Alaska Housing Market Indicators

Spring 2005

Prepared for

Alaska Housing Finance Corporation
Dan Fauske
Chief Executive Officer/Executive Director

Prepared by

Alaska Department of Labor and
Workforce Development
Research and Analysis Section

Frank H. Murkowski, Governor
Greg O'Claray, Commissioner
Guy Bell, Administrative Services Director
Chris Miller, Research & Analysis Chief

Jeff Hadland, Economist
Jill Lewis, Economist
Rob Kreiger, Research Analyst
Brian Laurent, Research Analyst

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We wish to thank the primary and secondary mortgage lenders listed below for responding to our quarterly survey of mortgage loan activity and for their willingness to continue to participate in future surveys.

- Alaska Home Mortgage
- Alaska Housing Finance Corporation
- Alaska Pacific Bank
- Alaska USA Federal Credit Union
- AUMC Mortgage Company
- Denali State Bank
- Federal National Mortgage Association (Fannie Mae)
- First Bank of Ketchikan
- First National Bank of Alaska
- GMAC
- Homestate Mortgage
- Mt. McKinley Mutual Savings Bank
- Residential Mortgage
- Rural Development (formerly USDA Farmers Home Administration)
- Tlingit-Haida Regional Housing Authority
- Vista Mortgage
- Wells Fargo Home Mortgage

The list includes the major government and private providers of mortgage funds in Alaska as well as the names of subsidiary companies for which data have been reported by the parent company. Some of the participants are primary mortgage lenders. That means they originate loans to keep in their own portfolios or sell them to participants in the secondary mortgage market. Institutions such as Alaska Housing Finance and Federal National Mortgage Association (Fannie Mae) operate in the secondary mortgage market, purchasing mortgages originated by primary lenders.

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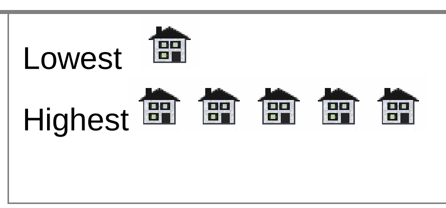
Alaska Housing Market Scorecard
1st Half 2005

Mortgage Interest Rates 30-year Fixed **5.77%**		Average rates in Alaska for 30-year fixed rate mortgages remained below 6.0%, but rose from the prior year.
Number of Loans Single-family & Condominium **5,904**		The reported number of single-family and condo loans increased 14% over the prior year.
Sales Price Appreciation Single-family residence **18.2%**		Sales prices for single-family homes rose at record levels.
Alaska Affordability Index **1.44**		Record sales prices, rising interest rates, and slow wage growth have weighed on affordability.



The score for the current quarter is based on the ratio of the current value to the historical value for the data set.

SECTION ONE
Results of the Survey of Alaska Lenders

The Survey of Alaska Lenders summarizes total loan activity reported by participating lenders. These lenders include the major government and private providers of mortgage funds in Alaska as well as subsidiary companies for which the parent company reported data. In the first half of 2005, lenders representing approximately 93% of the total loan volume participated in the survey. Changes in loan activity over time may be affected not only by changes in the market but also by changes in the list of lenders participating.

Some of the participants in the survey are *primary* mortgage lenders. Primary mortgage lenders originate loans to keep in their own portfolios or sell them to participants in the secondary mortgage market. Institutions such as Alaska Housing Finance Corporation and Federal National Mortgage Association (Fannie Mae) operate in the *secondary* mortgage market, purchasing mortgages originated by primary lenders. Secondary mortgage activity is an important source of liquidity for primary mortgage lending. Although primary lenders and secondary purchasers differ, both provide financing for Alaskans to purchase housing. For the purposes of this report, maintaining the distinction is not particularly important. Therefore, references to “lenders” include both primary lenders and some secondary purchasers. Unless the difference is critical to the discussion, no distinctions are made.

<u>Overall Loan Activity</u>

- During the first half of 2005, participating lenders reported 6,067 loans for single-family, condominium, and multi-family properties.

- The total dollar volume of loans for single-family, condominium, and multi-family loans in the first half of 2005 exceeded $1.1 billion.

- Statewide, the average loan amount was $188,506 on an average sales price of $236,834.

- Fifty-seven percent of the total loan dollar volume was reported in the Anchorage area during the first half of 2005. Mat-Su and Fairbanks followed with 14 and 12 percent respectively.

- The highest average sales price occurred in Juneau at $266,012. Anchorage followed Juneau at $254,843.

- The average sales price was lowest in Kenai at $194,846.

- During the first half of 2005, average sales prices statewide increased at a rate of 14 percent over year-ago levels. Average loan amounts also increased, but at a slower pace of eight percent.

- During the first half of 2005, no surveyed areas saw decreases in average sales prices. Year over year increases in average sales prices ranged from a low of six percent in Fairbanks to a high of 39 percent in Bethel.

<u>Single-family homes</u>

- During the first half of 2005, loans for single-family homes accounted for 81 percent of the total dollar volume of loans.

- The total dollar volume of loans for single-family homes increased by 19 percent over year-ago levels to reach a record $926 million.

- Loan-to-value ratios decreased in most surveyed areas during the first half of 2005. Decreasing loan-to-value ratios may suggest that homebuyers are borrowing less of a homes total purchase price. This may be the result of homebuyers taking profits from a previous sale and using the proceeds for down payments on larger or newer properties, thus reducing the amount the homebuyer needs to borrow.

- The highest average sales price for single-family homes during the first half of 2005 was found in Juneau at $282,623. The average sales price in Juneau was 16 percent higher than the statewide average sales price of $242,750.

- Behind Juneau, the average sales price for single-family homes was highest in Anchorage at $277,530. The average sales price in Anchorage increased by 12 percent over year-ago levels.

- The largest year over year percent increase in average sales price occurred in Bethel. The average sales price in Bethel rose nearly 40 percent over the previous year to reach $249,881. It should be noted, however, that due to the relatively small number of loans in Bethel, average sales prices and appreciation rates have a tendency to fluctuate wildly from year to year.

- Juneau, Anchorage, and Bethel all saw average sales prices exceeding $240,000 during the first half of 2005.

- The lowest average sales price for a single-family home was reported in the Kenai area at $190,716. Despite having the lowest average sales price, Kenai saw an increase of 12 percent over year-ago levels.

- Over the past eight years, sales prices for single-family homes have increased by 54 percent statewide. However, a majority of this appreciation has occurred in the past four years. Between 1997 and 2001, average sales prices rose from $157,897 to $185,343, an increase of 17 percent. During the period between 2001 and the first half of 2005 sales prices have risen 31 percent to reach $242,750.

Condominiums

- Statewide, the total dollar volume of loans for condominiums grew by $53 million in the first half of 2005, a 46 percent increase from one year ago.

- Percent increases in the total dollar volume of condominium loans more than doubled the percent increase in total dollar volume for single-family loans. This would suggest robust demand and increasing popularity for this type of housing during the past year.

- A majority of the condominium activity during the first half of 2005 occurred in the Anchorage area. Eighty-five percent of the total dollar volume of loans went toward Anchorage condominiums.

- Condominium activity stepped up considerably in the Mat-Su area during the first half of 2005. Total dollar volume of loans in Mat-Su exceeded $8.4 million, more than triple the dollar volume of the previous year.

- Statewide, the average sales price for a condominium hit a record high of $188,612. Sales prices for condominiums grew at a rate of 29 percent over year-ago levels.

- Average loan amounts for condominiums reached $156,456 in the first half of 2005, up 21 percent from the first half of 2004.

- Loan-to-value ratios for condominiums decreased significantly, falling from 88.7% in the first half of 2004, to 83.0% in the first half of 2005.

- Condominiums have become increasingly popular and as a result, appreciation in sales price over the past eight years has outpaced that of single-family homes. Average sales prices for condominiums rose from $90,486 in 1997 to $111,753 in 2001, an increase of 24 percent. As with single-family homes however, most of the real appreciation has occurred between 2001 and the first half of 2005, where prices have risen 79 percent to reach $188,612.

Mortgage Interest Rates

- In the first half of 2005, lenders reported a weighted average interest rate of 5.77% for 30 year conventional fixed rate mortgages, up from 5.66% one year ago.

- AHFC offered loan products with substantially lower interest rates than other lenders. AHFC average interest rates for 30-year conventional fixed rate mortgages were 5.40%; all other lenders collectively averaged 5.86%.

- Interest rates differed between the AHFC urban and rural loan portfolios. Loans in the urban portfolio averaged 5.48%, while rural loans averaged less at 5.12%.

- On the national front, interest rates rose from year-ago levels. Thirty-year conventional fixed rate mortgages averaged 5.80% in the first half of 2005, compared to 5.69% one year ago. At 5.80%, interest rates are at their highest level since the first half of 2002; however, rates still remain far below their 10 year average of 6.90%

New vs. Existing Construction

In the Survey of Alaska's Lenders, new homes are any residential housing constructed within 12 months of the survey date. Any loans that do not fit in the new construction category are classified as existing construction.

- During the first half of 2005, 22 percent of the total dollar volume of loans went toward new properties. The percentage of total loan volume going toward new properties decreased from 25 percent one year ago.

- The statewide average sales price for new construction during the first half of 2005 was $260,402, 13 percent higher than the $230,883 average sales price for existing housing.

- Statewide, average sales prices for existing housing increased by 15 percent during the first half of 2005 while average sales prices for new construction increased by 12 percent.

- The Mat-Su area has the highest percentage of loans going toward new construction. Forty-eight percent of the loans in this area went toward new construction during the first half of 2005. Average sales prices for new construction in Mat-Su were $245,930 compared to $204,393 for existing housing.

- Juneau and Ketchikan had the lowest percentage of loans (in terms of dollar volume) for new construction with seven and six percent respectively. Juneau and Ketchikan also both saw decreases in average sales prices of new construction by 25 percent and six percent respectively.

- The greatest disparity between the average sales price of new construction and existing housing was found in Kenai. Average sales prices for new construction in Kenai were 61 percent higher than existing housing. The average sales price for new construction in Kenai was $291,079 compared to $180,349 for existing housing.

- The smallest disparities between the average sales price of new construction and existing housing were found in Bethel at four percent and Ketchikan at five percent.

- Homebuyers borrowed a slightly higher percentage of the purchase price for existing housing. Loan-to-value ratios for existing properties were 79.5% compared to 79.8% for new properties.

Employment and Wages

- The average unemployment rate in Alaska during the first half of 2005 was 7.3%, down from the 8.2% average rate in 2004.

- The average total labor force in Alaska during the first half of 2005 increased two percent to reach 336,442.

- Alaska's average non-agricultural wage and salary employment during the first half of 2005 grew by 1.6% over year-ago levels.

- Goods producing industry employment increased by 2.5% during the first half of 2005. Service industry employment grew at a slower pace of 1.5% during the same time.

- Employment growth in construction exceeded any other goods producing industry, rising 4.2% over year-ago levels.

- Average monthly wages increased by 3.1% during the first half of 2005 to reach $3,258 per month.

- The highest average monthly wage for the first half of 2005 in Alaska was reported in the North Slope Borough at $5,719 per month.

- The Wade-Hampton Census Area reported the lowest monthly wages at $1,545.

- During the first half of 2005, Anchorage, Fairbanks, and Juneau saw increases in average monthly wages of 3.6%, 3.8%, and .1% respectively.

- Of all areas in Alaska that saw increases in average wages during the first half of 2005, the smallest increase occurred in Juneau at 0.1%. The largest increase in average wages occurred in Yakutat at 9.7%.

Alaska Affordability

The Alaska Affordability Index is a measure of the number of wage earners necessary to afford an average home. The index value indicates the number of earners per residence receiving the average wage that are necessary to qualify for a 30-year single-family home mortgage at the average interest rate with a 15% down payment. An increase in this index means that a family is less able to afford a home.

- Record sales price appreciation and modest increases in average interest rates and wages, made housing less affordable in the first half of 2005 compared with one year ago.

- With the exception of the "Rest of Alaska" category, all surveyed areas saw Affordability Index values increase, meaning that housing became less affordable in the first half of 2005.

- For single-family housing, Bethel and Kodiak led the list of least affordable areas during the first half of 2005 with index values of 2.07 and 1.80 respectively. Juneau followed Kodiak at 1.73.

- Fairbanks and Kenai had index values of 1.28 and 1.27 respectively, making them the two most affordable areas for single-family homes in the first half of 2005.

- The Affordability Index value for Anchorage single-family homes rose to reach 1.50 during the first half of 2005, up from 1.47 in 2004. Mat-Su also rose from the previous year to 1.65 in the first half of 2005 from 1.62 in 2004.

- People working in Anchorage and owning a residence in the Mat-Su area experience a more affordable housing situation. The Index value for a household earning an Anchorage wage while residing in Mat-Su was 1.21. Index values for a Mat-Su home with Anchorage wages were unchanged from 2004.

- Average wages in Anchorage were 36 percent higher than those in Mat-Su during the first half of 2005. At the same time, average sales prices of single-family homes were 32 percent higher in Anchorage than Mat-Su.

- Condominiums were more affordable than single-family homes during the first half of 2005, but became less affordable than they were during 2004. Statewide condominium affordability was 1.18 compared to 0.99 one year ago. Condominium index values in the first half of 2005 are the highest (least affordable) they have been in over a decade.

Appendix A
Lenders Survey Charts and Graphs

Single-Family and Condominium New Loan Activity in Alaska Including AHFC

Total Single-Family and Condominium Residences

Quarter	YTD	Number of Loans	Chg Prv Qtr	Chg Prv Yr	Average Loan($)	Total Loans ($)	Chg Prv Yr ($)	Average Sales Price ($)	Total Sales Price ($)	Loan-To-Value Ratio (%)
2Q05	5904	3,475	1,046	684	187,388	651,172,828	159,997,119	236,999	823,572,869	79
1Q05	2429	2,429	-915	48	182,988	444,477,587	43,965,299	226,751	550,777,771	81
4Q04	11,969	3,344	-109	43	178,317	596,293,348	39,887,587	219,186	732,957,253	81.4
3Q04	8,625	3,453	662	-150	176,096	608,060,600	-171,767	210,901	728,240,864	83.5
2Q04	5,172	2,791	410	-435	175,986	491,175,709	-37,688,798	211,703	590,863,704	83.1
1Q04	2,381	2,381	-920	-161	168,212	400,512,288	-23,799,319	197,775	470,901,801	85.1
4Q03	12,672	3,301	-302	259	168,557	556,405,761	62,679,205	199,439	658,347,631	84.5
3Q03	9,362	3,594	368	-306	169,235	608,232,367	-12,550,618	200,168	719,405,121	84.5
2Q03	5,768	3,226	684	473	163,938	528,864,507	113,196,850	195,431	630,460,589	83.9
1Q03	2,542	2,542	-500	-150	166,920	424,311,607	-2,217,946	192,562	489,492,311	86.7
4Q02	12,387	3,042	-858	-149	162,303	493,726,556	17,509,901	183,747	558,957,253	88.3
3Q02	9,345	3,900	1,147	500	159,175	620,782,985	108,000,953	186,268	726,445,234	85.5
2Q02	5,445	2,753	61	89	150,987	415,667,657	13,494,070	175,143	482,167,641	86.2
1Q02	2,692	2,692	-499	711	158,443	426,529,553	139,491,147	183,050	492,771,837	86.6
4Q01	11,236	3,191	-209	1,043	149,237	476,216,655	165,047,875	174,132	555,654,152	85.7
3Q01	8,045	3,400	736	1,254	150,818	512,782,032	205,595,465	175,590	597,007,443	85.9
2Q01	4,645	2,664	683	763	150,966	402,173,587	132,194,548	175,189	466,703,860	86.2
1Q01	1,981	1,981	-167	346	144,896	287,038,406	62,206,167	170,249	337,262,767	85.1
4Q00	7,830	2,148	2	-214	144,864	311,168,780	-11,577,073	164,864	354,128,664	87.9
3Q00	5,682	2,146	245	-663	143,144	307,186,567	-77,433,319	165,081	354,264,609	86.7
2Q00	3,536	1,901	266	-266	142,019	269,979,039	-38,766,063	165,966	315,501,869	85.6
1Q00	1,635	1,635	-727	-1,091	137,512	224,832,239	-159,926,924	158,272	258,775,433	86.9
4Q99	10,064	2,362	-447	-194	136,641	322,745,853	-31,304,877	156,657	370,023,846	87.2
3Q99	7,702	2,809	642	163	136,924	384,619,886	21,506,654	154,387	433,673,092	88.7
2Q99	4,893	2,167	-559	136	142,476	308,745,102	32,464,658	162,346	351,803,093	87.8
1Q99	2,726	2,726	170	634	141,144	384,759,163	105,079,912	164,023	447,127,516	86.1
4Q98	9,325	2,556	-90	236	138,518	354,050,730	47,299,331	159,563	407,843,748	86.8
3Q98	6,769	2,646	615	248	137,231	363,113,232	48,209,347	157,653	417,149,513	87.0
2Q98	4,123	2,031	-61	202	136,032	276,280,444	32,804,522	157,138	319,147,247	86.6
1Q98	2,092	2,092	-228	559	133,690	279,679,251	91,050,292	153,215	320,525,095	87.3
4Q97	8,080	2,320	-78	586	132,220	306,751,399	80,369,357	151,725	352,002,279	87.1
3Q97	5,760	2,398	569	548	131,319	314,903,885	82,031,806	149,585	358,704,745	87.8
2Q97	3,362	1,829	296	60	133,120	243,475,922	17,585,869	156,036	285,389,281	85.3
1Q97	1,533	1,533	-201	-211	123,046	188,628,959	-29,501,151	144,933	222,182,882	84.9
4Q96	7,097	1,734	-116	-303	130,555	226,382,042	-29,819,817	151,906	263,404,787	85.9
3Q96	5,363	1,850	81	-605	125,877	232,872,079	-69,892,357	146,507	271,038,334	85.9
2Q96	3,513	1,769	25	44	127,694	225,890,053	8,280,066	148,522	262,734,727	86.0
1Q96	1,744	1,744	-293	466	125,075	218,130,110	65,735,200	143,918	250,993,345	86.9
4Q95	7,495	2,037	-418	438	125,774	256,201,859	67,577,329	145,768	296,929,088	86.3
3Q95	5,458	2,455	730	689	123,326	302,764,436	98,488,036	144,656	355,130,815	85.3
2Q95	3,003	1,725	447	-262	126,151	217,609,987	-13,313,079	146,547	252,793,903	86.1
1Q95	1,278	1,278	-321	-944	119,245	152,394,910	-106,949,049	138,098	176,488,927	86.3
4Q94	7,574	1,599	-167	-1,197	117,964	188,624,530	-129,509,233	135,213	216,205,651	87.2
3Q94	5,975	1,766	-221	-1,065	115,672	204,276,400	-121,042,721	133,565	235,876,220	86.6
2Q94	4,209	1,987	-235	-463	116,217	230,923,066	-41,803,881	132,219	262,719,510	87.9
1Q94	2,222	2,222	-574	-23	116,716	259,343,959	4,424,342	133,338	296,277,028	87.5
4Q93	10,322	2,796	-35	234	113,782	318,133,763	37,011,365	130,147	363,892,310	87.4
3Q93	7,526	2,831	381	455	114,913	325,319,121	58,596,196	131,814	373,164,611	87.2
2Q93	4,695	2,450	205	-183	111,317	272,726,947	-24,093,283	128,636	315,157,143	86.5
1Q93	2,245	2,245	-317	318	113,550	254,919,617	48,893,316	137,495	308,675,901	82.6
4Q92	9,498	2,562	186	N/A	109,728	281,122,398	N/A	129,836	332,638,617	84.5
3Q92	6,936	2,376	-257	N/A	112,257	266,722,925	N/A	130,802	310,786,636	85.8
2Q92	4,560	2,633	706	N/A	112,731	296,820,230	N/A	137,779	362,773,390	81.8

Single-Family and Condominium New Loan Activity in Alaska
Including AHFC
Total Single-Family

Quarter	YTD	Number of Loans	Chg Prv Qtr	Chg Prv Yr	Average Loan($)	Total Loans ($)	Chg Prv Yr ($)	Average Sales Price ($)	Total Sales Price ($)	Loan To-Value Ratio (%)
2Q05	4,817	2,866	915	539	193,639	554,970,742	124,884,147	246,982	707,851,657	78.4
1Q05	1951	1,951	-778	7	189,960	370,612,167	25,767,837	236,534	461,477,317	80
4Q04	9872	2,729	-143	-69	186,776	509,712,036	12,844,592	230,454	628,907,687	81
3Q04	7,143	2,872	545	-243	186,428	535,421,153	-11,280,552	224,960	646,086,494	82.9
2Q04	4,271	2,327	383	-475	184,824	430,086,596	-48,444,215	223,832	520,856,699	82.6
1Q04	1,944	1,944	-854	-233	177,389	344,844,331	-37,288,953	210,567	409,342,981	84.2
4Q03	10,892	2,798	-317	216	177,580	496,867,444	55,042,593	211,166	590,843,464	84.1
3Q03	8,085	3,106	304	-294	176,015	546,701,705	-18,578,728	209,416	650,445,310	84.1
2Q03	4,979	2,802	625	537	170,782	478,530,811	117,741,511	204,712	573,602,208	83.4
1Q03	2,177	2,177	-405	-96	175,532	382,133,283	1,199,586	203,182	442,328,278	86.4
4Q02	10,520	2,582	-818	-104	171,117	441,824,851	15,965,175	193,319	499,149,168	88.5
3Q02	7,938	3,400	1,135	544	166,259	565,280,433	108,935,409	195,032	663,108,412	85.2
2Q02	4,538	2,265	-8	-51	159,008	360,789,300	-8,676,940	185,787	421,551,733	85.6
1Q02	2,273	2,273	-413	602	167,591	380,933,697	123,001,650	194,435	441,950,296	86.2
4Q01	9,529	2,686	-170	791	158,548	425,859,676	138,092,655	185,895	499,314,191	85.3
3Q01	6,843	2,856	540	942	159,785	456,345,024	169,466,333	186,883	533,737,895	85.5
2Q01	3,987	2,316	645	630	159,528	369,466,240	118,201,500	185,106	428,706,184	86.2
1Q01	1,671	1,671	-224	216	154,358	257,932,047	48,617,117	182,153	304,377,369	84.7
4Q00	6,950	1,895	-19	-216	151,856	287,767,021	-13,774,478	173,070	327,968,199	87.7
3Q00	5,055	1,914	228	-593	149,884	286,878,691	-72,736,868	173,000	331,121,205	86.6
2Q00	3,141	1,686	231	-245	149,030	251,264,740	-36,487,852	175,010	295,066,273	85.2
1Q00	1,455	1,455	-656	-1,055	144,876	208,331,978	-158,581,798	167,208	240,444,856	86.6
4Q99	9,059	2,111	-396	-276	142,843	301,541,499	-38,666,128	164,303	346,843,081	86.9
3Q99	6,948	2,507	576	147	143,445	359,615,559	27,887,017	161,970	406,059,514	88.6
2Q99	4,441	1,931	-579	69	149,017	287,752,592	25,061,613	169,934	328,143,011	87.7
1Q99	2,510	2,510	123	588	146,181	366,913,776	101,603,500	169,854	426,333,197	86.1
4Q98	8,531	2,387	27	235	142,525	340,207,627	46,779,959	164,547	392,772,621	86.6
3Q98	6,144	2,360	498	145	140,563	331,728,542	31,762,351	162,077	382,501,159	86.7
2Q98	3,784	1,862	-60	155	141,080	262,690,979	29,562,157	163,396	304,243,292	86.3
1Q98	1,922	1,922	-230	472	138,039	265,310,276	82,934,814	158,602	304,832,145	87.0
4Q97	7,524	2,152	-63	515	136,351	293,427,668	74,671,938	156,799	337,430,545	87.0
3Q97	5,372	2,215	508	480	135,425	299,966,191	75,295,981	154,539	342,303,858	87.6
2Q97	3,157	1,707	257	67	136,572	233,128,822	16,786,103	159,756	272,703,393	85.5
1Q97	1,450	1,450	-187	-179	125,776	182,375,462	-27,037,969	148,444	215,243,118	84.7
4Q96	6,641	1,637	-98	-283	133,632	218,755,730	-28,405,548	155,764	254,986,366	85.8
3Q96	5,004	1,735	95	-591	129,493	224,670,210	-68,676,960	150,855	261,733,371	85.8
2Q96	3,269	1,640	11	29	131,916	216,342,719	6,796,638	153,705	252,075,428	85.8
1Q96	1,629	1,629	-291	423	128,553	209,413,431	62,183,627	147,942	240,997,488	86.9
4Q95	7,063	1,920	-406	391	128,730	247,161,278	63,208,258	149,455	286,953,165	86.1
3Q95	5,143	2,326	715	654	126,117	293,347,170	95,433,259	148,129	344,547,804	85.1
2Q95	2,817	1,611	405	-272	130,072	209,546,081	-12,490,271	151,289	243,726,354	86.0
1Q95	1,206	1,206	-323	-928	122,081	147,229,804	-105,505,877	141,446	170,583,747	86.3
4Q94	7,218	1,529	-143	-1,169	120,309	183,953,020	-127,498,769	137,882	210,821,273	87.3
3Q94	5,689	1,672	-211	-1,081	118,370	197,913,911	-121,692,166	136,622	228,432,710	86.6
2Q94	4,017	1,883	-251	-455	117,916	222,036,352	-43,479,005	134,247	252,787,379	87.8
1Q94	2,134	2,134	-564	-27	118,433	252,735,681	3,878,122	135,276	288,678,729	87.5
4Q93	9,950	2,698	-55	243	115,438	311,451,789	38,798,236	131,902	355,870,489	87.5
3Q93	7,252	2,753	415	489	116,094	319,606,077	63,286,715	133,152	366,566,829	87.2
2Q93	4,499	2,338	177	-200	113,565	265,515,357	-23,020,281	131,260	306,886,028	86.5
1Q93	2,161	2,161	-294	285	115,159	248,857,559	46,390,808	139,579	301,629,406	82.5
4Q92	9,133	2,455	191	N/A	111,061	272,653,553	N/A	131,685	323,285,501	84.3
3Q92	6,678	2,264	-274	N/A	113,215	256,319,362	N/A	132,314	299,558,526	85.6
2Q92	4,414	2,538	662	N/A	113,686	288,535,638	N/A	139,267	353,458,812	81.6

Single-Family and Condominium New Loan Activity in Alaska

Including AHFC

Total Condominium

Quarter	YTD	Number of Loans	Chg Prv Qtr	Chg Prv Yr	Average Loan($)	Total Loans ($)	Chg Prv Yr ($)	Average Sales Price ($)	Total Sales Price ($)	Loan-To-Value Ratio (%)
2Q05	1,087	609	131	145	157,967	96,202,086	35,112,973	190,018	115,721,211	83.1
1Q05	478	478	-137	41	154,530	73,865,420	18,197,462	186,821	89,300,454	83
4Q04	2097	615	34	112	140,783	86,581,312	27,042,995	169,186	104,049,566	83
3Q04	1,482	581	117	93	125,025	72,639,447	11,108,785	141,402	82,154,371	88.4
2Q04	901	464	27	40	131,658	61,089,113	10,755,417	150,877	70,007,005	87.3
1Q04	437	437	-66	72	127,387	55,667,957	13,489,634	140,867	61,558,820	90.4
4Q03	1,780	503	15	44	118,366	59,538,317	7,636,612	134,203	67,504,167	88.2
3Q03	1,277	488	64	-13	126,087	61,530,661	6,028,110	141,311	68,959,811	89.2
2Q03	789	424	59	-60	118,712	50,333,696	-4,544,660	134,100	56,858,381	88.5
1Q03	365	365	-94	-54	115,557	42,178,324	-3,417,532	129,217	47,164,034	89.4
4Q02	1,863	459	-42	-46	112,830	51,901,706	1,544,727	130,018	59,808,085	86.8
3Q02	1,404	501	17	-43	111,005	55,502,552	-934,456	126,674	63,336,822	87.6
2Q02	903	484	65	136	113,385	54,878,356	21,928,809	125,239	60,615,908	90.5
1Q02	419	419	-86	109	108,821	45,595,856	16,489,497	121,292	50,821,541	89.7
4Q01	1,707	505	-39	252	99,717	50,356,979	26,955,220	111,564	56,339,961	89.4
3Q01	1,202	544	196	312	103,745	56,437,008	38,481,502	116,304	63,269,548	89.2
2Q01	658	348	38	133	94,683	32,949,547	14,235,248	109,965	38,267,676	86.1
1Q01	310	310	57	130	93,891	29,106,359	13,589,050	106,082	32,885,398	88.5
4Q00	880	253	21	2	92,497	23,401,759	2,197,405	103,401	26,160,465	89.5
3Q00	627	232	17	-70	86,325	17,955,506	-2,417,018	97,834	20,349,504	88.2
2Q00	395	215	35	-21	87,043	18,714,299	-2,278,211	95,049	20,435,596	91.6
1Q00	180	180	-71	-36	86,207	15,517,309	-2,328,078	94,152	16,947,343	91.6
4Q99	1,005	251	-51	82	84,479	21,204,354	7,361,251	92,354	23,180,765	91.5
3Q99	754	302	66	16	67,459	20,372,524	-11,012,166	73,523	22,203,926	91.8
2Q99	452	236	20	67	88,951	20,992,510	7,403,045	100,255	23,660,082	88.7
1Q99	216	216	47	46	82,618	17,845,387	3,476,412	96,270	20,794,319	85.8
4Q98	794	169	-117	1	81,912	13,843,103	519,372	89,178	15,071,127	91.9
3Q98	625	286	117	103	109,737	31,384,690	16,446,996	121,148	34,648,354	90.6
2Q98	339	169	-1	47	80,411	13,589,465	3,242,365	88,189	14,903,955	91.2
1Q98	170	170	2	87	84,523	14,368,975	8,115,478	92,311	15,692,950	91.6
4Q97	556	168	-15	71	79,308	13,323,731	5,697,419	86,737	14,571,784	91.4
3Q97	388	183	61	68	81,627	14,937,694	6,735,825	89,622	16,400,887	91.1
2Q97	205	122	39	-7	84,812	10,347,100	799,766	103,983	12,685,888	81.6
1Q97	83	83	-14	-32	75,343	6,253,497	-2,463,182	83,612	6,939,764	90.1
4Q96	456	97	-18	-20	78,622	7,626,312	-1,414,269	86,788	8,418,421	90.6
3Q96	359	115	-14	-14	71,321	8,201,869	-1,215,397	80,913	9,304,963	88.1
2Q96	244	129	14	15	74,010	9,547,334	1,483,428	82,630	10,659,299	89.6
1Q96	115	115	-2	43	75,797	8,716,679	3,551,573	86,920	9,995,857	87.2
4Q95	432	117	-12	47	77,270	9,040,581	4,369,071	85,264	9,975,923	90.6
3Q95	315	129	15	35	73,002	9,417,266	3,054,777	82,039	10,583,011	89.0
2Q95	186	114	42	10	70,736	8,063,906	-822,808	79,540	9,067,549	88.9
1Q95	72	72	2	-16	71,738	5,165,106	-1,443,172	82,016	5,905,180	87.5
4Q94	356	70	-24	-28	66,736	4,671,510	-2,010,464	76,920	5,384,378	86.8
3Q94	286	94	-10	16	67,686	6,362,489	649,445	79,186	7,443,510	85.5
2Q94	192	104	16	-8	85,449	8,886,714	1,675,124	95,501	9,932,131	89.5
1Q94	88	88	-10	4	75,094	6,608,278	546,220	86,344	7,598,299	87.0
4Q93	372	98	20	-9	68,183	6,681,974	-1,786,871	81,855	8,021,821	83.3
3Q93	274	78	-34	-34	73,244	5,713,044	-4,690,519	84,587	6,597,782	86.6
2Q93	196	112	28	17	64,389	7,211,590	-1,073,002	73,849	8,271,115	87.2
1Q93	84	84	-23	33	72,167	6,062,058	2,502,508	83,887	7,046,495	86.0
4Q92	365	107	-5	N/A	79,148	8,468,845	N/A	87,412	9,353,116	90.5
3Q92	258	112	17	N/A	92,889	10,403,563	N/A	100,251	11,228,110	92.7
2Q92	146	95	44	N/A	87,206	8,284,592	N/A	98,048	9,314,578	88.9

Notes:

- Based on the quarterly Survey of Lender's Activity, a survey of private and public mortgage lenders.
- Refinanced mortgages are excluded from this data series. Historical series revised 2nd quarter of 1999 to exclude refinances from Fannie Mae and AHFC data.
- Fannie Mae data excluding refinances were not available for the 1st, 2nd & 3rd quarters of 1992 and the 1st quarter of 1993.
- AHFC data for the 1st and 2nd quarters of 1992 were not revised. AHFC assumed rural loans from DCRA in the 3rd quarter of 1992.
- AHFC's urban portfolio for 2nd quarter 1992 did not include any refinances. Original data from the 1st quarter 1992 lender survey was not available for comparison.
- Beginning 2nd quarter 1999, Fannie Mae data are included in both the single-family and condominium categories as appropriate.
- Previously, all Fannie Mae data were recorded as single family.
- Beginning 2nd quarter 1999, an adjustment is made to reduce double counting of loans reported by both primary and secondary lenders.
- Comparisons with earlier quarters will under- or over-state differences in activity.

Condominium Loan Activity in Alaska Including AHFC
2nd Qtr 2005

Location	YTD	Number of Loans	Chg Prv Qtr	Chg Prv Yr	Average Loan	Total Loans	Chg Prv Yr	% Loan Volume[1]	Average Sales Price	Total Sales Volume
Anchorage	911	538	165	121	$159,392	$85,752,782	$28,906,209	89.1	$191,991	$103,291,201
Mat-Su	47	14	-19	6	180,521	2,527,298	1,626,763	2.6	203,038	2,842,528
Fairbanks	43	18	-7	1	110,073	1,981,312	812,858	2.1	140,624	2,531,233
Kenai	30	6	-18	3	228,914	1,373,483	1,191,383	1.4	284,830	1,708,979
Juneau	43	27	11	13	143,145	3,864,926	2,225,468	4.0	165,553	4,469,919
Ketchikan	5	2	-1	-3	72,617	145,234	-206,759	0.2	81,500	163,000
Kodiak	2	2	2	2	37,275	74,550	74,550	0.1	50,750	101,500
Bethel	1	0	-1	0	0	0	0	0.0	0	0
Rest of State	5	2	-1	2	241,250	482,500	482,500	0.5	306,425	612,850
Statewide Total	1,087	609	131	145	157,967	96,202,086	35,112,973	100.0	190,018	115,721,211

Single-Family Loan Activity in Alaska Including AHFC
2nd Qtr 2005

Location	YTD	Number of Loans	Chg Prv Qtr	Chg Prv Yr	Average Loan	Total Loans	Chg Prv Yr	% Loan Volume[1]	Average Sales Price	Total Sales Volume
Anchorage	2,229	1,306	383	259	$219,049	$286,078,187	$66,683,630	51.5	$285,264	$372,554,649
Mat-Su	798	458	118	92	174,558	79,947,545	15,730,508	14.4	213,280	97,682,060
Fairbanks	811	491	171	66	162,715	79,893,284	17,175,777	14.4	194,859	95,675,539
Kenai	371	215	59	37	149,570	32,157,616	6,253,365	5.8	186,979	40,200,424
Juneau	278	176	74	39	218,961	38,537,144	10,233,976	6.9	298,552	52,545,157
Ketchikan	40	25	10	-7	191,952	4,798,809	-704,189	0.9	216,118	5,402,955
Kodiak	64	36	8	-7	200,437	7,215,721	-525,742	1.3	230,232	8,288,350
Bethel	25	17	9	4	211,538	3,596,140	1,405,897	0.6	245,206	4,168,500
Rest of State	201	142	83	56	160,185	22,746,297	8,630,923	4.1	220,662	31,334,024
Statewide Total	4,817	2,866	915	539	193,639	554,970,742	124,884,147	100.0	246,982	707,851,657

Multi-Family Loan Activity in Alaska Including AHFC
2nd Qtr 2005

Location	# Units	Number of Loans	Average Loan	Total Loans	% Loan Volume	Average Sales Price	Total Sales Volume	% Total Market Value[1]
Anchorage	223	52	$295,504	$15,366,197	54.7	$365,425	$19,002,100	52.7
Mat-Su	102	7	884,298	6,190,085	22.0	1,155,129	8,085,900	22.4
Fairbanks	n/a	4	251,825	1,007,300	3.6	335,250	1,341,000	3.7
Kenai	76	12	265,173	3,182,073	11.3	405,792	4,869,500	13.5
Juneau	4	1	285,000	285,000	1.0	380,000	380,000	1.1
Ketchikan	56	1	1,500,000	1,500,000	5.3	1,700,000	1,700,000	4.7
Kodiak	0	0	0	0	0.0	0	0	0.0
Bethel	0	0	0	0	0.0	0	0	0.0
Rest of State	8	3	193,537	580,612	2.1	233,333	700,000	1.9
Statewide Total	469	83	351,391	28,111,267	100.0	450,981	36,078,500	100.0

Notes:

Based on the quarterly Survey of Lender's Activity, a survey of private and public mortgage lenders.

1. Total may not sum due to rounding.

Multi-family residences include buildings with more than three units.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

New Construction vs. Existing Housing Loan Activity in Alaska Including AHFC
Single Family, Condominium, and Multifamily

2nd Qtr 2005 — New Single Family Construction

Location	YTD	Number of Loans	Chg Prv Qtr	Chg Prv Yr	Average Loan	Total Loans	Chg Prv Yr	% Loan Volume	Average Sales Price
Anchorage	236	142	48	-2	$245,769	$34,899,243	-$488,031	35.2	$340,601
Mat-Su	323	161	-1	33	186,769	30,069,749	6,336,576	30.4	229,277
Fairbanks	162	98	34	42	179,109	17,552,666	6,725,002	17.7	210,503
Kenai	79	33	-13	-2	197,037	6,502,232	287,568	6.6	247,375
Juneau	18	12	6	3	225,881	2,710,568	240,314	2.7	327,783
Ketchikan	3	1	-1	-2	202,500	202,500	-387,455	0.2	225,000
Kodiak	23	12	1	2	208,749	2,504,982	370,102	2.5	241,383
Bethel	8	3	-2	1	178,243	534,730	448,884	0.5	176,667
Rest of State	23	20	17	6	202,827	4,056,538	489,544	4.1	229,995
Statewide Total	875	482	89	81	205,463	99,033,209	14,022,505	100.0	261,943

2nd Qtr 2005 — Existing Single Family Residences

Location	YTD	Number of Loans	Chg Prv Qtr	Chg Prv Yr	Average Loan	Total Loans	Chg Prv Yr	% Loan Volume	Average Sales Price
Anchorage	1,993	1,164	335	261	$215,789	$251,178,944	$67,171,661	55.1	$278,513
Mat-Su	475	297	119	59	167,939	49,877,795	9,393,931	10.9	204,608
Fairbanks	649	393	137	24	158,628	62,340,618	10,450,775	13.7	190,957
Kenai	292	182	72	39	140,964	25,655,384	5,965,797	5.6	176,028
Juneau	260	164	68	36	218,455	35,826,576	9,993,662	7.9	296,413
Ketchikan	37	24	11	-5	191,513	4,596,309	-316,734	1.0	215,748
Kodiak	41	24	7	-9	196,281	4,710,739	-895,844	1.0	224,656
Bethel	17	14	11	3	218,672	3,061,410	957,013	0.7	259,893
Rest of State	178	122	66	50	153,195	18,689,759	8,141,379	4.1	219,132
Statewide Total	3,942	2,384	826	458	191,249	455,937,533	110,861,642	100.0	243,958

2nd Qtr 2005 — New Condo Construction

Location	YTD	Number of Loans	Chg Prv Qtr	Chg Prv Yr	Average Loan	Total Loans	Chg Prv Yr	% Loan Volume	Average Sales Price
Anchorage	294	165	36	29	$189,126	$31,205,868	$8,953,038	91.1	$230,053
Mat-Su	14	4	-6	-2	138,243	552,970	-118,765	1.6	163,382
Fairbanks	7	3	-1	3	202,983	608,950	608,950	1.8	276,444
Kenai	12	3	-6	3	407,061	1,221,183	1,221,183	3.6	511,826
Juneau	2	1	0	1	190,800	190,800	190,800	0.6	238,500
Ketchikan	0	0	0	0	0	0	0	0.0	0
Kodiak	0	0	0	0	0	0	0	0.0	0
Bethel	0	0	0	0	0	0	0	0.0	0
Rest of State	2	1	0	1	460,000	460,000	460,000	1.3	575,000
Statewide Total	331	177	23	35	193,445	34,239,771	11,315,206	100.0	236,105

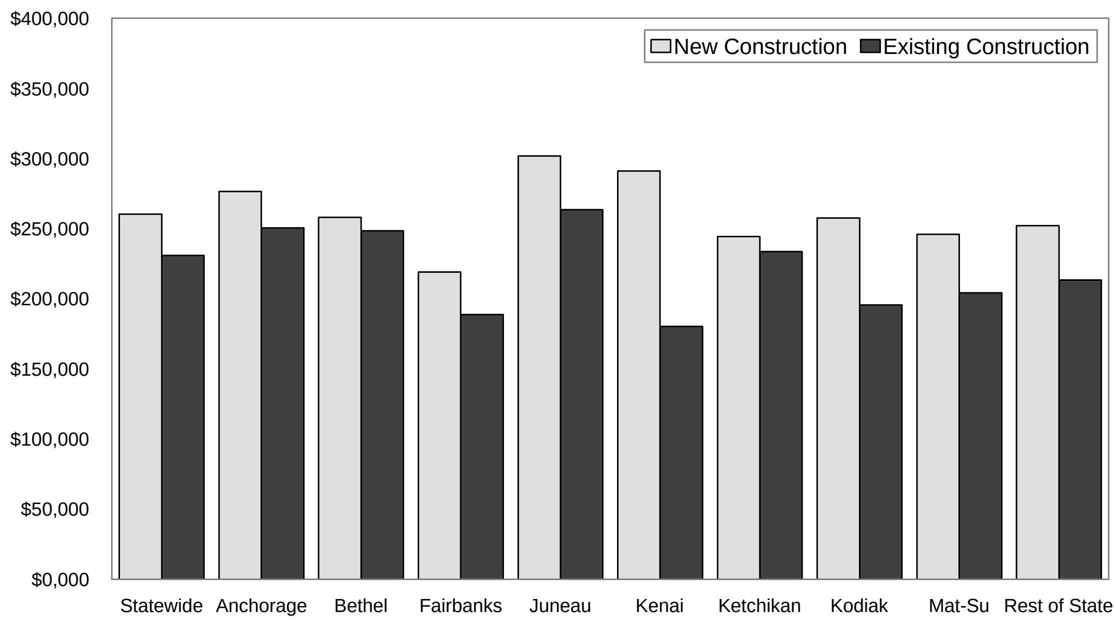
2nd Qtr 2005 — Existing Condo Residences

Location	YTD	Number of Loans	Chg Prv Qtr	Chg Prv Yr	Average Loan	Total Loans	Chg Prv Yr	% Loan Volume	Average Sales Price
Anchorage	617	373	129	92	$146,238	$54,546,914	$19,953,171	88.0	$175,154
Mat-Su	33	10	-13	8	197,433	1,974,328	1,745,528	3.2	218,900
Fairbanks	36	15	-6	-2	91,491	1,372,362	203,908	2.2	113,460
Kenai	18	3	-12	0	50,767	152,300	-29,800	0.2	57,833
Juneau	41	26	11	12	141,313	3,674,126	2,034,668	5.9	162,747
Ketchikan	5	2	-1	-3	72,617	145,234	-206,759	0.2	81,500
Kodiak	2	2	2	2	37,275	74,550	74,550	0.1	50,750
Bethel	1	0	-1	0	0	0	0	0.0	0
Rest of State	3	1	-1	1	22,500	22,500	22,500	0.0	37,850
Statewide Total	756	432	108	110	143,431	61,962,315	23,797,766	100.0	171,136

New Construction vs. Existing Housing

Average Sales Price, All Types of Housing

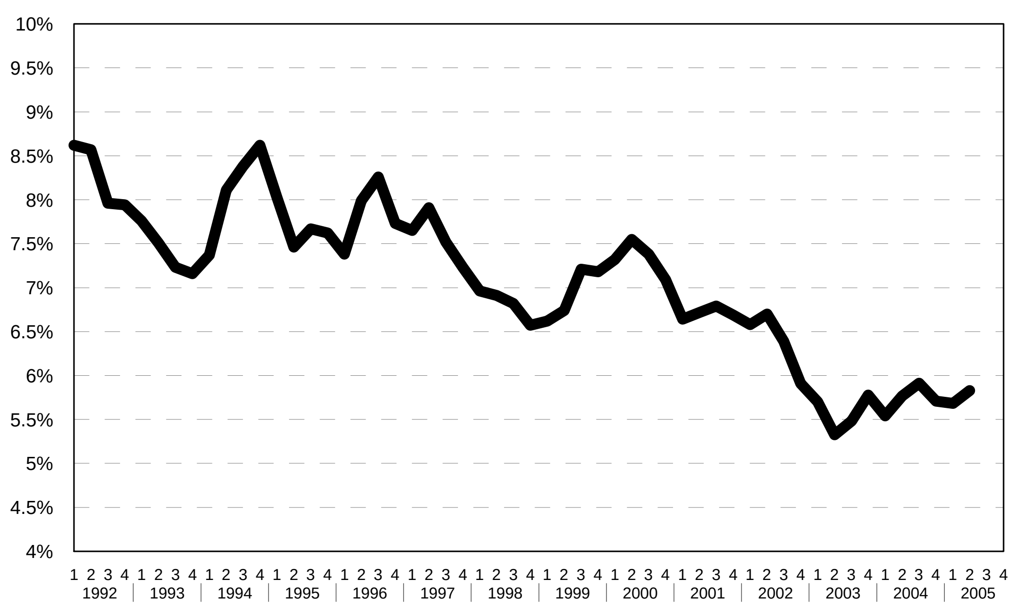
1st Half 2005



Quarterly Interest Rate Weighted by Loan Volume

All Types of Housing, Statewide

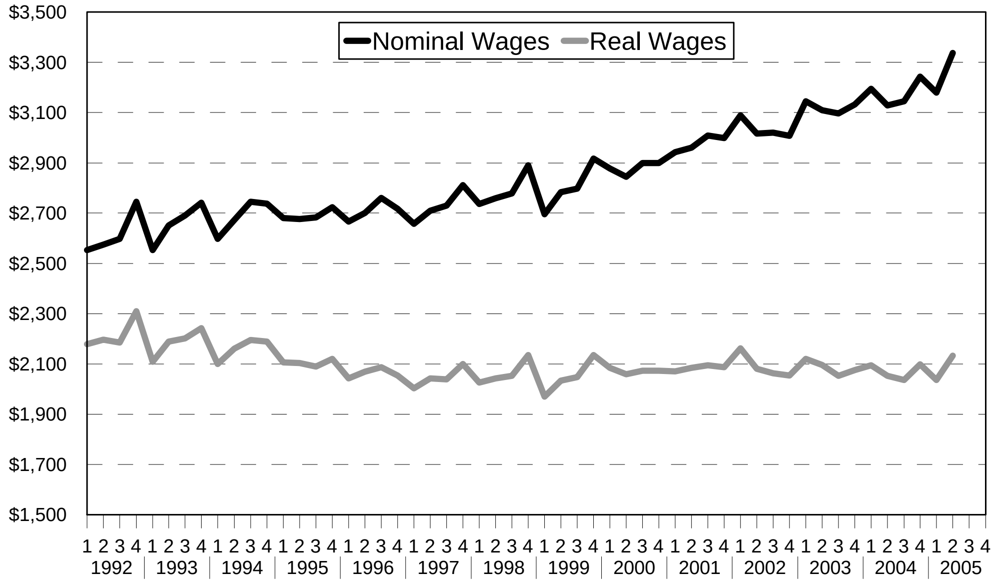
1st Qtr 1992 - 2nd Qtr 2005



Average Monthly Wage

Statewide

1st Qtr 1992 - 2nd Qtr 2005

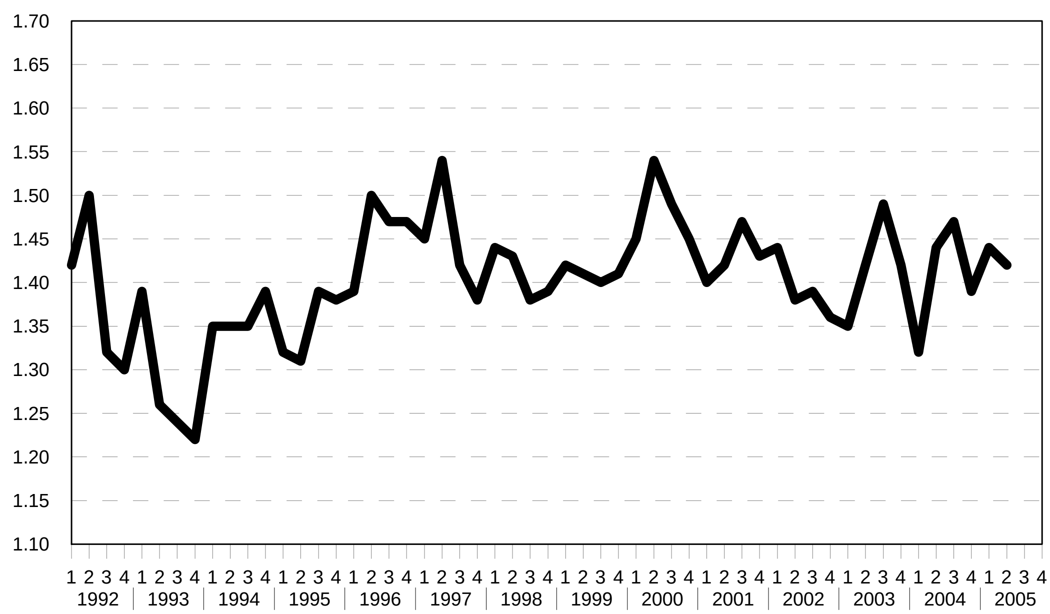


Note: Wages for the most recent quarter are preliminary.
Source: Alaska Department of Labor and Workforce Development, Research & Analysis Section.

Alaska Affordability Index

Single-Family Homes, Private and Public Agency Lenders

1st Qtr 1992 - 2nd Qtr 2005



Note: The Index value for the most recent quarter is preliminary.
Source: Alaska Department of Labor and Workforce Development, Research & Analysis Section.