

# Guam Residential Market Overview

Guam Affordable Housing Symposium  
June 2013



CORNERSTONE VALUATION GUAM, INC.

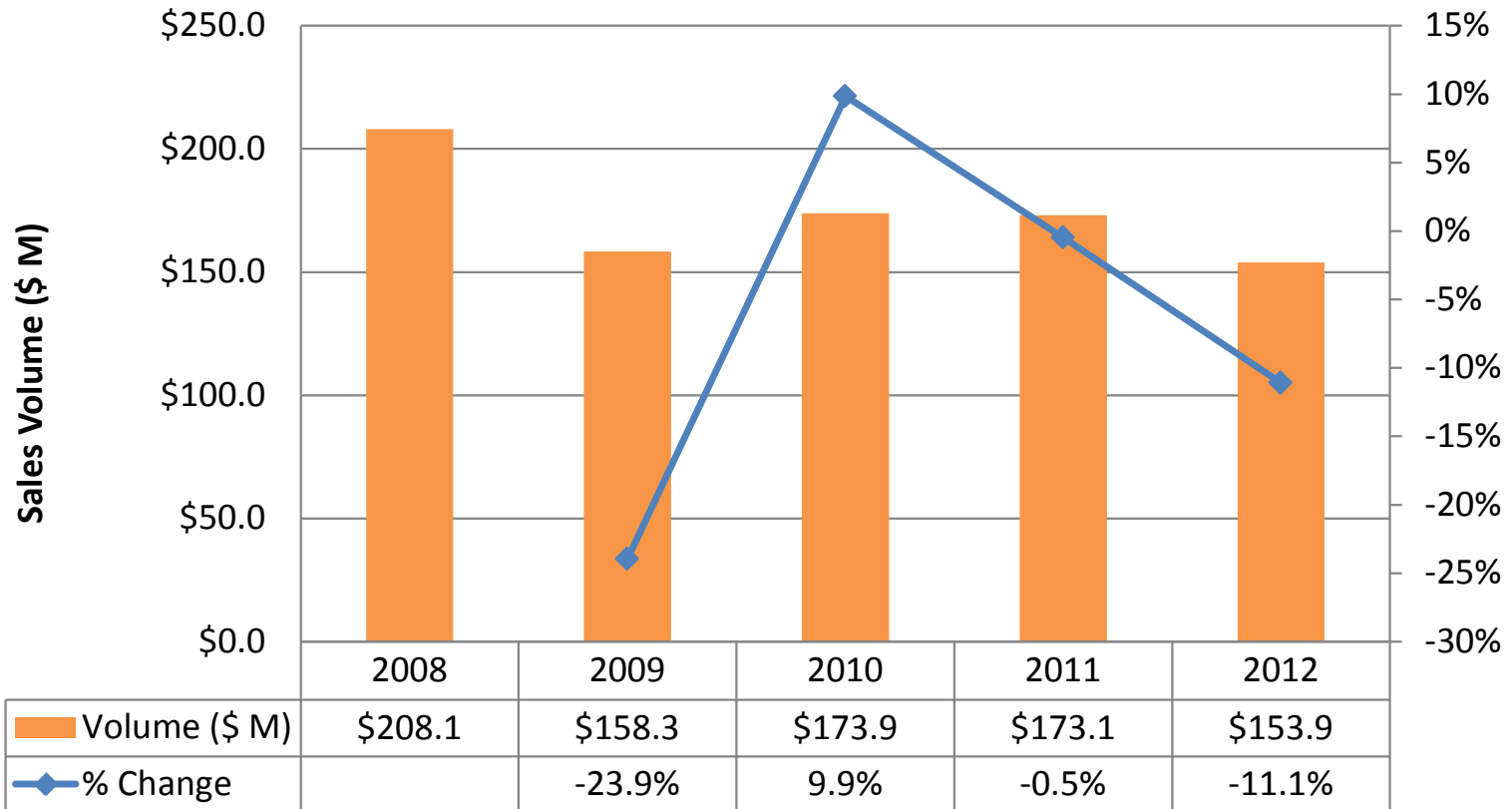
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Real Estate Valuation & Advisory Services

- Guam Residential Sales Activity
- New Residential Building Permit
- Guam Residential Rental Market
- Affordable Housing Initiatives
- Mortgage Financing
- Conclusions

## Introduction

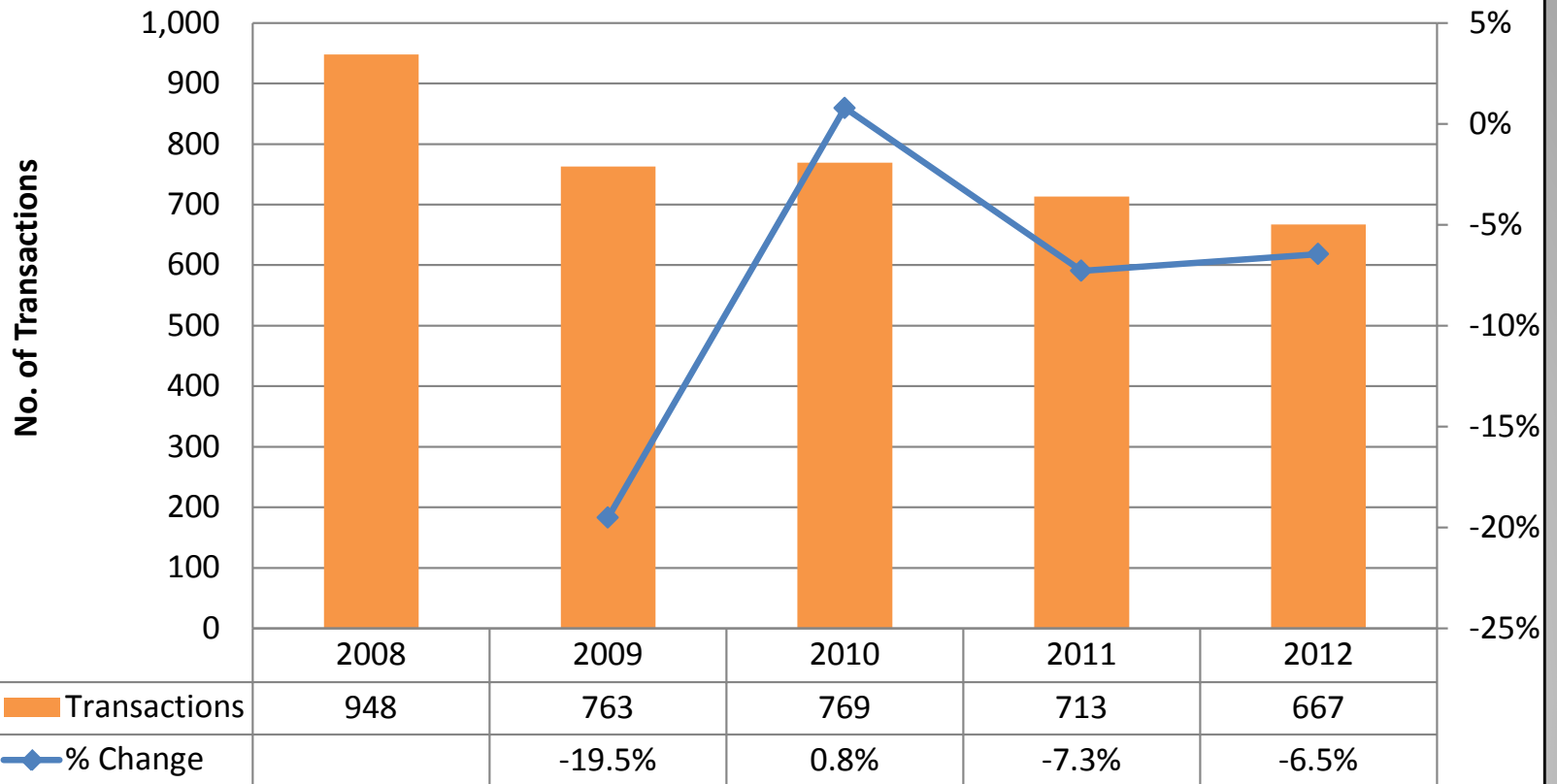
## 2008 - 2012 Guam Residential Sales Volume (\$ M)



Source: Cornerstone Valuation Guam, Inc.; All rights reserved

# Residential Market Overview

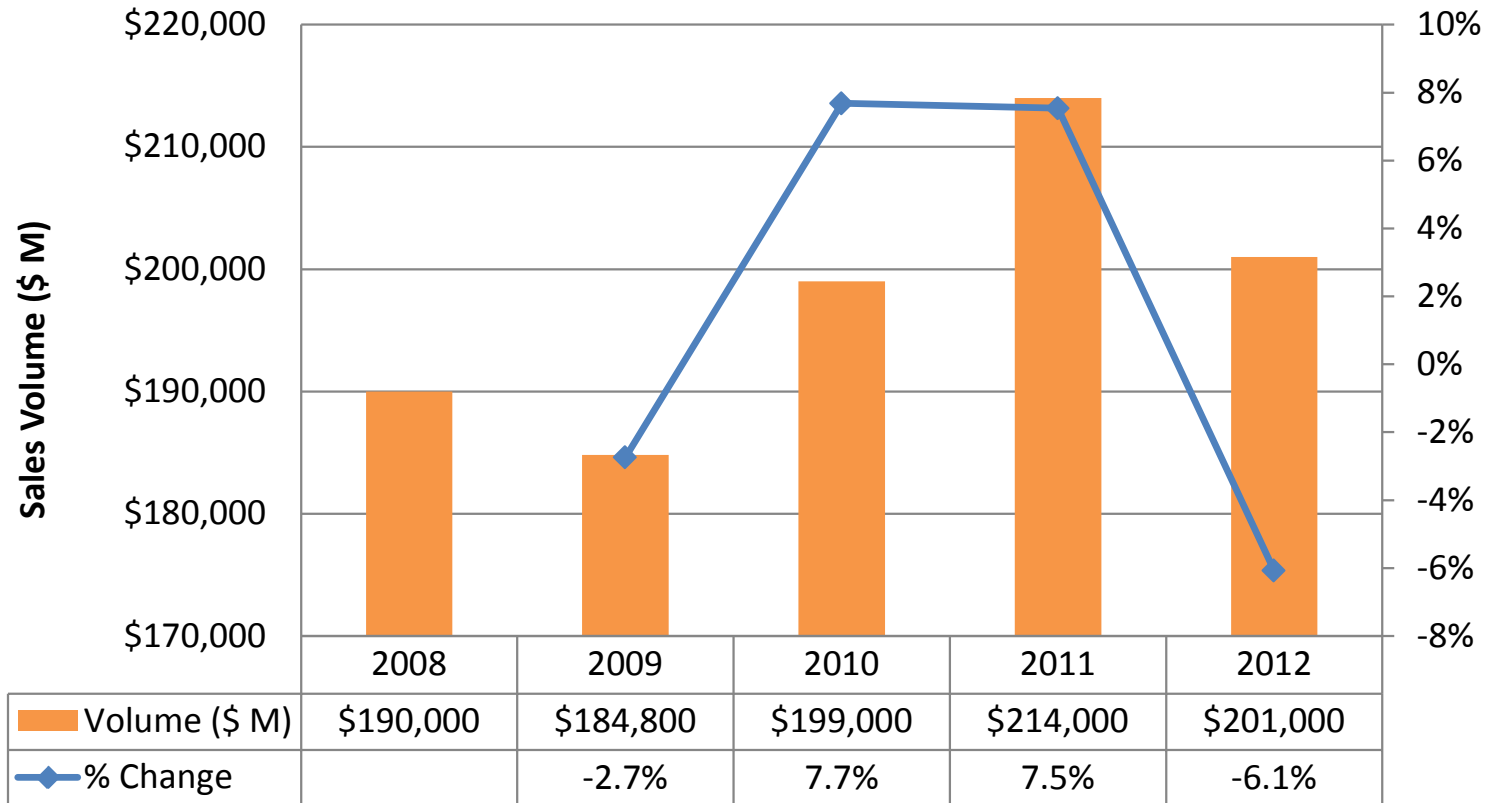
## 2008 - 2012 Guam Residential Sales - No. of Transactions



Source: Cornerstone Valuation Guam, Inc.; All rights reserved

# Residential Market Overview

## 2008 - 2012 Guam Residential Median Price (\$)



Source: Cornerstone Valuation Guam, Inc.; All rights reserved

# Residential Market Overview

Demographic Housing Affordability Index	
Affordable	3.0 and Under
Moderately Unaffordable	3.1 to 4.0
Seriously Unaffordable	4.1 to 5.0
Severely Unaffordable	5.1 and Above

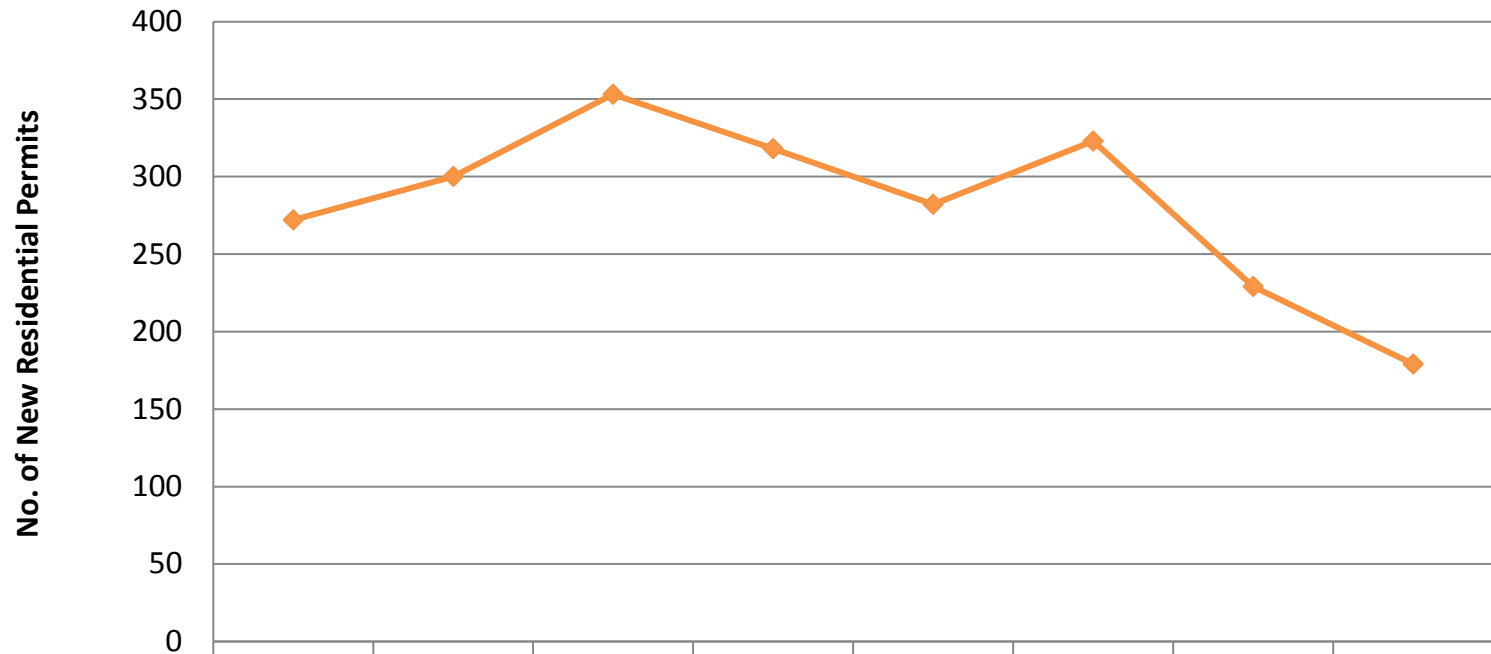
Guam Affordability Index	2012	2011
Residential	5.0	5.4
SFD	5.4	6.2
Condominium	3.7	3.6

Market	Affordability	Comments
Guam	5.0	Severely Unaffordable
Honolulu	9.3	Severely Unaffordable
Phoenix, AZ	3.0	Affordable
San Jose, CA	7.9	Severely Unaffordable
Jacksonville, FL	2.6	Affordable

# Housing Affordability Index

Demographia 9<sup>th</sup> Annual International Housing Affordability Survey

## 2005 - 2012 Guam Residential Construction Permits



—◆— No. of Permits

2005

2006

2007

2008

2009

2010

2011

2012

272

300

353

318

282

323

229

179

# Building Permit



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The residential rental market on Guam has three target markets.

- Subsidized military
- Section 8
- Local market

**Residential Rental**



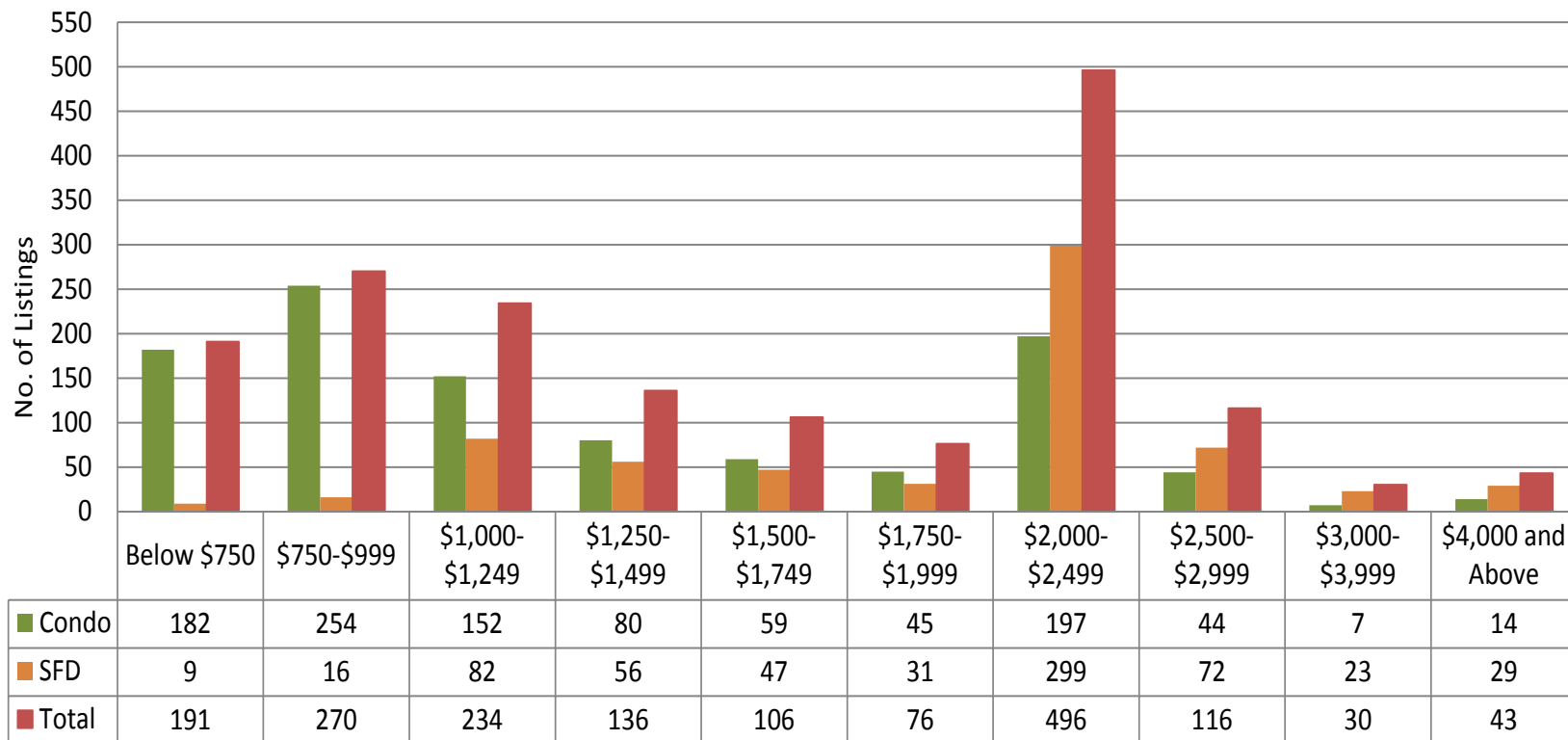
## MLS Closed Listings as of 2012

Price	SFD	Condo	Total
Below \$750	9	182	191
\$750-\$999	16	254	270
\$1,000-\$1,249	82	152	234
\$1,250-\$1,499	56	80	136
\$1,500-\$1,749	47	59	106
\$1,750-\$1,999	31	45	76
\$2,000-\$2,499	299	197	496
\$2,500-\$2,999	72	44	116
\$3,000-\$3,999	23	7	30
\$4,000 and Above	29	14	43
<b>Total</b>	<b>664</b>	<b>1,034</b>	<b>1,698</b>

# Residential Rental

## 2012 SFD and Apartment/Condominiums Rental by Price

Multiple Listing Service as of February 16, 2013



Source: Cornerstone Valuation Guam, Inc.; All rights reserved

# Residential Rental

- SFDs:
  - Sales Volume: \$31.9 million
  - No. of Sales: 148
  - Median Price \$185,000
- Condominiums:
  - Sales Volume: \$8.4 million
  - No. of Sales: 41
  - Median Price \$126,000
- New Building Permits: 157 (\$23.9 million)

**Q1 2013**

<b>Phase I Affordable Housing Initiative (YTD &amp; In-Progress)</b>		
<b>Program Name</b>	<b>No. of Units</b>	<b>Status</b>
COOL Program	1	Completed 2012
Ironwood Heights Phase I (LIHTC)	72	Completed 2011
Ironwood Heights Phase II (LIHTC)	60	Completed 2012
Summerville	412	In Progress (2014)
Summer Garden	114	Completed 2012
Tower 70 (LIHTC)	72	In Progress (2014)
Great Homes (LIHTC)	81	In Progress
Ten Renewal Homes (HUD Funds)	10	In Progress (2013)
Renaissance Homes	20	In Progress (2013)
GHC Sagan Linahyan	10	Completed 2012
<b>Total Number of Units</b>	<b>852</b>	

*Source: Governor's Affordable Housing Coordinating Council*

# Affordable Housing Initiative

<b>Phase II Affordable Housing Initiative (Proposed)</b>	
Program Name	No. of Units
CLTC 162 Single Family lots (SUTA)	162
DLM and CLTC Land Transfer	59
GHC As-Atdas	200
GHURA FY 13 and 14 LIHTC	150
Lada Estates	399
Southern Ranch Homes	85
Tiyan Multi-Family	44
Sagan Bonita	13
<b>Total Number of Proposed Units:</b>	<b>1112</b>

*Source: Governor's Affordable Housing Coordinating Council*

# Affordable Housing Initiative

PROPOSED AFFORDABLE HOUSING RELATED DEVELOPMENT SITES  
ISLAND OF GUAM



# Affordable Housing Initiative

- Available Program for First Time Homebuyers
- Down Payment Assistance
- Condo vs SFD
- Construction Material: Cost vs. Bankable
- Public Awareness Program

## Mortgage Financing

- Construction Type vs Bankability
- Ownership vs Rental
- Empowerment Assistance
- Policy to balance demand supply
- Target market

## Conclusions





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