manufacturing and nonmanufacturing in 2006, average wages will likely continue to rise over the next year—even more so if national expectations of inflation cause upward pressure on wages.

**Commercial Real Estate**

Regional real estate markets have remained strong despite rising interest rates over the past year. Occupancy rates rose for many commercial developments in the region. Significant commercial development will continue in 2006 with new retail and industrial developments throughout the region.

**Housing**

Residential construction, measured by a seasonally adjusted index of new single-dwelling housing permits issued in St. Joseph County, remains active (see Figure 1). From January 2004 to September 2005, new housing permits increased 8.2 percent. More dramatic is the substantial growth of permits increased 49.2 percent in the past year.3 Occupancy rates over the past year.3 Occupancy rates rose for many commercial developments in the region. Significant commercial development will continue in 2006 with new retail and industrial developments throughout the region.

**Notes**

2. [www.stats.indiana.edu/cew/simple_cew_naiics.asp](http://www.stats.indiana.edu/cew/simple_cew_naiics.asp)