HOUSING AND LABOR MARKET TRENDS: SAN JOAQUIN VALLEY

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National Trends
Composition of distressed sales by geography

Proportion of Distressed Property Transactions—May 2014
3 Month Moving Average

Source: Campbell/Inside Mortgage Finance HousingPulse Monthly Survey of Real Estate Market Conditions May 2014
Neighborhood stabilization: concerns over investor purchases of distressed properties

Who Is Buying Properties?—May 2014
3 Month Moving Average

- Damaged REO: 55%
  - Investor: 25%
  - Move-In Ready REO: 39%
  - Short Sale: 33%
  - Non-Distressed: 50%

Source: Campbell/Inside Mortgage Finance HousingPulse Monthly Survey of Real Estate Market Conditions May 2014
Financing for home purchases

Financing for Homebuyers—May 2014
3 Month Moving Average

Percent of Buyer-Side Transactions

- Current Homeowners: 30% (All Other Financing: 23%, Fannie/Freddie: 25%, VA: 8%, FHA: 14%)
- First-Time Homebuyers: 24% (All Other Financing: 19%, Fannie/Freddie: 38%, VA: 11%, FHA: 8%)
- Investors: 19% (All Other Financing: 7%, Fannie/Freddie: 2%, VA: 2%, FHA: 72%)

Source: Campbell/Inside Mortgage Finance HousingPulse Monthly Survey of Real Estate Market Conditions May 2014
Central Valley Housing Trends
California’s unemployment rate trending down but still above national average.

Source: Bureau of Labor Statistics
Central Valley unemployment remains above state average

Unemployment Rate by County May 2014

- Madera: 9.5%
- Kern: 10.1%
- San Joaquin: 10.3%
- Fresno: 10.5%
- Stanislaus: 11.1%
- Kings: 11.2%
- Tulare: 11.6%
- Merced: 12.5%
- CA: 7.6%

Source: Bureau of Labor Statistics. County data is not seasonally adjusted.
California house prices back on the rise

FHFA (formerly OFHEO) House Price Index
(2000=100, quarterly)

Source: Federal Housing Finance Agency (formerly OFHEO)
Central Valley house prices trending up

FHFA (formerly OFHEO) House Price Index: Central California
(2000 = 100, quarterly)

Source: Federal Housing Finance Agency (formerly OFHEO)
Home prices increasing in the Valley

County Median Home Prices

May 2013  May 2014  % change

Fresno  18.9%  11.3%  15.2%  24.4%  13.5%  20.6%  23.6%  12.5%

Source: CA Association of Realtors. Median Price (existing single-family detached homes only)
Central California Data Maps

Areas At Risk of Additional Foreclosures
May 2014

Legend
Share of Loans 90+ Days Delinquent (as a percent of total loans)
- Less than 1 percent
- 1 - 1.5 percent
- 1.5 - 2 percent
- 2 - 2.5 percent
- More than 2.5 percent
- Insufficient data
- County Boundaries

Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations
Rental Trends
Fresno rents up: $842 for Q1 2014, vacancy rate at 2.8%

Asking Rent and Vacancy Rate in Fresno
Quarterly

Source: Reis, Inc. Asking rent is calculated by first determining the average rent for each unit size, and then calculating a weighted average based on the number of units in each size category.
Bakersfield rents up: $891 for Q1 2014, vacancy rate at 3.2%

Asking Rent and Vacancy Rate in Bakersfield
Quarterly

Source: Reis, Inc. Asking rent is calculated by first determining the average rent for each unit size, and then calculating a weighted average based on the number of units in each size category.
Majority of low-income renters are cost burdened in the Valley

![Housing Cost Burdened Renters, 2012 graph]

Source: American Community Survey, 1-yr estimates 2012
Trends in Investor Purchases
Valley saw growth in institutional investors in 2012

Top Markets for Institutional Investors in 2012

- Memphis, TN-MS-AR: 13%
- Fresno, CA: 11%
- Charlotte-Gastonia-Concord, NC-SC: 10%
- Atlanta-Sandy Springs-Marietta, GA: 10%
- Kansas City, MO-KS: 7%
- Champaign-Urbana, IL: 7%
- Lakeland, FL: 7%
- Phoenix-Mesa-Scottsdale, AZ: 7%
- Omaha-Council Bluffs, NE-IA: 7%
Single-family homes make up a growing share of renter-occupied housing in the Valley

Source: American Community Survey, 3-yr estimates
Distressed sales down drastically compared to five years ago
Slow ing institutional investor activity

- Limited supply of distressed properties
- Market recovery/increasing prices
- Some institutional investors moving from purchase to financing
Summary

- Recovery is taking place, but still have a ways to go
- Higher prices
- Fewer distressed properties
- Tight rental markets, affordability still an issue
- Slowing institutional investor activity, but tenure shift from single family ownership to rental has already taken place