exceeded 70 percent. Moreover, the move to the suburbs was typically to a moderate- or high-income neighborhood.

Minorities, too, are buying suburban homes. In 1999, for the second year in a row, more than 60 percent of minority buyers purchased homes in suburbs. Minority homebuying in suburban neighborhoods exceeded 80 percent in the metropolitan areas of Washington, DC, Atlanta, and Miami, and was at least 70 percent in Tampa, Seattle, Los Angeles, St. Louis, and Hartford. This trend does not, however, necessarily imply an increase in racial integration. Nationwide, more than half of the minority households that purchased homes in the suburbs bought in areas where minorities made up at least 20 percent of the population.

Lenders Intensify Outreach

Lenders have made concerted efforts to serve low-income and minority homebuyers. According to a recent Federal Reserve study of the nation's largest lenders, three-quarters of the respondents offered special terms to make homeownership more accessible to low-income borrowers.

Among the tools lenders have used in this outreach are reduced interest rates, fee waivers or reductions, homeownership counseling, lower downpayment and reserve requirements, and higher debt-to-income ratios. In addition, subprime loans are increasingly available to borrowers—and especially to current homeowners—with tarnished credit histories.

Technological advances have also played a role. While the number of mortgage originations on the Internet is small, automated underwriting systems now qualify applicants for a loan in minutes and at lower cost. More importantly, automation of the mortgage origination process can potentially increase the share of approvals. Evidence from Freddie

Mac shows that introducing automated systems, and the statistical models of loan performance they are based upon, has served to expand the pool of eligible borrowers *(Figure 16)*. For those who fail to qualify, the systems can produce detailed guidance on what to do to become eligible.

Nevertheless, concerns about the use of technology remain. Automated underwriting systems now rely heavily on credit scores, which could put minority applicants at a disadvantage because many lack formal credit histories. As a result, the industry is now exploring alternative methods to evaluate the creditworthiness of these applicants.

Deteriorating Affordability

Both rising home prices and higher average interest rates in 2000 made homeownership less affordable for new buyers coming into the market. Owners' real incomes were up 2 percent last year, but real house prices rose 4 percent and typical after-tax monthly mortgage payments jumped 10 percent *(Table A-4)*. In fact, tax-adjusted housing costs as a share of income were 8 percent higher for buyers in 2000 than in 1999. As a result, last year's buyers saw higher housing costs consume nearly all their income gains.

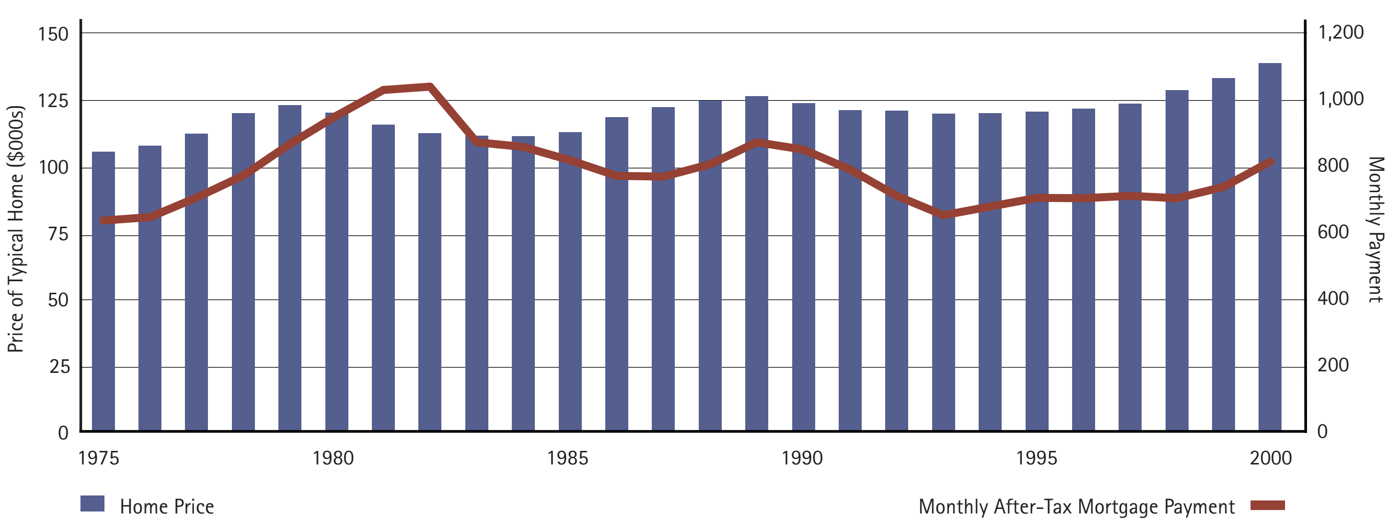
Higher home prices raise the bar for homeownership because buyers need more money for downpayments, have larger mortgages, and must make higher monthly payments. Average real home prices have appreciated 26 percent since 1975, while median homeowner incomes have increased just 22 percent. Keeping the boom alive will therefore depend even more on employment growth, stable or lower interest rates, transaction cost cutting, and mortgage product innovation.

Protecting Marginal Homebuyers

As the economy softens, concerns are mounting over the impact that job layoffs could have on homeownership growth. Sustained employment losses often precede home price declines. Although history suggests that falling prices alone do not trigger loan defaults, they clearly increase the risk when combined with income losses or budget shocks such as unexpected medical expenses.

Recent buyers who purchased homes with minimal downpayments and limited cash reserves are particularly vulnerable. Last year, 16 percent of borrowers put down 5 percent or less on their mortgages, and 5 percent of buyers put down 3 percent or less. While low-income homebuyers are the most

17 Ownership Costs for New Buyers Continued to Climb in 2000



Note: Prices and payments are in 2000 dollars.
Source: Table A-4.

apt to make such small downpayments and the least able to bridge a loss in income, falling home values and a job loss can be devastating to any homeowner who buys near the top of a cycle.

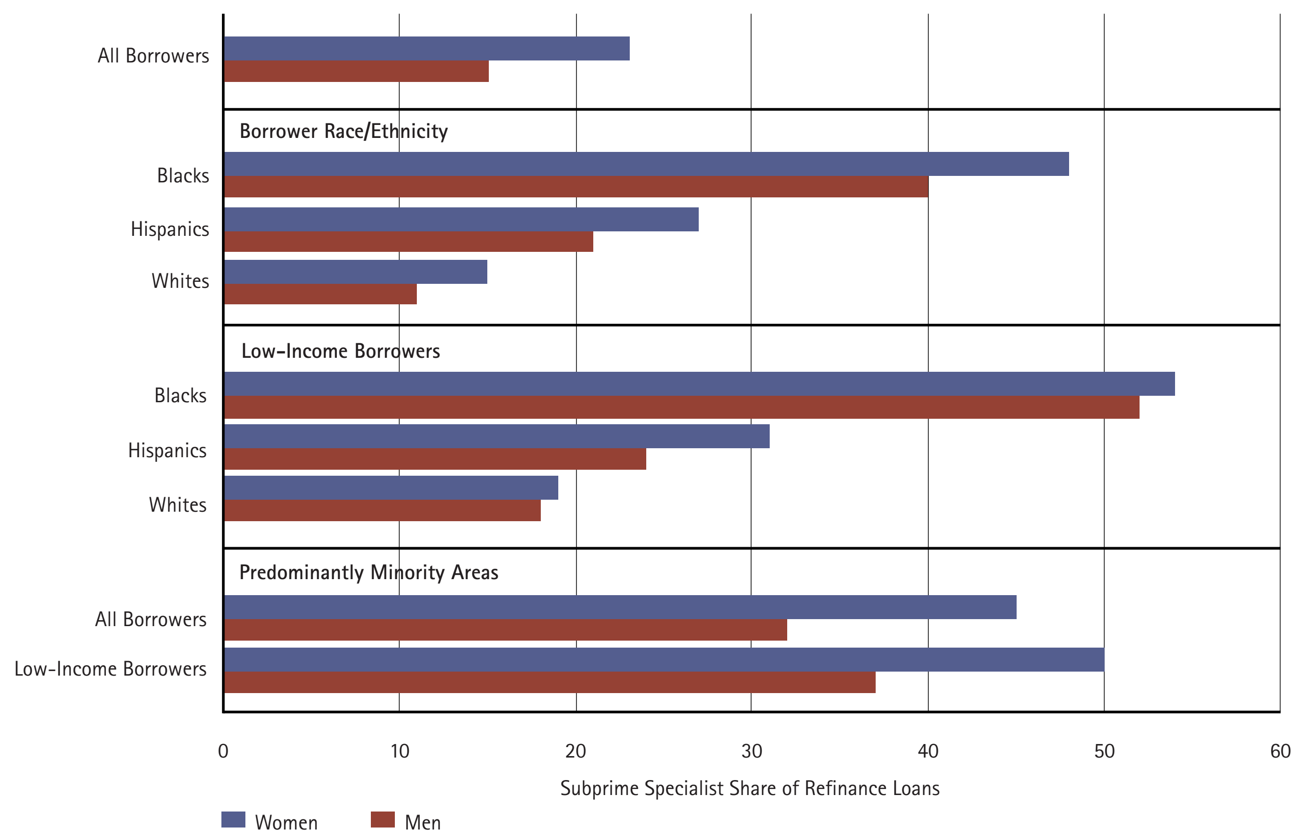
Rising unemployment could also jeopardize the ability of millions of two-earner households to meet their housing costs. More than 30 percent of the 1.2 million low-income families with both spouses employed who bought homes between 1997 and 1999 spent more than half their incomes on housing (including mortgage payments, property taxes, insurance and utilities). If all the wives in these couples lost their jobs, the share with such heavy cost burdens would increase to 45 percent; if all the husbands lost their jobs, the share would jump to 69 percent.

To head off delinquencies, counseling is being offered to new buyers about the rights and responsibilities of homeownership. Recent research by Freddie Mac reveals that pre-purchase counseling has been particularly effective: borrowers who received individual counseling had 40 percent lower delinquency rates than those who did not receive the service. The delivery mechanism is, however, critical. Classroom counseling was only about half as effective as individual counseling, while telephone and home-study counseling had no impact whatsoever.

Subprime Lending Adds to Risk

Between 1993 and 1999, subprime lending surged from just 1 percent of both purchase and refinance loans to 19 percent

18 Subprime Refinance Specialists Focus on Women, Minorities, and Underserved Areas



Source: Table A-14.

of refinances and 6 percent of home purchase loans. This increase is noteworthy because, regardless of the state of the economy, default rates on such loans tend to be relatively high and entail considerably higher interest rates and fees than conventional loans.

The increased presence of subprime lenders in the refinance market, particularly in historically underserved areas, is troubling. In 1999, subprime refinancings were especially common in predominantly minority neighborhoods and among low-income blacks and women *(Figure 18)*. Moreover, 18 percent of high-income minority homeowners refinanced their mortgages with a subprime lending specialist—the same share as low-income white owners. Such segmentation in the subprime refinance market has raised concerns about minority access to conventional refinance lenders that offer lower rates and fees.

A fraction of high interest-rate/high-fee lending is predatory, with agents employing aggressive sales tactics or taking unfair advantage of borrowers' lack of understanding about loan terms. What is particularly worrisome is predatory lenders' use of such tactics to extract monthly payments that are too large for borrowers to cover or that strip away home equity through repeated refinances that fold large fees or inflated remodeling costs into the mortgage balance.

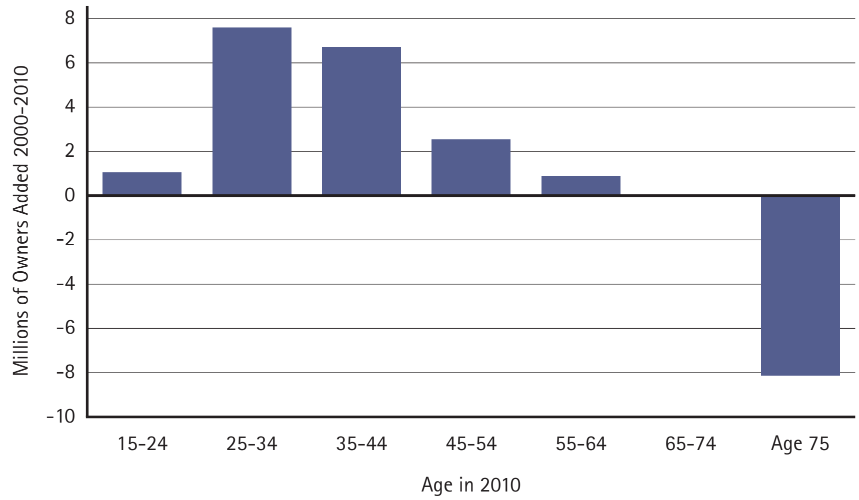
Demographic Forces Favor Homeownership

Although no longer adding net new households, the baby boomers will continue to swell the ranks of homeowners during the next decade. As they reach the ages of 45 to 64, over 3 million baby-boom households will likely make the shift from renter to owner. This growth will be fueled by delayed homebuying among married and remarried couples, financial windfalls from inheritances, and rising homeownership rates among the never-married and divorced.

The largest increases in owner households, however, will come from the echo boomers as they move into the prime homebuying ages of 25 to 34 *(Figure 19)*. Although the children of the baby boomers are delaying marriage even longer than their parents, their sheer numbers—particularly compared with the baby-bust generation that precedes them—will help sustain homeowner growth. But even if homeownership rates held at late-1990s levels, the age structure of the population alone would keep the number of homeowners rising steadily for the next 20 years.

Minorities and immigrants make up a growing share of the echo boomers and also have rising homeownership rates. Nevertheless, the homeownership gap between whites and minorities is unlikely to close any time soon given persistent differences in their education levels, wealth, and labor market returns. Progress in narrowing this disparity thus depends on devising new nontraditional measures of credit risk and helping minorities overcome income and wealth constraints.

19 The Echo Boomers Are Poised to Become the Drivers of Homeownership Growth



Notes: The echo-boom generation will be between the ages of 15 and 34 in 2010. The baby-bust generation will be between the ages of 35 and 44.
Source: Masnick and Di, Research Note N00-1.

Rental Housing

- For some moderate- and high-income households, renting remains preferable to homeownership and makes financial sense.
- The slowdown in renter household growth in the 1990s reflects both the squeeze on rents and the boom in homeownership.
- Single-family homes make up a growing share of the rental stock, but small multi-family structures continue to disappear from the supply.
- The shortage of affordable rental units that afflicts low-income households is now spreading to moderate-income households.

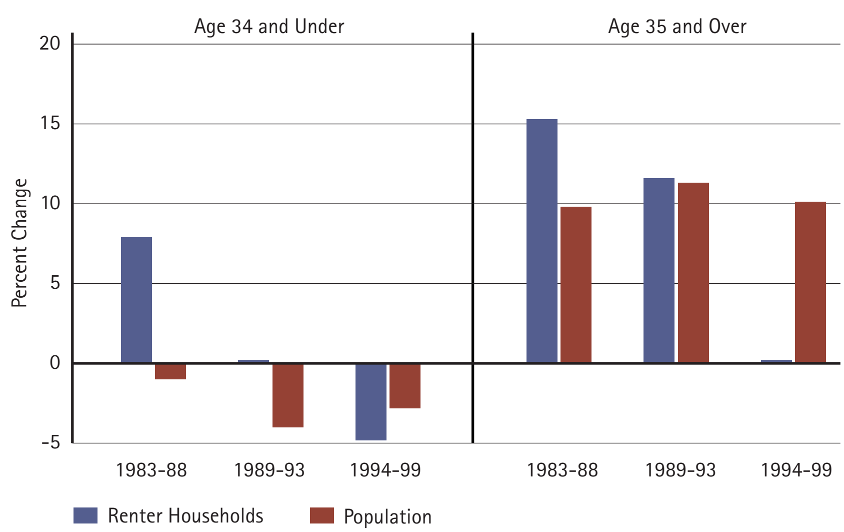
Booming homeownership and escalating rents brought renter household growth to a virtual standstill in the second half of the 1990s. Nevertheless, rental vacancy rates held firm and rents rose faster than inflation as losses from the existing stock and low levels of multifamily construction kept markets in balance.

Notwithstanding the surge in demand for homeownership, renting still remains the preferred housing choice for many families and individuals. In fact, in many places at many times, and for many holding periods during the past 15 years, renting made better financial sense than owning. It is therefore not surprising that significant numbers of higher- and middle-income households choose to remain in the rental market, along with many lower-income households.

Market Pressures Push up Rents

Rental markets tightened again in 2000, pushing rents up faster then general inflation for the fourth consecutive year. Although renter household growth lagged in the second half of the 1990s, the slowdown coincided with large losses in the multifamily stock. Combined with only modest levels of new construction, this set of circumstances pushed rental vacancy rates down in more than half of the 75 largest metropolitan areas.

20 Renter Household Growth Sagged in the Late 1990s Despite the Strong Economy



Source: Joint Center tabulations of Census Bureau Annual Population Estimates and Housing Vacancy Surveys, Historical Table 15.

Most of the squeeze on rentals occurred in higher-cost areas, several of which saw vacancy rates drop below 4 percent. Vacancies in areas outside the core central cities of these metro areas fell even lower. For example, the vacancy rate in Orange County (near Los Angeles) stood at 2.2 percent last year while the rate in Bergen-Passaic, New Jersey (near New York City) was only 1.9 percent. Vacancies in San Francisco and Boston also dropped to just 3.1 and 2.7 percent, respectively.

Rent increases in several metropolitan areas thus ran well ahead of general inflation. Between 1997 and 2000, inflation-adjusted rents climbed 12 percent in San Francisco, 8 percent in Denver, and 5 percent in Boston. At the same time, though, rents lagged behind general inflation in 12 of the 26 metro areas with measured rent changes, underscoring the local nature of housing markets.

Renter Household Formation Stalls

Historically, the pace of household formation among both owners and renters tends to pick up during economic expansions. In the second half of the 1990s, however, growth in the number of renter households aged 35 and over was flat despite the 10 percent growth in population. Moreover, the decline in renter households aged 34 and under far exceeded the drop in the under-35 population *(Figure 20)*.

While the homeownership boom clearly diverted demand from the rental market, other factors were also at work. Social and cultural shifts—such as the growing numbers of two- and three-generation households—may figure in the explanation. This “doubling-up” phenomenon has increased since the 1980s, reflecting at least in part the growing ranks of immigrants who often live together in three-generation households.

But affordability no doubt played a major role as well. While renters’ income growth outpaced the rise in rents *(Figure 21)*, the incomes of many young adults living with their parents were still too low to enable them to afford housing on their own.

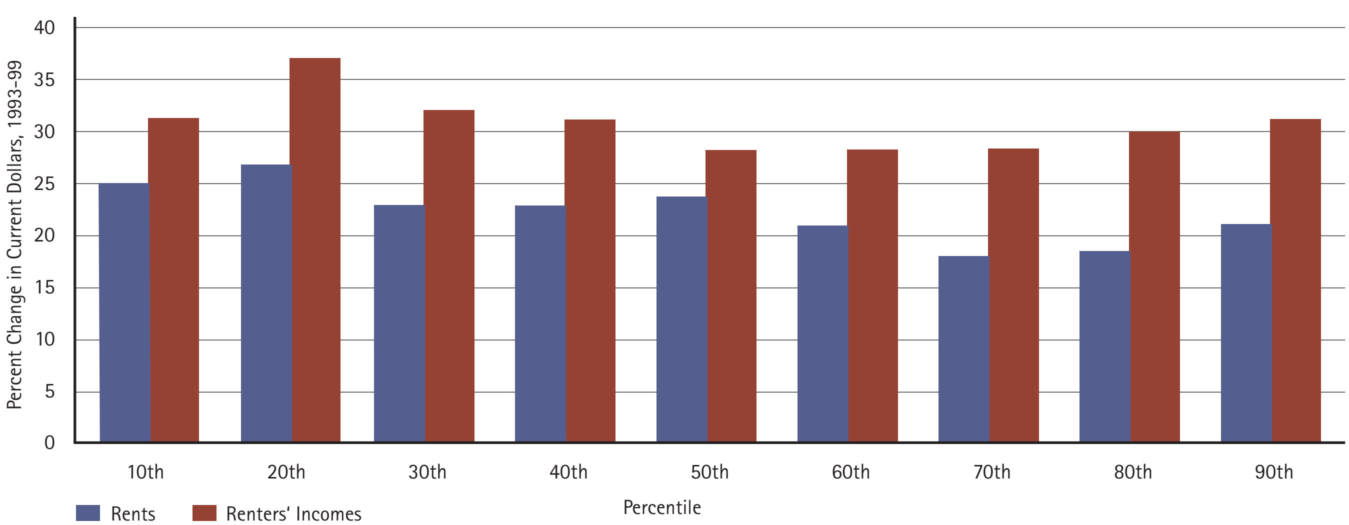
Renter Incomes and Housing Choices

In 1999, nearly four in ten renter households lived in single-family homes and six in ten lived in multifamily buildings. Common perceptions notwithstanding, most multifamily rental units are in small structures: fully one-third are in buildings with fewer than 5 apartments, and more than half are in buildings with fewer than 10 apartments. By comparison, less than 15 percent of renters live in buildings with 50 or more units.

Multifamily rentals are an especially important source of housing for people of modest means. Households that rent single-family homes have median incomes of $26,300. The incomes of renters living in small multifamily buildings (with 2 to 10 units) are roughly $3,000 below that level, and the incomes of those living in large apartment buildings (with 50 or more units) are yet another $5,000 lower.

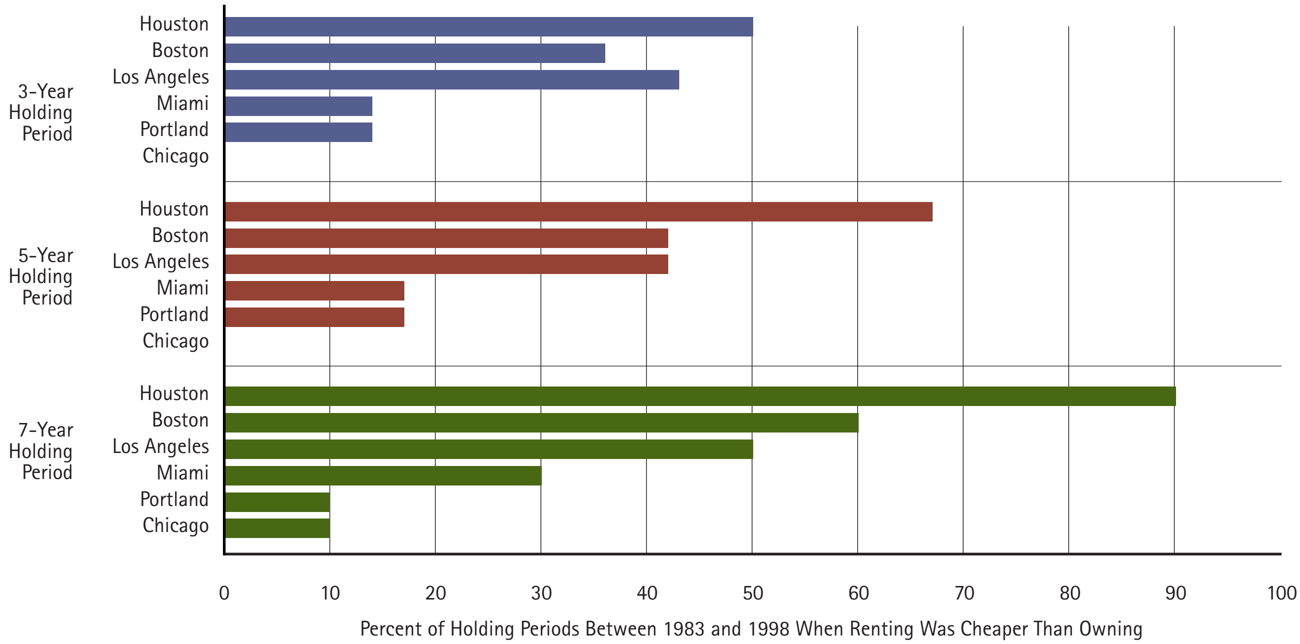
Even so, the share of minority and central city households renting single-family homes has risen. This increase presumably reflects the movement of many urban homeowners to the suburbs, leaving more single-family units available for rent in the central cities. Nevertheless, because suburbs have a much higher proportion of single-family houses than do cities, fully 40 percent of single-family rentals are located in suburban areas.

21 Renters’ Income Gains Outpaced Rent Increases in the 1990s



Sources: 1993 and 1999 American Housing Surveys, and March 1994 and March 2000 Current Population Surveys.

22 In Many Circumstances and Locations, Renting Can Be a Better Financial Choice



Notes: There are 14 possible 3-year holding periods between 1983 and 1998, 12 possible 5-year holding periods, and 10 possible 7-year holding periods. In Chicago, renting was not the better choice in any of the 3- and 5-year holding periods.
Sources: Joint Center tabulations of the 1987-91 American Housing Surveys and unpublished data from the Bureau of Labor Statistics.

Renting as a Financial Choice

Substantial numbers of higher-income households rent rather than own their homes. In 1999, 2.6 million households earning at least 20 percent more than the area median income lived in single-family rentals, and another 2.6 million lived in multifamily rentals. Indeed, fully 5.6 million households with incomes over $50,000 rent their housing.

For some types of households—young adults, frequent movers, recent immigrants, senior citizens, and divorced individuals—ownership is either not feasible or not desirable given their financial resources, lifestyle preferences, or the interval before their next move. Many people in fact find renting a better financial choice because they avoid the high transaction costs of buying and selling a home and the risk of losing money over short holding periods.

Whether owning or renting is the prudent financial choice depends on when in the house price cycle a household buys, the volatility of the market, the differential tax benefits, and the returns available on competing investments. In certain highly cyclical markets (such as Boston and Los Angeles) or weak ones (such as Houston), renting may be cheaper because buyers can face heavy losses after market peaks or during periods of price stagnation *(Figure 22)*. For example, in 5 of the 14 years between 1983 and 1998, renting in Boston would have been the more prudent financial choice for families that moved within three years. In steadily growing markets (such as Chicago and Portland), however, losses from homeownership are rare because house price appreciation offsets the transaction costs of buying and selling even if the household moves within a short period of time.

The Expanding Single-family Supply

Single-family homes now make up more than 37 percent of the rental stock, compared with 33 percent in 1993. However, because demand has failed to grow along with the expanding rental supply, single-family vacancy rates have jumped from 3.7 percent to 7.1 percent.

Growth in the single-family share of rentals reflects in part the shifting age and family composition of the population. If renters by age and family type rented single-family homes at the same rates as in 1989, the aging of the population alone would have lifted the share of renters living in single-family homes to 36 percent in 1999. Part of the shift of single-family units from the for-sale market into the rental market is therefore a supply-side adjustment to changes in demand.

The recent construction boom, along with the entrance of the baby-bust generation into the prime homebuying years, has also contributed to the increase in single-family rentals. So, too, has strong income growth. In combination, these forces tend not only to increase the share of renters that demand single-family homes, but also to reduce the share that demand older and smaller units.

Multifamily Rental Losses

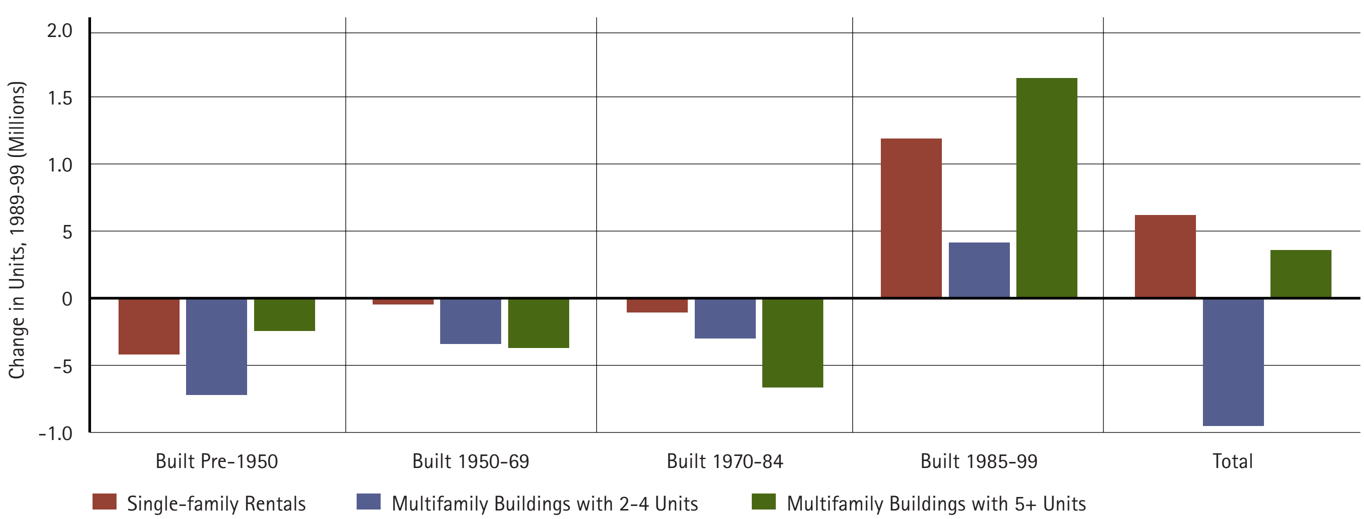
In contrast to the growing single-family rental supply, the multifamily rental stock has been hard-hit by losses. Almost 1.4 million units in multifamily buildings with two to four apartments were either converted or demolished during the 1990s *(Figure 23)*. New construction between 1985 and 1999 added only about 400,000 apartments in these small buildings, leaving a net loss of nearly one million units of this type. Meanwhile, the net number of rental units in buildings with five or more apartments increased by only 350,000 for the decade. Although new construction added over 1.6 million such rentals, fully 1.25 million were removed from the market over the course of the 1990s.

Small multifamily rentals are likely to be owned by individuals with few property holdings. For many of these landlords, the ventures are unprofitable: in 1995, 32 percent of owners with fewer than 10 units reported losses on their investments. Losses among owners living in their buildings, however, were substantially lower at 14 percent. As a result, unless they have a resident landlord, small multifamily structures are especially at risk of deterioration and eventual removal from the stock.

On the plus side, multifamily losses have been concentrated among older and poorer-quality units. Removal and replacement of deterioriated structures with newer rentals is in fact the primary way that the quality of the overall stock improves. But net losses of the smallest multifamily buildings and only minimal additions of larger multifamily buildings are worrisome because of their critical importance in meeting low- and moderate-income housing demand.

Of equal concern is the limited production of units with rents affordable to moderate-income households. Federal tax incentives and subsidies still make it profitable to build some rentals for lower-income households, and market rents cover the cost of developing and operating buildings for higher-income households. But escalating land prices have made rental units for moderate-income families barely profitable. Without additions to the supply, the shortage of affordable rentals will soon spread to the moderate-income segment.

23 Small Multifamily Buildings Are Disappearing from the Rental Stock



Source: Joint Center tabulations of the 1989 and 1999 American Housing Surveys.

Housing Needs

- Severe cost burdens are the nation's most serious housing problem, affecting over 11 million lowest-income households.
- At today's fair market rental prices, two-worker households earning the minimum wage cannot afford a typical two-bedroom apartment.
- With ongoing losses of low-income rental units, the affordable housing shortfall extends from cities to outlying areas.
- While federal funding for vouchers and production incentives has recently increased somewhat, the stock of public housing and directly subsidized units continues to shrink.

At the close of the 1990s, over 14 million American households—about one in eight—were severely cost-burdened, spending more than 50 percent of their incomes on housing. The share with at least moderate cost burdens was much higher, with three in ten households paying 30 percent or more of their incomes for housing. In addition, two million households lived in homes with serious structural problems. Nearly one-fourth of these households also had high cost burdens.

Strong income growth in the 1990s helped to stabilize the number of heavily cost-burdened households. At the same time, however, the supply of low-income rental units continued to shrink along with the stock of federally subsidized housing. Reversing its recent course, the federal government expanded the number of housing vouchers for very low-income renters and increased the tax incentives for the production of low-income housing and for promotion of homeownership. Even so, federal housing assistance still falls far short of relieving the severe cost burdens of households with the lowest incomes.

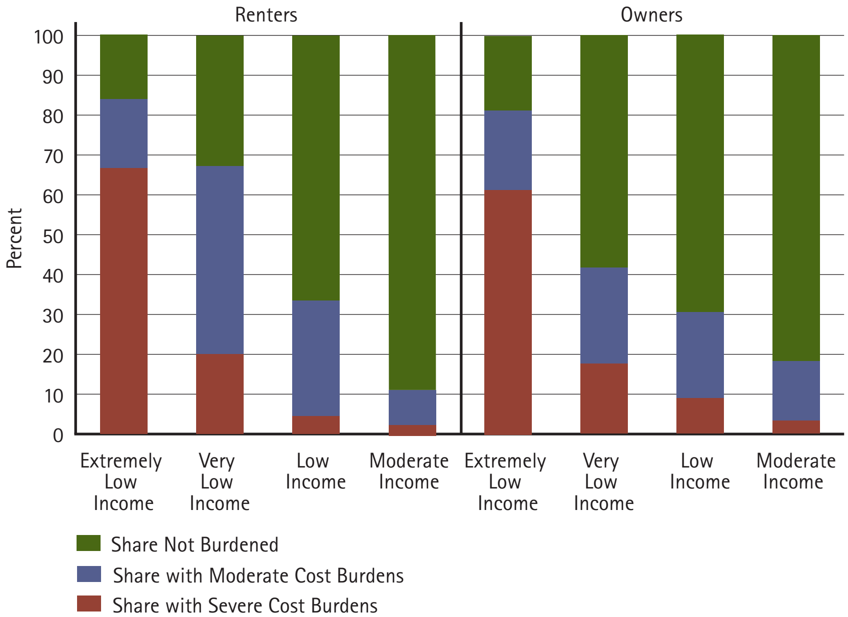
Housing Problems Most Severe for the Poor

Housing problems are highly concentrated among the nation's poorest households *(Figure 24)*. Regardless of whether they owned or rented, almost two-thirds of households with extremely low incomes (9.1 million) and one-fifth of households with very low incomes (2.4 million) paid more than half their incomes for housing in 1999.

Households at the low end of the income distribution are also the most likely to live in overcrowded and/or structurally inadequate housing. In fact, nearly half (about 800,000) of the households living in housing with serious structural problems have very low incomes.

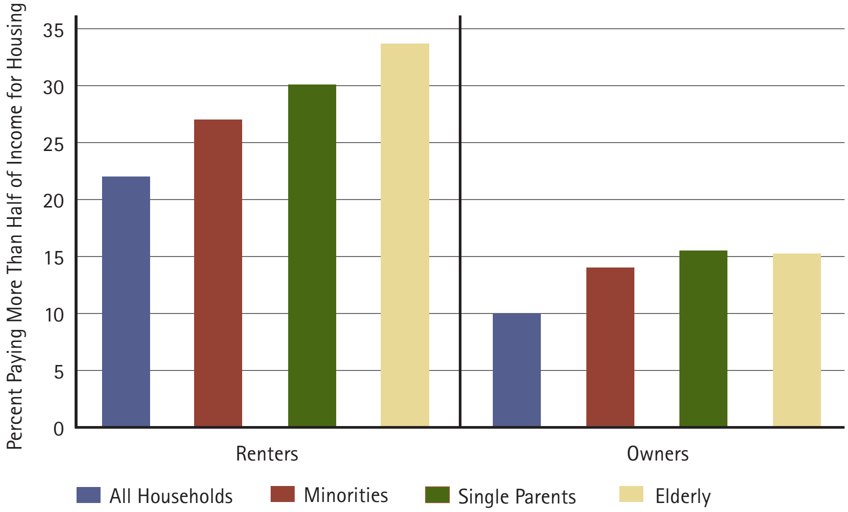
Disproportionately large shares of minority, elderly, and single-parent households—who often have low incomes—face severe cost burdens *(Figure 25)*. This is particularly trou-

24 The Heaviest Cost Burdens Fall Upon Those Least Able to Afford Them



Notes: Includes only occupied units and excludes no-cash renters. Severe cost burden is defined as paying more than 50% of income for housing. Moderate cost burden is defined as paying 30-49% of income for housing. Extremely low income is defined as less than 30% of area median. Very low income is defined as 30-49% of area median. Low income is defined as 50-79% of area median. Moderate income is defined as 80-120% of area median.
Source: Joint Center tabulations of the 1999 American Housing Survey.

25 Disproportionately Large Shares of Minority, Single-Parent, and Elderly Households Have Severe Cost Burdens



Notes: Single-parent households are defined as having at least one child under age 18 living with one parent. Elderly is defined as over 65 years of age.
Source: Joint Center tabulations of the 1999 American Housing Survey.

bling because many of these households have limited housing options. Single-parent households, headed primarily by women, have an especially difficult time finding housing in safe neighborhoods with ready access to employment.

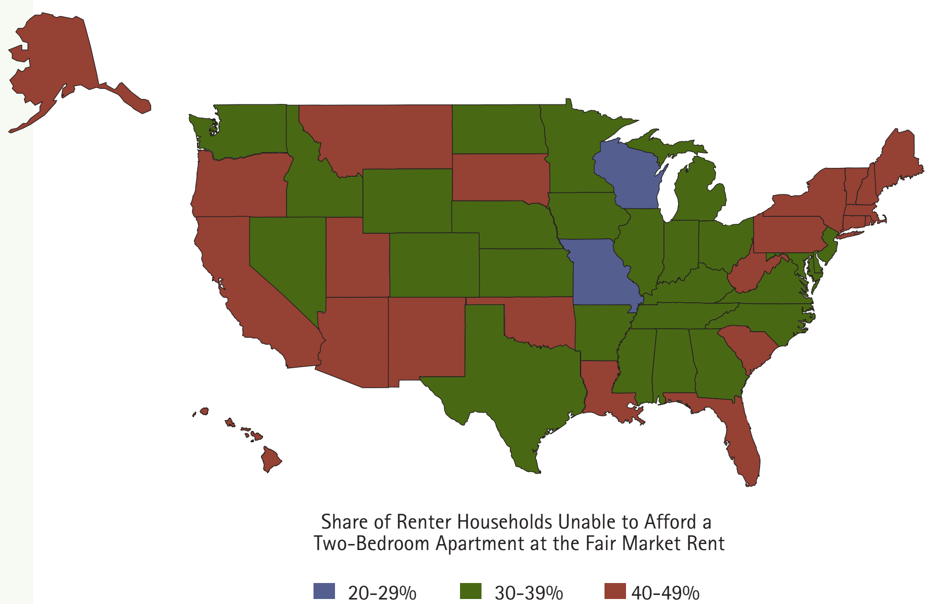
Affordability Problems Hit Many Working Households

Full-time workers earning the minimum wage are increasingly cost-burdened as well. Today, in no state does a full-time minimum wage job enable a family to afford the federal fair market rent for a two-bedroom apartment. Indeed, in 22 states more than 2 in 5 renter households cannot afford such a unit at the fair market rent *(Figure 26)*. Furthermore, whether they own or rent, 3.9 million of the nation's 30.3 million low-income households with earnings at least equivalent to a full-time minimum wage salary spend more than half their incomes on housing.

For those coming off welfare and working at the minimum wage, paying for housing and having enough money left for other basic necessities will remain a struggle. For example, consider a single mother with two children, working full time at the minimum wage. She makes $10,700 a year, and the earned income tax credit brings this amount up to about $14,700. After paying half her income for housing, she has perhaps $7,000 left to spend on all of her family's other living expenses, including food, clothing, transportation, and healthcare. With only one wage earner, this household is highly vulnerable to an economic downturn that results in layoffs.

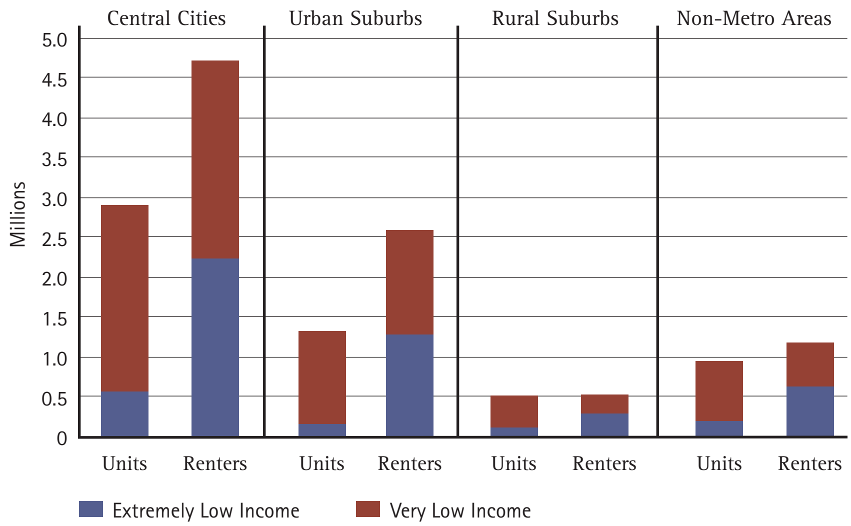
Tightening housing markets are putting pressure on even moderate-income households (earning between 80 and 120 percent of the area median). In 1999, 700,000 of the nation's 6.4 million moderate-income renters paid more than 30 percent of their incomes for housing—almost a third more than in 1997. A comparable share of moderate-income homeowners also faced cost burdens. The growing number of married couples depending

26 Today's Rents Are Out of Reach for Many Households



Notes: Affordable is defined as paying no more than 30% of income for housing costs. Fair market rent is defined by US Department of Housing and Urban Development.
Source: National Low Income Housing Coalition report, "Out of Reach."

27 The Shortfall in Affordable Housing Extends from the Central Cities to Non-Metro Areas



Notes: Very low income is defined as 30-49% of area median. Extremely low income is defined as less than 30% of area median. Affordable units are defined as renting for 30% or less of income. AHS definitions are used for central cities, urban suburbs, rural suburbs, and non-metro areas.
Source: Joint Center tabulations of the 1999 American Housing Survey.

on two incomes to cover their housing costs could also be hard-hit by a job loss.

The Vanishing Affordable Stock

Between 1997 and 1999, more than 200,000 unsubsidized rental units affordable to extremely low-income households were lost from the stock. These losses brought the total number of unsubsidized units affordable to the poorest households down to just 1.2 million. With 4.5 million unsubsidized renters earning less than 30 percent of the area median income, the shortfall in affordable housing for the very poorest now stands at 3.3 million units. These numbers in fact understate the shortage because higher-income households occupy 65 percent of the units affordable to extremely low-income households.

The shortfall is serious even in cities, where affordable housing is most plentiful. Pressures on the limited supply will only increase in the coming decade as more households seek affordable rentals, particularly near traditional employment centers. But with so many low-wage jobs now being created in suburbs and outlying areas, the problem extends well beyond city boundaries. Indeed, the number of unsubsidized very low-income renters in the suburbs now outstrips the supply of affordable housing in these areas by well over one million *(Figure 27)*.

The Federal Response

The federal government provides rental assistance to about 4.6 million extremely and very low-income renters. Roughly 1.3 million are tenants in public housing, 1.9 million live in privately owned buildings with subsidies tied to the properties, and 1.4 million receive vouchers to rent private market units that meet federal requirements. More than twice as many extremely and very low-income renter households (9.7 million) receive no federal housing assistance. Almost 4.8 million of this group have such severe housing cost, quality, or overcrowding problems ("worst case needs") that they are deemed to warrant priority for federal assistance.

While the US Department of Housing and Urban Development (HUD) made significant progress in replacing badly deteriorated units in the 1990s, the supply of public housing has continued to shrink. With the stock of assisted units falling far short of the number of families with severe housing cost burdens, the waiting lists for public housing have grown to about one million households. As a 1999 HUD report notes, in some large cities families must wait ten years or more for an available unit.

Significant numbers of project-based affordable housing units have also been lost in recent years with the expiration of long-term contracts. As owners have "opted out" of programs or prepaid their FHA mortgage insurance, about 120,000 assisted units have been converted to market-rate housing. The threat of further losses looms as contracts on more than one million units of project-based housing come up for renewal by the year 2004.

The federal government has shifted decisively away from directly subsidizing the construction of affordable housing and toward providing very low-income renters with vouchers they can use on qualified units. Despite this shift and a recent surge in new commitments, the demand is still greater than the supply of vouchers. The average wait for a rental voucher in some cities is five years. Moreover, families that do receive vouchers sometimes have difficulty finding apartments to rent, either because the stock of units meeting federal rental standards is too small or because landlords are unwilling to participate in the program. The shortage of rental assistance worsened beginning in 1995, when Congress imposed a freeze on new rental vouchers for four consecutive years *(Figure 28)*.

In 1999, Congress did take steps to expand assistance by appropriating funds for 50,000 incremental housing vouchers. An additional 60,000 vouchers were funded in 2000 and 80,000 in 2001. HUD worked with Congress to reform the voucher program, allowing local housing authorities to raise payment standards to assist families in "hot market" areas. HUD also increased the payment level and provided other incentives to property owners threatening to leave the program. These recent actions have helped to bring about an upturn in the number of rentals receiving HUD subsidies.

Housing Production Programs

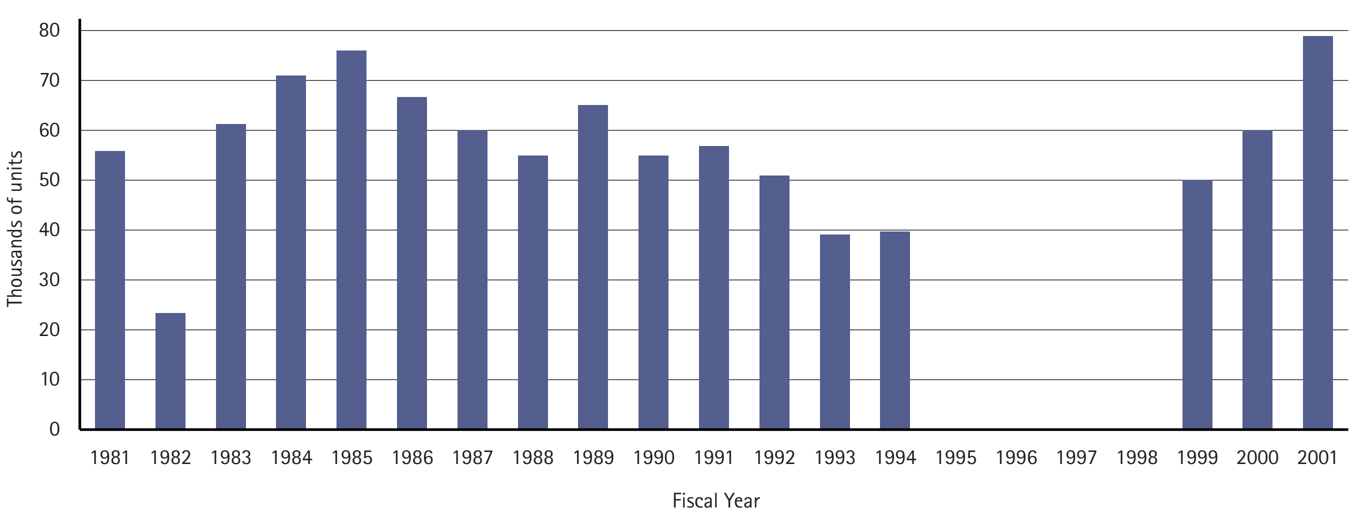
Recent efforts to expand the affordable housing supply have been made primarily through the Low Income Housing Tax Credit Program. Since their inception in 1987, tax credits have resulted in the production or substantial rehabilitation of about one million rentals affordable to people with incomes up to 60 percent of the area median. While some tax-credit units have rental prices below this level, many are still unaffordable to very low- and extremely low-income households that do not receive some type of additional assistance.

In 2000, for the first time since the program's inception, Congress approved a 40-percent, phased-in increase in funding for housing tax credits and pegged future increases to the inflation rate. Combined with federal block grants that provide flexible funding for individual state and local government housing programs, the tax credit program is thus poised to play an even larger role in the production of affordable housing.

Ongoing Special Needs

Housing for people with disabilities also lags behind needs. A recent study by The Arc (a national organization of and for mentally disabled individuals) concluded that people with disabilities are very likely to pay more than half their incomes for rent. The report estimates that 1.4 million of the nation's more than 4.0 million disabled Americans receiving Supplemental Security Income may have worst-case housing needs. Last year, the program that provides

28 The Federal Government Has Recently Restored Funding for Additional Rental Vouchers



Notes: Numbers are estimates based on Congressional budget appropriations for incremental Section 8 tenant-based certificates and vouchers. Non-incremental certificates and vouchers provided for special purposes during FY1995-FY1998 are not included because they did not add to the total number of HUD-assisted families.
Source: US Department of Housing and Urban Development, "Section 8 Tenant-Based Assistance: A Look Back After 30 Years."

housing primarily for the disabled funded only 1,600 new units—less than half the number funded in 1990. In recent testimony to Congress, The Arc estimated the number of disabled households on waiting lists for federal housing assistance at 270,000.

Native Americans also face especially serious housing problems. According to the US Census Bureau and the National American Indian Housing Council (NAIHC), 40 percent of the homes in tribal areas are overcrowded or have serious physical deficiencies. This compares with the national average of less than 6 percent. While NAIHC estimates that 200,000 units of new housing are needed to alleviate these problems, federal funding has fallen significantly short of this goal.

The challenges for rural households are formidable as well. The Housing Assistance Council recently reported that nearly one-quarter of rural households pay more than 30 percent of their incomes for housing and nearly 1 in 10 live in inadequate units. Building new housing in rural areas is relatively expensive, often requiring new infrastructure (such as water and sewer service) and entailing high transportation costs. In addition, builders in these areas usually lack the benefits of economies of scale.

Furthermore, assessing home values in rural areas can be difficult and construction costs are sometimes higher than resale values. Rural households thus face greater difficulty accessing credit, paying more for loans than do households in other areas. The Economic Research Service of the US Department of Agriculture estimates that if rural borrowers were charged the same mortgage rates and fees as urban borrowers, they would have paid $300 million less annually in recent years.

Homelessness on the Rise

While estimates vary widely, most place the number of homeless Americans on any given night at 700,000 or more. The majority of the homeless are single men, although a substantial number are women and children. About 60 percent of homeless women are mothers, and about two-thirds have at least one child living with them.

A survey of 25 cities conducted by the US Conference of Mayors reveals that demand for emergency shelter was up 15 percent last year—a larger increase than in any single year during the 1990s. About half the cities also reported longer periods of homelessness, with the average duration increasing to about five months.

Contrary to popular perceptions, a substantial portion of the homeless—particularly men—do have some earnings. The US Census Bureau's 1999 survey of people who use homeless assistance programs found that nearly half had some paid employment in the previous month. About one in five reported becoming homeless primarily because they were unable to pay their rent or cover a rent increase.

Although typically considered an urban problem—and a disproportionately large share of the homeless within metropolitan areas do in fact live in central cities—homelessness also exists in suburbs. More than one-fifth of all homeless people in metropolitan areas are now found in suburban communities, and a substantial number are also located in rural areas.

Policy Challenges

Housing affordability, already a pervasive problem among extremely low- and very low-income households, is beginning to affect moderate-income households as well. While less widespread than cost burdens, serious housing quality problems also afflict millions of families—particularly on Native American reservations and in regions such as Appalachia and the Mississippi Delta.

Affordability may indeed worsen in the coming decade because much of the supply of federally assisted units is at risk, as is the stock of market-rate units affordable to those with very low and extremely low incomes. High land costs, a dwindling supply of developable land, and growing pressures to limit growth are likely to make it increasingly difficult to expand the supply of housing units affordable to even moderate-income families.

Addressing these challenges requires a combination of initiatives to preserve the assisted housing stock and to expand the supply of affordable units. Without increased efforts at the national, state and local levels, the goal of a decent and affordable home in a suitable living environment for every American will remain unfulfilled.

Appendix Tables

Appendix tables can be downloaded in Microsoft Excel format from the Joint Center's website at www.gsd.harvard.edu/jcenter

Table A-1 Housing Market Indicators: 1975-2000

	Permits[1] (Thousands)		Starts[2] (Thousands)			Size[3] (Median sq. ft.)		Sales Price Single-family Homes (2000 dollars)		Residential Upkeep and Improvement[6] (Millions of 2000 dollars)		Vacancy Rates[7] (Percent)	
Year	Single-family	Multi-family	Single-family	Multi-family	Manu-factured	Single-family	Multi-family	New[4]	Existing[5]	Owner-occupied	Rental	For Sale	For Rent
1975	676	263	892	268	229	1,535	942	147,828	107,142	60,990	26,121	1.2	6.0
1976	894	402	1,162	376	250	1,590	894	151,848	109,361	69,848	25,520	1.2	5.6
1977	1,126	564	1,451	536	258	1,610	881	160,900	113,993	74,471	22,697	1.2	5.2
1978	1,183	618	1,433	587	280	1,655	863	172,861	121,972	79,886	28,488	1.0	5.0
1979	982	570	1,194	551	280	1,645	893	181,461	125,033	83,613	28,064	1.2	5.4
1980	710	481	852	440	234	1,595	915	179,793	122,117	85,011	25,573	1.4	5.4
1981	564	421	705	379	229	1,550	930	177,251	117,568	73,372	26,977	1.4	5.0
1982	546	454	663	400	234	1,520	925	170,917	114,303	68,175	24,335	1.5	5.3
1983	902	703	1,068	635	278	1,565	893	167,544	113,355	70,744	25,825	1.5	5.7
1984	922	757	1,084	665	288	1,605	871	167,093	113,030	77,526	39,478	1.7	5.9
1985	957	777	1,072	669	283	1,605	882	163,366	114,677	82,155	49,279	1.7	6.5
1986	1,078	692	1,179	625	256	1,660	876	166,729	120,380	92,336	55,871	1.6	7.3
1987	1,024	510	1,146	474	239	1,755	920	169,466	124,224	89,057	58,606	1.7	7.7
1988	994	462	1,081	407	224	1,810	940	168,794	126,680	98,770	56,784	1.6	7.7
1989	932	407	1,003	373	203	1,850	940	167,518	128,379	91,648	58,408	1.8	7.4
1990	794	317	895	298	195	1,905	955	161,923	125,823	88,632	63,452	1.7	7.2
1991	754	195	840	174	174	1,890	980	157,459	123,127	84,375	51,781	1.7	7.4
1992	911	184	1,030	170	212	1,920	985	154,870	122,767	92,893	48,952	1.5	7.4
1993	987	212	1,126	162	243	1,945	1,005	156,835	121,793	95,097	50,169	1.4	7.3
1994	1,068	303	1,198	258	291	1,940	1,015	160,250	121,918	105,336	46,443	1.5	7.4
1995	997	335	1,076	278	319	1,920	1,040	160,253	122,391	94,813	46,395	1.6	7.6
1996	1,070	356	1,161	316	338	1,950	1,030	158,565	123,584	97,165	47,007	1.6	7.9
1997	1,062	379	1,134	340	336	1,975	1,050	160,289	125,609	100,812	42,503	1.6	7.8
1998	1,188	425	1,271	346	374	2,000	1,020	161,829	130,675	105,010	36,229	1.7	7.9
1999	1,247	417	1,302	338	311	2,025	1,060	166,549	135,379	102,618	45,085	1.7	8.1
2000	1,198	394	1,231	338	258	2,055	1,060	167,694	141,160	102,100	48,840	1.6	8.0

Note: All value series are deflated by the Bureau of Labor Statistics' Consumer Price Index (CPI-UX) for All Items.

Sources:
1. US Census Bureau, Construction Reports, Series C-40.
2. US Census Bureau, Construction Reports, Series C-20 (Single and Multi-Family) and Manufactured Housing Statistics Series. Manufactured housing starts are defined as placements of new manufactured homes.
3. US Census Bureau, Construction Reports, Series C-25, 1975-99; Series C-22, 2000.
4. New home price is the 1990 national median home price indexed by the US Census Bureau's Construction Reports C-25 Constant Quality Home Price Index.
5. Existing home price is the 1990 median sales price of existing single-family homes determined by the National Association of Realtors, indexed by the Conventional Mortgage Home Price Index from Freddie Mac.
6. US Census Bureau, Construction Reports, Series C-50. Figures for 2000 are Joint Center estimates. The owner-occupied series for 1984-99 and rental series for 1975-99 were adjusted to account for the 1984 change in the survey.
7. US Census Bureau, Housing Vacancy Survey.
8. US Census Bureau, Construction Reports, Series C-30.
9. US Census Bureau, Construction Reports, Series C-25.
10. National Association of Realtors, Existing Home Sales.

Value Put in Place[8] (Billions of 2000 dollars)			Home Sales (Thousands)	
Single-family	Multi-family	Additions & Alterations	New[9]	Existing[10]
97.4	22.1	50.5	549	2,476
135.4	21.4	54.5	646	3,064
172.8	28.0	55.4	819	3,650
178.3	31.5	59.8	817	3,986
158.3	37.3	59.9	709	3,827
105.2	33.4	61.5	545	2,973
96.7	32.6	55.8	436	2,419
74.8	28.1	50.2	412	1,990
127.0	39.6	54.6	623	2,719
145.1	48.0	68.2	639	2,868
143.1	47.6	73.2	688	3,214
162.0	49.4	86.1	750	3,565
173.8	38.8	83.6	671	3,526
170.5	32.7	87.0	676	3,594
164.2	31.4	81.0	650	3,346
147.9	26.3	75.0	534	3,211
128.7	20.5	63.5	509	3,220
154.0	17.4	77.5	610	3,520
167.9	13.6	84.2	666	3,802
185.7	17.0	86.1	670	3,967
167.6	20.7	78.8	667	3,812
180.5	23.1	87.9	757	4,196
181.4	25.3	87.1	804	4,382
203.6	26.4	87.0	886	4,970
216.1	27.9	90.9	907	5,205
217.1	27.5	87.1	898	5,113

Table A-2

Owner and Renter Households by Age: 2000-2020

Thousands

	Owner Households	Renter Households	Total Households	Ownership Rate (%)
2000				
Age 15-24	916	4,486	5,402	17.0
Age 25-34	8,331	9,737	18,069	46.1
Age 35-44	16,264	8,106	24,370	66.7
Age 45-54	15,667	4,991	20,657	75.8
Age 55-64	11,135	2,775	13,910	80.1
Age 65-74	9,470	1,972	11,442	82.8
Age 75 and Over	8,784	2,637	11,421	76.9
Total	70,567	34,704	105,270	67.0
2010				
Age 15-24	1,040	5,096	6,136	16.9
Age 25-34	8,506	9,884	18,390	46.3
Age 35-44	15,058	6,708	21,765	69.2
Age 45-54	18,811	5,569	24,380	77.2
Age 55-64	16,551	3,841	20,392	81.2
Age 65-74	11,107	2,109	13,216	84.0
Age 75 and Over	10,122	2,599	12,721	79.6
Total	81,195	35,806	117,001	69.4
2020				
Age 15-24	1,032	5,057	6,089	16.9
Age 25-34	9,431	10,870	20,301	46.5
Age 35-44	15,684	6,782	22,466	69.8
Age 45-54	17,105	4,341	21,446	79.8
Age 55-64	20,078	4,188	24,265	82.7
Age 65-74	16,880	2,790	19,670	85.8
Age 75 and Over	12,424	2,838	15,262	81.4
Total	92,634	36,866	129,500	71.5

Notes: Numbers for 2000 are projections utilizing US Census Bureau population projections and Joint Center headship projections, based on analysis of the Current Population Survey. Owners and renters may not sum to the total because of rounding.

Source: George Masnick and Zhu Xiao Di, "Updating and Extending the Joint Center Household Projections Using New Census Bureau Population Projections," Joint Center for Housing Studies, Research Note N00-1.

Table A-3 Total, White, and Minority Population Change in Central Cities: 1990-2000

Central Cities by Region	1990-2000 Growth Rate (%) Total	Whites	Minorities	Population 1990	2000	Percent Minority 1990	2000
Northeast							
New York, NY	9	-12	26	7,322,564	8,008,278	57	65
Providence, RI	8	-24	67	160,728	173,618	35	54
Boston, MA	3	-14	27	574,283	589,141	41	51
Philadelphia, PA	-4	-22	15	1,585,577	1,517,550	48	58
Rochester, NY	-5	-28	28	231,636	219,773	41	56
Pittsburgh, PA	-10	-15	5	369,879	334,563	28	33
Buffalo, NY	-11	-27	17	328,123	292,648	37	48
Baltimore, MD	-12	-29	0	736,014	651,154	61	69
Hartford, CT	-13	-49	3	139,739	121,578	69	82
Midwest							
Columbus, OH	12	2	43	632,958	711,470	26	33
Indianapolis, IN	7	-4	41	731,321	781,870	25	33
Grand Rapids, MI	5	-13	58	189,126	197,800	25	38
Chicago, IL	4	-15	16	2,783,726	2,896,016	62	69
Minneapolis, MN	4	-16	74	368,383	382,618	22	38
Kansas City, MO	1	-10	23	435,141	441,545	35	42
Milwaukee, WI	-5	-29	33	628,088	596,974	39	55
Cleveland, OH	-5	-24	11	505,616	478,403	52	61
Detroit, MI	-7	-53	4	1,027,974	951,270	79	89
Cincinnati, OH	-9	-21	9	364,040	331,285	40	48
St. Louis, MO	-12	-25	1	396,685	348,189	50	57
South							
Austin, TX	41	20	74	465,577	656,562	38	47
Charlotte, NC	37	16	75	396,003	540,828	35	45
Raleigh, NC	33	17	68	207,951	276,093	31	40
San Antonio, TX	22	7	31	935,927	1,144,646	64	68
Greensboro, NC	22	3	55	183,521	223,891	37	46
West Palm Beach, FL	21	5	40	67,643	82,103	47	54
Houston, TX	20	-10	40	1,630,672	1,953,631	59	69
Dallas, TX	18	-15	48	1,006,831	1,188,580	52	65
Jacksonville, FL	16	2	48	635,230	735,617	30	38
Oklahoma City, OK	14	1	49	444,730	506,132	27	35
Orlando, FL	13	-9	50	164,693	185,951	37	49
Nashville, TN	12	-3	51	488,518	545,524	27	36
Tampa, FL	8	-7	30	280,015	303,447	41	49
Memphis, TN	7	-19	26	610,337	650,100	56	67
Atlanta, GA	6	9	4	394,017	416,474	70	69
Miami, FL	1	-3	2	358,548	362,470	88	88
New Orleans, LA	-2	-22	7	496,938	484,674	67	73
Louisville, KY	-5	-14	16	269,157	256,231	31	38
Washington, DC	-6	-4	-6	606,900	572,059	73	72
Norfolk, VA	-10	-24	7	261,229	234,403	44	53
West							
Las Vegas, NV	85	49	180	258,295	478,434	28	42
Phoenix, AZ	34	4	112	983,403	1,321,045	28	44
Portland, OR	21	10	76	437,398	529,121	17	25
Denver, CO	19	0	48	467,610	554,636	38	48
Salt Lake City, UT	14	-3	94	159,936	181,743	17	29
Sacramento, CA	10	-17	41	369,365	407,018	46	59
San Diego, CA	10	-8	36	1,110,549	1,223,400	41	51
Seattle, WA	9	0	34	516,259	563,374	26	32
San Francisco, CA	7	0	14	723,959	776,733	53	56
Los Angeles, CA	6	-16	19	3,485,398	3,694,820	63	70

Notes: Whites are non-Hispanic. The central cities are located in the 50 largest MSAs as of 2000.

Source: Joint Center tabulations of the 1990 and 2000 Decennial US Census.

Table A-4 Income and Housing Costs, US Totals: 1975-2000 — 2000 Dollars

	Monthly Income		Owner Costs				Renter Costs		Cost as Percent of Income: Owners		Cost as Percent of Income: Renters	
Year	Owner	Renter	Home Price	Mortgage Rate (%)	Before-Tax Mortgage Payment	After-Tax Mortgage Payment	Contract Rent	Gross Rent	Before-Tax Mortgage Payment	After-Tax Mortgage Payment	Contract Rent	Gross Rent
1975	3,473	2,017	107,142	8.92	770	643	430	494	22.2	18.5	21.3	24.5
1976	3,503	1,981	109,361	8.87	783	654	430	497	22.3	18.7	21.7	25.1
1977	3,633	1,998	113,993	8.82	812	713	431	501	22.4	19.6	21.5	25.1
1978	3,572	1,977	121,972	9.37	913	781	432	504	25.6	21.9	21.8	25.5
1979	3,549	1,939	125,033	10.59	1,037	878	424	497	29.2	24.7	21.9	25.6
1980	3,452	1,831	122,117	12.46	1,170	965	416	492	33.9	28.0	22.7	26.9
1981	3,472	1,816	117,568	14.39	1,286	1,044	415	493	37.1	30.1	22.8	27.2
1982	3,482	1,771	114,303	14.73	1,279	1,054	422	506	36.7	30.3	23.8	28.6
1983	3,516	1,787	113,355	12.26	1,070	883	429	517	30.4	25.1	24.0	29.0
1984	3,605	1,837	113,030	11.99	1,046	869	434	522	29.0	24.1	23.6	28.4
1985	3,708	1,867	114,677	11.17	996	829	446	533	26.9	22.4	23.9	28.6
1986	3,836	1,898	120,380	9.79	934	781	465	550	24.3	20.4	24.5	29.0
1987	3,878	1,882	124,224	8.95	896	779	467	548	23.1	20.1	24.8	29.1
1988	3,882	1,929	126,680	8.98	916	816	466	544	23.6	21.0	24.2	28.2
1989	3,935	2,002	128,379	9.81	998	883	462	539	25.4	22.5	23.1	26.9
1990	3,821	1,921	125,823	9.74	972	862	457	531	25.4	22.6	23.8	27.6
1991	3,761	1,833	123,127	9.07	897	800	454	527	23.9	21.3	24.7	28.8
1992	3,733	1,790	122,767	7.83	798	720	451	524	21.4	19.3	25.2	29.3
1993	3,684	1,788	121,793	6.93	724	660	448	522	19.7	17.9	25.1	29.2
1994	3,776	1,830	121,918	7.31	753	687	448	520	19.9	18.2	24.5	28.4
1995	3,795	1,806	122,391	7.69	785	713	446	517	20.7	18.8	24.7	28.6
1996	3,848	1,846	123,584	7.58	784	712	445	515	20.4	18.5	24.1	27.9
1997	3,938	1,903	125,609	7.52	792	720	448	518	20.1	18.3	23.5	27.2
1998	4,035	1,927	130,675	6.97	780	712	455	523	19.3	17.7	23.6	27.1
1999	4,156	1,962	135,379	7.14	822	747	459	525	19.8	18.0	23.4	26.8
2000	4,227	1,982	141,160	7.86	920	825	461	528	21.8	19.5	23.2	26.7

Notes and Sources: All dollar amounts are expressed in 2000 dollars using the Bureau of Labor Statistics Consumer Price Index (CPI-UX) for All Items. Monthly incomes for families and individuals for 1975-83 are from the American Housing Survey (AHS); incomes for 1984-99 are from the AHS, adjusted by the Current Population Survey; incomes for 2000 are from the AHS, adjusted by HUD median family income growth data.

Home price is the 1990 median sales price of existing single-family homes determined by the National Association of Realtors, indexed by the Freddie Mac Conventional Mortgage Home Price Index. Mortgage rates are from the Federal Housing Finance Board Monthly Interest Rate Survey. Mortgage payments assume a 30-year mortgage with 10% down. After-tax mortgage payment equals mortgage payment less tax savings of homeownership, defined as the excess of housing (mortgage interest and real-estate taxes) plus non-housing deductions over the standard deduction. Non-housing deductions are set at 5% of income through 1986. With tax reform, they decrease to 4.25% in 1987 and 3.5% from 1988 on.

Contract rent equals median 1977 contract rent from the American Housing Survey, indexed by the CPI Residential Rent Index with adjustments for depreciation in the stock before 1987. Gross rent equals contract rent plus fuel and utilities.

Cost as percent of income for owners is before-tax or after-tax mortgage payments as a percent of monthly owner income. Cost as a percent of income for renters is monthly contract rent or gross rent as a percent of monthly renter income.

Table A-5 Households by Age and Family Type: 2000-2020

Thousands

	Total	Family Households: Married Couples Without Children	Family Households: Married Couples With Children	Family Households: Single Parents With Children	Family Households: Other Family	Non-Family Households: Single Person	Non-Family Households: Other Non-Family
2000							
Age 15-24	5,402	715	877	1,042	369	1,213	1,187
Age 25-34	18,068	2,506	6,765	2,907	472	3,683	1,736
Age 35-44	24,369	2,654	11,909	3,698	858	4,144	1,107
Age 45-54	20,657	7,180	5,254	1,157	1,735	4,613	718
Age 55-64	13,910	7,529	650	149	1,304	3,918	359
Age 65-74	11,442	5,803	109	22	1,032	4,316	160
Age 75 and Over	11,421	3,788	4	9	1,026	6,447	146
Total	105,270	30,175	25,568	8,984	6,796	28,334	5,413
2010							
Age 15-24	6,136	811	996	1,184	419	1,378	1,349
Age 25-34	18,390	2,532	6,836	2,937	477	3,811	1,797
Age 35-44	21,765	2,340	10,502	3,261	757	3,871	1,034
Age 45-54	24,380	8,349	6,109	1,345	2,017	5,676	884
Age 55-64	20,392	10,644	919	211	1,844	6,205	568
Age 65-74	13,216	6,609	125	25	1,176	5,093	189
Age 75 and Over	12,721	4,166	5	10	1,129	7,248	164
Total	117,001	35,452	25,491	8,973	7,818	33,282	5,984
2020							
Age 15-24	6,089	805	988	1,175	415	1,367	1,339
Age 25-34	20,301	2,799	7,555	3,246	527	4,196	1,978
Age 35-44	22,466	2,414	10,837	3,365	781	4,000	1,068
Age 45-54	21,446	7,339	5,370	1,183	1,773	5,003	779
Age 55-64	24,265	12,654	1,093	251	2,192	7,398	678
Age 65-74	19,670	9,822	185	37	1,747	7,597	281
Age 75 and Over	15,262	4,998	5.0	12	1,354	8,695	197
Total	129,500	40,832	26,034	9,268	8,791	38,257	6,319

Notes: Numbers for 2000 are projections utilizing US Census Bureau population projections and Joint Center headship projections, based on analysis of the Current Population Survey. Family households are defined as two or more related individuals sharing living quarters. Children are under age 18. Family types may not sum to the total because of rounding.

Source: Masnick and Di, Research Note N00-1.

Table A-6 Housing Conditions of Lowest-Income Households: 1999

	Total: Owners	Total: Unsubsidized Renters	Rural: Owners	Rural: Unsubsidized Renters	Urban: Owners	Urban: Unsubsidized Renters	Working Poor: Owners	Working Poor: Unsubsidized Renters
Number (000s)								
Total	13,223	10,239	4,891	1,408	8,332	8,831	1,641	2,956
Moderately Cost Burdened	2,983	3,344	1,058	390	1,926	2,954	512	1,570
Severely Cost Burdened	5,087	5,027	1,735	546	3,351	4,481	436	586
Living in Severely Inadequate Housing	316	513	129	54	187	459	36	129
Percent								
Moderately Cost Burdened	22.6	32.6	21.6	27.7	23.1	33.4	31.2	53.1
Severely Cost Burdened	38.5	49.1	35.5	38.8	40.2	50.7	26.5	19.8
Living in Severely Inadequate Housing	2.4	5.0	2.6	3.9	2.3	5.2	2.2	4.4

Notes: Due to changes in the definition of subsidy, data are not comparable with previous years. Renter households for which subsidy status was not reported are excluded. Lowest income is defined as less than 50% of area median income. Moderately burdened is defined as paying 30-50% of income for housing costs. Severely burdened is defined as paying more than 50% of income for housing costs. Severely inadequate housing is defined as having severe problems in plumbing, heating, electrical systems, upkeep, or hallways. Rural is defined as living in rural suburbs or rural non-metropolitan areas according to the American Housing Survey. Working poor is defined as households with incomes below 50% of the area median and equal to or greater than full-time earnings at the federal minimum wage ($5.50 per hour).

Source: Joint Center tabulations of the 1999 American Housing Survey.

Table A-7 Homeownership Rates by Age and Race/Ethnicity: 1995-2000

Percent

	1995	1996	1997	1998	1999	2000
Total	64.7	65.4	65.7	66.3	66.8	67.4
Whites						
Under Age 25	18.9	20.9	20.7	21.4	23.2	24.6
Age 25-34	52.3	52.6	52.3	53.3	53.8	54.6
Age 35-44	72.1	72.6	73.2	73.9	74.2	74.8
Age 45-54	80.5	80.7	80.5	80.5	80.9	81.9
Age 55-64	84.0	84.4	84.5	85.3	85.4	84.6
Age 65-74	84.2	85.0	85.4	85.2	86.0	86.3
Age 75 and Over	76.1	76.9	77.2	77.7	78.8	79.0
Total	70.9	71.7	72.0	72.6	73.2	73.8
Blacks						
Under Age 25	8.3	10.4	11.0	9.8	10.9	12.0
Age 25-34	22.6	23.3	23.9	26.3	26.5	29.3
Age 35-44	41.4	42.5	43.2	44.4	45.8	45.3
Age 45-54	53.3	55.0	58.2	58.4	58.6	56.7
Age 55-64	63.1	64.4	63.2	62.3	62.1	64.2
Age 65-74	65.4	68.3	67.7	69.2	69.0	68.5
Age 75 and Over	66.7	67.3	69.3	68.0	67.9	71.2
Total	42.9	44.5	45.4	46.1	46.7	47.6
Hispanics						
Under Age 25	11.1	14.2	13.3	13.0	15.2	18.0
Age 25-34	28.9	29.4	28.9	31.4	31.5	31.2
Age 35-44	45.9	45.2	46.4	47.6	48.5	49.8
Age 45-54	55.4	56.7	56.8	56.4	57.6	56.6
Age 55-64	57.1	59.4	61.8	63.7	63.3	61.7
Age 65-74	61.9	62.8	58.4	62.5	67.0	65.4
Age 75 and Over	56.1	57.3	61.7	63.9	62.6	56.8
Total	42.0	42.8	43.3	44.7	45.5	46.3
Asians/Others						
Under Age 25	12.6	15.1	13.8	17.1	19.2	16.2
Age 25-34	32.9	31.0	32.3	32.7	34.4	37.0
Age 35-44	54.2	55.3	57.7	59.4	58.0	57.3
Age 45-54	68.6	68.1	69.8	68.8	68.3	68.2
Age 55-64	66.4	68.8	69.3	70.0	73.7	72.5
Age 65-74	62.9	66.0	68.9	68.5	69.9	67.1
Age 75 and Over	59.8	62.4	62.4	64.0	60.6	64.0
Total	51.5	51.5	53.3	53.7	54.1	53.9

Notes: Hispanics can be of any race. Whites, blacks, and Asians/others are non-Hispanic. Asians/others include primarily Asians, but also Pacific Islanders and Native Americans. Caution should be used in interpreting year-over-year changes for certain age/race categories because of small sample sizes. Age breakdowns for 2000 are based on January through August, 2000 Current Population Survey.

Source: Joint Center tabulations of the Current Population Surveys and US Census Bureau, Housing Vacancy Survey, Series H-111.

Table A-8 Households by Age and Race: 2000-2020

Thousands

Age	Total	Whites	Blacks	Hispanics	Asian/Others
2000					
Age 15-24	5,753	3,759	913	817	264
Age 25-34	18,293	12,454	2,629	2,305	906
Age 35-44	24,743	17,785	3,301	2,588	1,069
Age 45-54	20,661	15,715	2,494	1,613	839
Age 55-64	13,702	10,761	1,518	941	481
Age 65-74	11,309	9,263	1,083	673	288
Age 75 and Over	11,069	9,662	757	443	206
Total	105,531	79,400	12,697	9,380	4,053
2010					
Age 15-24	6,543	4,064	1,066	1,064	348
Age 25-34	18,795	12,047	2,857	2,820	1,070
Age 35-44	22,017	14,345	3,207	3,137	1,328
Age 45-54	24,461	17,357	3,311	2,622	1,170
Age 55-64	20,180	15,310	2,400	1,634	837
Age 65-74	13,030	10,283	1,328	971	449
Age 75 and Over	12,254	10,270	913	724	348
Total	117,280	83,676	15,081	12,971	5,552
2020					
Age 15-24	6,462	3,717	984	1,326	434
Age 25-34	20,675	12,581	3,258	3,487	1,349
Age 35-44	22,703	14,011	3,449	3,700	1,543
Age 45-54	21,490	13,814	3,179	3,088	1,409
Age 55-64	24,001	17,100	3,200	2,562	1,140
Age 65-74	19,381	14,840	2,163	1,640	737
Age 75 and Over	14,622	11,829	1,175	1,084	533
Total	129,334	87,893	17,409	16,887	7,146

Notes: Hispanics can be of any race. Whites, blacks, and Asians/others are non-Hispanic. Asians/others include primarily Asians but also Pacific Islanders and Native Americans. Numbers for 2000 are projections utilizing US Census Bureau population projections and Joint Center headship projections, based on analysis of the Current Population Survey. Household totals differ slightly from those in Table A-5.

Source: Masnick and Di, Research Note N00-1.

Table A-9 Terms on Conventional Single-family Mortgages: 1980-2000

Annual Average, All Homes

Year	Effective Interest Rate (%)	Term to Maturity (Years)	Mortgage Loan Amount (Thousands of 2000 dollars)	Purchase Price (Thousands of 2000 dollars)	Loan-to-Price Ratio (%)	Percent of Loans with	
						Loan-to-Price Ratio More than .9	Adjustable Rates
1980	12.8	27.2	108.2	153.6	72.9	10	n/a
1981	14.9	26.4	102.6	145.8	73.1	15	n/a
1982	15.3	25.6	99.1	141.2	72.9	21	41
1983	12.7	26.0	103.6	143.7	74.5	21	40
1984	12.5	26.8	106.9	143.5	77.0	27	62
1985	11.6	25.9	112.3	153.8	75.8	21	51
1986	10.2	25.6	124.6	173.8	74.1	11	30
1987	9.3	26.8	135.1	184.6	75.2	8	43
1988	9.3	27.7	141.8	191.6	76.0	8	58
1989	10.1	27.7	145.1	198.3	74.8	7	38
1990	10.1	27.0	137.0	187.9	74.7	8	28
1991	9.3	26.5	134.4	185.5	74.4	9	23
1992	8.1	25.4	133.4	179.7	76.6	14	20
1993	7.1	25.5	127.5	170.5	77.2	17	20
1994	7.5	27.1	127.7	165.0	79.9	25	39
1995	7.9	27.4	124.7	161.4	79.9	27	32
1996	7.7	26.9	130.3	170.2	79.0	25	27
1997	7.7	27.5	135.8	176.5	79.4	25	22
1998	7.1	27.8	139.2	183.2	78.9	25	12
1999	7.3	28.2	144.0	190.4	78.5	23	21
2000	8.0	28.7	148.3	198.9	77.8	22	24

Source: Federal Housing Finance Board, Monthly Interest Rate Survey.

Table A-10 Home Prices by Region and Metropolitan Area: 1990–2000 — 2000 Dollars

	Peak Since 1975												
	Year	Level	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
US Total	2000	141,160	125,823	123,127	122,767	121,793	121,918	122,391	123,584	125,609	130,675	135,379	141,160
Northeast	1988	202,376	186,034	176,179	173,727	170,772	165,874	162,699	162,095	162,490	168,710	175,720	186,188
Midwest	2000	122,724	97,497	97,059	98,092	98,783	101,779	104,282	106,850	109,909	113,718	118,446	122,724
South	1979	126,580	113,175	111,015	111,352	111,174	111,393	111,718	112,698	114,127	118,482	121,777	125,517
West	2000	195,962	183,926	180,025	176,449	171,193	168,185	167,067	167,059	169,445	178,476	185,043	195,962
Metro Areas													
Atlanta	2000	136,329	113,834	110,571	110,389	110,294	109,942	111,054	113,346	116,460	122,725	129,779	136,329
Baltimore	1989	140,122	139,525	137,491	137,140	134,885	131,700	129,041	128,491	127,881	130,794	132,914	136,790
Boston	2000	266,497	229,380	208,707	201,820	197,899	195,806	195,989	198,385	204,127	216,430	237,153	266,497
Buffalo	1992	102,828	101,713	101,298	102,828	102,678	99,967	97,105	95,925	93,519	94,555	92,194	90,367
Charlotte	2000	143,275	122,661	120,285	119,763	119,128	120,444	122,588	126,397	130,613	136,575	139,798	143,275
Chicago	2000	179,575	153,886	153,782	155,478	156,538	159,153	160,276	161,198	163,025	166,784	171,814	179,575
Cincinnati	2000	126,029	105,138	104,588	105,841	106,406	109,178	110,428	112,009	114,213	118,109	122,483	126,029
Cleveland	2000	130,569	106,192	107,223	110,043	111,536	113,954	116,024	118,877	121,135	125,477	128,604	130,569
Columbus	2000	128,711	107,510	107,210	108,700	109,726	112,752	114,636	116,993	119,223	123,283	126,427	128,711
Dallas	1986	159,975	117,918	114,972	114,779	113,401	111,287	109,854	110,100	110,828	115,736	120,790	126,440
Denver	2000	188,811	113,834	112,887	116,772	122,529	132,988	138,556	142,162	147,341	154,722	168,857	188,811
Detroit	2000	140,839	101,054	100,979	101,673	101,469	103,825	108,222	113,838	120,561	126,814	134,364	140,839
Grand Rapids	2000	115,320	89,987	89,402	89,216	88,621	91,195	94,480	98,275	102,061	106,023	111,247	115,320
Greensboro	2000	128,156	114,756	113,075	112,787	112,406	113,854	115,253	116,865	119,531	123,616	126,176	128,156
Hartford	1988	239,165	207,246	189,858	180,571	171,074	160,497	154,185	150,746	148,135	153,375	157,351	163,715
Houston	1982	146,894	93,149	92,660	93,475	92,660	90,714	88,284	87,960	87,892	92,767	97,741	103,098
Indianapolis	2000	111,934	98,551	98,685	99,676	100,173	101,265	102,812	104,287	105,980	109,218	111,162	111,934
Jacksonville	2000	112,159	95,389	92,824	93,193	93,176	92,391	92,397	93,968	96,033	101,330	105,888	112,159
Kansas City	1979	126,776	97,628	95,095	94,459	93,713	95,879	97,640	99,539	102,265	106,041	111,807	117,875
Las Vegas	1982	145,826	122,529	125,658	126,461	124,391	120,598	119,966	119,634	119,851	122,448	122,064	123,335
Los Angeles	1990	260,869	260,869	247,145	236,222	216,869	195,946	184,646	178,745	177,689	192,497	203,099	214,082
Louisville	2000	100,890	80,105	79,772	81,125	82,038	85,902	88,484	90,173	92,611	95,679	98,622	100,890
Memphis	1978	124,587	108,432	106,258	106,382	106,107	106,415	108,295	110,658	113,108	117,924	121,540	122,691
Miami	2000	135,441	117,655	116,002	117,029	120,543	123,282	124,714	126,096	125,979	131,230	131,409	135,441
Milwaukee	2000	141,070	111,199	112,033	115,129	117,625	123,827	126,121	127,300	129,147	132,239	136,944	141,070
Minneapolis	2000	151,434	116,864	115,081	115,000	115,375	118,289	119,900	122,086	125,447	130,627	140,564	151,434
Nashville	2000	132,040	107,773	104,278	104,157	104,725	110,231	114,919	119,209	123,780	128,933	131,215	132,040
New Orleans	1979	139,612	89,328	87,876	90,709	92,897	96,689	98,636	101,810	104,327	108,592	111,633	112,853
New York	1988	256,923	222,661	206,644	203,514	200,120	195,618	190,751	190,024	190,116	198,531	211,716	233,742
Oklahoma City	1983	120,728	70,092	69,393	69,548	70,134	71,810	71,982	72,633	72,665	74,512	75,339	75,902
Orlando	1982	117,260	109,091	106,991	107,108	106,372	103,309	101,758	102,196	103,497	107,785	111,074	116,471
Philadelphia	1989	147,958	143,215	138,197	136,338	133,815	129,682	126,709	125,444	124,533	127,834	130,115	133,793
Phoenix	1986	136,861	110,672	107,392	107,293	106,335	108,469	111,676	114,603	117,782	122,877	128,713	133,990
Pittsburgh	1978	108,194	92,358	93,344	96,106	98,339	98,380	97,260	97,598	97,266	100,724	101,843	102,302
Portland	2000	160,217	104,743	111,004	116,645	121,841	130,748	138,498	145,380	152,276	158,384	159,893	160,217
Providence	1988	181,411	168,511	156,276	149,523	144,851	138,001	135,154	132,923	131,934	135,332	138,358	148,261
Raleigh	2000	167,246	143,870	140,008	140,214	140,393	146,790	151,227	152,928	156,142	161,099	165,503	167,246
Rochester	1988	111,319	105,138	102,415	102,336	100,864	97,400	94,031	92,619	90,663	92,103	92,116	89,954
Sacramento	1991	183,306	181,159	183,306	173,878	162,802	151,161	144,059	138,986	137,756	143,310	147,803	159,021
Salt Lake City	1998	148,179	91,436	92,846	96,027	103,574	119,339	129,210	137,093	143,082	148,179	147,897	144,883
San Antonio	1984	128,260	83,794	82,348	84,719	87,210	88,274	89,084	87,858	86,596	89,048	89,617	91,575
San Diego	1990	241,370	241,370	230,160	221,321	207,954	195,886	188,799	183,643	184,340	199,455	215,621	240,881
San Francisco	2000	393,391	341,633	323,966	312,110	296,797	283,147	275,525	269,304	276,819	301,072	330,975	393,391
Seattle	2000	232,832	187,088	185,656	184,366	182,502	183,468	182,805	183,735	190,622	206,091	220,735	232,832
St. Louis	1979	114,899	101,054	98,473	97,942	96,915	98,081	99,218	100,403	102,218	104,923	109,515	114,036
Tampa	2000	104,069	94,071	91,779	91,584	90,950	89,165	89,087	89,382	90,503	94,657	98,664	104,069
Washington	1989	203,016	198,287	191,052	187,868	183,299	176,914	171,872	169,330	167,104	170,168	174,057	183,208
West Palm Beach	1981	156,135	142,292	137,363	135,981	132,796	130,630	129,774	129,141	130,058	135,178	138,128	144,691

Notes and Sources: Home prices are the 1990 median sales price of existing single-family homes determined by the National Association of Realtors, indexed by the Conventional Mortgage Home Price Index by Freddie Mac, and adjusted by the Bureau of Labor Statistics Consumer Price Index (CPI-UX) for All Items. Metropolitan areas are the 50 largest MSAs as of 2000, excluding Austin, Texas and Norfolk, Virginia.

Table A-11 Single-family and Multifamily Building Permits by Region and State: 1994-2000

	1994		1995		1996		1997		1998		1999		2000	
	Single	Multi	Single	Multi	Single	Multi	Single	Multi	Single	Multi	Single	Multi	Single	Multi
US Total	1,068,461	303,176	997,268	335,281	1,069,472	356,144	1,062,396	378,740	1,187,602	424,658	1,246,665	416,868	1,198,067	394,200
Northeast	119,079	19,389	104,545	19,704	108,819	28,085	111,150	30,736	124,107	35,282	127,083	37,780	122,293	42,808
Midwest	233,622	71,614	220,463	76,113	236,576	81,273	220,023	79,818	247,795	79,397	262,142	83,257	245,377	78,464
South	452,997	132,516	430,317	152,918	468,480	154,967	464,150	171,714	521,919	202,592	550,372	198,554	529,700	172,163
West	262,763	79,657	241,943	86,546	255,597	91,819	267,073	96,472	293,781	107,387	307,068	97,277	300,697	100,765
States														
Alabama	14,443	4,693	13,412	6,702	14,566	5,302	13,634	4,098	14,655	5,878	14,926	4,103	13,672	3,734
Alaska	1,542	514	1,657	507	1,810	830	1,889	671	2,010	864	1,539	672	1,607	540
Arizona	42,124	9,708	39,879	12,835	41,311	12,404	44,373	13,389	50,540	13,390	53,240	11,869	48,844	12,641
Arkansas	7,768	4,606	7,295	4,412	7,671	3,473	6,831	4,195	7,160	2,861	7,749	3,753	6,927	2,276
California	77,795	19,187	68,148	15,716	73,532	18,528	84,149	25,440	93,414	30,621	102,750	35,289	105,018	40,557
Colorado	29,317	7,912	28,404	10,218	30,361	10,774	31,941	11,112	36,107	15,049	38,410	10,903	38,588	16,008
Connecticut	8,110	1,350	7,604	946	7,590	947	7,811	1,500	9,130	2,733	9,249	1,388	8,158	1,218
Delaware	4,666	300	4,252	356	4,218	152	4,080	652	4,649	638	4,822	463	3,915	696
Florida	96,276	32,326	84,071	38,832	91,040	33,980	90,309	43,681	97,889	50,714	106,569	58,153	106,447	48,822
Georgia	52,530	12,330	55,027	17,198	59,397	15,477	59,596	15,527	67,879	17,522	71,530	18,051	68,852	22,968
Hawaii	4,452	2,876	3,866	2,748	2,698	1,229	2,606	1,070	2,857	467	3,361	850	4,255	650
Idaho	9,279	3,361	8,366	2,300	9,180	1,575	8,838	1,499	10,277	1,390	10,497	1,684	9,681	1,234
Illinois	38,532	10,758	35,392	12,075	35,912	13,680	32,801	13,522	36,177	11,807	39,228	14,746	37,817	14,127
Indiana	28,493	5,939	27,905	7,810	29,863	7,356	28,118	7,123	31,618	9,091	33,408	8,061	30,417	7,486
Iowa	7,893	4,577	7,313	4,028	7,923	4,104	7,361	3,345	8,879	4,265	9,651	3,790	8,470	4,030
Kansas	10,156	2,820	8,709	3,946	10,121	4,555	9,689	3,901	10,935	4,386	11,306	4,376	9,292	3,250
Kentucky	14,176	4,378	12,829	4,796	14,056	4,722	13,734	4,380	15,375	5,265	16,488	5,093	14,825	3,635
Louisiana	12,758	2,024	12,461	2,262	14,422	3,576	13,189	1,955	13,875	2,608	14,557	3,279	13,109	1,611
Maine	4,327	251	4,162	255	4,463	222	4,304	402	5,656	624	5,375	313	5,748	429
Maryland	25,034	3,953	23,194	3,382	22,594	2,514	21,063	4,903	23,812	7,051	24,167	5,590	25,132	5,226
Massachusetts	16,533	1,582	14,449	1,979	15,077	2,184	15,152	2,034	16,303	2,951	15,457	3,510	14,199	3,801
Michigan	38,491	7,984	39,289	7,937	43,421	8,934	40,238	8,999	44,246	10,228	45,420	8,837	42,960	9,529
Minnesota	21,338	4,291	20,675	4,819	22,085	4,958	20,060	4,840	25,011	5,432	26,664	6,677	25,549	7,265
Mississippi	7,976	2,957	7,267	3,486	8,061	2,306	7,801	2,278	8,671	4,208	9,594	3,277	7,624	3,646
Missouri	20,869	5,505	18,975	5,307	20,107	6,191	18,811	6,345	19,997	5,660	20,658	6,182	17,929	6,392
Montana	2,087	938	1,708	1,356	1,494	1,184	1,501	971	1,485	1,076	1,607	959	1,565	1,007
Nebraska	5,386	2,491	5,161	3,003	5,717	4,374	5,637	4,243	6,019	3,541	6,628	2,068	6,513	2,592
Nevada	22,924	8,147	22,470	10,334	23,810	13,432	23,462	11,349	24,445	12,554	24,283	8,360	25,723	6,562
New Hampshire	4,130	537	4,105	318	4,233	693	4,598	806	5,310	461	5,696	630	6,097	583
New Jersey	22,437	2,951	18,341	3,180	20,853	3,320	23,472	4,546	25,459	5,886	25,129	6,847	25,260	9,325
New Mexico	9,246	2,299	8,619	2,390	8,842	1,338	8,182	2,083	9,217	1,095	8,595	1,121	8,190	679
New York	22,173	8,962	19,864	8,196	20,215	14,680	19,590	13,291	22,791	15,629	24,726	17,867	23,862	20,243
North Carolina	49,116	13,743	47,703	13,220	51,796	15,201	55,529	17,486	62,389	18,125	64,056	20,698	59,061	19,315
North Dakota	1,638	1,741	1,458	1,727	1,479	845	1,488	1,734	1,704	1,270	1,443	1,134	1,257	871
Ohio	35,575	11,577	32,635	12,177	35,719	13,561	32,728	13,759	36,563	11,471	40,033	15,847	38,013	11,732
Oklahoma	8,175	1,332	7,775	2,291	8,757	1,883	8,523	2,678	9,664	4,725	11,062	3,120	8,977	2,171
Oregon	16,123	7,944	15,379	10,822	17,232	10,582	16,250	10,749	16,936	8,918	16,595	6,654	15,619	4,258
Pennsylvania	37,005	3,205	32,005	4,245	32,439	5,456	32,250	7,627	35,085	6,531	36,562	6,100	34,501	6,575
Rhode Island	2,330	209	2,065	266	2,077	385	2,324	348	2,540	102	2,702	712	2,256	340
South Carolina	19,963	4,623	19,274	4,685	22,511	6,892	22,218	7,854	24,467	9,109	27,160	9,001	24,863	7,949
South Dakota	2,440	2,123	2,203	1,629	2,418	1,230	2,464	710	2,636	820	2,876	796	3,142	1,054
Tennessee	26,824	5,050	27,695	7,401	28,217	12,305	26,694	7,360	28,293	5,833	29,881	7,153	24,440	7,763
Texas	70,355	32,225	70,418	34,684	83,103	35,720	82,180	43,794	99,831	56,898	101,848	44,716	108,613	32,618
Utah	14,691	3,900	15,246	5,652	16,663	6,818	14,818	4,445	16,287	4,575	16,624	3,831	14,712	2,926
Vermont	2,034	342	1,950	319	1,872	198	1,649	182	1,833	365	2,187	413	2,212	294
Virginia	39,520	7,310	34,677	8,452	35,163	10,756	35,877	9,646	39,967	10,237	42,069	11,082	39,756	8,646
Washington	31,464	12,570	26,772	11,388	27,015	12,582	27,776	13,313	28,644	17,083	28,111	14,641	25,471	13,550
West Virginia	3,321	552	2,932	759	2,908	708	2,881	1,223	3,088	746	3,575	658	3,295	468
Wisconsin	22,811	11,808	20,748	11,655	21,811	11,485	20,628	11,297	24,010	11,426	24,827	10,743	24,018	10,136
Wyoming	1,719	301	1,429	280	1,649	543	1,288	381	1,562	305	1,456	444	1,429	153

Source: US Census Bureau, Construction Reports, Series C-40.

Table A-12 Housing Stock Changes in Central Cities and Metropolitan Areas: 1995-1999

MSA/PMSA	Central City: Housing Stock 1990	Central City: Permits 1995-99	Central City: Share Added 1995-99 (%)	Entire MSA/PSMA: Housing Stock 1990	Entire MSA/PSMA: Permits 1995-99	Entire MSA/PSMA: Share Added 1995-99 (%)
Atlanta	182,754	12,533	6.9	1,174,007	265,162	22.6
Baltimore	30,3706	700	0.2	938,979	57,527	6.1
Boston	250,863	2,614	1.0	1,150,040	37,646	3.3
Buffalo	151,971	1,336	0.9	402,131	13,647	3.4
Charlotte	170,430	54,474	32.0	472,913	94,991	20.1
Chicago	1,133,039	18,801	1.7	2,380,355	170,563	7.2
Cincinnati	169,088	1,224	0.7	582,376	50,098	8.6
Cleveland	224,311	2,120	0.9	758,984	37,167	4.9
Columbus	278,084	24,780	8.9	559,446	59,599	10.7
Dallas	465,600	29,307	6.3	1,072,830	164,726	15.4
Denver	239,636	12,547	5.2	716,150	99,096	13.8
Detroit	410,027	1,638	0.4	1,714,351	96,323	5.6
Fort Lauderdale	81,268	2,725	3.4	628,660	64,766	10.3
Fort Worth	194,429	19,083	9.8	554,225	57,236	10.3
Greensboro	80,411	8,936	11.1	399,004	49,787	12.5
Hartford	56,098	221	0.4	305,863	17,327	5.7
Houston	726,435	47,080	6.5	1,355,821	143,846	10.6
Indianapolis	319,980	23,754	7.4	517,893	72,705	14.0
Las Vegas	109,670	44,928	41.0	317,188	154,207	48.6
Los Angeles	1,299,963	13,881	1.1	3,163,343	50,609	1.6
Miami	144,550	5,443	3.8	771,288	55,733	7.2
Milwaukee	254,204	1,755	0.7	562,031	33,365	5.9
Minneapolis	172,666	2,973	1.7	988,735	96,701	9.8
New Orleans	225,573	7,246	3.2	524,056	22,207	4.2
New York	2,992,169	27,093	0.9	3,449,058	59,230	1.7
Newark	102,473	2,404	2.3	693,063	21,434	3.1
Norfolk	98,762	1,321	1.3	537,101	42,039	7.8
Oakland	n/a	1,836	n/a	820,279	43,706	5.3
Orlando	73,425	11,642	15.9	448,490	108,840	24.3
Philadelphia	674,899	2,848	0.4	1,907,150	77,917	4.1
Phoenix	422,036	50,605	12.0	952,041	215,921	22.7
Pittsburgh	170,159	1,269	0.7	879,811	30,477	3.5
Portland	198,368	12,871	6.5	512,664	88,973	17.4
Sacramento	153,362	2,875	1.9	609,904	50,325	8.3
Salt Lake City	73,762	2,787	3.8	370,967	53,829	14.5
San Antonio	365,414	36,351	9.9	504,411	50,195	10.0
San Diego	431,722	22,140	5.1	946,240	52,806	5.6
San Francisco	328,471	8,638	2.6	680,010	19,013	2.8
San Jose	259,365	18,497	7.1	540,240	33,671	6.2
Seattle	249,032	13,947	5.6	1,060,127	89,469	8.4
St. Louis	194,919	1,459	0.7	1,006,011	60,217	6.0
Tampa	129,681	10,444	8.1	1,025,064	87,124	8.5
Washington, DC	278,489	1,162	0.4	1,556,749	166,469	10.7

Notes: Metropolitan areas are either Population Metropolitan Statistical Areas (PMSAs) or Metropolitan Statistical Areas (MSAs). PMSAs appear in bold. Housing stock is defined as total housing units.

Sources: US Census Bureau, Building Permits disks 1995, 1996, 1997, 1998, 1999; 1990 Census of Housing.

Table A-13 Home Purchase Lending in Large Metropolitan Areas: 1993, 1998, and 1999

	Total Loans			Share of All Loans Made: In Suburbs			To Minority Borrowers			To Low-Income Borrowers			To High-Income Borrowers		
	1993	1998	1999	1993	1998	1999	1993	1998	1999	1993	1998	1999	1993	1998	1999
Total	2,498,784	3,608,710	3,991,245	69.5	70.1	70.2	17.4	21.5	21.9	26.4	28.9	32.4	43.9	43.0	40.5
Northeast	411,517	566,761	633,503	80.1	78.0	76.9	13.2	16.9	17.3	25.1	25.7	29.7	43.8	45.8	43.0
Midwest	631,374	796,215	861,628	69.7	70.1	69.7	10.6	13.2	13.8	32.2	34.4	38.2	36.0	35.6	33.0
South	858,564	1,312,890	1,450,265	69.4	71.5	72.3	18.9	24.0	24.6	26.2	30.1	34.4	46.0	43.2	39.6
West	597,329	932,844	1,045,849	62.3	63.6	63.7	25.3	28.1	27.7	21.3	24.5	26.5	49.4	47.3	46.4
Northeastern Metros															
New York	131,575	202,510	255,352	77.2	73.5	72.6	21.7	25.9	27.1	20.8	22.2	27.9	49.6	49.6	45.1
Philadelphia	63,366	79,658	95,175	82.3	81.9	81.4	14.4	18.7	18.8	31.3	31.7	35.5	39.2	42.2	39.9
Boston	50,676	83,580	96,349	78.6	77.2	75.7	9.9	11.1	10.9	24.8	24.8	27.6	42.7	45.7	44.1
Pittsburgh	19,828	20,744	25,968	88.4	88.9	88.1	6.4	7.0	7.3	23.4	24.7	27.1	47.7	48.5	47.3
Hartford	7,935	16,553	20,365	94.9	92.8	92.4	12.9	14.9	13.7	29.2	36.5	35.5	35.7	34.1	35.1
Providence	6,185	13,771	16,651	71.2	66.0	65.1	9.4	9.3	9.2	28.2	24.2	27.3	37.2	43.9	43.4
Rochester	11,280	12,626	14,871	84.9	85.3	85.1	8.3	9.5	9.6	32.4	32.8	37.8	33.7	39.1	35.0
Buffalo	9,241	11,319	12,956	81.1	83.6	82.1	8.5	8.7	8.9	24.7	28.1	34.8	42.8	41.3	36.8
Midwestern Metros															
Chicago	91,054	136,136	165,201	72.0	72.0	70.8	25.0	26.6	27.3	29.5	31.5	36.9	37.9	38.2	34.7
Detroit	61,560	92,172	104,225	88.4	87.8	87.0	11.1	13.1	14.9	33.3	34.8	39.1	35.5	35.4	32.2
Cleveland	32,745	41,501	46,703	80.7	77.6	77.3	11.0	13.6	13.8	30.9	30.5	34.8	38.5	40.3	37.6
Minneapolis	52,183	58,738	67,597	83.6	82.1	82.6	5.4	9.6	9.4	38.9	42.1	43.2	29.8	28.0	27.1
St Louis	33,532	42,787	48,117	86.5	84.8	83.7	10.2	14.7	14.7	33.8	38.5	39.8	34.6	33.6	34.0
Cincinnati	27,960	33,414	38,106	80.3	83.4	82.8	7.8	8.3	9.0	32.2	33.3	37.1	37.0	38.2	34.0
Kansas City	22,029	31,243	36,435	68.8	66.1	65.2	8.6	11.8	10.8	31.8	36.2	36.8	37.9	34.4	34.3
Milwaukee	21,427	24,928	26,787	64.2	67.7	66.6	11.6	13.4	13.0	26.2	27.5	33.4	39.0	40.3	35.8
Southern Metros															
Washington, DC	98,398	128,008	157,796	86.7	84.0	84.5	25.7	31.0	29.5	33.0	34.8	40.7	35.7	36.5	32.6
Dallas	53,470	92,354	108,344	66.8	67.2	68.1	18.5	23.5	24.8	25.2	28.5	32.0	48.4	45.0	42.2
Houston	39,978	73,408	87,530	71.7	71.6	72.4	24.7	31.0	33.9	21.8	27.7	31.6	53.4	48.6	45.1
Atlanta	47,931	86,390	106,360	93.2	92.5	91.6	18.2	27.1	30.0	29.4	32.6	37.5	41.0	39.3	35.3
Miami	46,961	67,190	82,374	88.9	87.9	87.6	45.6	57.2	58.2	19.5	23.6	29.4	52.8	47.9	43.9
Tampa	30,853	45,291	55,576	77.7	77.6	78.0	11.5	15.7	15.6	24.9	29.5	35.2	49.4	44.7	40.7
Norfolk	19,898	21,955	26,404	29.8	28.8	32.3	20.6	24.8	24.3	28.9	29.3	33.9	40.5	41.2	37.1
San Antonio	14,562	20,435	25,997	40.9	45.9	47.5	35.1	45.5	43.0	19.4	23.3	26.1	55.9	50.6	47.7
Western Metros															
Los Angeles	90,175	214,221	262,490	67.2	70.1	70.1	48.8	40.8	40.6	12.1	20.6	23.1	60.5	53.2	51.7
San Francisco	61,545	109,610	139,659	63.7	62.1	62.6	34.7	36.3	37.5	15.1	19.2	19.3	56.1	53.6	55.3
Seattle	49,733	68,743	77,367	74.8	75.2	74.4	13.6	17.4	15.0	22.1	26.9	29.5	44.4	41.5	39.4
Phoenix	41,323	73,996	88,372	37.2	44.4	45.3	13.7	19.2	18.9	31.7	30.1	33.6	41.2	43.1	40.2
Sacramento	19,000	29,730	39,151	76.4	78.2	77.4	23.7	23.4	22.7	19.4	26.8	28.5	49.6	45.2	44.4
San Diego	25,122	43,891	57,206	51.1	52.2	53.2	28.2	25.7	24.7	15.9	16.9	19.2	57.0	58.6	57.0
Denver	52,037	65,768	79,587	74.7	74.5	73.4	13.0	18.8	18.5	33.7	33.1	34.3	37.5	37.8	36.3
Portland	26,064	43,364	44,195	68.0	73.3	72.8	9.5	12.3	10.7	22.9	23.1	26.2	46.2	44.9	42.2

Notes: Includes only home purchase loans made in metropolitan areas as defined by the Office of Management and Budget for 1993 HMDA reporting. Metropolitan areas shown are the eight largest in each region as
borrowers had incomes less than 80% of metro area median in the year specified. High-income borrowers had incomes at or above 120% of metro area median in the year specified. Low-income areas are those in w
data on the share of tract population in central cities were used to apportion the loan data to central cities and suburbs.

Sources: Joint Center tabulations of the 1993, 1998, and 1999 Home Mortgage Disclosure Act data.

Share of Loans to Minorities Made:						Share of Loans to Low-Income Borrowers Made:						Share of Loans to High-Income Borrowers Made:					
In Suburbs			In Predominantly White Suburbs			In Suburbs			In Moderate-/High-Income Suburbs			In Central Cities			In Low-Income Areas of Central Cities		
1993	1998	1999	1993	1998	1999	1993	1998	1999	1993	1998	1999	1993	1998	1999	1993	1998	1999
59.1	61.0	61.0	13.7	15.0	13.8	64.8	65.5	66.2	56.9	57.1	57.8	28.7	27.6	27.7	3.7	3.8	4.1
54.6	54.7	53.3	25.9	25.1	22.0	74.4	72.1	71.3	66.3	63.1	62.0	17.7	19.3	19.7	2.7	3.0	3.3
50.4	52.0	50.7	25.8	29.8	27.7	61.6	61.8	62.2	56.3	56.8	57.0	24.4	23.3	23.7	4.1	4.6	5.3
62.9	65.9	67.1	11.3	13.2	12.9	67.5	68.8	70.2	58.6	60.1	61.7	30.7	27.7	27.3	3.4	3.4	3.7
60.7	60.9	60.6	6.4	7.4	5.9	57.4	59.9	60.3	47.2	48.6	49.0	36.2	35.2	35.0	4.3	4.1	4.3
54.7	55.6	54.8	17.7	18.3	16.1	83.6	77.4	73.7	70.8	64.1	60.6	26.9	28.1	28.6	2.7	3.1	3.4
56.0	53.9	53.9	24.3	23.8	21.9	68.5	65.5	67.2	62.8	59.8	61.4	8.8	8.0	8.4	1.8	1.6	1.8
49.7	54.7	50.5	35.4	40.9	35.9	66.6	67.4	66.8	60.7	59.1	58.5	14.4	16.7	18.0	3.6	4.6	5.5
70.5	69.2	68.3	49.8	46.5	48.0	82.0	83.4	83.5	61.9	61.7	62.1	8.3	8.9	9.7	1.2	1.7	1.7
75.8	78.0	75.9	43.5	39.7	36.8	90.6	89.5	89.0	86.1	80.1	78.8	2.2	3.9	4.5	1.4	0.8	1.0
44.8	33.9	32.7	40.1	29.2	26.8	59.1	50.7	50.9	57.4	49.1	49.0	22.1	25.3	24.6	2.9	3.5	3.8
51.2	47.4	43.8	44.9	41.3	36.6	74.3	74.1	75.3	66.1	66.7	65.7	7.5	7.8	6.9	2.9	2.5	2.4
35.5	41.2	40.0	32.0	36.7	34.0	62.2	68.9	71.5	59.1	66.1	68.3	10.2	8.8	10.0	2.8	2.0	2.6
51.4	57.3	56.5	14.0	20.3	19.1	66.6	67.2	67.5	62.7	62.5	62.9	23.9	25.0	27.6	5.6	7.1	8.6
55.6	59.0	54.6	34.0	39.0	35.8	81.7	81.3	80.3	72.9	71.1	70.3	7.2	7.5	7.3	1.8	2.0	2.4
57.0	49.4	48.8	27.7	27.4	26.5	64.3	61.7	63.8	60.7	58.6	60.4	8.4	11.2	11.8	2.5	4.5	5.4
62.6	59.4	60.8	60.1	56.4	57.2	76.2	75.0	76.1	72.3	71.0	72.3	11.3	12.1	12.3	1.9	2.5	2.9
78.8	73.4	71.4	33.1	33.1	38.8	80.7	77.7	76.8	73.0	70.0	68.6	9.2	8.9	10.1	2.8	3.3	3.6
57.4	64.3	62.4	32.2	43.0	40.9	72.6	78.6	77.8	63.7	71.2	70.4	14.9	13.2	13.9	3.7	3.6	4.2
43.5	41.3	36.9	37.2	35.7	31.6	62.3	59.2	58.5	55.6	54.4	53.6	25.9	27.9	29.4	2.0	1.9	2.4
23.4	24.9	20.8	22.4	23.5	19.3	40.4	46.8	48.5	39.6	46.0	47.8	21.2	18.9	18.3	4.2	4.2	4.2
83.1	79.8	80.9	9.0	10.9	9.7	83.2	79.4	81.4	70.0	69.7	89.0	12.0	14.3	14.2	2.6	3.3	3.5
55.5	58.4	59.0	10.6	11.9	11.1	59.9	59.0	61.1	52.6	51.8	54.4	31.3	28.5	28.1	3.6	3.2	3.5
61.6	63.0	64.1	5.7	5.6	5.2	63.6	64.3	65.8	57.0	55.9	58.8	25.9	25.8	24.8	3.8	4.1	4.5
91.2	93.1	92.9	28.5	34.2	34.8	94.4	94.2	93.4	81.0	83.0	82.4	8.9	10.3	11.4	1.0	1.9	2.4
88.7	89.6	89.7	4.1	5.4	5.3	91.7	91.4	91.6	80.2	79.9	80.7	13.6	16.0	16.9	4.6	5.1	5.8
68.7	69.8	69.2	27.4	26.9	28.1	74.4	75.7	75.5	55.5	56.9	58.2	21.7	22.1	21.4	1.9	2.4	2.3
22.3	19.3	23.2	2.7	2.1	2.5	23.2	22.8	24.1	22.7	20.7	21.5	63.4	64.5	59.6	5.1	5.6	6.0
36.1	39.9	39.8	1.1	1.2	1.2	32.9	38.7	40.0	30.0	32.4	34.2	57.1	50.2	48.2	2.7	3.0	2.4
70.3	69.7	69.4	0.5	1.0	0.9	68.7	69.9	69.6	52.1	53.9	53.7	34.0	30.0	30.2	4.3	3.4	3.4
56.9	57.0	56.7	2.3	2.0	1.5	56.7	57.9	57.7	46.0	46.9	46.3	32.8	35.3	34.0	4.6	5.3	5.5
69.4	72.4	71.5	33.7	36.4	32.4	70.8	73.3	73.5	63.2	64.2	64.2	24.3	24.9	26.3	3.5	3.7	3.7
34.0	38.6	38.4	8.3	10.2	9.2	34.9	39.1	41.4	28.3	30.7	33.6	63.8	55.3	54.7	2.9	3.2	3.4
63.2	64.7	62.3	6.7	8.5	5.8	68.3	71.8	70.6	58.8	62.5	61.0	20.8	17.0	18.4	3.7	2.5	2.2
47.9	48.6	48.5	2.6	3.0	1.9	46.6	49.3	49.8	35.3	38.7	38.4	48.3	48.2	46.5	3.6	3.0	4.1
64.0	65.9	63.9	21.4	19.9	15.5	69.6	70.0	68.9	55.8	53.8	52.5	22.2	23.0	24.7	5.2	6.2	7.6
62.0	70.3	70.0	40.1	48.3	46.3	57.1	66.8	67.0	51.9	62.3	62.8	27.0	24.2	24.6	4.8	5.3	5.1

s of the 1990 Census. Excludes loans for which valid applicant income was not given. Predominantly white suburbs are those in which minorities made up less than 10% of the population in 1990. Low-income
hich tract median income was less than 80% of metro median in 1989. Moderate-/high-income suburbs are those in which the tract median income was 80% or more of the metro median in 1989. Freddie Mac

Table A-14 Total and Subprime Lending by Gender, Race, Income, and Area: 1993-1999

	Number of Subprime Loans							Total Loans						
	1993	1994	1995	1996	1997	1998	1999	1993	1994	1995	1996	1997	1998	1999
Home Purchase Loans														
Total														
Male	13.3	21.1	23.0	29.9	53.6	127.7	149.8	1,941.1	2,144.8	2,062.2	2,350.0	2,406.6	2,716.2	2,828.2
Female	3.2	5.4	6.5	8.8	17.3	44.6	57.1	466.8	550.2	561.5	653.8	700.2	818.7	899.8
Borrower Race														
White														
Male	8.6	13.9	13.7	19.9	35.4	79.7	86.1	1,620.4	1,749.1	1,659.1	1,894.2	1,921.4	2,153.8	2,175.9
Female	2.0	3.4	3.4	5.4	9.9	24.0	28.7	370.9	418.3	417.6	490.8	518.6	605.5	644.7
Black														
Male	1.2	1.7	2.1	2.5	5.7	13.6	19.0	87.9	116.2	121.6	127.3	129.4	139.0	155.2
Female	0.6	0.9	1.3	1.5	3.6	9.5	13.9	48.8	69.8	78.2	84.8	90.5	99.8	115.0
Hispanic														
Male	1.8	2.6	2.8	3.6	5.4	13.5	17.3	115.1	149.6	155.3	179.8	182.1	207.5	243.1
Female	0.3	0.5	0.6	0.8	1.5	4.0	5.4	22.1	31.3	34.5	41.1	45.9	54.0	66.0
Asian														
Male	1.0	1.4	1.5	1.8	2.4	5.1	5.2	69.9	78.6	72.5	81.8	91.3	101.6	117.4
Female	0.2	0.3	0.3	0.5	0.7	1.6	2.2	14.6	18.3	17.5	20.5	23.8	27.3	34.2
Borrower Income														
Low														
Male	3.1	4.4	5.1	6.7	12.9	30.6	44.7	402.2	458.9	439.5	528.4	545.7	627.9	700.1
Female	1.4	2.2	2.9	3.8	7.9	19.5	27.7	216.2	254.6	257.9	310.9	334.8	395.5	444.3
Moderate/High														
Male	10.2	16.7	17.9	23.1	40.7	97.1	105.1	1,539.0	1,685.9	1,622.7	1,821.6	1,860.9	2,088.3	2,128.0
Female	1.7	3.2	3.6	5.0	9.4	25.1	29.3	250.6	295.6	303.6	342.9	365.4	423.1	455.5
Area Characteristics														
Low-Income, Predominantly Minority Neighborhoods														
Male	1.1	1.5	2.1	2.2	4.4	11.7	14.8	66.9	78.0	81.4	90.0	93.8	104.9	116.6
Female	0.4	0.5	0.8	0.9	2.1	5.8	7.9	25.0	32.1	35.3	39.1	43.2	47.9	54.2
Refinance Loans														
Total														
Male	25.1	58.1	54.9	95.7	187.2	369.8	332.1	3,786.3	1,424.2	903.6	1,462.4	1,527.8	3,700.5	2,240.5
Female	7.9	19.3	24.5	41.0	79.9	148.3	155.8	628.3	312.5	226.1	366.8	408.6	907.6	674.7
Borrower Race														
White														
Male	14.5	35.6	31.3	59.0	116.5	221.5	186.4	3,256.0	1,174.7	746.7	1,218.0	1,232.1	3,052.6	1,750.9
Female	3.7	9.5	11.6	21.1	40.6	72.5	72.4	526.2	240.8	168.9	277.4	292.9	687.6	472.4
Black														
Male	3.4	8.1	9.8	16.1	29.7	47.5	48.3	84.4	62.3	47.8	72.9	84.3	138.2	121.1
Female	2.3	5.5	7.7	12.6	23.1	38.4	42.8	32.6	31.5	29.4	44.7	56.3	89.2	88.9
Hispanic														
Male	2.7	5.1	3.9	6.7	11.0	23.1	24.8	130.1	69.5	41.0	61.7	64.4	147.4	120.1
Female	0.6	1.4	1.5	2.3	4.0	7.8	9.4	20.7	14.7	10.4	15.8	17.4	36.6	34.5
Asian														
Male	1.7	2.0	1.0	1.6	2.6	8.8	6.9	182.6	59.3	29.0	40.9	44.7	130.3	75.3
Female	0.3	0.4	0.3	0.5	1.0	2.6	2.7	27.0	12.0	6.5	9.3	10.4	27.9	20.8
Borrower Income														
Low														
Male	6.7	18.8	18.1	33.0	63.3	114.1	122.0	430.2	241.3	157.7	274.9	297.6	619.9	492.3
Female	4.5	11.9	14.8	25.7	49.1	85.6	95.7	224.7	135.8	102.0	172.7	197.3	395.9	329.5
Moderate/High														
Male	18.4	39.4	36.8	62.7	124.0	255.7	210.0	3,356.1	1,182.9	745.9	1,187.5	1,230.3	3,080.5	1,748.2
Female	3.4	7.4	9.7	15.3	30.8	62.7	60.1	403.6	176.7	124.1	194.1	211.3	511.7	345.
Area Characteristics														
Low-Income, Predominantly Minority Neighborhoods														
Male	3.8	8.1	8.9	13.8	24.6	43.4	42.6	100.5	65.8	46.2	66.7	76.4	126.5	114.2
Female	2.0	4.5	5.9	9.5	17.4	31.1	32.9	28.6	24.9	22.3	33.8	42.6	66.0	66.0

Notes: Includes only loans made in counties that were part of MSAs for all years. Excludes loans made at five times loan-to-value ratios or more, and loans made to borrowers with unreported incomes. Subprime excludes loans by manufactured housing specialists. Low-income borrowers have incomes less than 80% of the area median. Moderate-/high-income borrowers have incomes that are at least 80% of the area median. Low-income, predominantly minority neighborhoods had incomes less than 80% of the area median and at least 50% minority populations as of 1989. Subprime specialists are identified by HUD.

Source: Joint Center tabulations of 1993-99 Home Mortgage Disclosure Act data.

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