Alaska Housing Market Indicators

Fall 2006

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

Sarah Palin, Governor
Click Bishop, Commissioner
Brynn Keith, Research and Analysis Chief

Jeff Hadland, Economist
Rob Kreiger, Research Analyst
Tori Keso, Research Analyst

ACKNOWLEDGEMENTS

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.

TABLE OF CONTENTS

Alaska Housing Market Scorecard
2nd Half 2006

Mortgage Interest Rates 30-year Fixed **6.53%**		Average rates in Alaska for 30-year fixed rate mortgages rose sharply from one year ago to reach levels not seen since early 2002.
Number of Loans Single-family & Condominium **6,859**		The reported number of single-family and condo was on par with year ago levels – above the ten year average.
Sales Price Appreciation Single-Family Residence **8.0%**		Sales prices for single-family homes rose from year-ago levels, but at a slower rate than the previous year.
Alaska Affordability Index **1.66**		Housing became less affordable from one year ago due to continued increases in sales prices and interest rates.

Lowest 

Highest 

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 second half of 2006, lenders representing approximately 92% 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 Total Loan Activity</u>

During the second half of 2006, the Quarterly Survey of Lending Activity provided mixed results on the overall status of the residential housing market. On the plus side, average sales prices for all surveyed building types combined rose 9.6% from year ago levels. The total dollar volume of loans reported by lenders also increased but by an even greater pace of 15.4%. These two factors taken alone would indicate a strong housing market.

Some potential signs of weakening do exist however, primarily with respect to housing affordability. Interest rates continued to climb in 2006 and average selling prices (although not increasing at the level they were in recent years) continue to rise.

Nationally, concern continues to grow as to what impact increasing foreclosure and default rates will have on the housing and credit markets. Homebuyers (particularly those with lower credit ratings) who opted for more exotic financing options are now feeling the pinch of adjusting rates. This issue is receiving increasing attention in recent months and the problem is not expected to grow.

In Alaska, housing has continued to become less affordable since 2005. Decreasing affordability could price some potential buyers out of the market; this in turn could cause inventory of new and existing homes to rise. Increasing inventory may put downward pressure on average sales prices.

- Statewide, the average sales price for all surveyed building types combined rose to $260,128. This was an increase of ten percent from the same time period one year ago.

- The total dollar volume of loans reported by lenders during the second half of 2006 rose 15 percent to exceed $1.4 billion.

- The average loan amount for all building types combined during the second half of 2006 was $209,761, down eight percent from year ago levels.

- A majority of the total dollar volume of loans reported by lenders during the second half of 2006 occurred in the Anchorage area (56 percent). Mat-Su had the second highest share of loan volume at 15 percent.

- Juneau reported the highest average sales price for all building types combined during the second half of 2006 at $286,976. The average sales price in Juneau rose 11 percent from one year ago.

- Anchorage followed closely behind Juneau with the second highest average sales price for all building types at $286,450. The average sales price in Anchorage rose 11 percent during the year.

- Ketchikan reported the lowest average sales price for all building types combined during the second half of 2006 at $199,325. The average price in Ketchikan fell eight percent.

- Kenai had the second lowest average sales price for all building types next to Ketchikan during the second half of 2006 at $199,432. The average sales price in Kenai rose one percent from one year ago.

Single-family homes

- Loans for single-family homes accounted for 83 percent of the total dollar volume of loans reported by lenders during the second half of 2006.

- The total reported dollar volume of loans for single-family homes climbed 20 percent over year-ago levels to reach $1.2 billion.

- Statewide, average loan-to-value ratios decreased from 81.1% in the second half of 2005 to 80.3% in the second half of 2006. Decreasing loan-to-value ratios could indicate that homebuyers are fronting larger down payments. It could also mean that borrowers are turning to more exotic lending options such as “piggy-back” loans to finance the home purchase.

- The statewide average sales price for single-family homes during the second half of 2006 was $269,057, up eight percent from the previous year.

- Anchorage reported the highest average sales price for single-family homes at $312,054. Juneau followed Anchorage with the second highest average sales price at $308,208.

- Average sales prices for single-family homes in Anchorage and Juneau rose by six and ten percent respectively during the second half of 2006.

- Juneau and Anchorage were the only two surveyed areas to see average sales prices in excess of $300,000 during the second half of 2006.

- The largest year over year percent increase in average sales price during the second half of 2006 occurred in Kodiak. The average sales price for a single family home rose twenty percent to reach $256,109.

- The lowest average sales price for a single-family home in the second half of 2006 was reported in Kenai at $198,856, up two percent from year ago levels.

- Ketchikan followed Kenai with the second lowest average sales price for single –family homes during the second half of 2006 at $211,041, down nine percent from one year ago.

- The average sales price for a single-family home in Mat-Su rose nine percent during the second half of 2006 while the total reported dollar volume of single-family loans grew by 20 percent. The average price for a single-family home in Mat-Su was $234,685.

Condominiums

- Statewide, the total dollar volume of loans for condominiums grew by $6.5 million in the second half of 2006, a three percent increase from one year ago.

- Eighty-five percent of the total dollar volume of loans for condominiums was reported in the Anchorage area during the second half of 2006.

- The statewide average sales price for a condominium rose six percent during the second half of 2006 to $179,297. The statewide average sales price of a condo was 33 percent less than the average sales price of a single-family home.

- The statewide average loan amount for a condominium was $152,798 in the second half of 2006, down three percent from the second half of 2005.

- The average loan-to-value ratio for a condominium fell to 85.2% during the second half of 2006; down from the year ago average of 87.9% in 2005.

- Mat-Su was the only surveyed area to see both a decrease in total loan volume and average sales price for condominiums during the second half of 2006. Total loan volume in Mat-Su fell 14 percent while the average sales price slipped five percent.

- Fairbanks and Juneau saw increases of 16 and 14 percent respectively in average sales prices of condominiums during the second half of 2006.

- Anchorage, which reported 85 percent of the total condo dollar volume, saw the average sales price for a condo rise six percent during the year to $182,252. However, the dollar volume of loans for condos in Anchorage fell eight percent during the same time period.

Mortgage Interest Rates

- In the second half of 2006, lenders reported a weighted average interest rate of 6.53% for 30 year conventional fixed rate mortgages, up substantially from 5.57% one year ago.

- AHFC offered loan products with substantially lower interest rates than other lenders during the second half of 2006. AHFC's average interest rates for 30-year conventional fixed rate mortgages were 5.91%; all other lenders collectively averaged 6.72%.

- Interest rates for loan products in the AFHC urban and rural loan portfolios were similar in the second half of 2006. Interest rates in the urban portfolio averaged 5.90%, while rural loans averaged 5.92%.

- At the most recent meeting of the Federal Reserve Board (March, 2007), policy makers maintained the Federal funds rate at 5.25% for the seventh consecutive time. Prior to August of 2006, the Federal Reserve had raised the Federal funds rate 17 consecutive times in order to curb inflation.

- Some are speculating that weakness in the housing market and tighter credit restrictions caused by increasing foreclosure and default rates for subprime borrowers may have an adverse effect on the broader U.S. economy. This may in turn cause the Fed to cut rates later in 2007.

- On the national front, interest rates rose from year-ago levels. Thirty-year conventional fixed rate mortgages averaged 6.64% in the second half of 2006, compared to 6.02% one year ago. At 6.62%, interest rates are at their highest level since the first half of 2002 where they averaged 6.84%.

New vs. Existing Construction

In the Survey of Alaska's Lenders, *new construction* is 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.*

- While the statewide total dollar volume of loans increased from year ago levels, the percentage of that total going toward new construction decreased from the second half of 2005.

- In the second half of 2006, 18 percent of the statewide total reported dollar volume of loans went toward new construction. The percentage of loan volume going toward new construction decreased from 23 percent one year ago.

- The total dollar volume of loans for new construction statewide fell nine percent during the second half of 2006 to $266 million.

- For all building types combined, the statewide average sales price for new construction rose eight percent to reach $295,019 during the second half of 2006. The statewide average price for existing construction rose ten percent during the same time period to $253,090.

- Mat-Su had the highest percentage of loan volume going toward new construction in the second half of 2006. Forty-three percent of the loan volume in Mat-Su went toward new construction, down from 47 percent one year ago.

- The average sales price for new construction in Mat-Su rose by 14 percent during the second half of 2006 to $262,897. The average sales price for existing construction in Mat-Su rose six percent during the same time period.

- In the second half of 2006, Ketchikan and Juneau had the lowest percentage of loans (in terms of dollar volume) for new construction with five and six percent respectively.

- The two areas with the smallest percentage of loan volume going toward new construction reported the highest average sales prices for new construction. Ketchikan had the highest average sales price at $414,500 with Juneau following at $358,329.

- Juneau had the highest average sales price for existing construction at $283,458 during the second half of 2006. Anchorage followed Juneau at $280,199.

- Homebuyers borrowed a higher percentage of the purchase price for existing construction during the second half of 2006. Loan-to-value ratios for existing construction were 81.3% compared to 77.7% for new construction.

Employment and Wages

- The average unemployment rate in Alaska during 2006 was 6.7%, down slightly from the 6.8% average rate in 2005.

- The average total labor force in Alaska in 2006 was 346,769, up from 339,305 one year ago.

- Statewide, average monthly wages increased by 0.2% during the second half of 2006 to reach $3,334 per month.

- The highest average monthly wage for the second half of 2006 in Alaska was reported in the North Slope Borough at $5,945 per month.

- The Wade-Hampton Census Area reported the lowest monthly wages at $1,671 during the second half of 2006.

- Juneau, which had the second highest average selling price for a single-family home in the second half of 2006, had average wages of $3,250, three percent lower than the statewide average of $3,334.

- Kenai which reported the lowest average sales price for a single-family home during the second half of 2006 had average wages of $2,925, 12 percent lower than the statewide average.

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.

- Modest gains in average monthly wages were not enough to curtail increases in the Alaska Affordability Index during the second half of 2006. High average sales prices and rising interest rates caused housing to become substantially less affordable over the year.

- Statewide, the Alaska Affordability Index for single-family housing reached 1.66 during the second half of 2006, up from 1.50 one year ago. Since the end of 2005, index values have been reaching their highest levels since the data was first collected in 1992.

- For single-family housing, Bethel and Kodiak led the list of least affordable areas during the second half of 2006 with index values of 2.13 and 2.01 respectively. Juneau came in third with an index value of 1.94.

- Kenai and Ketchikan had index values of 1.47 and 1.54 respectively, making them the two most affordable areas for single-family homes in the second half of 2006.

- The Affordability Index value for Anchorage single-family homes rose to reach 1.82 during the second half of 2006, up from 1.57 in 2005.

- 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 1.44. The Index value for a Mat-Su home with Anchorage wages increased from 1.29 in 2005.

- Average wages in Anchorage were 31 percent higher than those in Mat-Su during the second half of 2006. At the same time, average sales prices of single-family homes were 33 percent higher in Anchorage than Mat-Su.

- Statewide, condominiums were more affordable than single-family homes during the second half of 2006 with an index value of 1.17, but were less affordable than 2005 when the index value was 1.11.

National Affordability

This index is compiled by the National Association of Realtors and is interpreted differently than the Alaska Affordability Index. A value of 100 means that a family earning the median income has exactly enough income to qualify for a mortgage loan on a median-priced home, assuming a 20% down payment. A decrease in this index shows that a family is less able to afford a home.

- Nationally, housing affordability appeared to mirror trends in Alaska. During the second half of 2006, housing reached its least affordable level in more than 12 years.

- Median household income grew by one half a percent during the second half of 2006, however rising mortgage rates and increases in the median price of a single-family home weighed on affordability.

- According to the National Affordability Index, median sales prices for single-family homes rose four percent in the second half of 2006 to reach a record high of $222,183.

- National average interest rates increased from 6.02% in the second half of 2005 to 6.64% in the second half of 2006. Interest rates have not been this high since the second half of 2001.

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 (%)
4Q06	12,749	3,026	-807	-143	203,586	616,052,707	21,452,247	250,241	757,228,275	81.4
3Q06	9,723	3,833	576	676	205,024	785,855,131	174,932,082	254,523	975,585,672	80.6
2Q06	5,890	3,257	624	-218	200,014	651,445,594	272,766	255,879	833,397,802	78.2
1Q06	2,633	2,633	-536	204	193,141	508,539,573	64,061,986	239,103	629,557,568	80.8
4Q05	12,230	3,169	12	-175	185,786	588,755,410	-1,692,888	231,327	733,074,946	81.8
3Q05	9,061	3,157	-318	-296	193,514	610,923,049	2,862,449	234,650	740,791,083	82.5
2Q05	5,904	3,475	1,046	684	187,388	651,172,828	159,997,119	236,999	823,572,869	79.1
1Q05	2,429	2,429	-915	48	182,988	444,477,587	43,965,299	226,751	550,777,771	80.7
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

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 (%)
4Q06	10,271	2,460	-684	3	215,186	529,358,382	39,079,749	267,134	657,150,609	80.6
3Q06	7,811	3,144	528	609	216,535	680,787,499	163,829,790	270,562	850,645,488	80.0
2Q06	4,667	2,616	565	-250	211,224	552,562,998	-2,407,744	272,299	712,334,751	77.6
1Q06	2,051	2,051	-406	100	204,330	419,079,831	48,467,664	255,789	524,622,755	79.9
4Q05	9,809	2,457	-78	-272	199,544	490,278,633	-19,433,403	249,081	611,992,892	80.1
3Q05	7,352	2,535	-331	-337	203,928	516,957,710	-18,463,444	248,693	630,437,781	82.0
2Q05	4,817	2,866	915	539	193,639	554,970,742	124,884,147	246,982	707,851,657	78.4
1Q05	1,951	1,951	-778	7	189,960	370,612,167	25,767,837	236,534	461,477,317	80.3
4Q04	9,872	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

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 (%)
4Q06	2,478	566	-123	-146	153,170	86,694,325	(17,627,502)	176,816	100,077,666	87
3Q06	1,912	689	48	67	152,493	105,067,632	11,102,293	181,336	124,940,184	84
2Q06	1,223	641	59	32	154,263	98,882,596	2,680,510	188,866	121,063,051	81.7
1Q06	2,421	712	90	97	138,310	98,476,777	17,740,515	170,059	121,082,055	90.5
4Q05	2,421	712	90	97	138,310	98,476,777	17,740,515	170,059	121,082,055	90.5
3Q05	1,709	622	13	41	151,070	93,965,339	21,325,893	177,417	110,353,302	85.1
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	82.7
4Q04	2,097	615	34	112	140,783	86,581,312	27,042,995	169,186	104,049,566	83.2
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

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
4th Qtr 2006

Location	YTD	Number of Loans	Chg Prv Qtr	Chg Prv Yr	Average Loan	Total Loans	Chg Prv Yr	% Loan Volume1	Average Sales Price	Total Sales Volume
Anchorage	2,130	469	-61	-165	$156,501	$73,399,035	-$14,672,328	84.7	$179,645	$84,253,416
Mat-Su	64	23	-2	0	145,884	3,355,341	-160,279	3.9	177,424	4,080,750
Fairbanks	114	33	1	13	124,426	4,106,059	1,909,847	4.7	136,376	4,500,400
Kenai	23	2	-5	-1	51,300	102,600	-352,480	0.1	56,500	113,000
Juneau	126	31	10	6	141,975	4,401,236	981,910	5.1	176,390	5,468,100
Ketchikan	13	4	0	0	57,107	228,429	-122,371	0.3	98,250	393,000
Kodiak	0	0	0	0	0	0	0	0.0	0	0
Bethel	0	0	0	0	0	0	0	0.0	0	0
Rest of State	8	4	1	1	275,406	1,101,625	633,250	1.3	317,250	1,269,000
Statewide Total	**2,478**	**566**	**-56**	**-146**	**153,170**	**86,694,325**	**-11,782,452**	**100.0**	**176,816**	**100,077,666**

Single-Family Loan Activity in Alaska Including AHFC
4th Qtr 2006

Location	YTD	Number of Loans	Chg Prv Qtr	Chg Prv Yr	Average Loan	Total Loans	Chg Prv Yr	% Loan Volume1	Average Sales Price	Total Sales Volume
Anchorage	4,686	1,059	-44	-91	$244,228	$258,637,106	$4,046,461	48.9	$311,674	$330,062,533
Mat-Su	1,984	502	74	8	193,321	97,047,159	5,369,310	18.3	236,146	118,545,219
Fairbanks	1,389	384	-56	67	192,003	73,729,017	19,750,057	13.9	220,878	84,817,012
Kenai	810	170	-52	-27	159,040	27,036,803	-5,730,802	5.1	199,390	33,896,298
Juneau	587	128	24	19	233,188	29,848,080	6,136,742	5.6	310,412	39,732,676
Ketchikan	116	32	0	4	163,164	5,221,248	-122,047	1.0	209,763	6,712,401
Kodiak	194	49	-9	15	245,714	12,040,003	5,499,890	2.3	281,858	13,811,032
Bethel	45	10	-6	-5	211,614	2,116,138	-648,290	0.4	225,000	2,250,000
Rest of State	460	126	-6	13	187,959	23,682,827	4,778,428	4.5	216,853	27,323,440
Statewide Total	**10,271**	**2,460**	**-75**	**3**	**215,186**	**529,358,382**	**39,079,749**	**100.0**	**267,134**	**657,150,609**

Multi-Family Loan Activity in Alaska Including AHFC
4th Qtr 2006

Location	# Units	Number of Loans	Average Loan	Total Loans	% Loan Volume	Average Sales Price	Total Sales Volume	% Total Market Value[1]
Anchorage	112	19	$374,276	$7,111,245	56.4	$493,650	$9,379,356	54.8
Mat-Su	32	3	693,180	2,079,541	16.5	831,333	2,494,000	14.6
Fairbanks	11	4	254,222	1,016,886	8.1	302,500	1,210,000	7.1
Kenai	13	5	145,436	727,179	5.8	250,800	1,254,000	7.3
Juneau	17	1	1,000,500	1,000,500	7.9	1,690,000	1,690,000	9.9
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	10	2	332,866	665,732	5.3	551,000	1,102,000	6.4
Statewide Total	**195**	**34**	**370,620**	**12,601,083**	**100**	**503,805**	**17,129,356**	**100**

Notes:

1. Total may not sum due to rounding.

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

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, and Condominium

4th Qtr 2006	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	726	119	9	-3	$340,556	$40,526,139	$4,170,296	33.5	$441,701
Mat-Su	779	217	28	10	211,103	45,809,391	3,708,458	37.9	267,477
Fairbanks	272	99	13	11	218,410	21,622,542	4,109,019	17.9	255,428
Kenai	159	26	4	-20	204,535	5,317,900	-3,330,742	4.4	284,286
Juneau	72	4	-4	-6	242,010	968,040	-1,911,679	0.8	319,075
Ketchikan	6	2	-2	1	264,600	529,200	358,300	0.4	414,500
Kodiak	35	10	0	3	264,617	2,646,167	1,209,256	2.2	278,030
Bethel	6	0	-2	0	0	0	0	0.0	0
Rest of State	90	17	-1	6	206,449	3,509,636	1,673,995	2.9	247,579
Statewide Total	**2,145**	**494**	**45**	**2**	**244,796**	**120,929,015**	**9,986,903**	**100**	**308,458**

4th Qtr 2006	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	3,960	940	-53	-88	$232,033	$218,110,967	-$123,835	53.4	$295,213
Mat-Su	1,205	285	46	-2	179,782	51,237,767	1,660,852	12.5	212,290
Fairbanks	1,117	285	-69	56	182,830	52,106,475	15,641,037	12.8	208,876
Kenai	651	144	-56	-7	150,826	21,718,903	-2,400,060	5.3	184,062
Juneau	515	124	28	25	232,904	28,880,040	8,048,421	7.1	310,132
Ketchikan	110	30	2	3	156,402	4,692,048	-480,347	1.1	196,113
Kodiak	159	39	-9	12	240,868	9,393,836	4,290,634	2.3	282,839
Bethel	39	10	-4	-5	211,614	2,116,138	-648,290	0.5	225,000
Rest of State	370	109	-5	7	185,075	20,173,191	3,104,433	4.9	212,061
Statewide Total	**8,126**	**1,966**	**-120**	**1**	**207,746**	**408,429,367**	**29,092,846**	**100.0**	**256,751**

4th Qtr 2006	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	433	77	-84	-101	$194,846	$15,003,174	-$11,323,184	77.7	$227,886
Mat-Su	38	12	-2	-4	154,623	1,855,475	-806,945	9.6	207,467
Fairbanks	25	8	5	4	205,488	1,643,903	1,047,426	8.5	204,088
Kenai	3	0	-1	-1	0	0	-185,000	0.0	0
Juneau	14	1	1	1	199,920	199,920	199,920	1.0	249,900
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	4	2	2	2	307,000	614,000	614,000	3.2	339,500
Statewide Total	**517**	**100**	**-79**	**-99**	**193,165**	**19,316,472**	**-10,453,783**	**100.0**	**225,984**

4th Qtr 2006	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	1,697	392	23	-64	$148,969	$58,395,861	-$3,349,144	86.7	$170,169
Mat-Su	26	11	0	4	136,351	1,499,866	646,666	2.2	144,650
Fairbanks	89	25	-4	9	98,486	2,462,156	862,421	3.7	114,708
Kenai	20	2	-4	0	51,300	102,600	-167,480	0.2	56,500
Juneau	112	30	9	5	140,044	4,201,316	781,990	6.2	173,940
Ketchikan	13	4	0	0	57,107	228,429	-122,371	0.3	98,250
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	4	2	-1	-1	243,813	487,625	19,250	0.7	295,000
Statewide Total	**1,961**	**466**	**23**	**-47**	**144,588**	**67,377,853**	**-1,328,669**	**100.0**	**166,264**

Notes:

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

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

Refinance Loan Activity in Alaska Including AHFC
Single Family, and Condominium

4th Qtr 2006	Single Family								
Location	YTD	Number of Loans	Chg Prv Qtr	Chg Prv Yr	Average Loan	Total Loans	Loan Vol. Chg Prv Yr	% Loan Volume	Average Sales Price
Anchorage	1,038	293	18	4	225,986	66,213,955	8,809,606	57.5	344,150
Mat-Su	404	97	19	-12	176,696	17,139,516	585,365	14.9	256,043
Fairbanks	197	44	-35	-36	145,840	6,416,950	-6,032,654	5.6	208,295
Kenai	300	84	24	-1	134,806	11,323,706	1,110,415	9.8	202,395
Juneau	123	33	-2	-19	249,651	8,238,468	-2,486,816	7.2	377,924
Ketchikan	8	2	-5	-7	240,500	481,000	-1,103,324	0.4	331,000
Kodiak	17	2	-5	-2	220,850	441,700	-59,363	0.4	287,500
Bethel	43	4	2	-1	156,175	624,700	9,350	0.5	266,125
Rest of State	73	24	-11	2	174,217	4,181,219	681,618	3.6	266,992
Statewide Total	**2,203**	**583**	**5**	**-72**	**197,361**	**115,061,214**	**1,514,197**	**100.0**	**296,774**

4th Qtr 2006	Condominiums								
Location	YTD	Number of Loans	Chg Prv Qtr	Chg Prv Yr	Average Loan	Total Loans	Loan Vol. Chg Prv Yr	% Loan Volume	Average Sales Price
Anchorage	199	54	17	-14	179,056	9,669,047	-1,077,702	92.4	270,520
Mat-Su	8	3	2	1	209,833	629,500	267,180	6.0	313,667
Fairbanks	3	1	1	1	68,800	68,800	68,800	0.7	86,000
Kenai	0	0	0	0	0	0	0	0.0	0
Juneau	6	1	0	-4	101,500	101,500	-501,000	1.0	146,000
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	1	0	0	0	0	0	0	0.0	0
Statewide Total	**217**	**59**	**20**	**-16**	**177,438**	**10,468,847**	**-1,242,722**	**100.0**	**267,476**

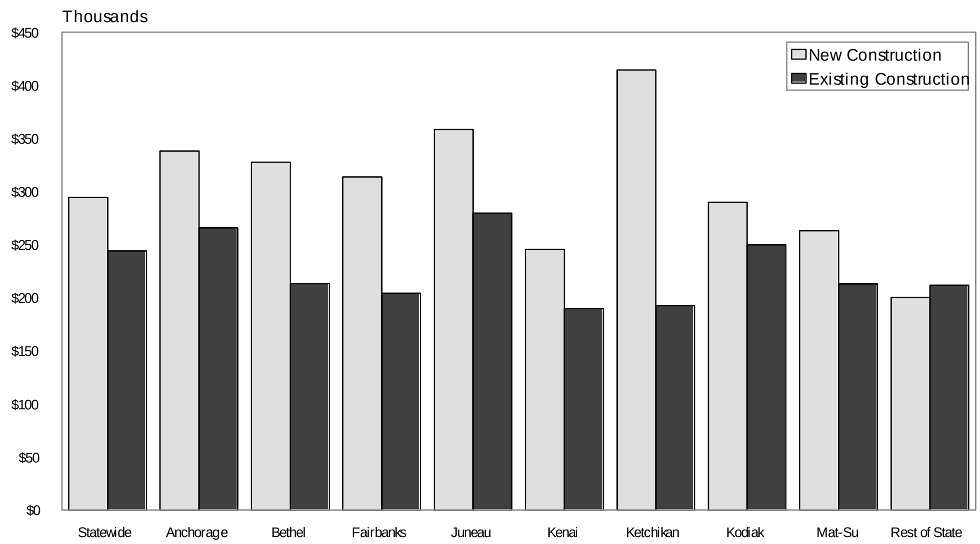
Notes:

Based on the quarterly Survey of Lender's Activity, a survey of private and public mortgage lenders.
Refinance activity was first collected in the 3rd quarter of 2005.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

New Construction vs. Existing Housing

Average Sales Price, Single-family and Condominium

2nd Half 2006

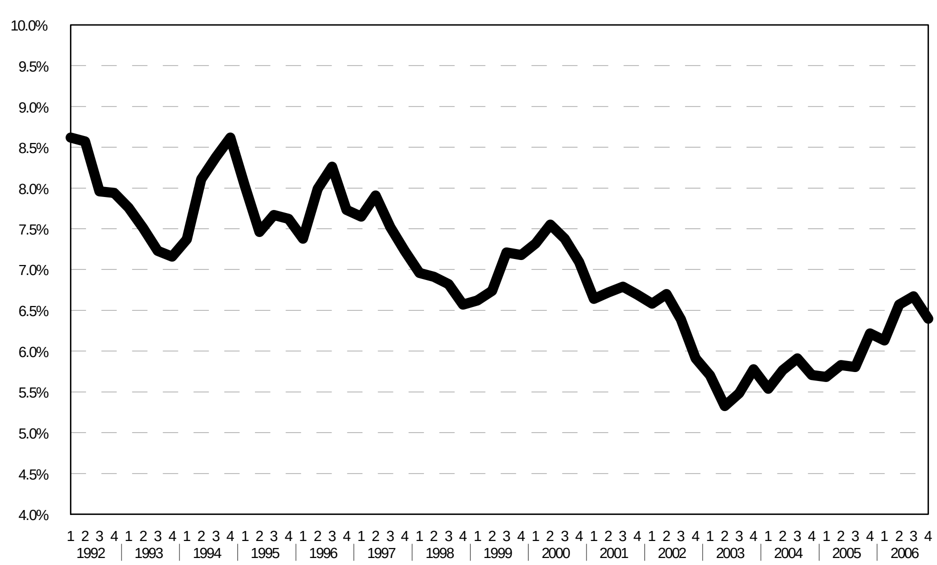


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

Quarterly Interest Rate Weighted by Loan Volume

All Types of Housing, Statewide

1st Qtr 1992 - 4th Qtr 2006

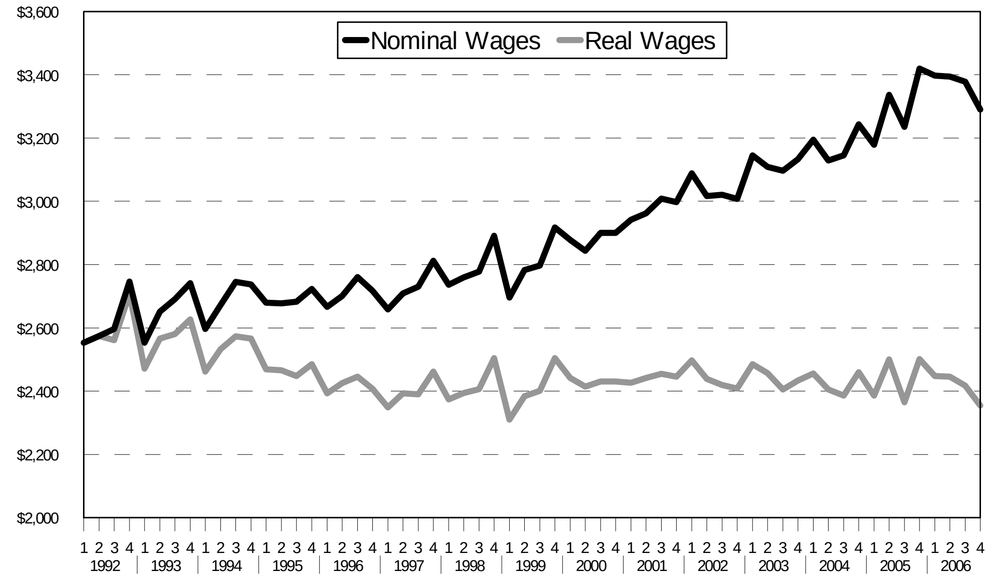


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

Average Monthly Wage

Statewide

1st Qtr 1992 - 4th Qtr 2006

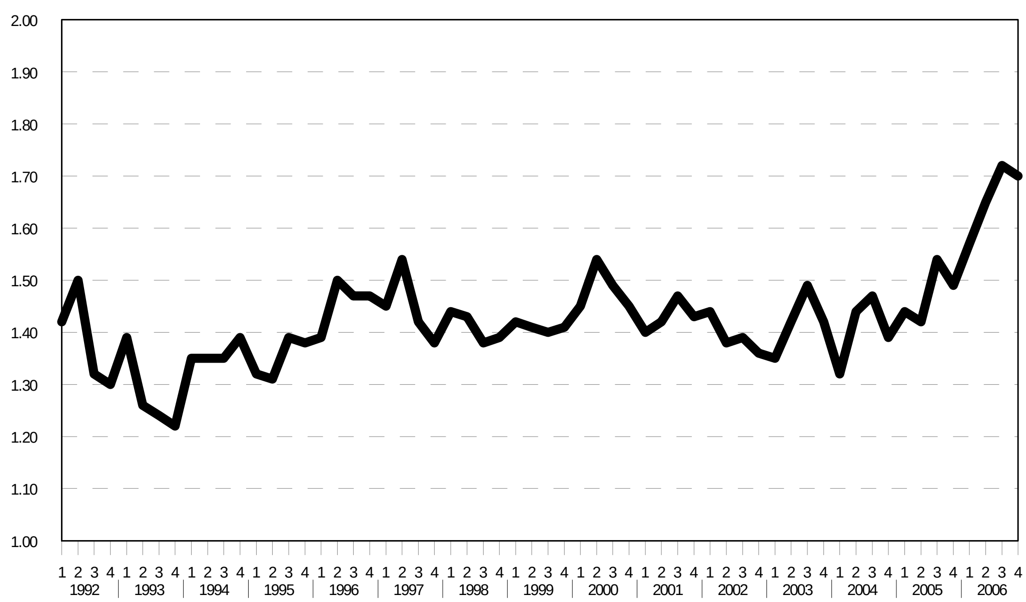


Note: Wages for the most recent quarter are preliminary. Real wages are determined by factoring in the Anchorage Consumer Price Index with a base year of 1992.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

Alaska Affordability Index

Single-Family Homes, Private and Public Agency Lenders

1st Qtr 1992 - 4th Qtr 2006



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