



# PRESS RELEASE

Federal Deposit Insurance Corporation

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## **JULY FDIC SURVEY FINDS REAL ESTATE MARKETS STILL FAVORABLE**

### **FOR IMMEDIATE RELEASE**

The latest results from the FDIC's Survey of Real Estate Trends showed continuing favorable views of local residential and commercial real estate markets. The nationwide poll, which was conducted in July, asked about developments in real estate markets during the first six months of 2000. For the most part, respondents characterized supply and demand in markets as in balance. But, where market imbalances were observed, reports of tight supply generally outnumbered those of excess supply.

Of all the property markets analyzed, the lowest proportion of respondents characterized local office markets as being in balance (37 percent). Almost a third of the respondents (31 percent) viewed office markets as having excess supply, and another third (32 percent) noted tight market conditions. In addition, 21 percent said that speculative construction of office buildings increased over the previous six months.

The July survey marks a substantially revised and expanded poll. The FDIC's survey focuses on changing conditions for a six-month period instead of the more narrow three-month reporting period covered previously. The new survey also offers details on metropolitan areas across the nation (instead of four regions) and covers single-family, multifamily, office, retail, and industrial real estate markets (instead of just residential and commercial markets).

The survey polled FDIC senior examiners and asset managers as well as bank examiners of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision. The latest report summarizes the opinions of 256 respondents.

Survey respondents were asked if general conditions for U.S. real estate markets (as characterized by vacancy rates, market prices or the pace of sales) had changed in the



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first six months of the year. The percentage of respondents reporting no change was high across all property markets: single-family (58 percent), multifamily (72 percent), office (72 percent), retail (78 percent), and industrial (73 percent). Where general market conditions were reported to have changed, improving conditions were observed more often than worsening conditions.

The most favorable conditions were reported for single-family home markets. Home prices were reported to be higher than six months earlier, according to the majority of respondents, for both existing single-family homes (57 percent) and new single-family homes (61 percent).

Vacancy rates in multifamily housing were widely reported as unchanged over the previous six months. Twenty-four percent noted an increase in multifamily construction.

Retail and industrial markets were characterized as in balance by 52 percent and 57 percent of the respondents, respectively. Twenty-two percent said that sales prices of retail properties increased over the previous six months, and 31 percent noted increases in prices of industrial properties for sale.

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Copies of the *Survey of Real Estate Trends* are available on the Internet (at [www.fdic.gov](http://www.fdic.gov)) and from the FDIC's Public Information Center (801 17th Street, NW, Washington, DC 20434, telephone 800-276-6003 or (703) 562-2200, or e-mail [publicinfo@fdic.gov](mailto:publicinfo@fdic.gov)).