

NATIONAL APARTMENT ASSOCIATION PRESS RELEASE

For More Information, Call: 703/491-7377

Robert J. Sheehan

For Immediate Release

July 28, 2006

Rental Apartment Vacancy Rate Rises Slightly in Second Quarter

The rental apartment (units in structures with 5 or more units) vacancy rate increased to 10.4 percent in the second quarter from 10.2 percent a year earlier in the U.S. Department of Commerce's data series. The first quarter rate was also up from the 10 percent rate reported for the first quarter, but the data series is not seasonally adjusted, according to Robert Sheehan, consulting economist for the National Apartment Association (NAA).

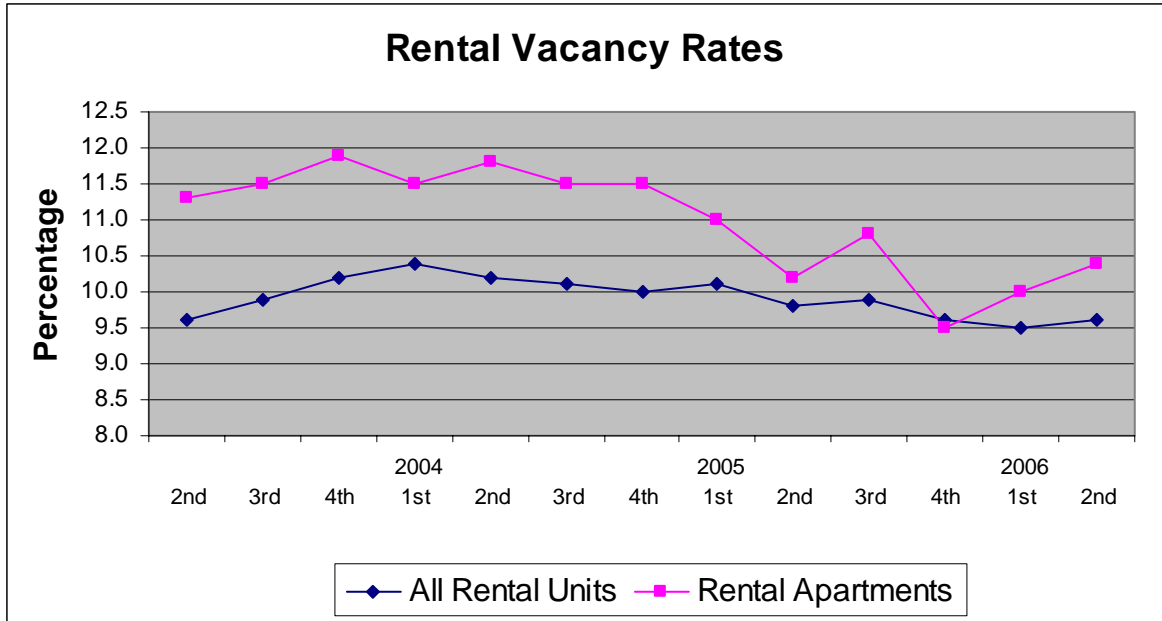
"The increase in the rental apartment vacancy rate is not statistically significant, but a slowing of the rate of recovery in the market is probably occurring as both employment and household growth moderated in recent months," Sheehan said

Vacancies in all rental apartment units, according to the U.S. Department of Commerce, increased to 9.8 percent in the second quarter from 9.5 percent in the first quarter, but were unchanged from the same quarter of a year ago.

Rental vacancy rates for all rental units were mixed regionally from a year ago. The rate dropped in the West, from 7.5 percent to 6.8 percent, and in the South to 11.1 percent from 11.8 percent. It increased in the Northeast to 6.9 percent from 6.1 percent. A 12.6 percent rate was reported for the Midwest and was unchanged from a year ago.

The seasonally adjusted rate of the renter's share of total households was essentially unchanged in the second quarter at 31.2 percent from 31.3 percent for the second quarter of 2005.

Household growth moderated in June to 1.256 million from 2.006 million a year earlier.



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.