

HOUSING AND LABOR MARKET TRENDS: SAN JOAQUIN VALLEY

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August 2014

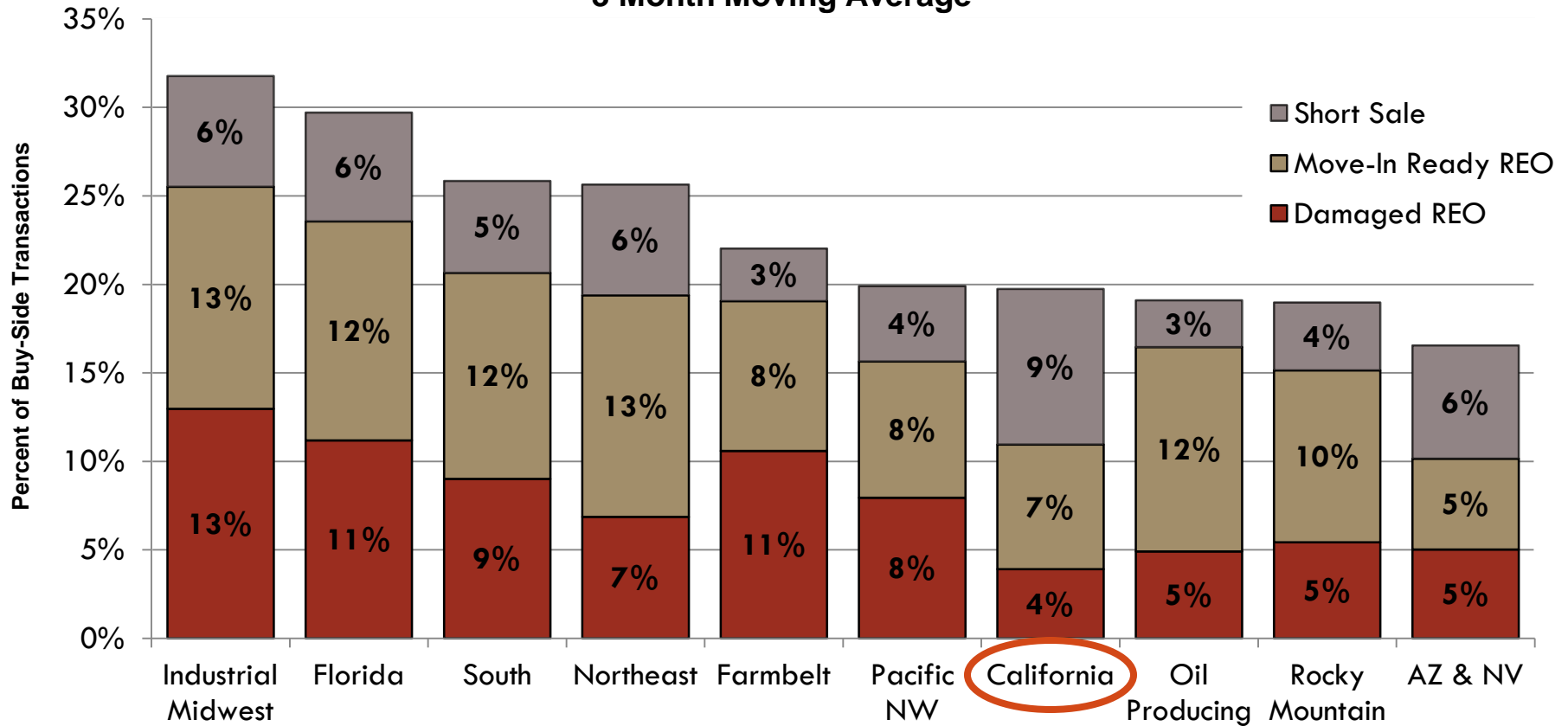
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Community Development Research
Federal Reserve Bank of San Francisco

National Trends

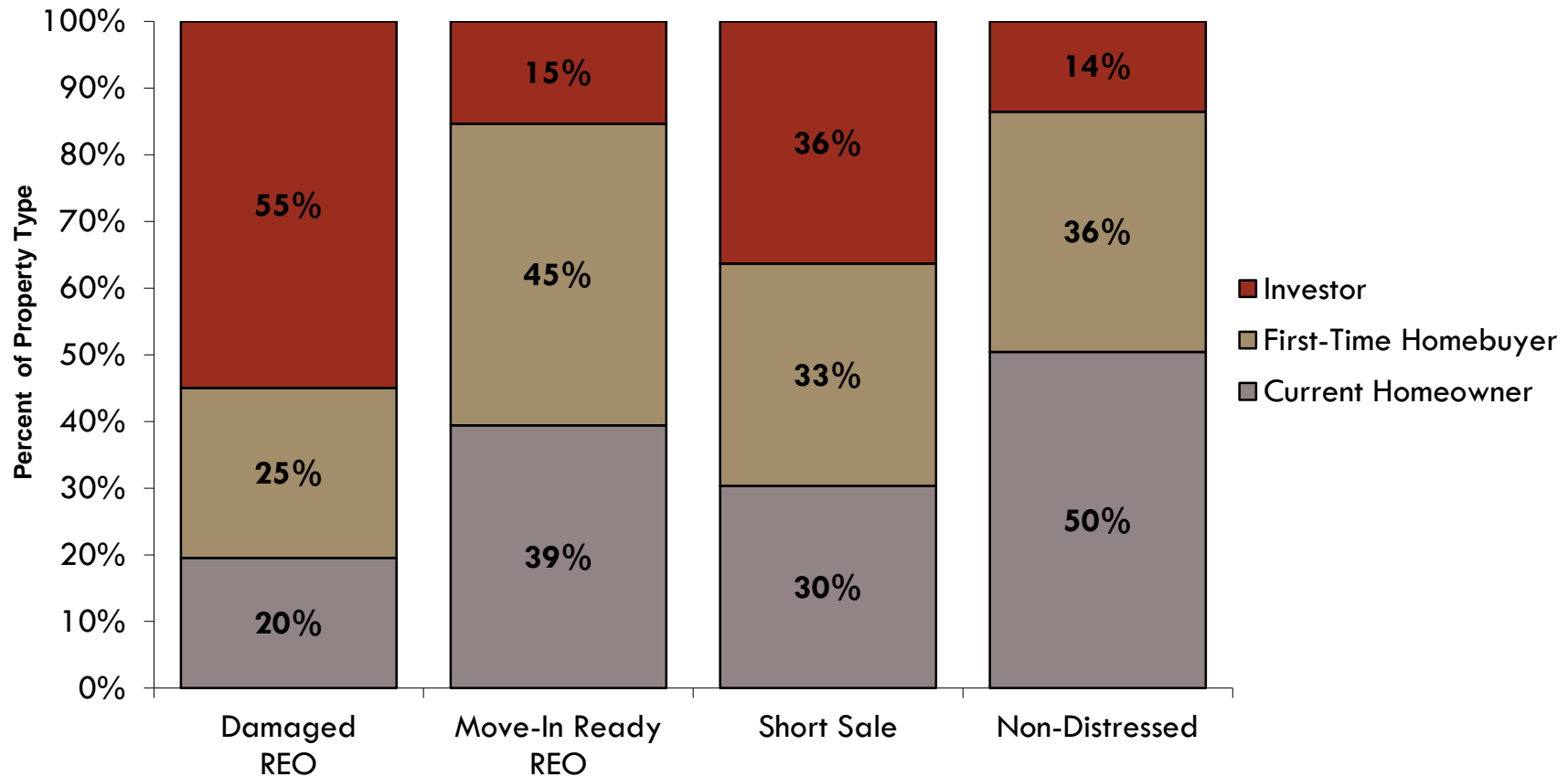
Composition of distressed sales by geography

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



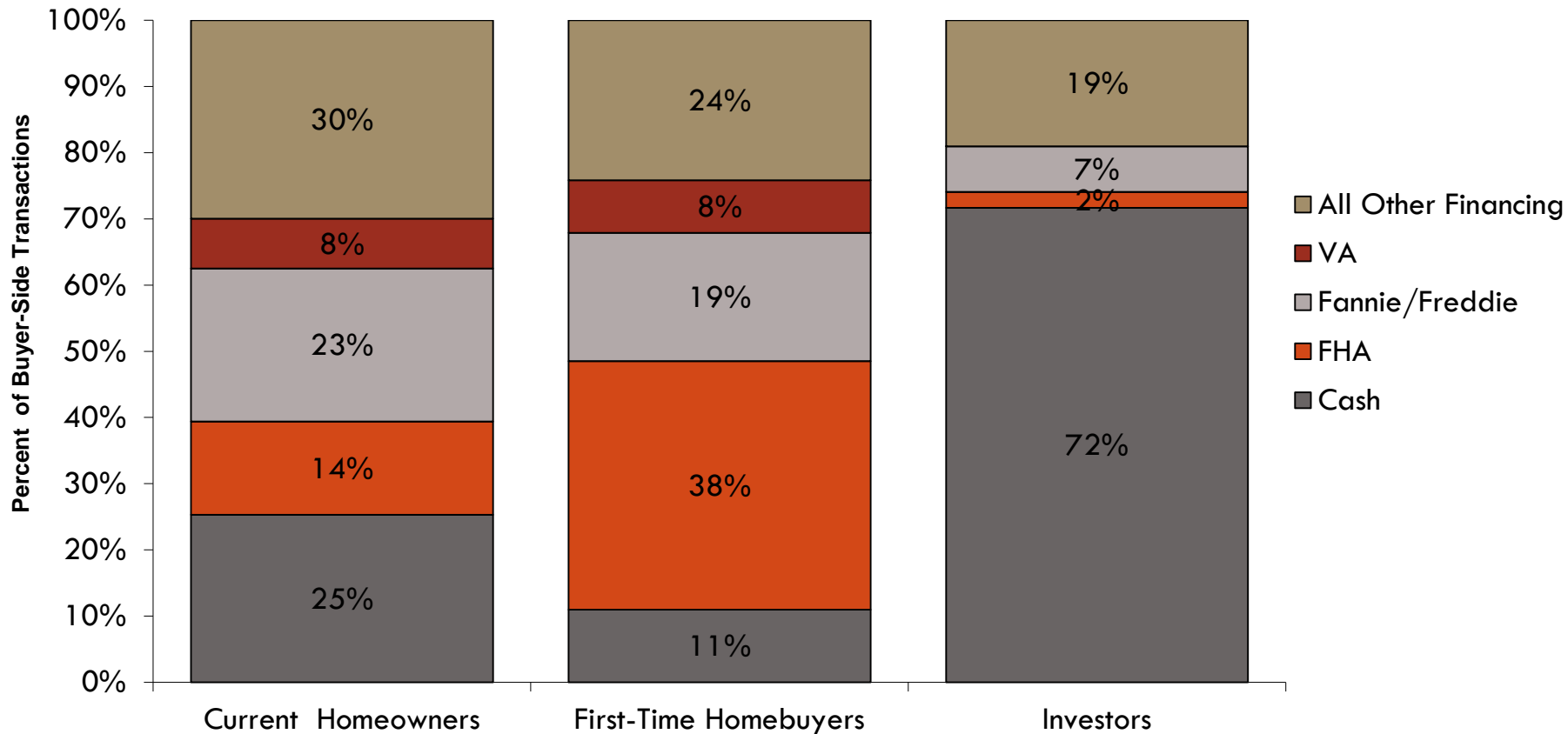
Neighborhood stabilization: concerns over investor purchases of distressed properties

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



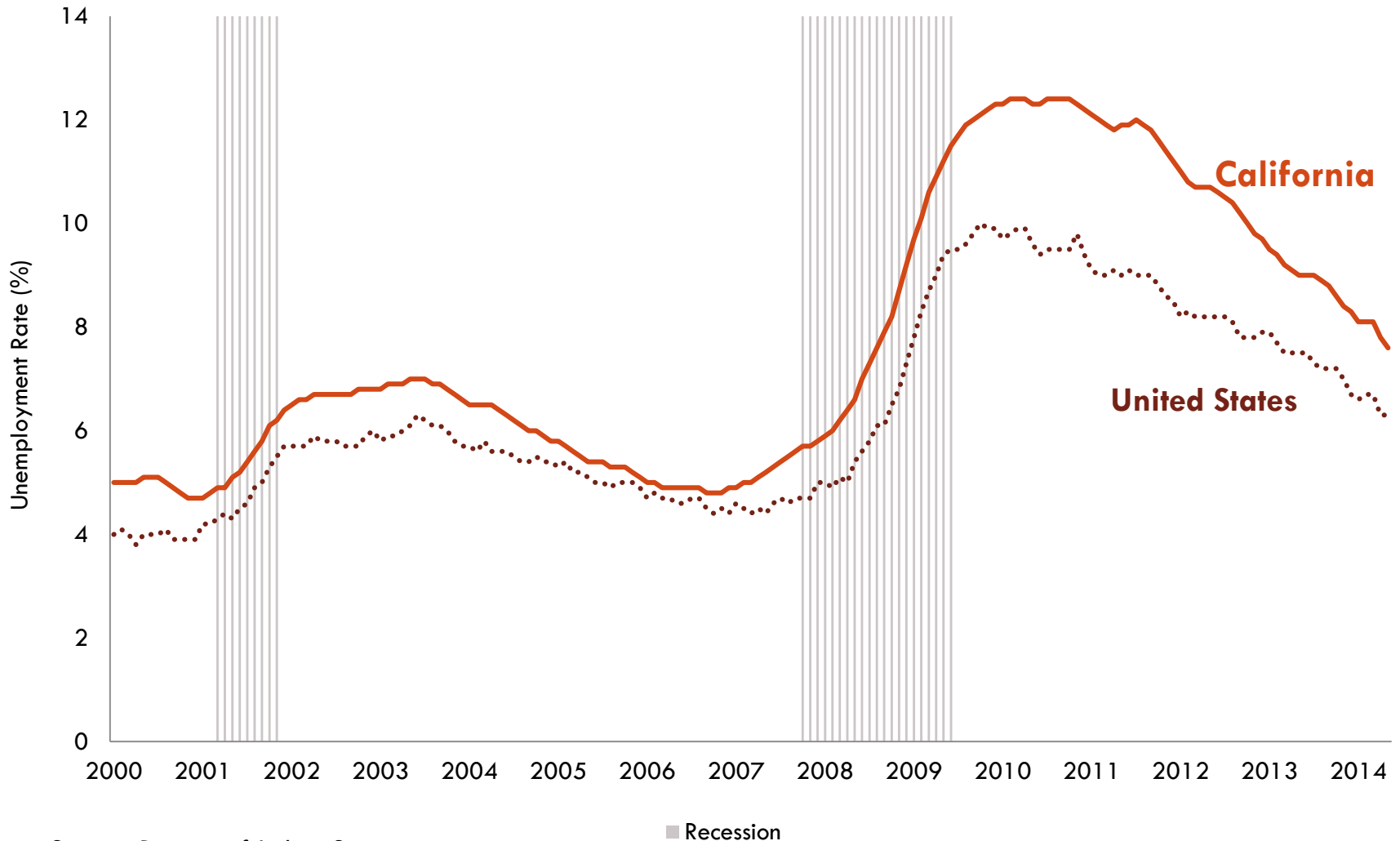
Financing for home purchases

Financing for Homebuyers—May 2014
3 Month Moving Average



Central Valley Housing Trends

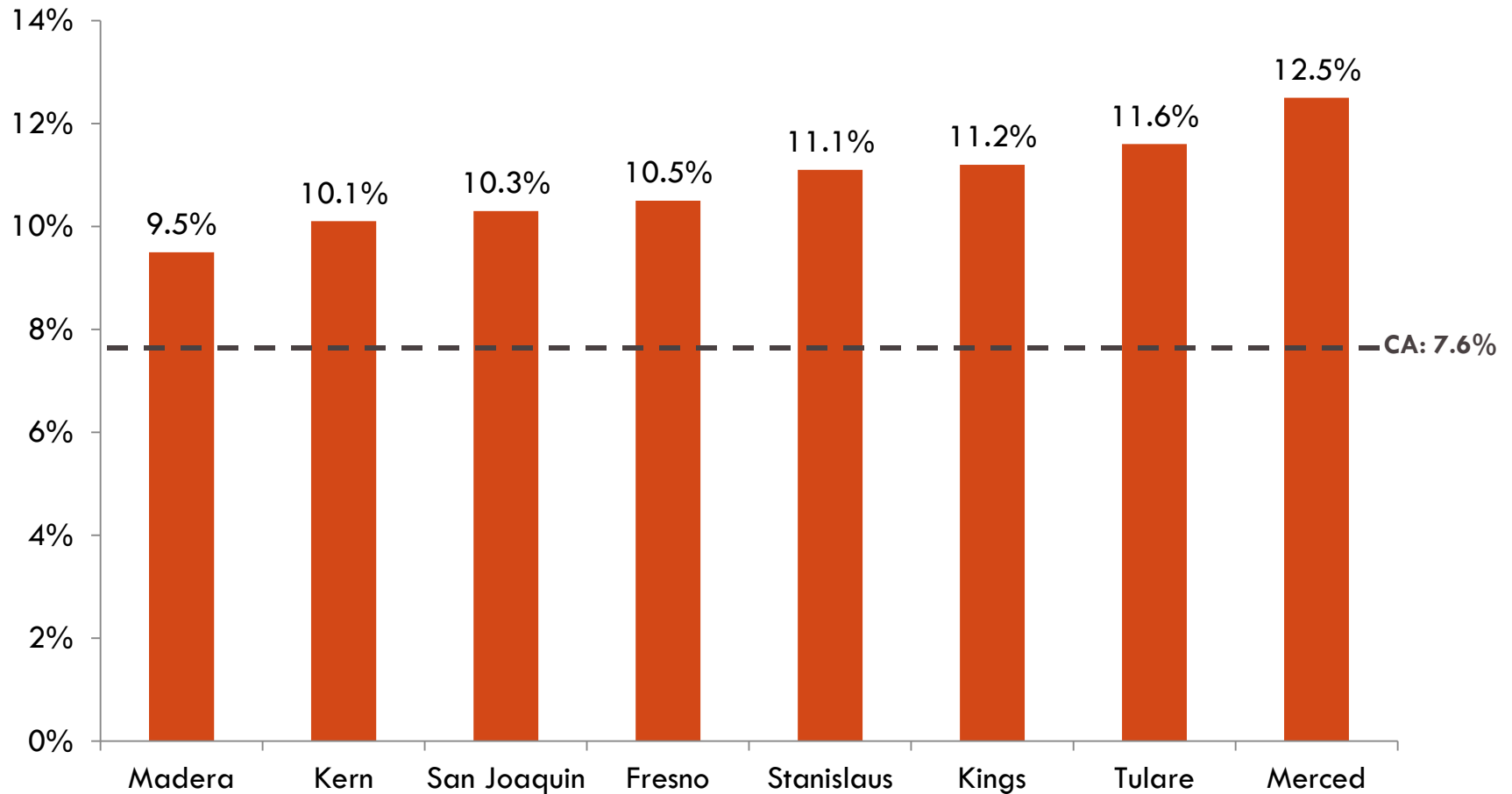
California's unemployment rate trending down but still above national average



Source: Bureau of Labor Statistics

Central Valley unemployment remains above state average

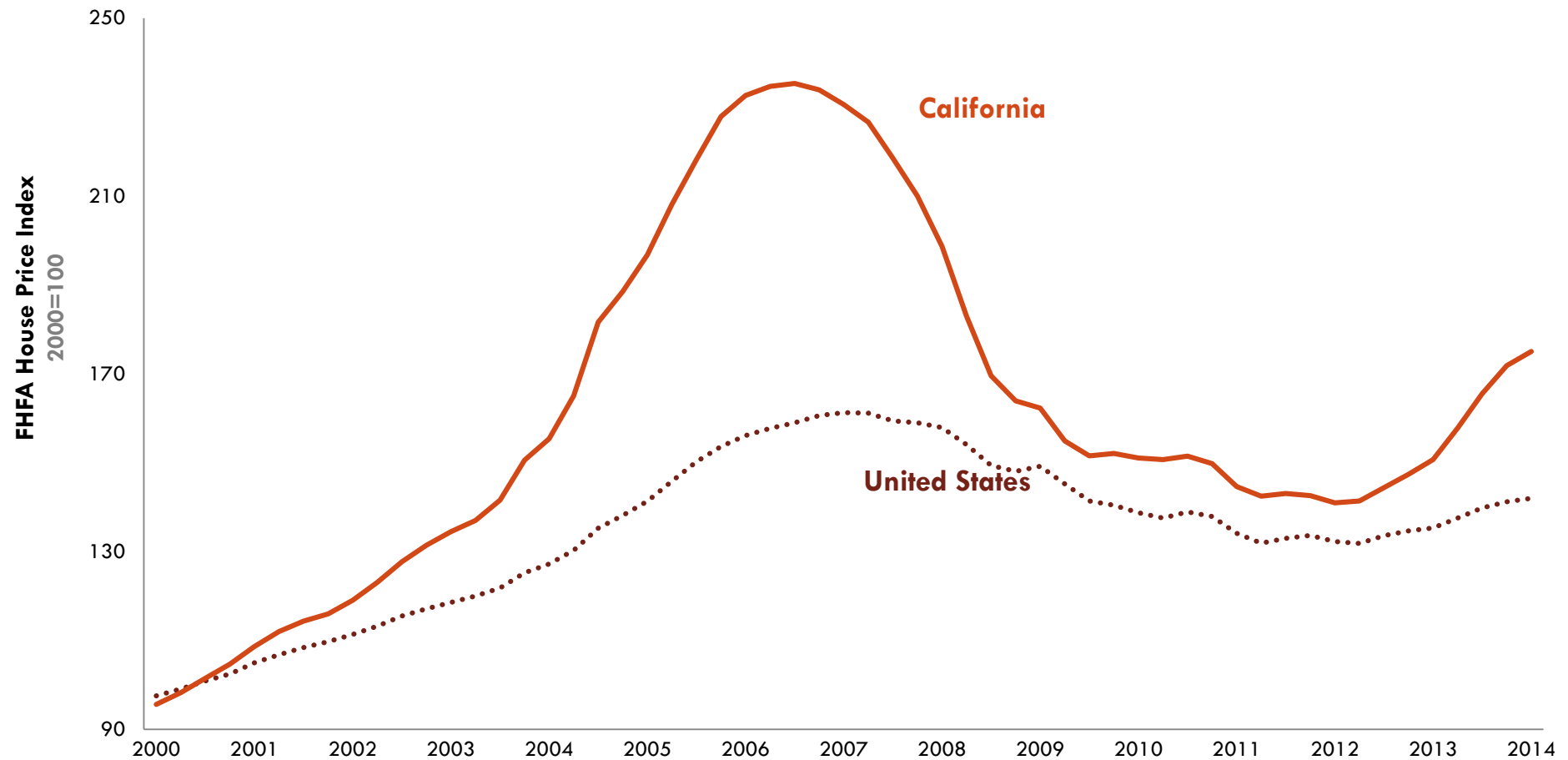
Unemployment Rate by County May 2014



Source: Bureau of Labor Statistics. County data is not seasonally adjusted.

California house prices back on the rise

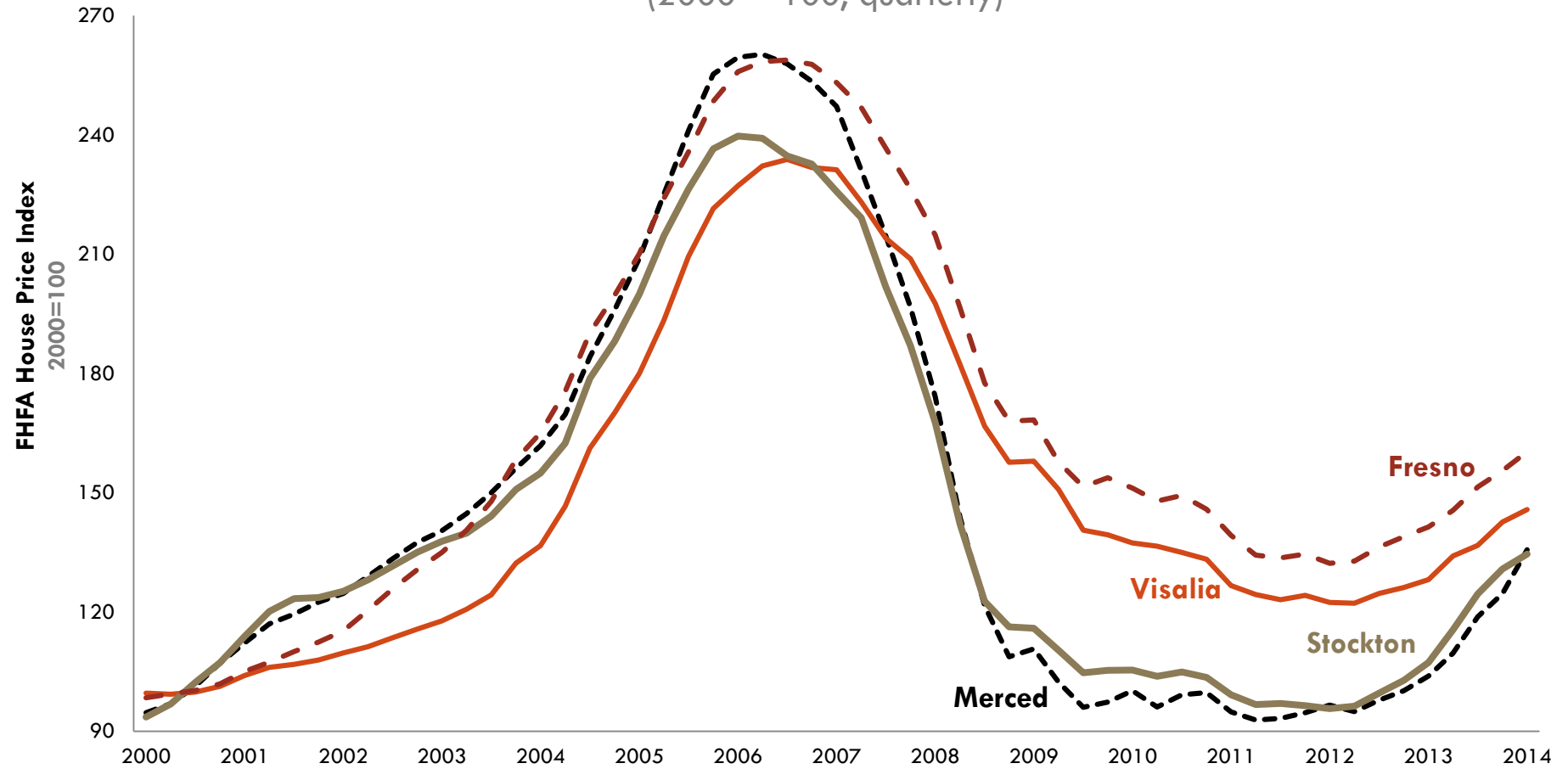
FHFA (formerly OFHEO) House Price Index
(2000=100, quarterly)



Source: Federal Housing Finance Agency (formerly OFHEO)

Central Valley house prices trending up

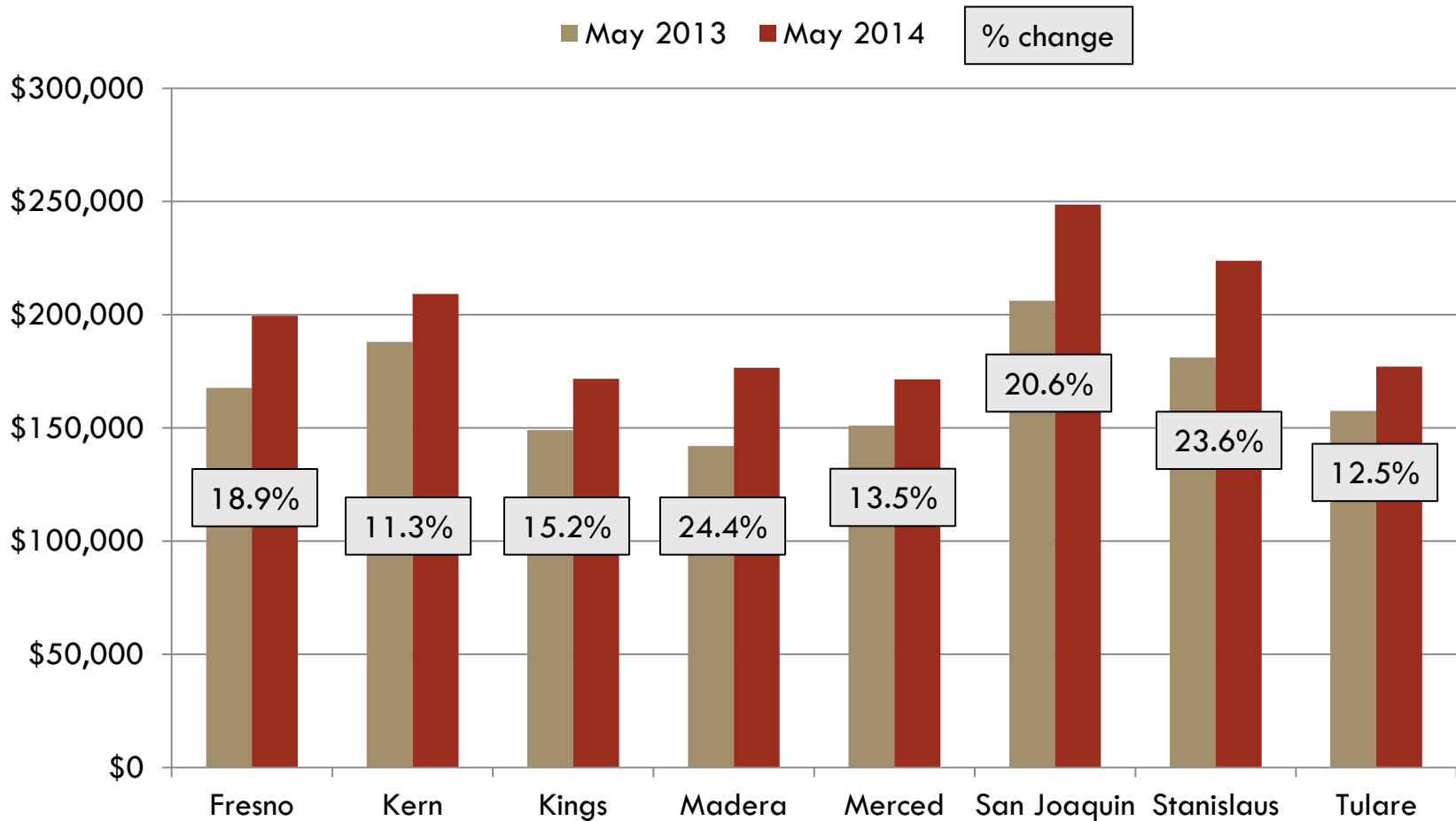
FHFA (formerly OFHEO) House Price Index: Central California
(2000 = 100, quarterly)



Source: Federal Housing Finance Agency (formerly OFHEO)

Home prices increasing in the Valley

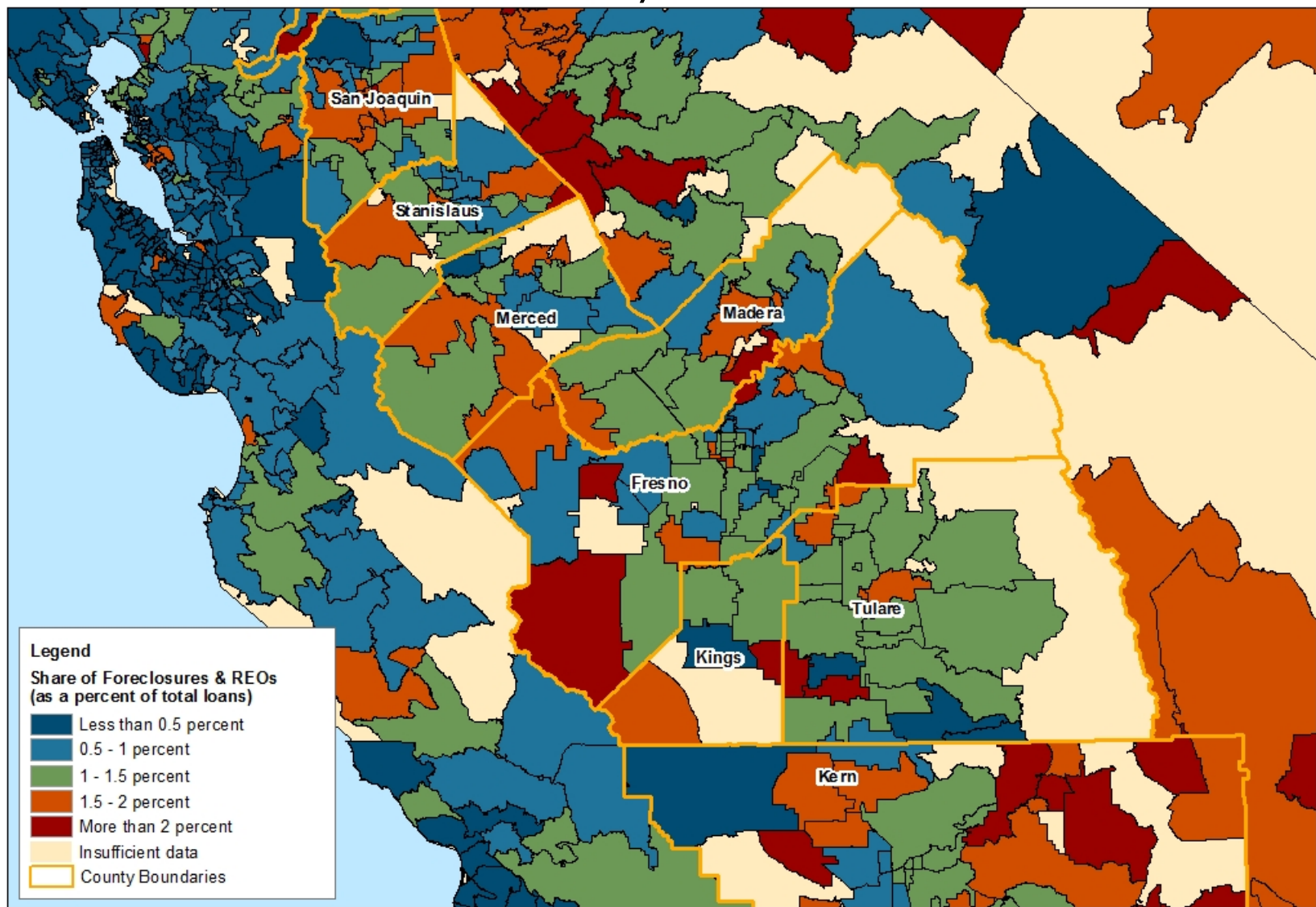
County Median Home Prices



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

Areas Affected by Concentrated Foreclosures

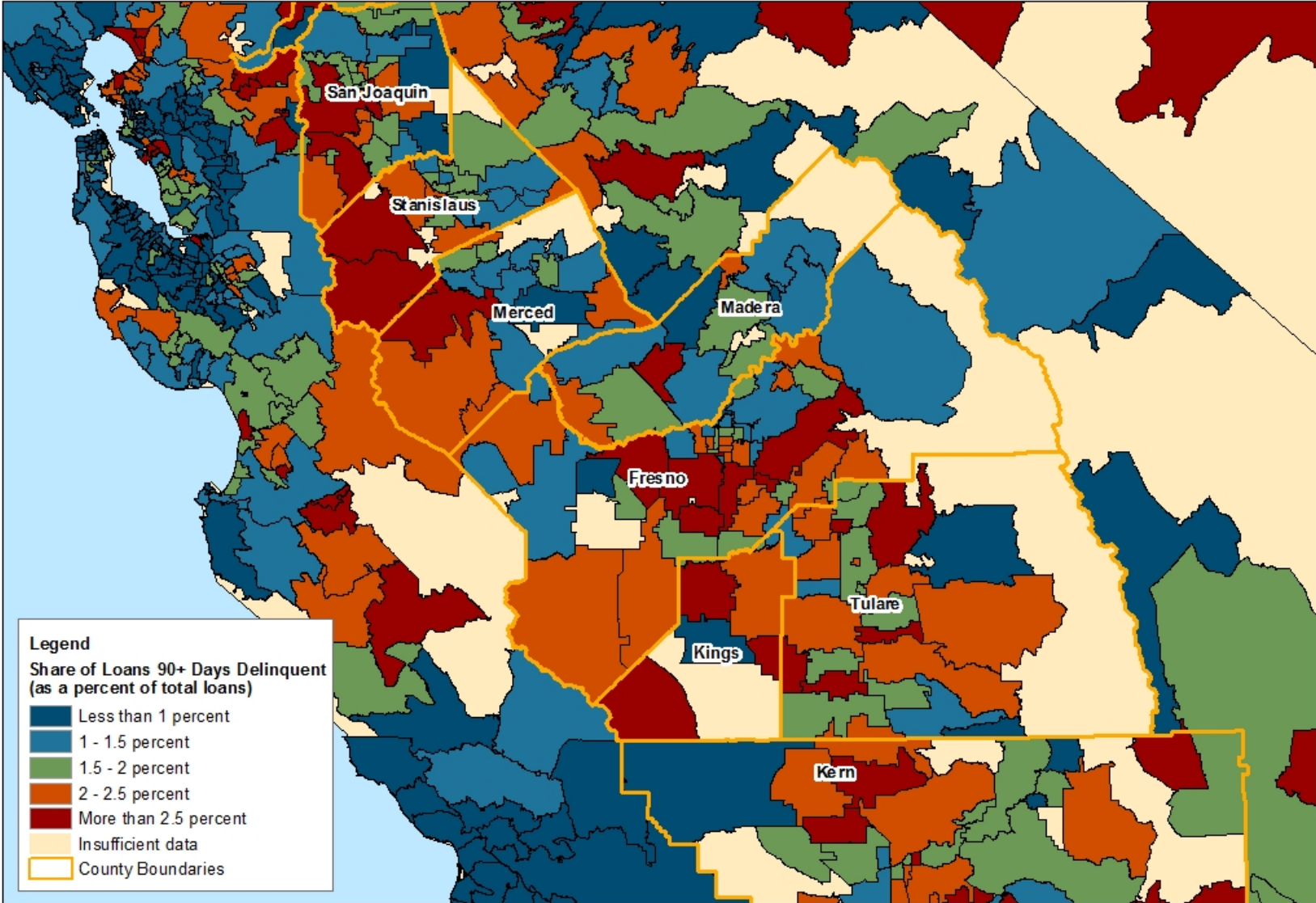
May 2014



Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations

Areas At Risk of Additional Foreclosures

May 2014

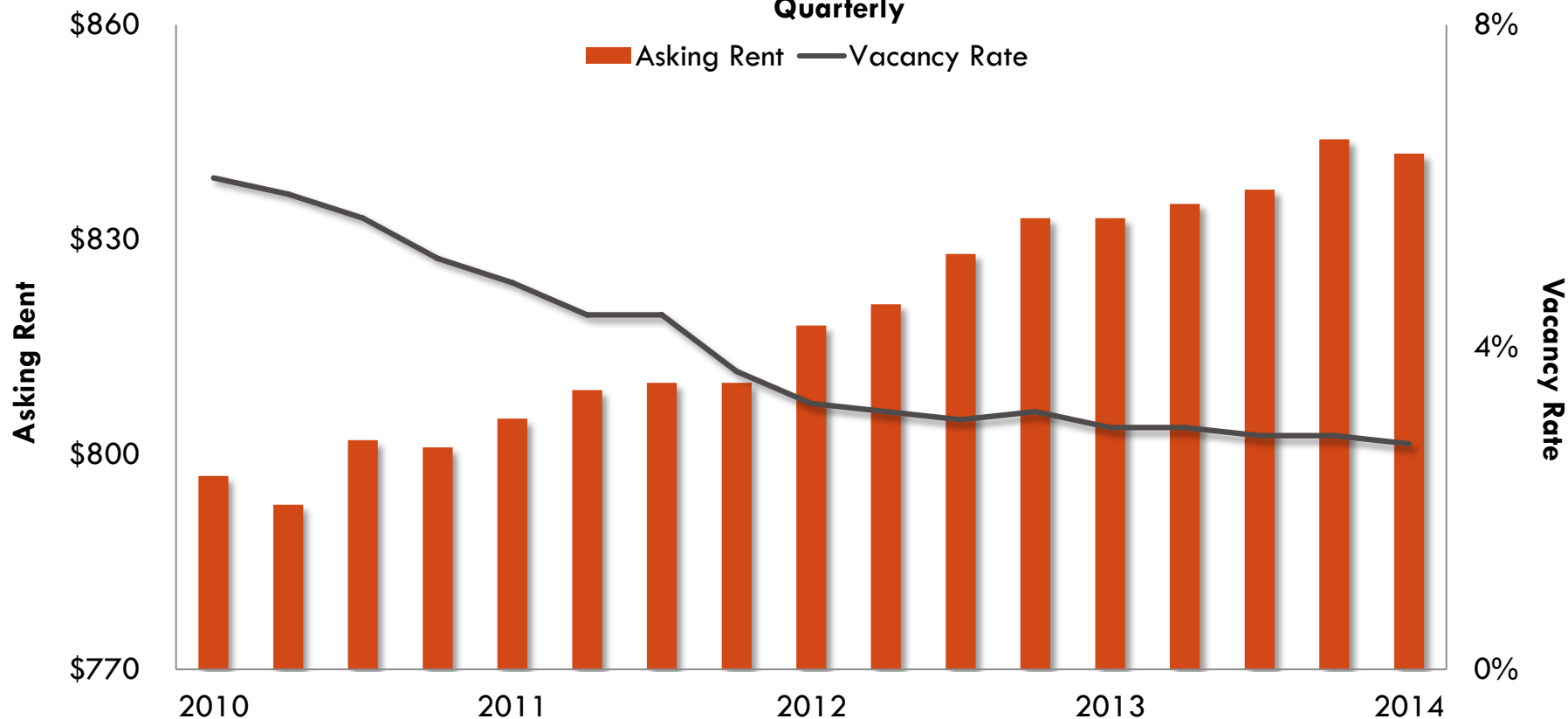


Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations

Rental Trends

Fresno rents up: \$842 for Q1 2014, vacancy rate at 2.8%

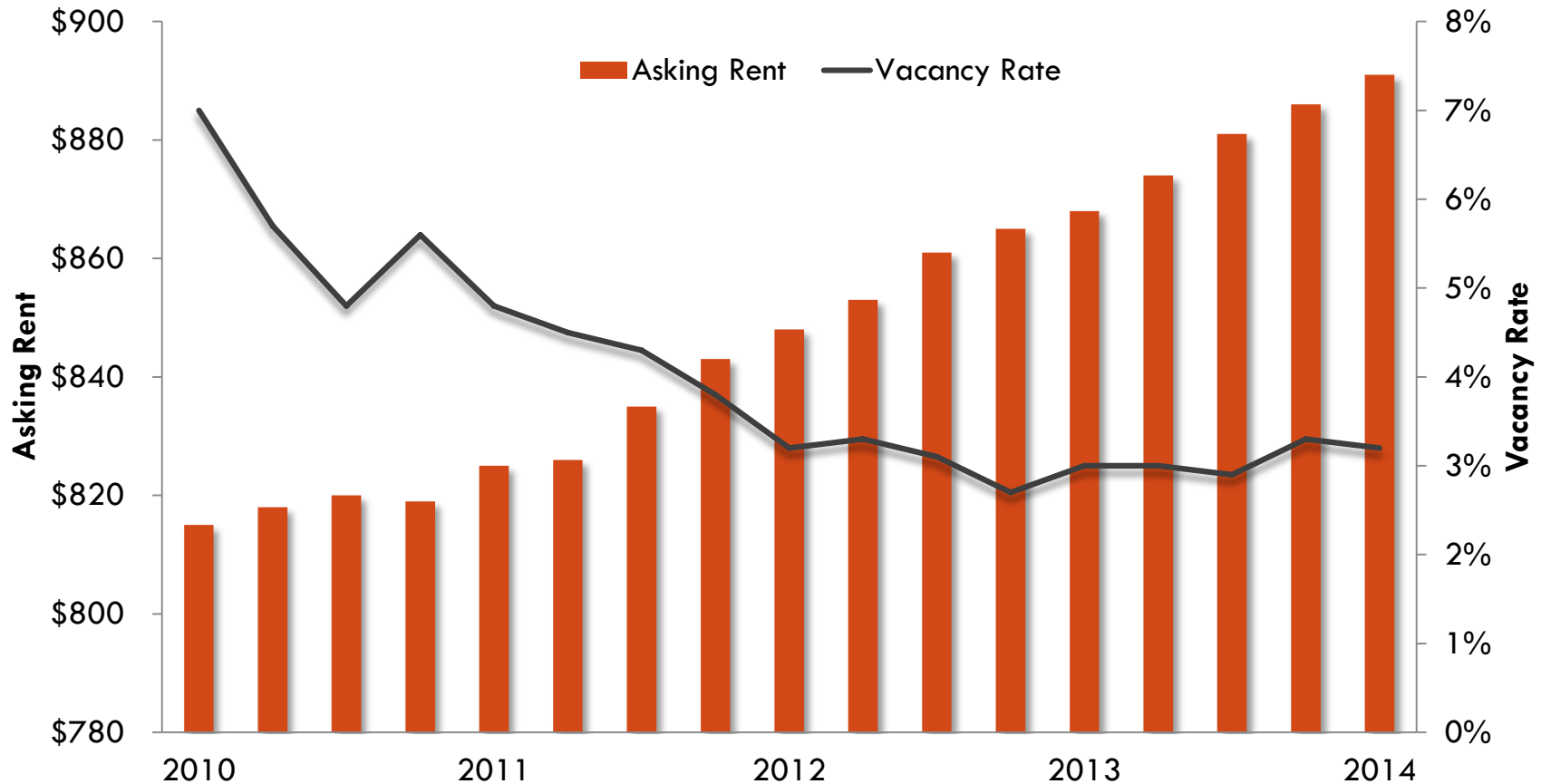
Asking Rent and Vacancy Rate in Fresno Quarterly



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%

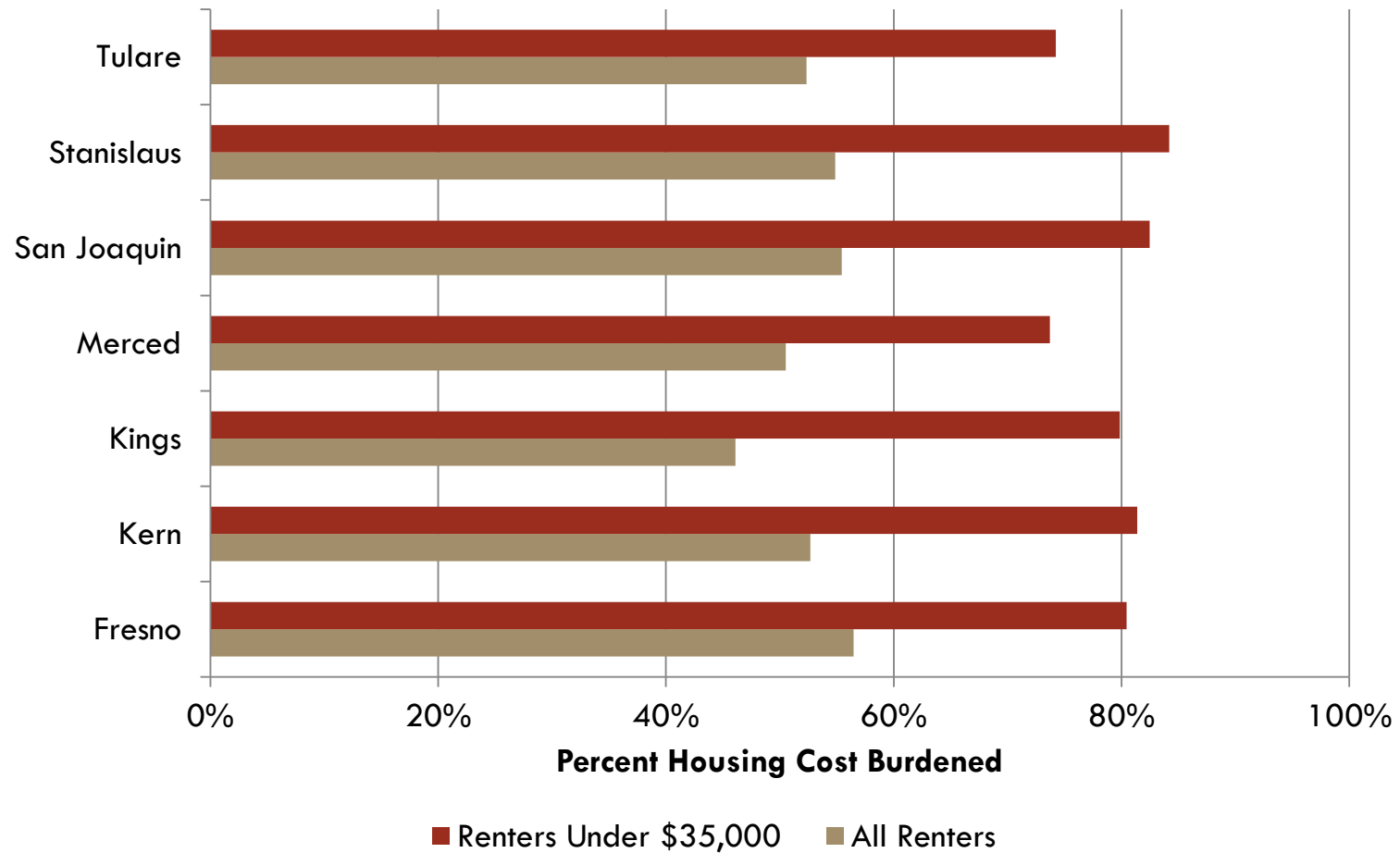
Asking Rent and Vacancy Rate in Bakersfield Quarterly



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



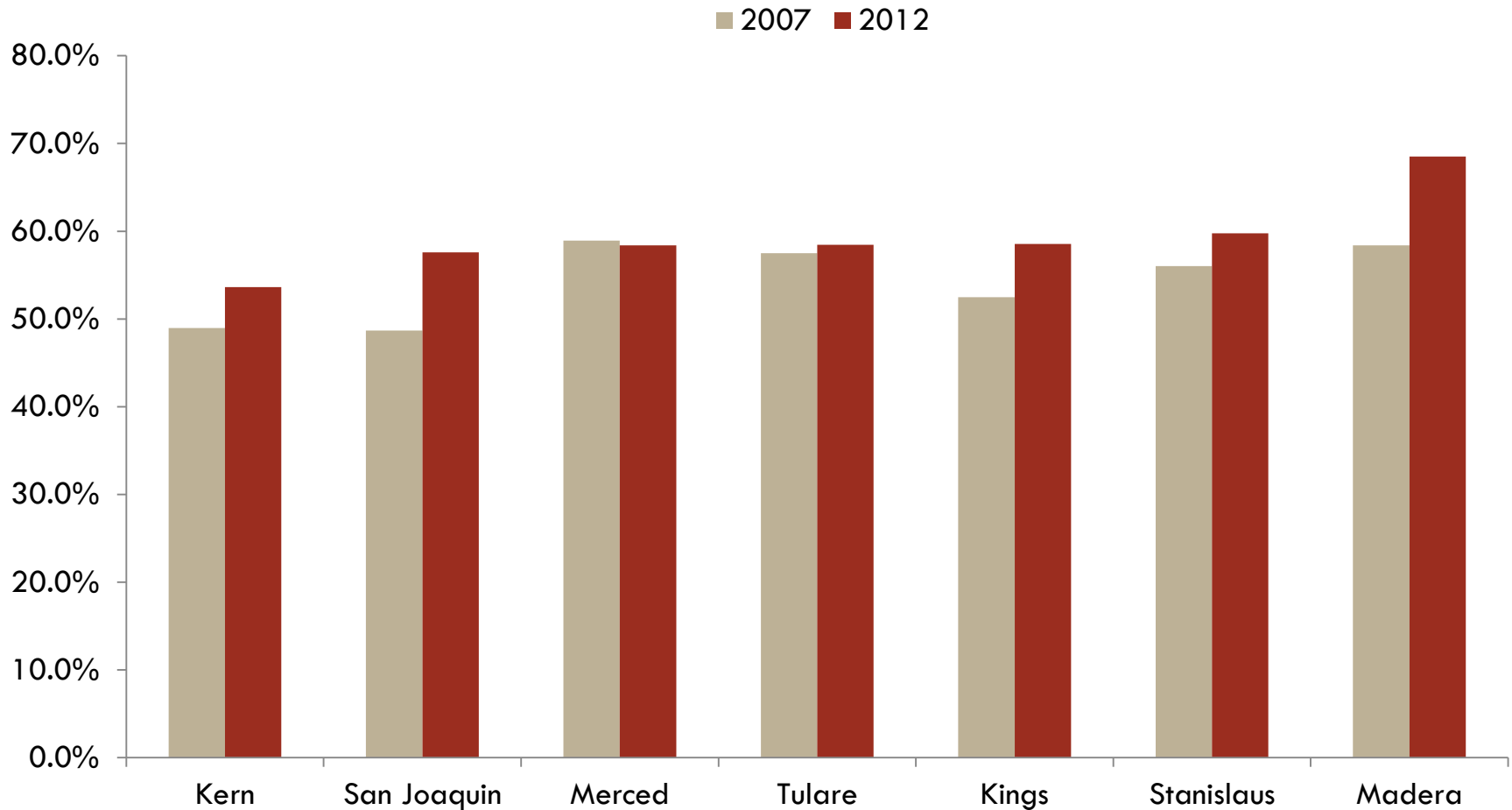
Trends in Investor Purchases

Valley saw growth in institutional investors in 2012



Single-family homes make up a growing share of renter-occupied housing in the Valley

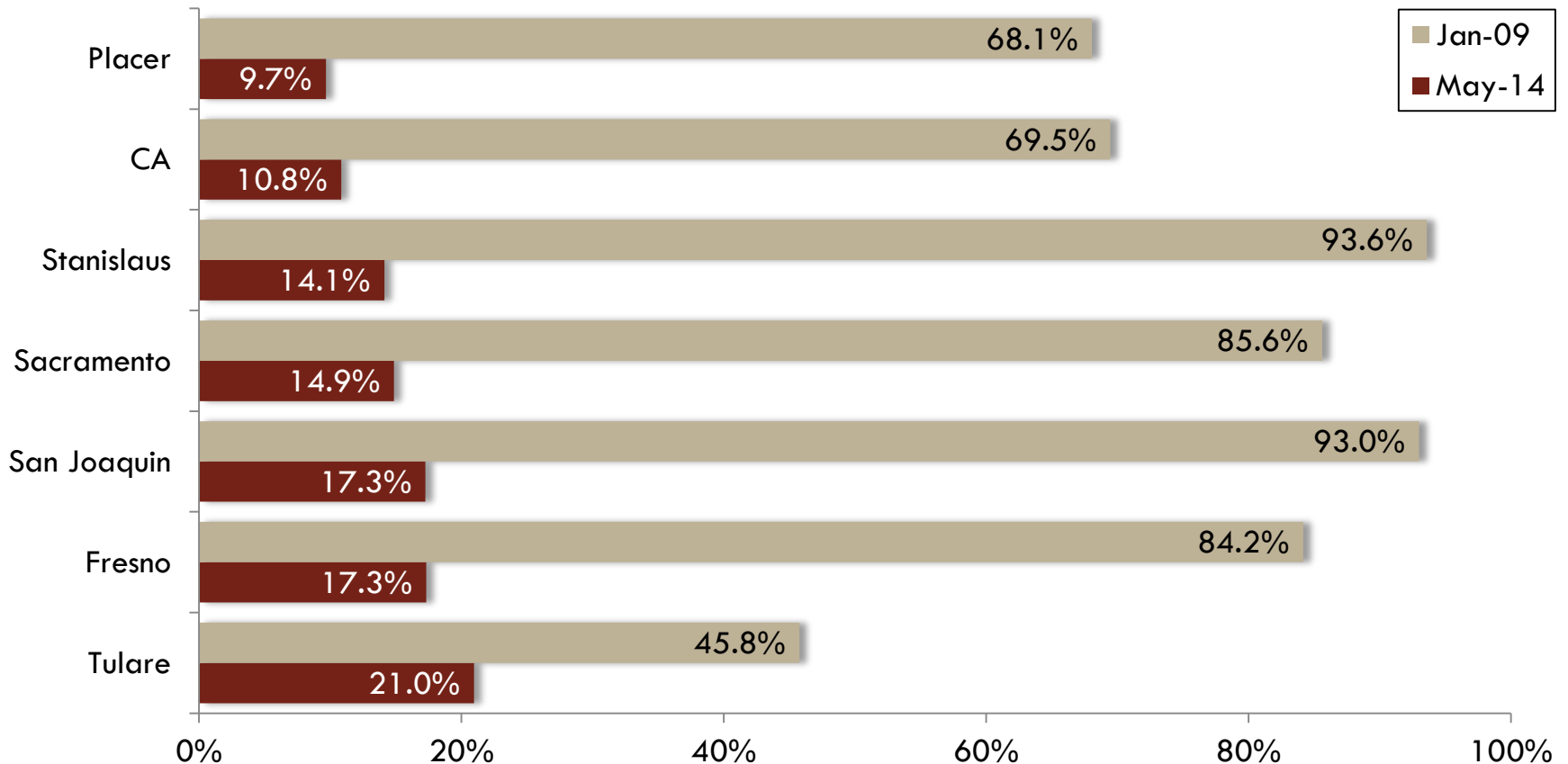
Single-Family Homes as a Share of All Renter-Occupied Units



Source: American Community Survey, 3-yr estimates

Distressed sales down drastically compared to five years ago

Distressed Sales as a Percent of Total Sales



SERIES: Distressed Sales, Not Seasonally Adjusted
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

Slowing 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