

The Relationship between Total Housing Output and Rental Income of Persons

	Line	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Percent Change 1996 - 2006 (annual rate)	Percent Change 2001 - 2006 (annual rate)
Billions of dollars															
Output of housing services (PCE)¹	1	727.2	759.4	796.9	846.3	897.5	950.4	1,020.8	1,068.5	1,103.8	1,162.8	1,229.0	1,306.3	5.6	5.1
Less: Intermediate goods and services consumed ²	2	113.9	121.4	129.2	146.1	149.7	156.2	170.9	191.8	225.7	233.7	264.9	268.1	8.2	9.4
Equals: Gross housing value added	3	613.3	638.0	667.7	700.2	747.8	794.3	849.8	876.7	878.2	929.1	964.2	1,038.2	5.0	4.1
Less: Consumption of fixed capital (depreciation)	4	121.0	126.6	133.7	141.2	152.1	161.8	173.1	180.8	194.3	232.3	308.0	254.3	7.2	8.0
Compensation of employees	5	8.1	8.4	8.8	9.6	10.0	10.9	11.1	11.6	11.8	12.2	12.6	13.2	4.6	3.6
Taxes on production (property taxes)	6	113.9	119.8	125.8	131.2	138.0	144.5	153.4	165.6	176.7	189.1	202.5	213.9	6.0	6.9
Net interest paid (primarily mortgage interest)	7	261.9	271.2	287.2	300.6	321.7	353.1	383.7	398.3	403.9	431.9	489.3	558.9	7.5	7.8
Net current transfer payments (insurance settlements)	8	1.0	-0.4	4.6	1.3	1.2	0.5	-3.9	2.1	5.0	1.3	-17.1	7.8	...	...
Current surplus of government enterprises ³	9	0.4	0.4	-2.0	-4.5	-4.8	-6.4	-7.9	-8.8	-10.2	-11.5	-13.5	-15.5	...	...
Less: Subsidies ⁴	10	23.1	23.7	22.0	20.1	19.8	18.5	19.5	22.6	26.5	28.6	31.7	30.9	2.7	9.6
Equals: Net business income	11	130.1	135.7	131.5	140.8	149.4	148.4	159.8	149.8	123.1	102.3	14.0	36.4	-12.3	-25.6
Less: Proprietors' income	12	16.6	15.7	15.2	14.5	13.9	12.9	12.7	11.7	10.0	6.4	-1.9	7.5	-7.1	-10.0
Corporate profits	13	4.6	4.5	4.5	4.1	3.9	3.9	2.1	1.9	1.7	1.4	1.0	1.9	-8.2	-1.5
Equals: Rental income from housing (NIPA table 7.4.5, line 21)	14	108.8	115.5	111.8	122.2	131.6	131.5	145.0	136.1	111.4	94.5	14.8	26.9	-13.5	-28.6
Plus: Royalties, rental income from nonresidential property ⁵ , and farm nonres structures and land owned by nonoperator landlords	15	13.3	16.0	17.0	15.3	15.8	18.7	22.4	16.8	21.6	23.9	28.1	27.6	5.6	4.3
Equals: Rental income of persons (NIPA table 7.9, line 1)	16	122.1	131.5	128.8	137.5	147.3	150.3	167.4	152.9	133.0	118.4	42.9	54.5	-8.4	-20.1
Addenda:															
Consumption of fixed capital excl. disasters	17	119.4	126.6	133.7	141.2	150.5	161.8	170.7	180.8	194.3	217.7	246.9	254.3	7.2	8.3
Net current transfer payments excl. disasters	18	2.2	-0.4	4.6	1.3	1.7	0.5	-1.4	2.1	5.0	12.3	15.7	7.8	...	...
Rental income of persons excl. disasters	19	122.5	131.5	128.8	137.5	148.5	150.3	167.3	152.9	133.0	122.0	71.2	54.5	-8.4	-20.1
Level Change from Previous Period															
Output of housing services (PCE)	20		32.2	37.5	49.4	51.2	52.9	70.3	47.7	35.4	59.0	66.2	77.2		
Less: Intermediate goods and services consumed ¹	21		7.5	7.8	16.8	3.7	6.4	14.8	20.8	33.9	8.0	31.2	3.2		
Equals: Gross housing value added	22		24.7	29.7	32.6	47.5	46.5	55.6	26.9	1.4	50.9	35.1	74.0		
Less: Consumption of fixed capital (depreciation)	23		5.6	7.1	7.5	10.9	9.7	11.3	7.8	13.5	38.1	75.6	-53.6		
Compensation of employees	24		0.4	0.4	0.7	0.4	0.9	0.2	0.5	0.3	0.4	0.4	0.6		
Taxes on production (property taxes)	25		5.8	6.1	5.4	6.8	6.5	8.9	12.2	11.1	12.4	13.5	11.4		
Net interest paid (primarily mortgage interest)	26		9.3	15.9	13.4	21.1	31.4	30.6	14.6	5.6	28.0	57.4	69.6		
Net current transfer payments (insurance settlements)	27		-1.4	5.0	-3.3	-0.1	-0.7	-4.4	5.9	3.0	-3.7	-18.4	24.9		
Current surplus of government enterprises	28		0.0	-2.4	-2.5	-0.3	-1.6	-1.5	-0.9	-1.4	-1.3	-2.0	-2.0		
Less: Subsidies	29		0.6	-1.7	-1.9	-0.3	-1.3	0.9	3.1	3.9	2.1	3.1	-0.8		
Equals: Net business income	30		5.7	-4.2	9.3	8.5	-1.0	11.5	-10.1	-26.7	-20.8	-88.3	22.4		
Less: Proprietors' income	31		-0.9	-0.5	-0.7	-0.7	-1.0	-0.2	-1.0	-1.8	-3.6	-8.2	9.4		
Corporate profits	32		-0.1	0.0	-0.4	-0.2	0.0	-1.8	-0.2	-0.2	-0.3	-0.4	0.9		
Equals: Rental income from housing (NIPA table 7.4.5, line 21)	33		6.7	-3.7	10.4	9.4	0.0	13.5	-8.9	-24.7	-16.9	-79.7	12.1		
Plus: Royalties, rental income from nonresidential property, and farm nonres structures and land owned by nonoperator landlords	34		2.7	1.0	-1.7	0.5	2.9	3.7	-5.6	4.8	2.4	4.1	-0.5		
Equals: Rental income of persons (NIPA table 7.9, line 1)	35		9.3	-2.7	8.7	9.9	2.9	17.2	-14.5	-20.0	-14.6	-75.5	11.7		
Addenda:															
Consumption of fixed capital excl. disasters	36		7.2	7.1	7.5	9.3	11.3	9.0	10.1	13.5	23.5	29.1	7.4		
Net current transfer payments excl. disasters	37		-2.6	5.0	-3.3	0.3	-1.1	-1.9	3.4	3.0	7.3	3.4	-7.9		
Rental income of persons excl. disasters	38		9.0	-2.7	8.7	11.0	1.8	17.0	-14.3	-20.0	-10.9	-50.9	-16.6		

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Percent Change from Previous Period															
Output of housing services (PCE)	39		4.4	4.9	6.2	6.0	5.9	7.4	4.7	3.3	5.3	5.7	6.3		
Less: Intermediate goods and services consumed ¹	40														
	41		6.6	6.4	13.0	2.5	4.3	9.5	12.2	17.7	3.6	13.3	1.2		
Equals: Gross housing value added	42		4.0	4.7	4.9	6.8	6.2	7.0	3.2	0.2	5.8	3.8	7.7		
	43														
Less: Consumption of fixed capital (depreciation)	44		4.6	5.6	5.6	7.7	6.4	7.0	4.5	7.4	19.6	32.5	-17.4		
Compensation of employees	45		4.8	4.7	8.3	4.2	9.2	1.7	4.6	2.2	3.3	3.3	4.7		
Taxes on production (property taxes)	46		5.1	5.1	4.3	5.2	4.7	6.1	7.9	6.7	7.0	7.1	5.6		
Net interest paid (primarily mortgage interest)	47		3.6	5.9	4.7	7.0	9.8	8.7	3.8	1.4	6.9	13.3	14.2		
Net current transfer payments (insurance settlements)	48		....	....	....	....	....	....	....	....	....	....	....
Current surplus of government enterprises	49		....	....	....	....	....	....	....	....	....	....	....
Less: Subsidies	50		2.8	-7.2	-8.7	-1.7	-6.3	5.1	16.0	17.4	7.8	10.9	-2.6		
Equals: Net business income	51		4.3	-3.1	7.1	6.1	-0.7	7.7	-6.3	-17.8	-16.9	-86.3	160.1		
Less: Proprietors' income	52		-5.5	-3.2	-4.5	-4.5	-7.2	-1.2	-8.1	-14.9	-36.2	-129.5	-501.6		
Corporate profits	53		-2.1	-0.6	-8.6	-4.7	-0.3	-46.8	-8.3	-9.7	-16.7	-27.0	83.6		
Equals: Rental income from housing (NIPA table 7.4.5, line 21)	54		6.1	-3.2	9.3	7.7	0.0	10.2	-6.1	-18.2	-15.2	-84.3	81.8		
Plus: Royalties, rental income from nonresidential property, and farm nonres structures and land owned by nonoperator landlords	55		19.9	6.4	-10.2	3.2	18.5	19.7	-25.0	28.4	11.0	17.3	-1.7		
Equals: Rental income of persons (NIPA table 7.9, line 1)	56		7.6	-2.0	6.7	7.2	2.0	11.4	-8.6	-13.1	-11.0	-63.8	27.2		
Addenda:															
Consumption of fixed capital excl. disasters	57		6.0	5.6	5.6	6.6	7.5	5.5	5.9	7.4	12.1	13.4	3.0		
Net current transfer payments excl. disasters	58		...	...	...	...	...	...	...	...	...	...	...
Rental income of persons excl. disasters	59		7.3	-2.0	6.7	8.0	1.2	11.3	-8.6	-13.1	-8.2	-41.7	-23.4		

1. Equals personal consumption expenditures for housing excluding expenditures for other housing such as hotels and motels as shown in NIPA table 2.5.5.

2. Includes expenses for maintenance and repairs, property insurance, closing costs, real estate brokers commissions on land, unpriced borrower services, condo fees, property management fees, and mortgage guaranty insurance.

3. Consists mostly of state and local housing and mortgage finance agencies.

4. Includes Section 8 housing subsidies, rental assistance to rural housing, supplemental rent, and disaster relief for owner occupied housing.

5. Includes rental income of private noninsured pension plans.