Housing sector is the main components of each country’s capital stock which would affect the economic activities and measuring the wealth; therefore a precise estimation of it would be required for assessing the nation’s capital. The inventory of housing units per year is the most important information needed in housing sector as well as other economic and social planning and research sectors.

The numbers of buildings in Iran are decreasing on one hand due to their continuous depreciation and on the other hand because of the economic factors which play a significant role in their destruction. The sudden and unplanned increase in the urban population causes the increase in the housing demand as one of the basic needs of the households. In addition the unprecedented interest in building construction and limitations in the supply of urban land would considerably increase the prices of land and housing which results in the destruction of existing buildings which are completely suitable for settling to provide newly constructed settlements.

Furthermore only once per ten years (the last census was conducted after 5 years in Iran) the census population can be conducted and the population in between years is estimated based on the growth rate. Similarly the number of housing units in the country is estimated based on the net growth rate of housing units (units added and demolished units).

Therefore it is required to determine the components which influence the building destructions and provide methods to calculate their rates. This will help the housing planners adopt appropriate strategies to mitigate this problem by developing new rules and regulations.

In this study the relationship between the capital stock in general and the inventory of housing units in particular is evaluated, different kinds of destructions along with the influential components including the economic factors are analyzed. Different methods for the estimation of demolition rates are compared and the best approach based on census data is selected and it will be calculated for Iran.

Key Words: Housing, The inventory of housing, destruction of buildings, demolition rate