

NATIONAL APARTMENT ASSOCIATION PRESS RELEASE

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Rental Apartment Vacancy Rate in First Quarter

The rental apartment (units in structures with 5 or more units) vacancy rate declined to 10 percent in the first quarter from 11.7 percent a year earlier in the U.S. Department of Commerce's data series. The first quarter rate, however, was up from the 9.5 percent rate reported for the fourth quarter. The same quarter comparisons are more valid since the data series is not seasonally, according to Robert Sheehan, consulting economist for the National Apartment Association (NAA).

"Recovery in the rental apartment market continues to occur as a result of stronger employment and household growth and affordability issues related to homeownership in many local markets," Sheehan said. "An increase in the renter's share of households (a drop in the homeownership rate) in the first quarter is another sign of rental market improvement, he added

Vacancies in all rental apartment units, according to the U.S. Department of Commerce, declined to 9.5 percent in the first quarter from 9.6 percent in the fourth quarter, and from the 10.1 percent recorded in the first quarter of a year ago.

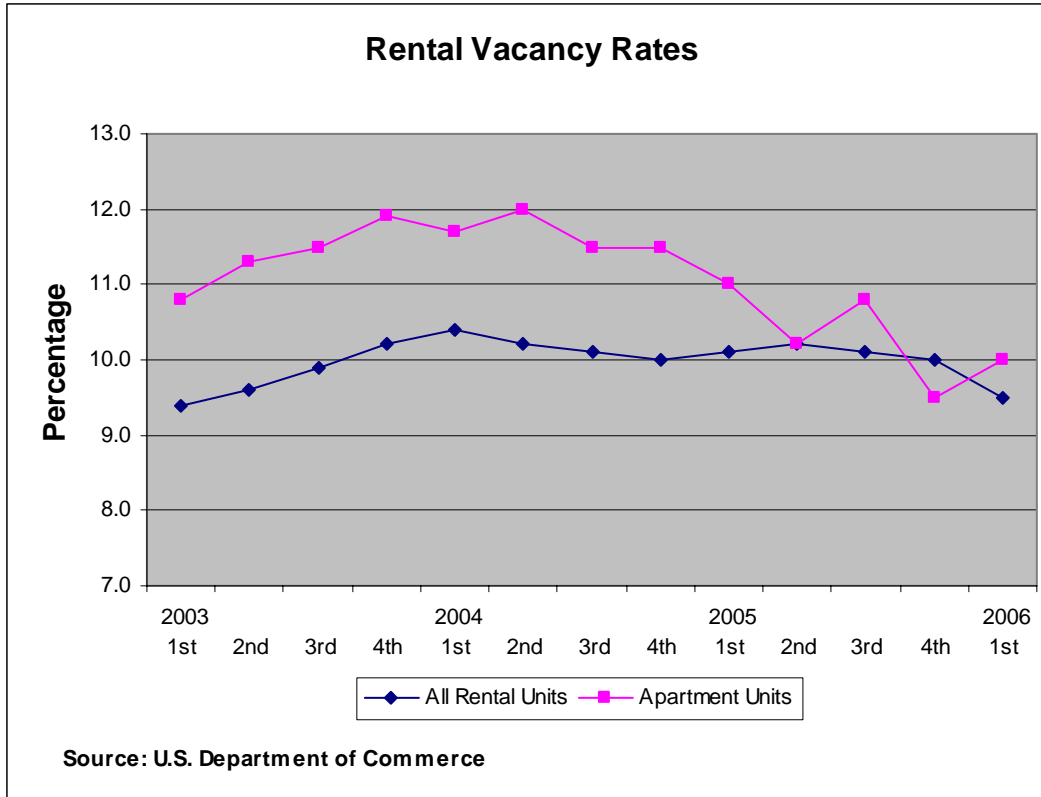
Rental vacancy rates for all rental units were mixed regionally from a year ago. They rose from 7.2 percent to 7.3 percent in the Northeast, and to 12.6 percent from 12.2 percent. A decline to 10.5 percent from 12.2 to 7.3 percent was reported in the Northeast, and the rate in the West dropped to 6.7 percent from 7.5percent.

The seasonally adjusted rate of the renter's share of total households increased to 31.4 percent in the first quarter from a revised 31.2 percent for the fourth quarter. Conversely the homeownership rate declined to 68.6 percent if the first quarter from 68.8 percent in the fourth quarter. The record homeownership seasonally adjusted homeownership rate was 69.3 percent in the second quarter of 2004 (30.7 percent renter's share of total households

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About NAA: NAA, based in Alexandria, Virginia, is the leading advocate for quality rental housing. NAA is a federation of 164 state and local affiliated associations representing more than 31,600 members responsible for more than 5 million apartment homes nationwide. NAA is the largest broad-based organization dedicated solely to rental housing. NAA members include apartment owners, management executives, developers, builders, investors, property managers, leasing consultants, maintenance personnel, suppliers and related business professionals throughout the United States and Canada. NAA provides information through advocacy, research, technology, education and strategic partnerships. NAA offers six national designation programs, publishes *Units* magazine and other industry publications; holds an annual Education Conference and Exposition; and promotes industry professionalism. For information, call 703/518-6141, e-mail information@naahq.org, or visit www.naahq.org. Approximately 81.2 million people, or one-third of the U.S. population, live in renter households. The apartment industry employs more than a half million people, and the current estimated value of U.S rental housing stock is \$2.5 trillion.

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