

COMPREHENSIVE MARKET ANALYSIS REPORTS



Policy Development & Research

Analysis of the Vallejo-Fairfield, California

Housing Market As of July 1, 2005



ECONOMIC RESEARCH

U.S. Department of Housing and Urban Development

Foreword

This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the "as-of" date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD wishes to express its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

This analysis takes into consideration changes in the economic, demographic, and housing inventory characteristics of the market area during three periods: from 1990 to 2000, from 2000 to the as-of date of the analysis—July 1, 2005 (Current date)—and from the Current date to a Forecast date—July 1, 2008. In the analysis, 1990 and 2000 refer to the dates of the decennial census—April 1 unless specified otherwise. This analysis presents counts and estimates of employment, population, households, and housing inventory as of the 1990 Census, 2000 Census, Current date, and Forecast date. For purposes of this analysis, the forecast period is 36 months.

The prospective demand expressed in the analysis should not be construed as a forecast of building activity; rather, it presents the prospective housing production that would maintain a reasonable balance in the demand-supply relationship given the market conditions on the as-of date of the analysis. This analysis was prepared by Lall B. Ramrattan, the Division's economist in HUD's California State Office, based on fieldwork conducted in April 2005. Questions regarding the findings and conclusions of the analysis may be addressed to Mr. Ramrattan at 415-489-6519 and at lall_b._ramrattan@hud.gov.

Housing Market Area

The Vallejo-Fairfield, California Housing Market Area (HMA) is located between the San Francisco and Sacramento metropolitan areas and consists of Solano County. The HMA has two submarkets—the city of Vallejo and the cities of Fairfield and Vacaville—where most of the economic and residential development occurs. The Remainder of the HMA includes the unincorporated areas of Solano County and several smaller cities, including Rio Vista, Dixon, Suisun City, and Benicia.

Summary

The Vallejo-Fairfield area's diverse economic base and proximity to the San Francisco and Sacramento metropolitan areas have contributed to the relatively steady employment and population growth in the Vallejo-Fairfield HMA. Major nonfarm employment growth in the past several years has been in the retail trade, educational and health services, leisure and hospitality, and construction sectors. Job gains in biotechnology have also increased the economic diversity of the HMA. Employment growth during the forecast period is expected to come from biological research, the redevelopment of the former Mare Island Naval Shipyard (MINS), and support services for the growing population. Total employment is expected to increase at a 2.2-percent annual rate in each of the next 3 years.

New residents have been drawn to the HMA because of employment growth and relatively affordable home prices compared with nearby areas. Since 2000, the population has increased at an average annual rate of 1.5 percent, 40 percent of which was attributed to net in-migration. Continued job expansion and in-migration of commuters who work in the San Francisco and Sacramento metropolitan areas are expected to contribute to population growth by approximately 1.7 percent a year during the forecast period. As of July 1, 2005, the total population of the HMA is estimated to be 426,600.

The sales housing market has been extremely strong due to consistent employment and population growth, as well as low mortgage interest rates. The median sales price for new and existing homes and condominiums has appreciated approximately 20 percent annually since 2000 to \$420,000. In comparison, the median sales price is \$730,000 in San Francisco. Strong sales market conditions are expected to continue during the forecast period. Sales housing demand for the 3-year forecast period is estimated at 4,200 units.

Rental market conditions are currently balanced with a vacancy rate of 6 percent. The tight rental market conditions prevalent in the late 1990s eased during the past 3 years due to a combination of new apartment construction and renters becoming homeowners. Rental housing demand is forecast at 550 units for the July 2005 through July 2008 period.

Economy of the Area

Total employment in the Vallejo-Fairfield HMA is currently 198,500 as of the 12 months ending June 2005, up from 194,300 in the previous 12-month period. Total resident employment significantly exceeds nonfarm employment because an estimated one-fourth of the workforce commutes to jobs in the San Francisco and Sacramento areas. Increased demand for housing by commuters has supported gains in construction work, as well as growth in retail and service jobs supporting the population increase. The trends in labor force, total employment, and unemployment rates are presented in Table 1 and trends in nonfarm employment by industry sector are presented in Table 2.

Nonfarm employment in the HMA is currently 126,200. The government, trade, and transportation and utility sectors each account for approximately 20 percent of nonfarm jobs. The government sector includes Travis Air Force Base (AFB) in Vacaville, which employs 1,800 civilians and 7,450 military personnel. Retail trade accounts for most jobs in the trade sector. The educational and health services, leisure and hospitality, and professional and business services sectors each account for 10 percent of nonfarm employment. Nonfarm employment grew steadily during the 1990s, with the exception of the 3 years between 1993 and 1996 when MINS closed, resulting in a reduction of 6,800 civilian jobs and 1,300 military jobs. Between 1997 and 2004, nonfarm employment increased by an annual average of 3,425 jobs, or 2 percent. During the past year, growth in construction, professional and business services, trade, and transportation and utilities led a gain of 2,400 jobs, or 2 percent.

Kaiser Permanente Health Services is the largest private employer in the HMA with approximately 3,100 jobs, followed by Six Flags Marine World Entertainment with 1,700 jobs. Valero Refining Company in Benicia employs 1,000 manufacturing workers, and the Anheuser-Busch Brewery in Fairfield employs 500 food production workers. The farming industry is also important to the economy of the HMA, with 4,200 employees and an economic impact of approximately \$1.3 billion annually.

The HMA has attracted several major biotechnology research firms because land and costs of business are more affordable than in the Silicon Valley or San Francisco. In addition, biotechnology firms in the HMA are within 20 miles of research centers at the University of California campuses of Davis and Berkeley. Genentech, Inc., in Vacaville has 700 jobs and plans to add 575 jobs by 2009 in a \$600 million manufacturing facility expansion, becoming one of the largest biomedical plants in the world. ALZA Corporation, with 700 jobs, has also expanded into Vacaville. Other biotechnology firms, including Chiron, Applied Bios Stems, Bio-Rad, James Pharmaceutical, and Life Line Nutritional in Hayward, have smaller facilities in the HMA.

Employment growth during the forecast period will come from biotechnology jobs, expansion of the military hospital at Travis AFB, and redevelopment of the former MINS into residential and commercial space. Other major projects include redevelopment of the county fairgrounds in Vallejo into a retail/entertainment complex, an entertainment and shopping center in Vacaville, the upgrade of the Westfield regional mall in Fairfield, and new Wal-Mart retail stores in Fairfield and Suisun City. Total employment is expected to

expand at a 2.2-percent annual rate in each of the next 3 years, and nonfarm jobs are projected to increase by 2.9 percent a year.

Household Income

According to HUD's Economic and Market Analysis Division, the fiscal year 2005 median family income for the Vallejo-Fairfield-Napa, California metropolitan statistical area was \$73,900, an average annual increase of approximately 3.6 percent since 1999.

Population

As of July 1, 2005, the population estimate for the HMA was 426,600, an average annual gain of 1.5 percent since the 2000 Census, the same as the average annual rate recorded during the 1990 decade. Although the rate of growth has not changed, the portion of population growth due to net in-migration has increased since 2000. Improved economic conditions in the HMA, as well as an increase in the number of new residents who work in nearby employment centers, has caused average annual net migration to reach 2,800 people compared with 1,600 in the 1990s.

Due to the availability of residential land, the Fairfield-Vacaville submarket, in which 48 percent of the population in the HMA resides, has grown at a rate of 2 percent annually since 1990, the fastest rate in the HMA. Vallejo's population grew by 0.7 percent annually from 1990 to 2000 because of scarcer residential land and the closing of MINS. Since 2000, population has increased at a rate of 1.1 percent in the Vallejo submarket due to in-migration from higher priced housing markets. The population of the HMA is forecast to expand at an annual rate of 1.7 percent during the forecast period, with Fairfield-Vacaville and Vallejo annual rates projected at 2.2 and 1.3 percent, respectively. The slightly higher projected HMA annual growth rate for the forecast period, compared with the past 5 years, is a result of anticipated job expansion and new commuter residents from the adjacent metropolitan areas. Population trends from 1990 to the Forecast date are shown in Table 3.

Households

The number of households in the HMA increased at an average annual rate of 1.4 percent, or 1,700 households annually, during the 1990s. The same growth rate prevailed from 2000 to the Current date, adding 1,875 households annually. Continued economic expansion is expected to result in an increased annual growth rate of 1.6 percent, or 2,275 households annually, from the Current date to the Forecast date. The number of households in the HMA is expected to reach 147,000 by the end of the 3-year forecast period—69,750 in the Fairfield-Vacaville submarket, 42,650 in the Vallejo submarket, and 34,600 in the Remainder of the HMA. The number of people per household has gradually increased due to the in-migration of larger families purchasing homes in the area. Approximately 5,000 military households from Travis AFB live off base in the HMA, primarily in the Fairfield-Vacaville area. Household trends for the HMA and submarket areas are shown in Table 3.

Housing Inventory

A strong demand for homes due to low mortgage interest rates, steady economic conditions, and an influx of commuter population caused the sales housing inventory to increase rapidly between 2000 and the Current date. The number of owner units rose by 2,375 annually during this period, 60 percent above the annual average increase in the 1990s. Rental inventory increased by 500 units annually between 2000 and the Current date compared with a 200-unit annual average increase between 1990 and 2000. Tight rental market conditions during the late 1990s resulted in subsequent apartment construction beginning in 2000. Table 4 displays housing inventory trends for the HMA and its submarkets from 1990 to the Current date.

Single-family building permits have averaged 2,025 annually since 2000, compared with 1,450 homes permitted annually between 1990 and 1999. More than half the permits issued since 2000 were in the Fairfield-Vacaville submarket and 20 percent were in the Vallejo submarket. During the 12 month period ending June 2005, 2,490 single-family permits were issued in the HMA, compared with 2,453 permits issued in the previous 12-month period. Multifamily building permit activity increased to an average of 550 units annually from 2000 to the current period, doubling the rate for the 1990–99 period. Most of the multifamily building permits activity, about 425 units annually, occurred in the Fairfield-Vacaville submarket because of land availability and more rapid population and household growth. In the past 12 months ending June 2005, 609 multifamily units were permitted, up from 459 units in the previous 12 months. Condominiums account for a small, relatively stable share of the inventory, approximately 5 percent.

Housing Vacancy

As of the Current date, owner and rental vacancy rates in the HMA are 1.3 and 6 percent, respectively. The sales vacancy rate has remained fairly stable since 2000 due to the strong demand for homes. The rental vacancy rate increased from 3.7 percent in 2000 due to new rental units coming on line and renters moving to homeownership.

Sales Market Conditions

The HMA sales market is currently very strong and available inventory is low. From 2000 to 2004, new and existing home sales averaged 8,500 a year, compared with an average of 6,050 total homes sold annually in the 1990s, according to the Northern California Real Estate Report. Steady job creation in the HMA has attracted new residents who have purchased homes. In addition, many buyers come from the San Francisco and Sacramento areas because of relatively affordable housing in the HMA and easily accessible transportation systems for commuters, including a ferry to downtown San Francisco. The sale of single-family homes to investors has also contributed to the high demand for homes. The increased demand for sales housing since 2000, combined with a low unsold inventory of new and existing homes, has led to a sales price increase of approximately 18 percent annually since 2000. The median sales price of new and existing homes increased from \$180,900 in 2000 to \$355,000 in 2004. Since 2000, Vallejo led all the cities in the county with an annual rate of price increase of 23 percent,

while Fairfield and Benicia followed with 21-percent increases. From 2003 to 2004, the median sales price increased 19 percent in the HMA. Prices were highest in the city of Benicia, at \$460,000, and lowest in Rio Vista, at \$310,000. In the first 6 months of 2005, total home sales rose 16 percent in the HMA compared with the same period a year earlier. The median sales price for the first 6 months of 2005 was \$420,000, a 23-percent gain from the first 6 months of 2004, according to DQNews. Despite substantial increases, prices still remain much lower than the median price of \$578,600 in the nine-county San Francisco Bay Area and \$730,000 in San Francisco.

Growth moratoriums and a shortage of lots have limited land for residential development throughout much of the HMA. Some large developments are required to provide their own sewer treatment plant or other infrastructure, limiting construction to small phases and increasing costs. The cities of Benicia, Fairfield, and Suisun City have an average of just 300 units each in planned single-family inventory, and subdivisions are built only in small increments. As a result of the projected continued high demand and limited available inventory, the HMA sales market is expected to remain tight.

Rental Market Conditions

Conditions in the rental market of the HMA have changed from an extremely tight market in 2000 to a more balanced one as of the Current date. The tight market in 2000 was the result of limited multifamily production during the 1990s and a growing rental demand as the economy and population growth increased during the late 1990s. The current balanced market resulted from increased apartment production since 2000 and slower growth of renter households due to competition from homeownership. Affordable rentals such as low-income housing tax credit properties are essentially fully occupied. According to RealData, the apartment vacancy rate was 6 percent in the 12 months ending June 2005, changing little from the previous 12 months.

Since 2000, rents have remained relatively flat, as vacancy rates have increased. According to RealData, the average rents in the county are \$940 for one-bedroom units, \$1,030 for two-bedroom units, and \$1,500 for three-bedroom units. The amount of the concessions is relatively modest, generally free rent for two weeks to one month with a 12-month lease.

Forecast Housing Demand

The demand for new housing in the 3-year forecast period ending July 1, 2008, is approximately 4,750 units—4,200 sales and 550 rental units. Table 6 presents a summary of total rental qualitative demand in the HMA.

Table 1
Labor Force and Employment
Vallejo-Fairfield HMA
1990 to June 2005

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Labor Force	164,900	166,400	173,200	174,800	175,100	171,800	173,600	177,900	182,200	189,100
Employment	157,000	155,900	160,300	160,400	161,700	158,200	160,100	166,200	172,100	180,300
Unemployment	7,900	10,500	12,900	14,400	13,400	13,600	13,500	11,700	10,100	8,800
Rate (%)	4.8	6.3	7.4	8.2	7.7	7.9	7.8	6.6	5.5	4.7

	2000	2001	2002	2003	2004	Previous 12 Mos. ^a	Current 12 Mos. ^b
Labor Force	198,900	201,200	208,000	207,200	213,500	207,100	210,200
Employment	189,900	192,100	196,100	194,000	196,100	194,300	198,500
Unemployment	9,000	9,100	11,900	13,200	12,300	12,800	11,700
Rate (%)	4.5	4.5	5.7	6.4	5.9	6.2	5.5

^a 12 months ending June 30, 2004.

^b 12 months ending June 30, 2005.

Note: Numbers may not add to totals due to rounding.

Source: California State Employment Data

Table 2
Nonfarm Employment by Industry
Vallejo-Fairfield HMA
1990 to June 2005 (1 of 2)

Employment Sector	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total Nonfarm	96,000	96,100	98,400	97,900	97,500	97,600	97,500	100,900	104,200	109,900
Goods-Producing	14,500	14,000	13,500	13,400	14,400	15,200	16,200	17,400	17,700	19,200
Nat. Res. & Mining	400	300	300	300	200	200	300	400	300	300
Construction	6,700	6,700	6,300	5,700	6,400	6,300	6,600	7,600	7,700	8,800
Manufacturing	7,400	7,000	6,900	7,400	7,800	8,700	9,300	9,400	9,700	10,100
Misc. Manufacturing	3,400	3,400	3,400	3,400	3,600	3,700	4,100	4,500	4,800	4,700
Beverage Manufacturing	4,000	3,600	3,500	4,000	4,300	5,000	5,200	4,900	4,900	5,400
Service-Providing	81,500	82,100	84,900	84,500	83,100	82,400	81,300	83,500	86,500	90,700
Trade, Transport., & Utilities	19,500	19,500	21,200	21,700	21,100	21,200	21,500	22,700	22,600	23,300
Wholesale Trade	2,100	1,900	2,000	2,000	1,900	2,300	2,500	3,000	3,000	3,400
Retail Trade	14,300	14,600	15,600	16,000	15,600	15,400	15,300	15,900	15,800	16,200
Transport. & Utilities	3,100	3,000	3,600	3,700	3,600	3,500	3,700	3,800	3,800	3,700
Information	1,400	1,300	1,400	1,400	1,500	1,600	1,700	1,700	1,800	1,700
Financial Activities	3,400	3,400	3,400	3,500	3,400	3,400	3,400	3,400	3,400	3,600
Prof. & Bus. Svcs.	5,000	5,100	5,600	5,400	6,100	6,600	7,100	7,500	8,600	9,800
Edu. & Health Svcs.	9,300	10,000	10,100	10,400	10,500	10,400	10,700	11,400	11,900	12,500
Leisure & Hospitality & Other Svcs.	13,500	14,000	14,400	14,500	14,300	14,400	14,300	14,400	15,000	15,500
Government	29,400	28,800	28,800	27,600	26,200	24,800	22,600	22,400	23,200	24,300
Federal	13,300	12,100	11,700	10,800	9,100	7,200	4,900	4,400	4,200	4,400
State	3,000	3,100	3,200	3,200	3,300	3,400	3,500	3,800	4,000	4,000
Local	13,100	13,600	13,900	13,600	13,800	14,200	14,200	14,200	15,000	15,900

Note: Numbers may not add to totals due to rounding.

Source: U.S. Department of Labor, Bureau of Labor Statistics—North American Industry Classification System (NAICS)

Table 2
Nonfarm Employment by Industry
Vallejo-Fairfield HMA
1990 to June 2005 (2 of 2)

Employment Sector	2000	2001	2002	2003	2004	Previous 12 Mos. ^a	Current 12 Mos. ^b
Total Nonfarm	115,100	117,300	120,500	123,700	125,100	123,800	126,200
Goods-Producing	20,500	20,900	20,600	20,800	21,700	20,800	22,500
Nat. Res. & Mining	300	300	200	400	400	400	400
Construction	9,900	10,600	10,900	11,300	12,100	11,300	13,000
Manufacturing	10,300	10,000	9,500	9,100	9,200	9,100	9,200
Misc. Manufacturing	4,700	4,600	4,300	4,200	4,000	4,000	4,000
Beverage Manufacturing	5,600	5,400	5,200	4,900	5,200	5,000	5,200
Service-Providing	94,600	96,400	99,900	102,900	103,400	103,000	103,600
Trade, Transport., & Utilities	23,400	23,900	24,800	26,100	26,600	26,500	26,600
Wholesale Trade	3,600	3,900	4,000	4,300	4,200	4,300	4,200
Retail Trade	16,500	17,000	17,700	18,100	18,000	18,200	18,000
Transport. & Utilities	3,300	3,000	3,100	3,700	4,400	4,100	4,400
Information	1,700	1,700	1,800	1,900	1,700	1,800	1,600
Financial Activities	3,800	3,800	4,700	5,800	5,900	5,800	5,900
Prof. & Bus. Svcs.	11,500	11,200	11,700	11,100	11,600	11,400	11,700
Edu. & Health Svcs.	13,700	14,300	14,500	15,600	15,500	15,400	15,600
Leisure & Hospitality & Other Svcs.	16,000	16,000	16,000	16,600	17,000	16,900	16,800
Government	24,500	25,500	26,400	25,800	25,100	25,100	25,300
Federal	4,400	4,400	4,400	4,300	4,000	4,000	4,000
State	3,900	4,000	4,100	4,200	4,200	4,200	4,200
Local	16,200	17,100	17,900	17,300	16,900	16,900	17,200

^a 12 months ending June 30, 2004.

^b 12 months ending June 30, 2005.

Note: Numbers may not add to totals due to rounding.

Source: U.S. Department of Labor, Bureau of Labor Statistics—NAICS

Table 3
Population and Household Trends
Vallejo-Fairfield HMA
April 1, 1990 to July 1, 2008

	April 1, 1990	April 1, 2000	Current Date	Forecast Date	Average Annual Change					
					1990 to 2000		2000 to Current		Current to Forecast	
					Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Population										
Vallejo-Fairfield HMA	340,421	394,542	426,600	448,600	5,400	1.5	6,100	1.5	7,325	1.7
Fairfield-Vacaville	148,690	184,803	204,600	218,200	3,600	2.2	3,775	2.0	4,525	2.2
Vallejo	109,199	116,760	123,750	128,600	750	0.7	1,325	1.1	1,600	1.3
Remainder of HMA	82,532	92,979	98,250	101,800	1,050	1.2	1,000	1.1	1,200	1.2
Households										
Vallejo-Fairfield HMA	113,429	130,403	140,200	147,000	1,700	1.4	1,875	1.4	2,275	1.6
Fairfield-Vacaville	48,052	58,975	65,350	69,750	1,100	2.1	1,225	2.0	1,475	2.2
Vallejo	37,383	39,601	41,350	42,650	220	0.6	330	0.8	430	1.0
Remainder of HMA	27,994	31,827	33,500	34,600	380	1.3	320	1.0	370	1.1

Notes: Rate of change is calculated on a compound basis.
Average annual changes rounded for comparison.
Averages may not add to HMA total due to rounding.

Sources: 1990 and 2000—U.S. Census Bureau
Current and Forecast—Estimates by analyst

Table 4
Housing Inventory, Tenure, and Vacancy
Vallejo-Fairfield HMA
1990, 2000, and July 1, 2005

	Vallejo-Fairfield HMA			Fairfield-Vacaville			Vallejo			Remainder of HMA		
	1990	2000	Current	1990	2000	Current	1990	2000	Current	1990	2000	Current
Total Housing Inventory	119,533	134,513	147,000	50,017	60,488	68,550	37,902	41,219	43,200	29,614	32,806	35,275
Occupied Units	113,429	130,403	140,200	48,052	58,975	65,350	37,383	39,601	41,350	27,994	31,827	33,500
Owners	71,309	84,994	93,650	28,890	37,172	41,850	23,132	25,020	27,250	19,287	22,802	24,500
%	62.9	65.2	66.8	60.1	63.0	64.1	61.9	63.2	65.9	68.9	71.6	73.0
Renters	42,120	45,409	46,550	19,162	21,803	23,450	14,251	14,581	14,100	8,707	9,025	9,000
%	37.1	34.8	33.2	39.9	37.0	35.9	38.1	36.8	34.1	31.1	28.4	26.9
Vacant Units	6,104	4,110	6,800	1,965	1,513	3,200	2,519	1,618	1,825	1,620	979	1,775
For Sale	1,515	766	1,225	574	274	625	418	305	325	523	187	275
Rate (%)	2.1	0.9	1.3	1.9	0.7	1.5	1.8	1.2	1.2	2.6	0.8	2.6
For Rent	2,680	1,758	2,975	865	774	1,500	1,323	690	875	492	294	600
Rate (%)	6.0	3.7	6.0	4.3	3.4	6.0	8.5	4.5	5.8	5.3	3.2	6.3
Other Vacant	1,909	1,586	2,600	526	465	1,075	778	623	625	605	498	900

Sources: 1990 and 2000—U.S. Census Bureau
 Current—Estimates by analyst

Table 5
Residential Building Permit Activity
Vallejo-Fairfield HMA
1990 to June 2005 (1 of 2)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Vallejo-Fairfield HMA										
Total	2,314	1,482	1,909	1,451	1,513	1,015	1,583	1,517	2,213	2,011
Single-family	1,763	1,428	1,735	1,401	1,395	952	1,192	1,431	1,777	1,493
Multifamily	551	54	174	50	118	63	391	86	436	518
Fairfield-Vacaville										
Total	1,160	739	1,140	697	921	665	1,000	681	1,288	1,286
Single-family	807	715	978	661	805	616	649	681	852	777
Multifamily	353	24	162	36	116	49	351	0	436	509
Vallejo										
Total	456	170	111	201	152	119	44	146	398	438
Single-family	274	165	111	195	152	107	44	146	398	438
Multifamily	182	5	0	6	0	12	0	0	0	0
Remainder of HMA										
Total	698	573	658	553	440	231	539	690	527	287
Single-family	682	548	646	545	438	229	499	604	527	278
Multifamily	16	25	12	8	2	2	40	86	0	9

Source: U.S. Census Bureau, Building Permits Survey

Table 5
Residential Building Permit Activity
Vallejo-Fairfield HMA
1990 to June 2005 (2 of 2)

	2000	2001	2002	2003	2004	Prev. 12 Mos. ^a	Current 12 Mos. ^b
Vallejo-Fairfield HMA							
Total	2,233	2,568	2,474	2,642	2,934	2,912	3,099
Single-family	2,047	1,825	1,806	2,050	2,375	2,453	2,490
Multifamily	186	743	668	592	559	459	609
Fairfield-Vacaville							
Total	1,291	1,839	1,387	1,603	1,307	1,634	1,321
Single-family	1,116	1,098	899	1,083	1,136	1,249	1,192
Multifamily	175	741	488	520	171	385	129
Vallejo							
Total	487	363	584	236	676	414	725
Single-family	487	363	459	236	475	407	440
Multifamily	0	0	125	0	201	7	285
Remainder of HMA							
Total	455	366	503	803	951	864	1,053
Single-family	444	364	448	731	764	797	858
Multifamily	11	2	55	72	187	67	195

^a 12 months ending June 30, 2004.

^b 12 months ending June 30, 2005.

Source: U.S. Census Bureau, Building Permits Survey

Table 6
Estimated Qualitative Demand for New Market-Rate Rental Housing
Vallejo-Fairfield HMA
July 1, 2005 to July 1, 2008

One Bedroom		Two Bedrooms		Three Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
1,100	130	1,300	140	1,800	280
1,150	110	1,350	100	1,850	230
1,200	100	1,400	90	1,900	210
1,250	90	1,450	75	1,950	190
1,300	80	1,500	60	2,000	170
1,350	65	1,550	50	2,050	140
1,400	50	1,600	40	2,100	130
1,500	40	1,700	30	2,200	110
1,600	30	1,800	25	2,300	95
1,700	20	1,900	20	2,400	55
1,800 and higher	15	2,000 and higher	15	2,500 and higher	30

Notes: Distribution above is noncumulative.
Demand shown at any rent represents demand at that level and higher.
Source: Estimates by analyst