National Trends
Composition of distressed sales by geography

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

<table>
<thead>
<tr>
<th>Region</th>
<th>Short Sale</th>
<th>Move-In Ready REO</th>
<th>Damaged REO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial Midwest</td>
<td>6%</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Florida</td>
<td>6%</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>South</td>
<td>5%</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>Northeast</td>
<td>6%</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Farmbelt</td>
<td>3%</td>
<td>11%</td>
<td>8%</td>
</tr>
<tr>
<td>Pacific NW</td>
<td>4%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>California</td>
<td>3%</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Oil Producing</td>
<td>4%</td>
<td>12%</td>
<td>5%</td>
</tr>
<tr>
<td>Rocky Mountain</td>
<td>5%</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>AZ &amp; NV</td>
<td>6%</td>
<td>13%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Campbell/Inside Mortgage Finance Housing Pulse 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

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

- Current Homeowners:
  - All Other Financing: 30%
  - VA: 8%
  - Fannie/Freddie: 23%
  - FHA: 14%
  - Cash: 25%

- First-Time Homebuyers:
  - All Other Financing: 24%
  - VA: 8%
  - Fannie/Freddie: 19%
  - FHA: 38%
  - Cash: 11%

- Investors:
  - All Other Financing: 19%
  - VA: 7%
  - Fannie/Freddie: 2%
  - FHA: 72%

Source: Campbell/Inside Mortgage Finance HousingPulse Monthly Survey of Real Estate Market Conditions May 2014
California’s unemployment rate trending down but still above national average (7.6% May 2014)

Source: Bureau of Labor Statistics
California house prices back on the rise

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

- California
- United States

Source: Federal Housing Finance Agency (formerly OFHEO)
Northern California house prices still rising

FHFA House Price Index: Northern California
(2000 = 100)

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)
Southern California house prices trending up

FHFA House Price Index: Southern California
(2000 = 100, quarterly)

Source: Federal Housing Finance Agency (formerly OFHEO)
Number of delinquent mortgages and properties entering foreclosure process continues to fall.

Source: Mortgage Bankers Association, National Delinquency Survey
New housing starts slowly trending up

New Housing Starts - California (Quarterly)

Source: Bank of Tokyo-Mitsubishi UFJ
LA rents up: $1,499 for Q1 2014, vacancy rate down to 3%

<table>
<thead>
<tr>
<th>Year</th>
<th>Asking Rent</th>
<th>Vacancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$1,320</td>
<td>6%</td>
</tr>
<tr>
<td>2009</td>
<td>$1,380</td>
<td>5%</td>
</tr>
<tr>
<td>2010</td>
<td>$1,440</td>
<td>4%</td>
</tr>
<tr>
<td>2011</td>
<td>$1,500</td>
<td>3%</td>
</tr>
<tr>
<td>2012</td>
<td>$1,560</td>
<td>2%</td>
</tr>
</tbody>
</table>

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.
Inland Empire rents up: $1,104 for Q1 2014, vacancy rate down to 2.6%

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.
SF rents up: $2,171 for Q1 2014, vacancy rate down to 2.9%
Fresno rents up: $842 for Q1 2014, vacancy rate at 2.8%

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.
Sacramento rents up: $983 for Q1 2014, vacancy rate down to 2.8%

Asking Rent and Vacancy Rate in Sacramento
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.
Areas Affected by Concentrated Foreclosures
May 2014

Legend
Share of Foreclosures & REOs (as a percent of total loans)
- Less than 0.3 percent
- 0.3 - 0.6 percent
- 0.6 - 0.9 percent
- 0.9 - 1.2 percent
- More than 1.2 percent
- Insufficient Data

Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations
Areas Affected by Concentrated Foreclosures
May 2014

Legend
Share of Foreclosures & REOs (as a percent of total loans)
- Less than 0.5 percent
- 0.5 - 1 percent
- 1 - 1.5 percent
- 1.5 - 2 percent
- More than 2 percent
- Insufficient Data

Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations
Sacramento 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
- 1.6 - 2 percent
- 2 - 2.5 percent
- More than 2 percent
- Insufficient Data

Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations
Areas Affected by Concentrated Foreclosures
May 2014

Legend
Share of Foreclosures & REOs (as a percent of total loans)
Less than 0.5 percent
0.5 - 1 percent
1 - 1.5 percent
1.5 - 2 percent
More than 2 percent
Insufficient data
County Boundaries

Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations
Areas Affected by Concentrated Foreclosures

May 2014

Legend
Share of Foreclosures & REOs (as a percent of total loans)
- Less than 0.5 percent
- 0.5 - 1 percent
- 1 - 1.5 percent
- 1.5 - 2 percent
- More than 2 percent
- Insufficient Data

Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations
Areas at Risk of Additional Foreclosures
May 2014

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Share of Loans 90+ Days Delinquent (as a percent of total loans)
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- 1 - 1.5 percent
- 1.5 - 2 percent
- 2 - 2.5 percent
- More than 2.5 percent
- Insufficient Data

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
San Diego Data Maps

Areas Affected by Concentrated Foreclosures

May 2014

Legend
Share of Foreclosures & REOs (as a percent of total loans)
- Less than 0.5 percent
- 0.5 - 1 percent
- 1 - 1.5 percent
- 1.5 - 2 percent
- More than 2 percent
- Insufficient Data

Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations
Conclusions
For More Information:
FRBSF Community Development Website

www.frbsf.org/community

- All publications and presentations available on our website
- Conference materials also posted shortly after events