PRESS RELEASE
Federal Deposit Insurance Corporation

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JULY SURVEY SHOWS REAL ESTATE MARKETS CONTINUE TO RISE STEADILY

FOR IMMEDIATE RELEASE

The latest results from the FDIC's quarterly Survey of Real Estate Trends show that conditions in residential and commercial markets in July generally were better than during the prior three months.

The FDIC's latest quarterly survey polled 300 senior examiners and asset managers in federal banking and thrift agencies. They were asked during July about developments in their local real estate markets during the prior three months.

Fifty-two percent of the respondents reported that their local commercial real estate market conditions had improved over the three-month period, and 54 percent noted rising sales prices. The proportion characterizing commercial sales volume as above-average rose to 34 percent in July from 27 percent in April. Also, the 44 percent citing higher demand for office space was up from 40 percent in April.

Fifty-one percent said conditions in their local housing market in July were better than three months prior, while only 4 percent observed worse conditions. The proportion of respondents noting above-average residential sales volume rose to 49 percent, up from 41 percent in April. In addition, 94 percent said new homebuilding was at average or above-average levels, and 75 percent gave similar opinions about the construction of rental apartments.

The composite index used by the FDIC to summarize results for both residential and commercial real-estate markets nationwide increased to 74 in July, up slightly from 71 in

April, 68 in January and 67 in October of 1996. Under the FDIC's system, scores above 50 indicate that more respondents thought conditions were improving than declining, while readings below 50 mean the opposite.

Three of the four regions surveyed by the FDIC showed an increase in the July composite index from April, while the Midwest was essentially unchanged. The West continued to maintain the highest levels in the separate commercial and residential indices, at 82 and 84, respectively.

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