

# ARIZONA: HOUSING AND LABOR MARKET TRENDS

May 2011

Community Development Research  
Federal Reserve Bank of San Francisco

# National Trends

# Unemployment dips below 9%

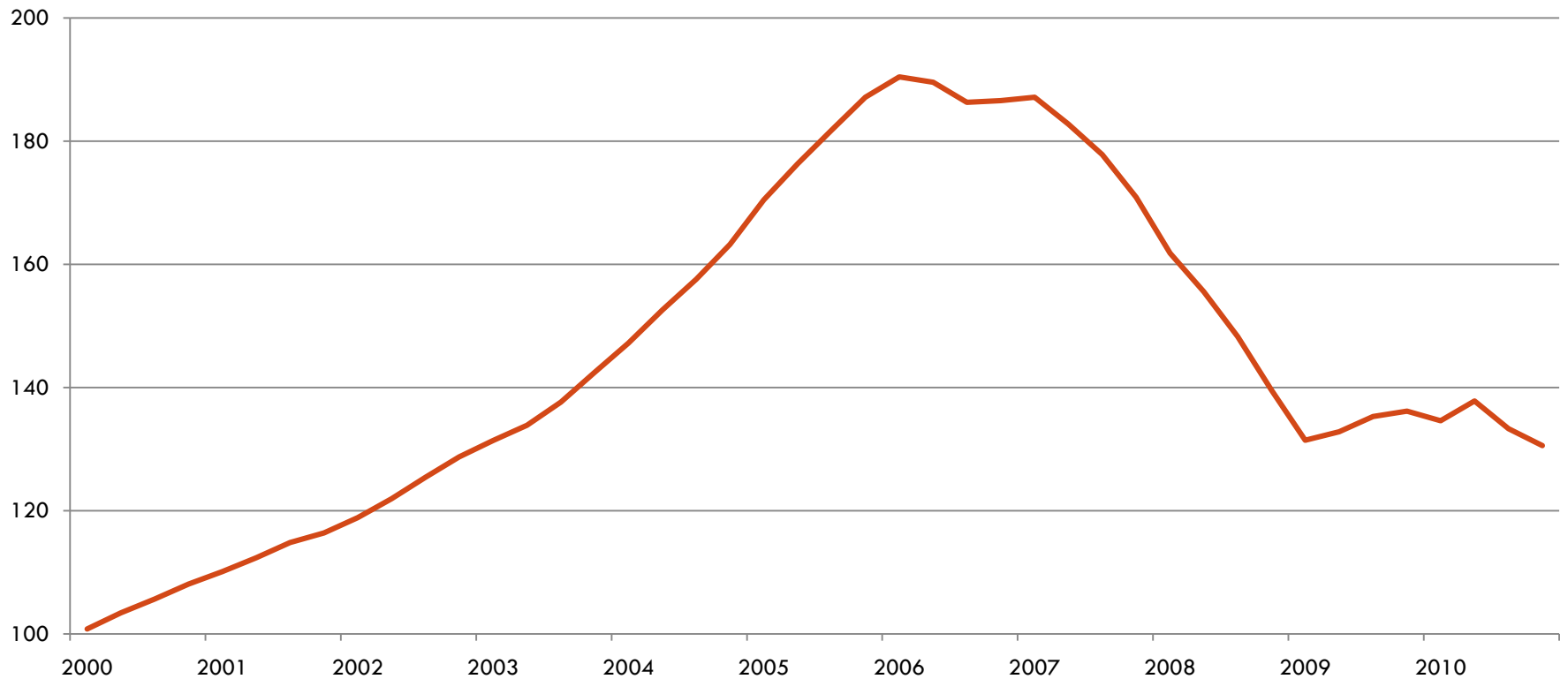


# Recovery, particularly in labor market, remains elusive

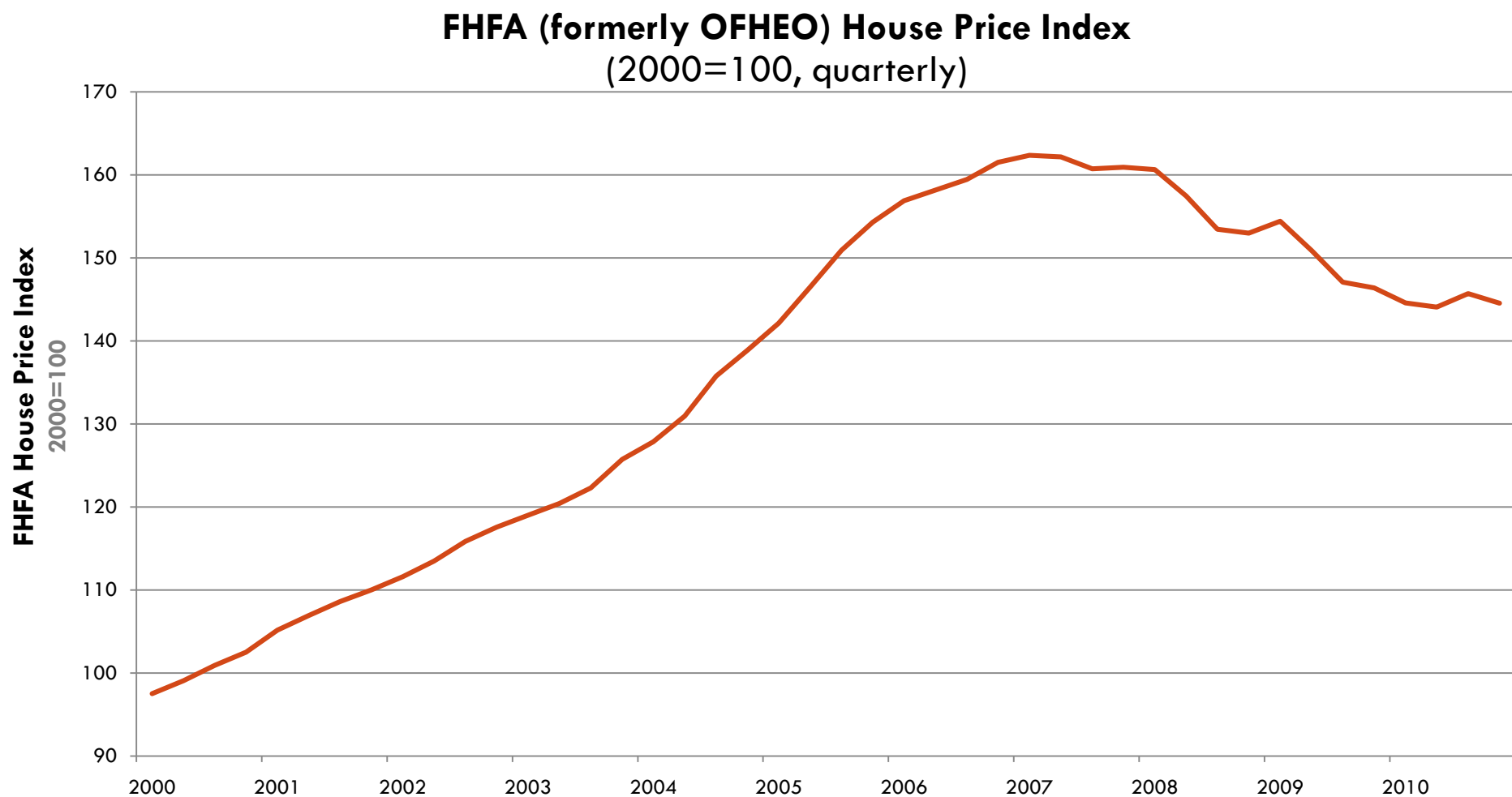


# Case-Shiller Index shows continued softness in housing market

**Case-Shiller National House Price Index**  
(2000 = 100, Quarterly)

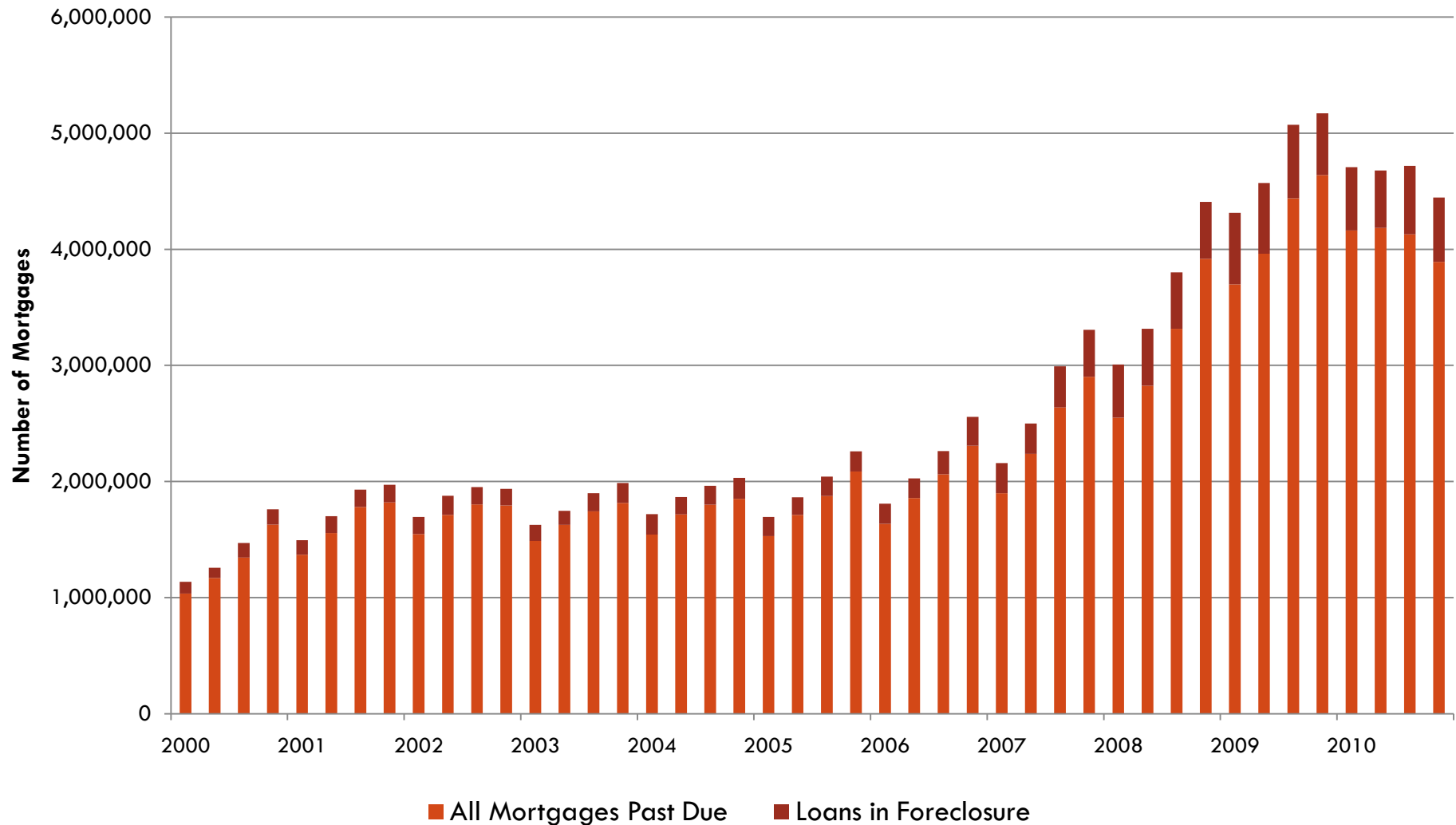


# FHFA House Price Index Dips Again at End of 2010



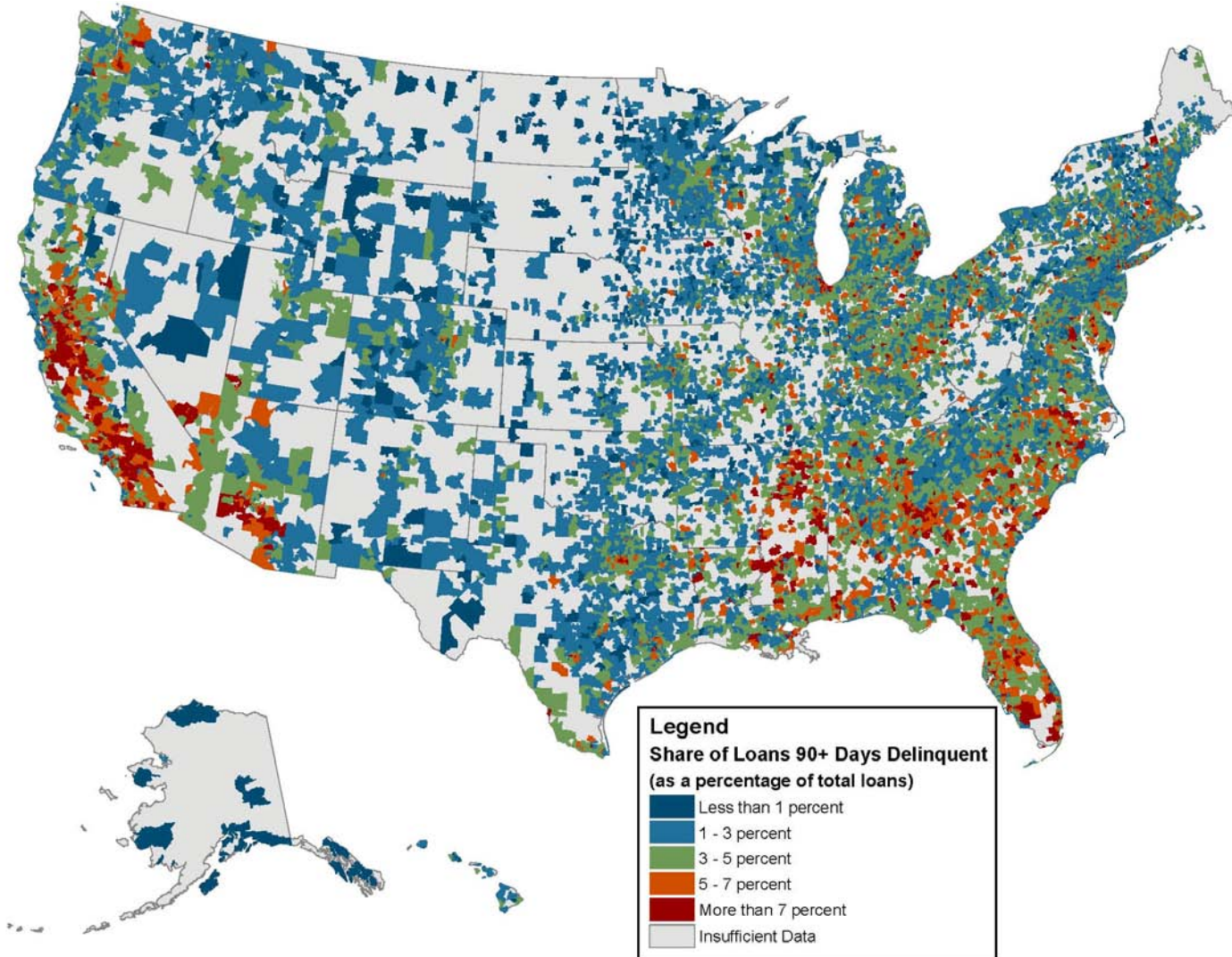
Source: Federal Housing Finance Agency (formerly OFHEO), includes refinancing and is not seasonally adjusted

# Nationally, delinquencies drop in 2010, but still more than 4.5 million homes in distress



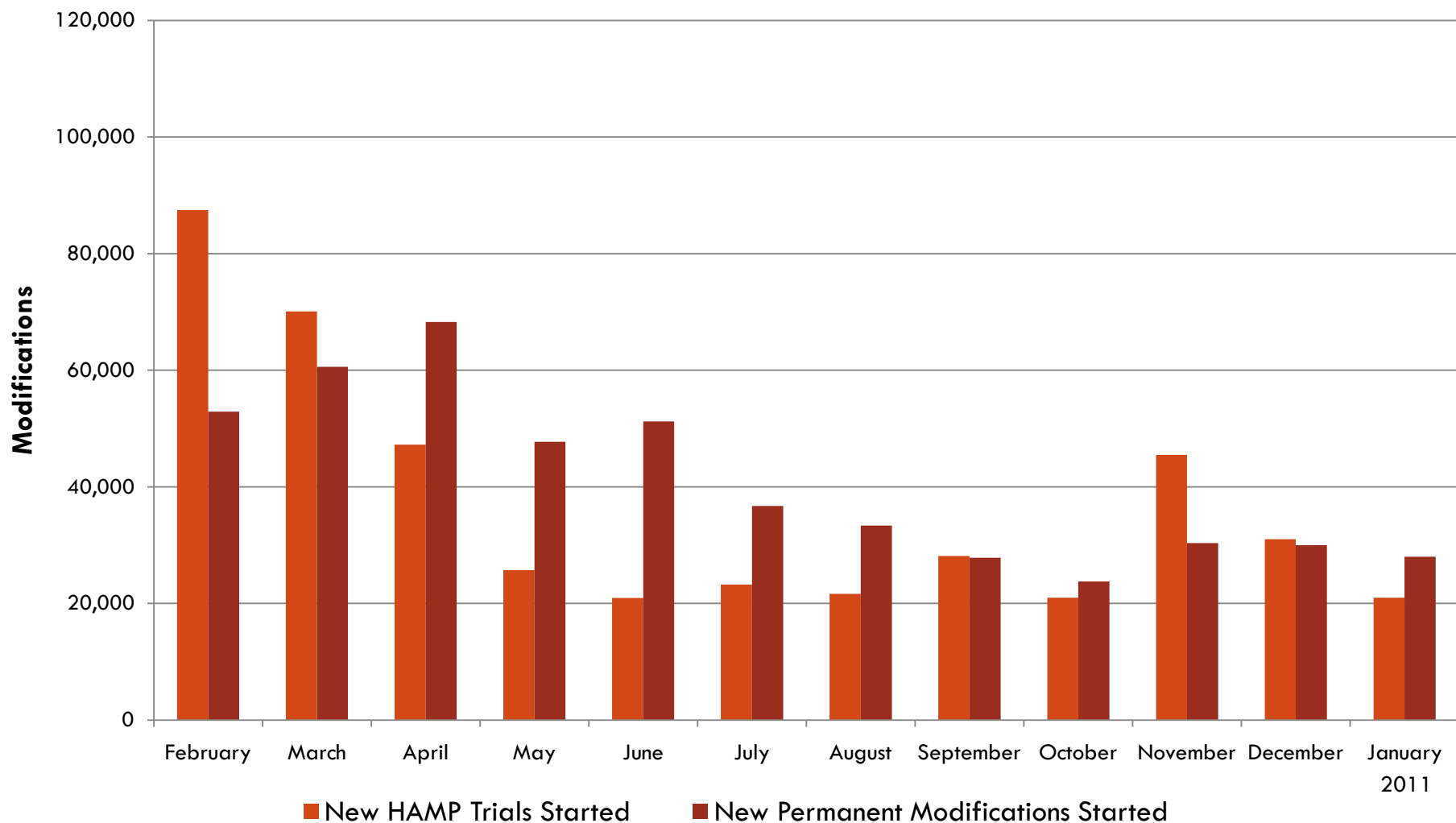
■ All Mortgages Past Due ■ Loans in Foreclosure

# Despite improvement, high rates of delinquency remain concentrated in western and southern states

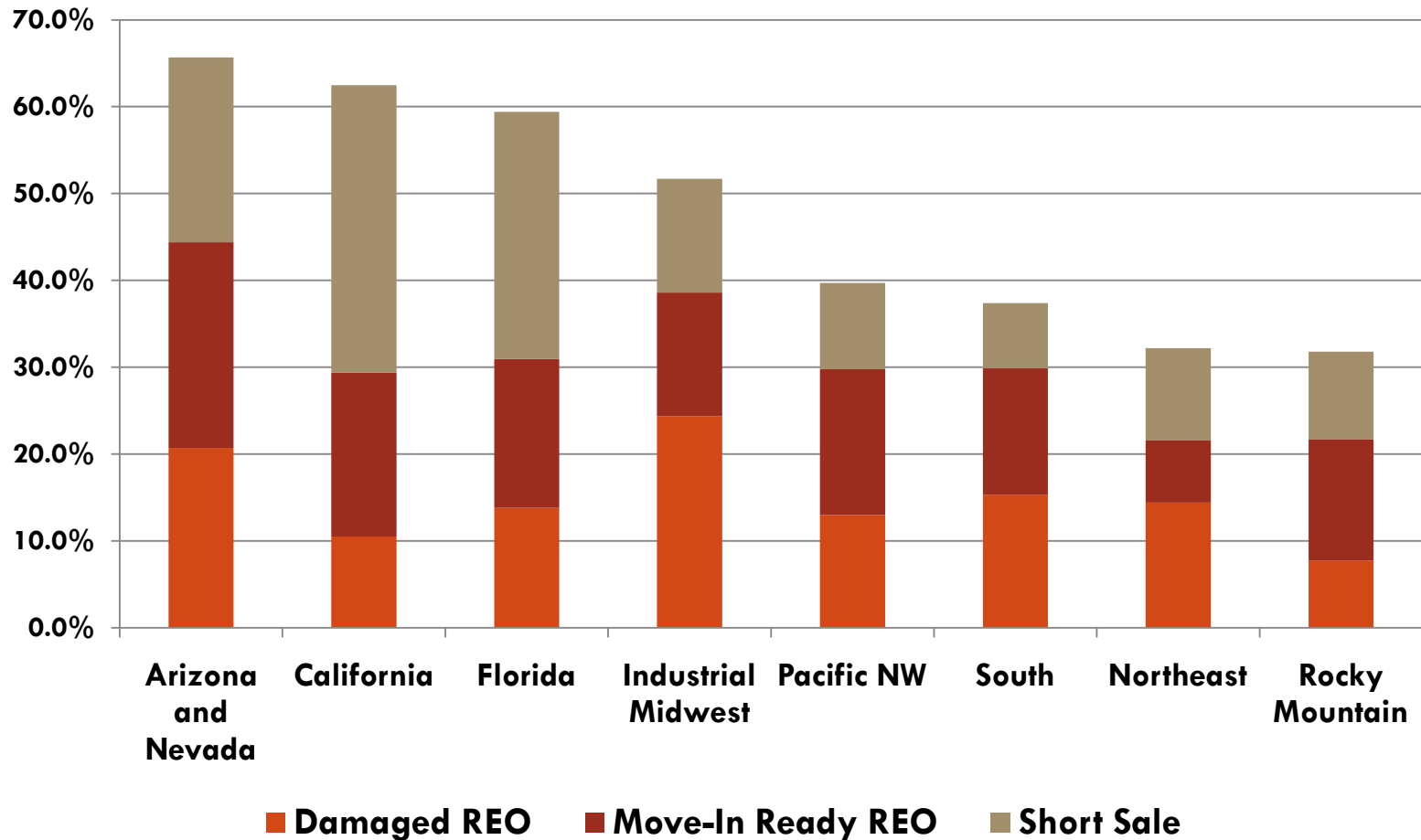




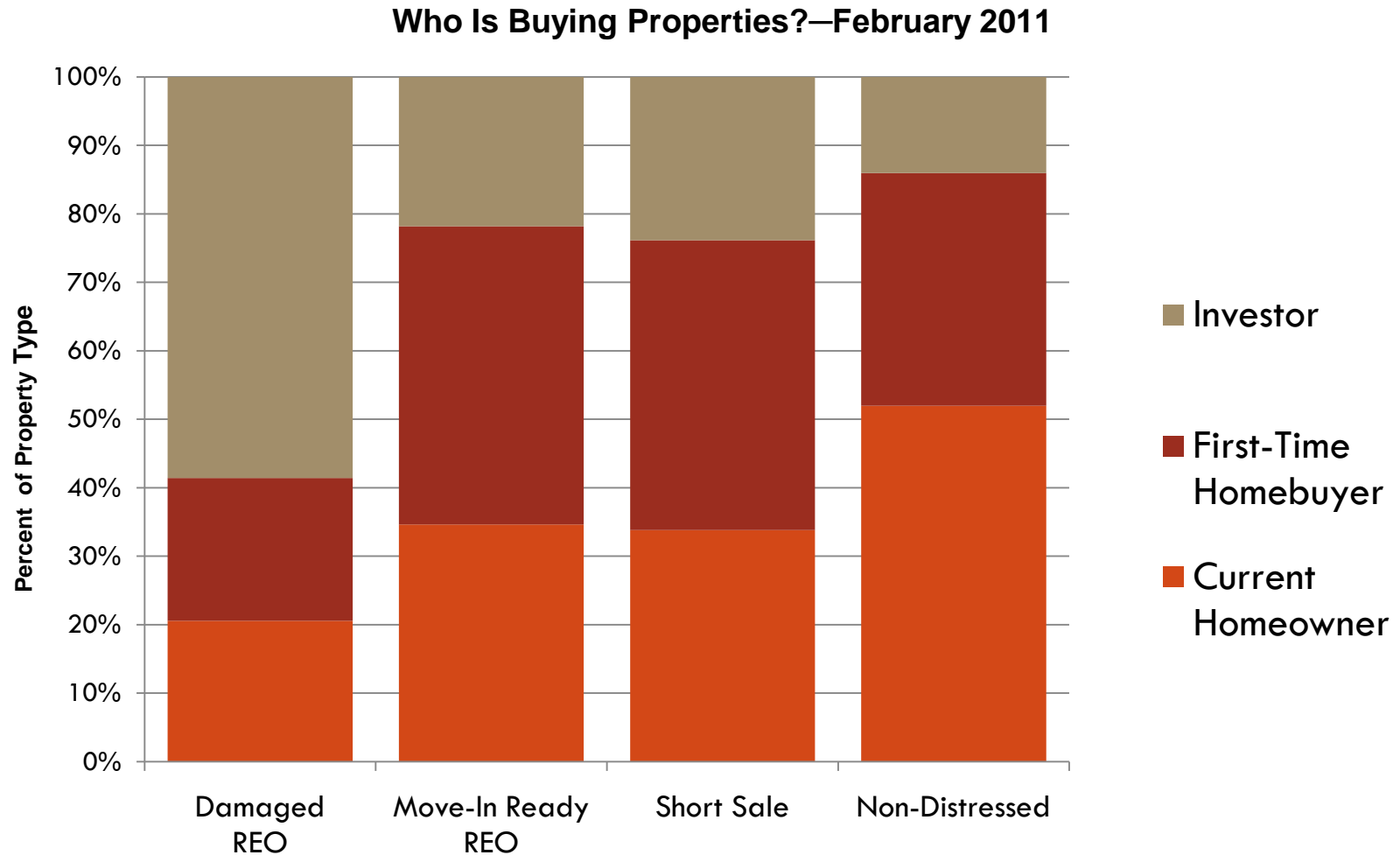
# HAMP modifications down; borrowers still face challenges in obtaining permanent modifications



# Composition of distressed sales

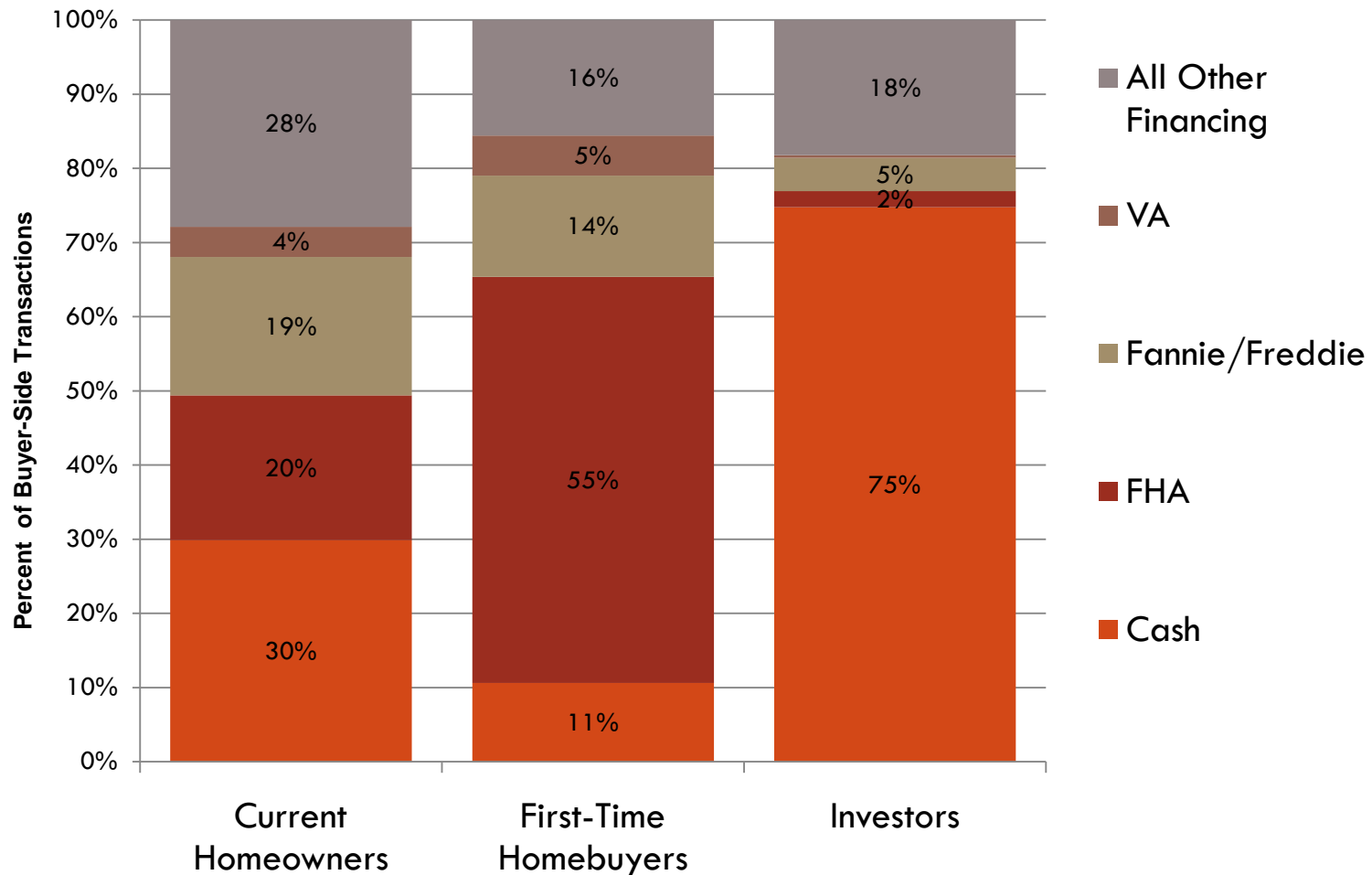


# Neighborhood stabilization: concerns over investor purchases of distressed properties



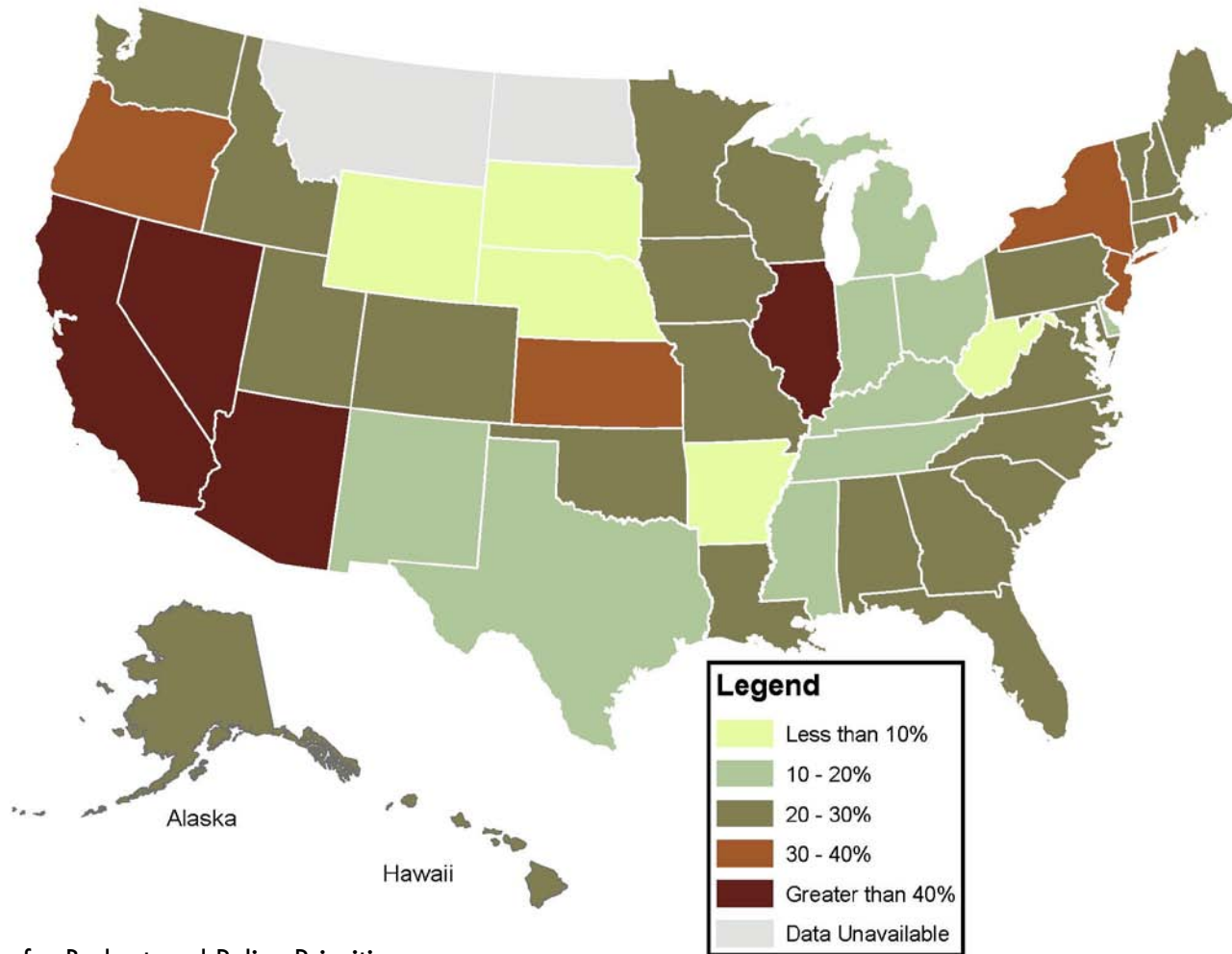
Source: Campbell/Inside Mortgage Finance *HousingPulse* Monthly Survey of Real Estate Market Conditions, Feb 2011

# Financing for home purchases



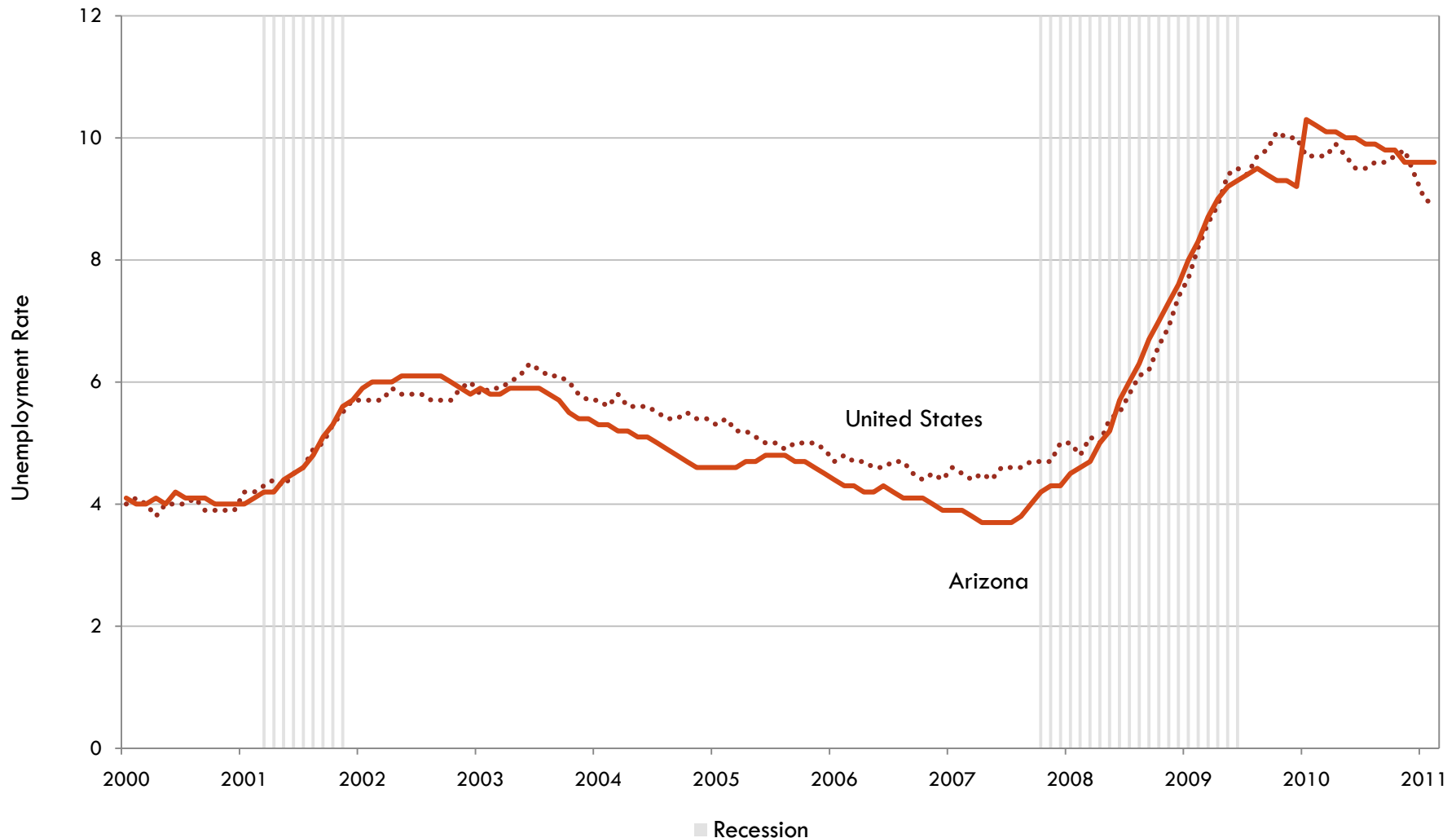
# Many states within 12<sup>th</sup> District face severe budget shortfalls

Total End-of-Year Shortfall as Percentage of 2010 Budget



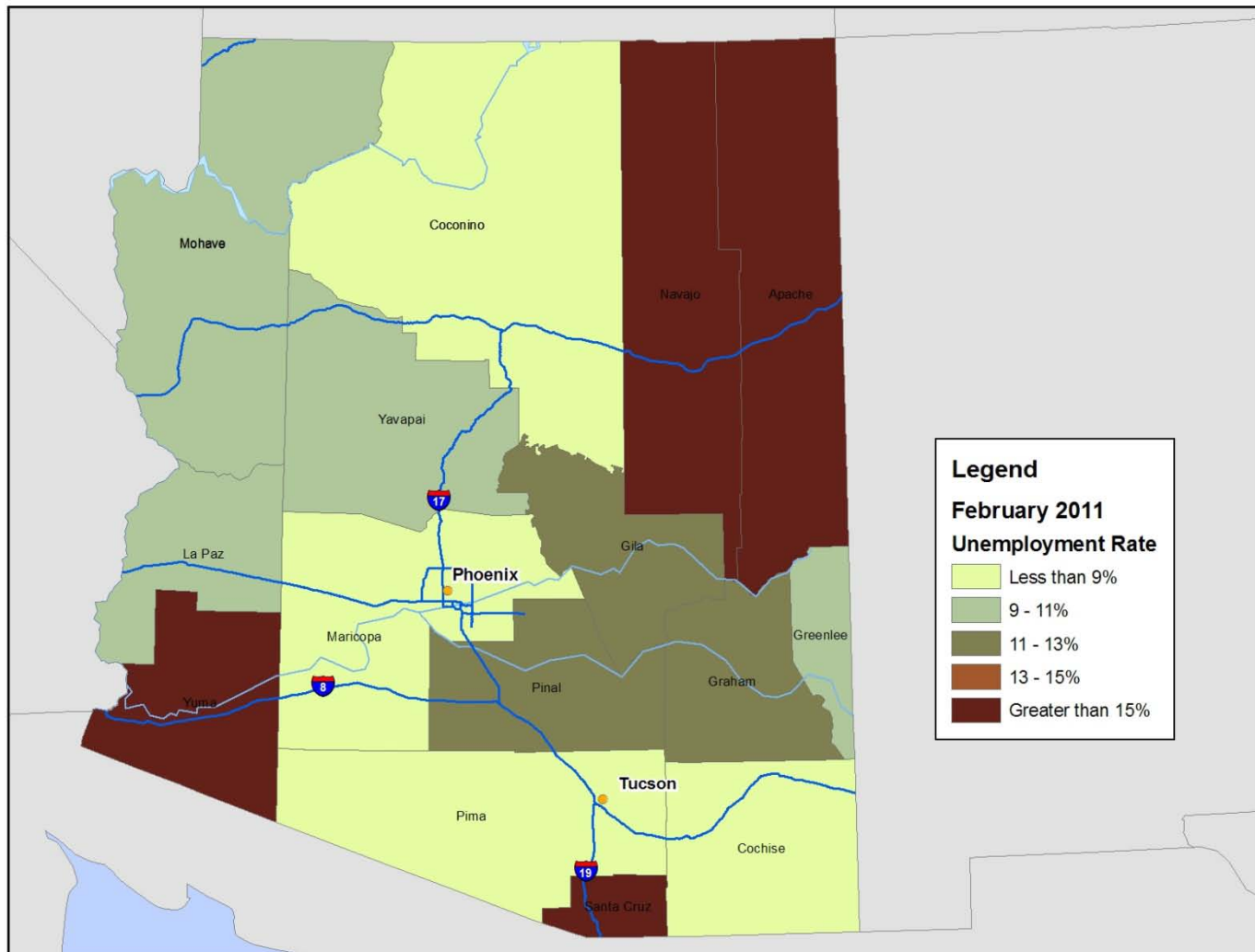
# Arizona Trends

# Arizona's unemployment rate holding steady at 9.6 percent



Source: Bureau of Labor Statistics

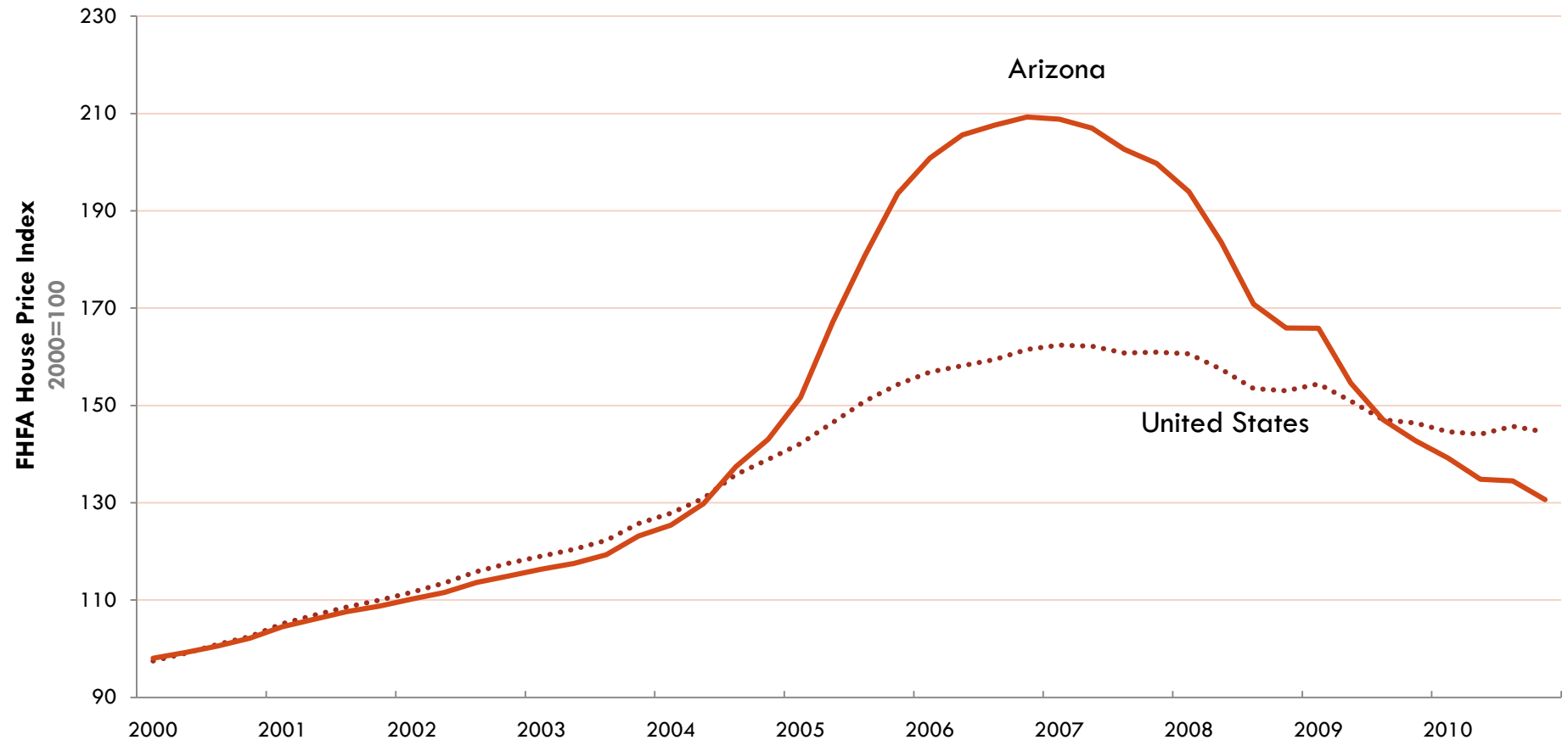
# Unemployment rates in Arizona vary by county





# Arizona seeing continued decline in house prices

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

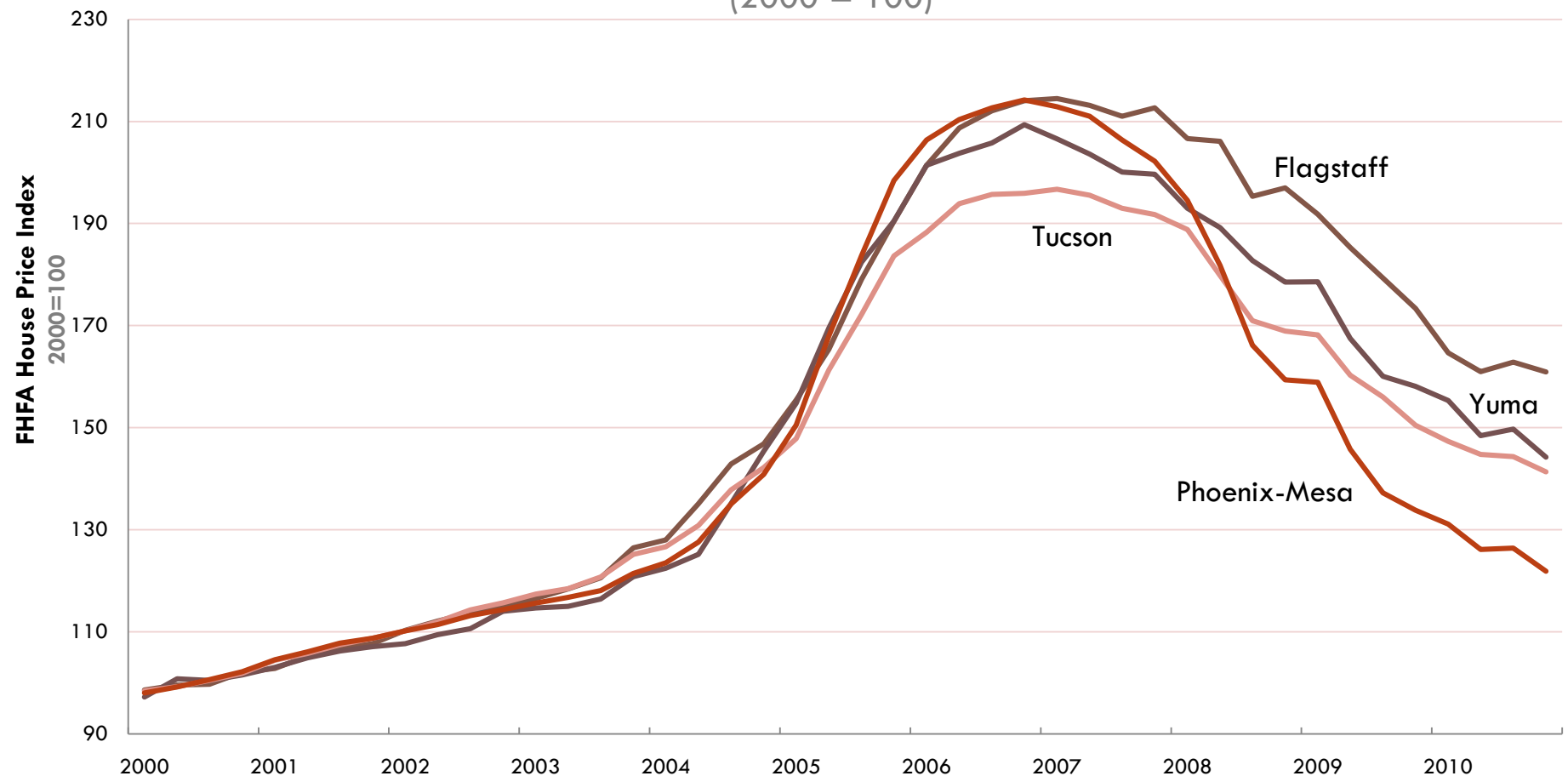


Source: Federal Housing Finance Agency (formerly OFHEO)

# Flagstaff prices appear to steady; no signs of stabilization in other major metropolitan areas

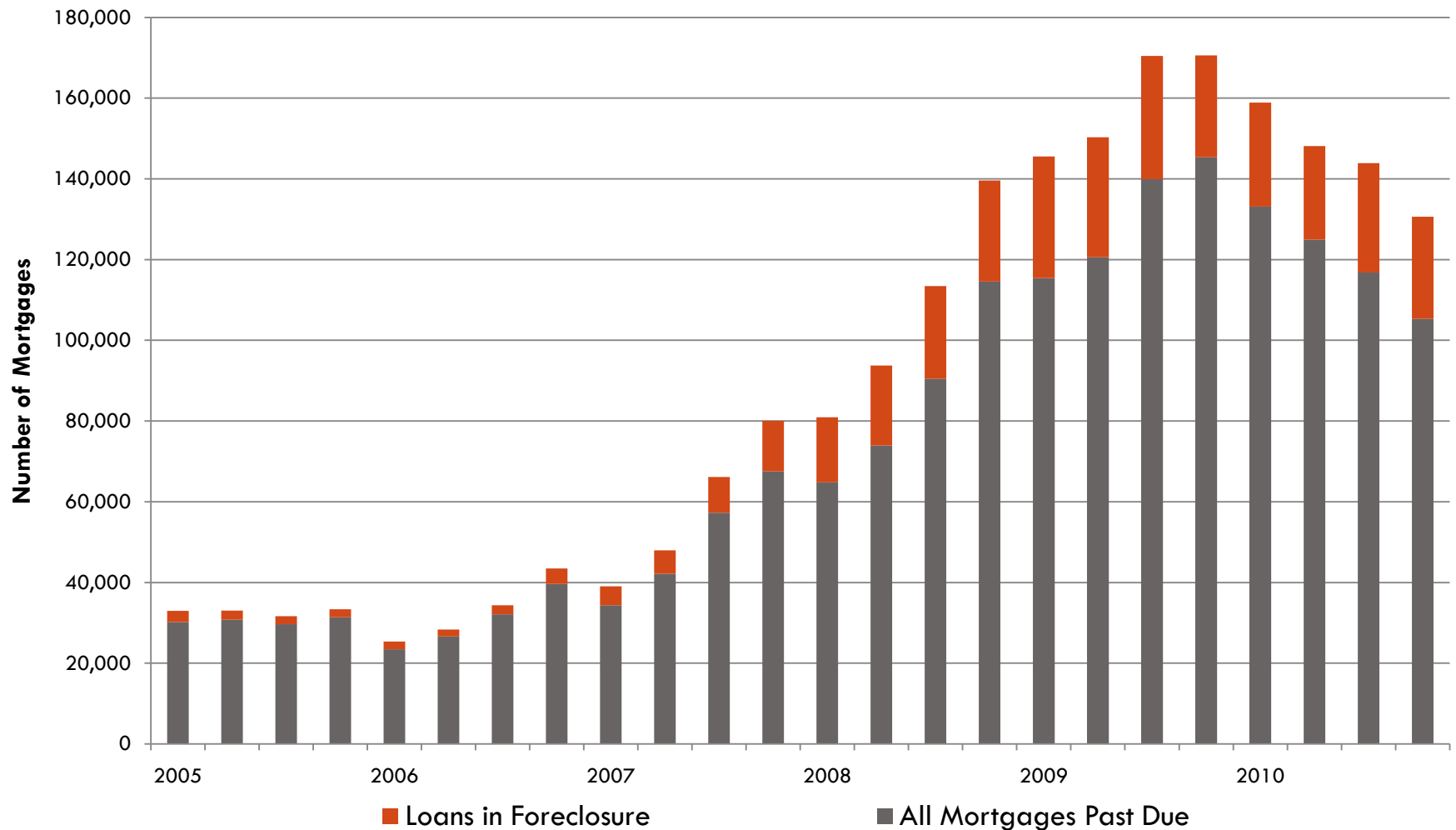


**FHFA (formerly OFHEO) House Price Index**  
(2000 = 100)



Source: Federal Housing Finance Agency (formerly OFHEO)

# Continued decline in number of delinquent mortgages and properties in foreclosure process

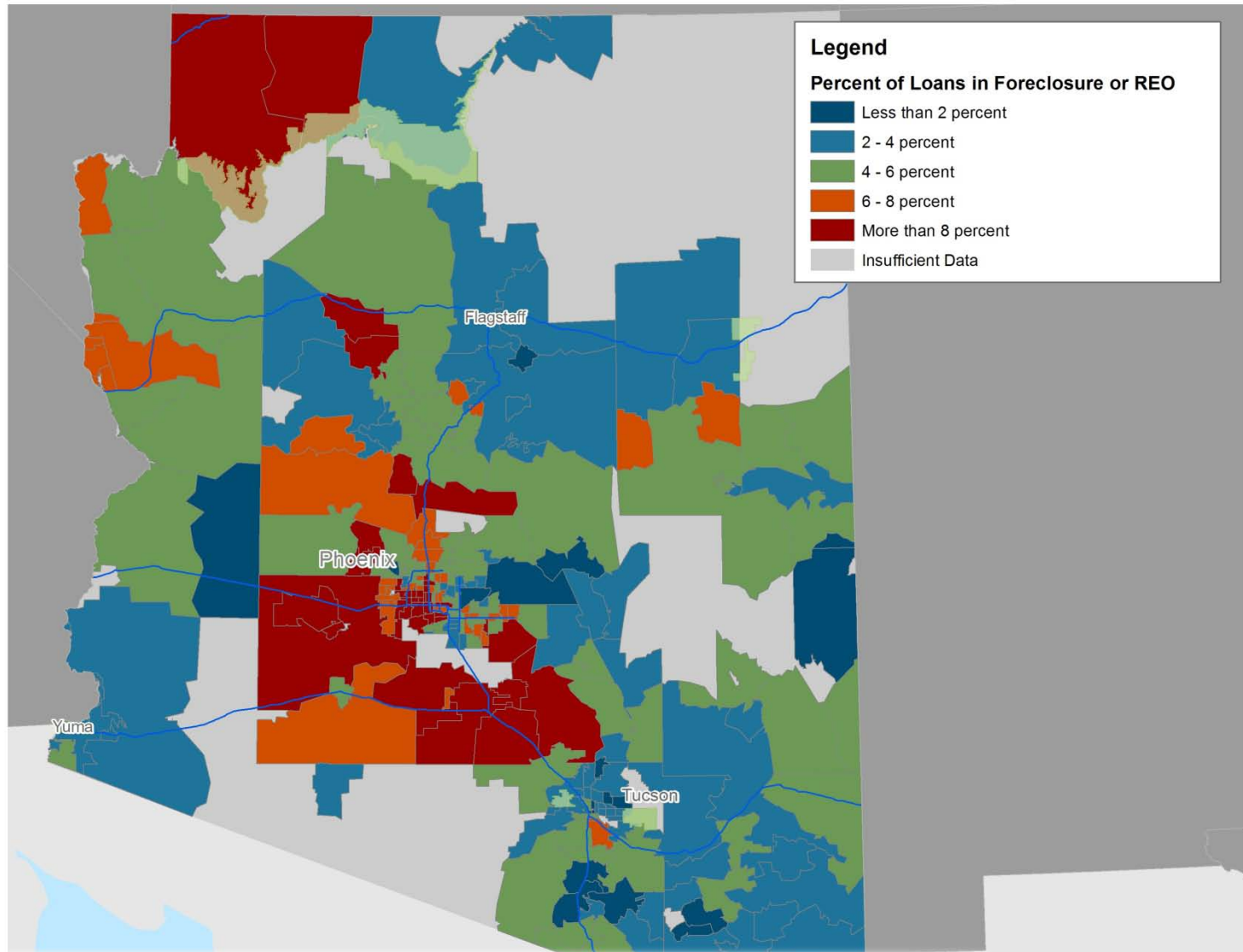


Source: Mortgage Bankers Association, National Delinquency Survey

# Arizona Data Maps

# Areas Affected by Concentrated Foreclosures

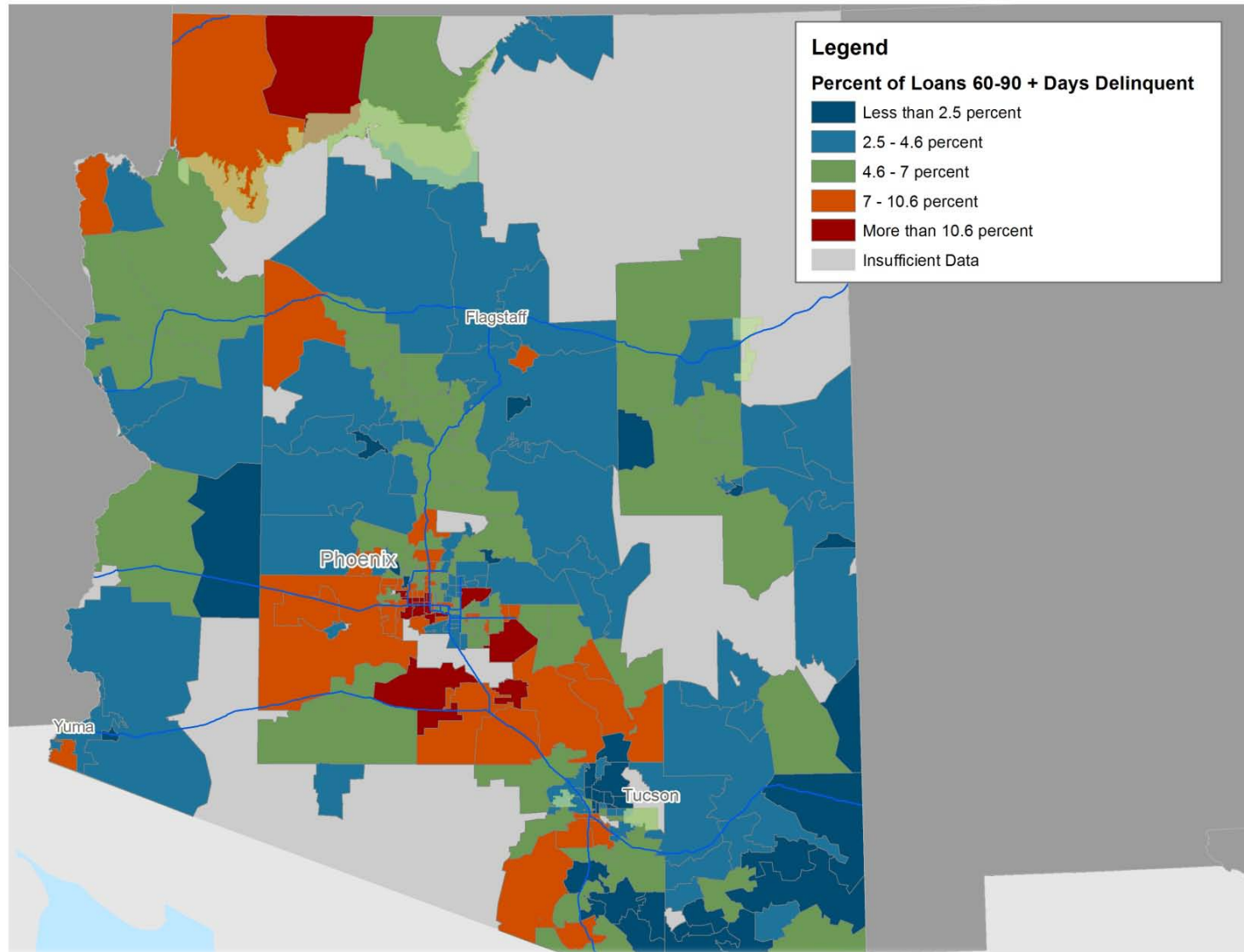
## February 2011



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

# Areas At Risk Of Additional Foreclosures

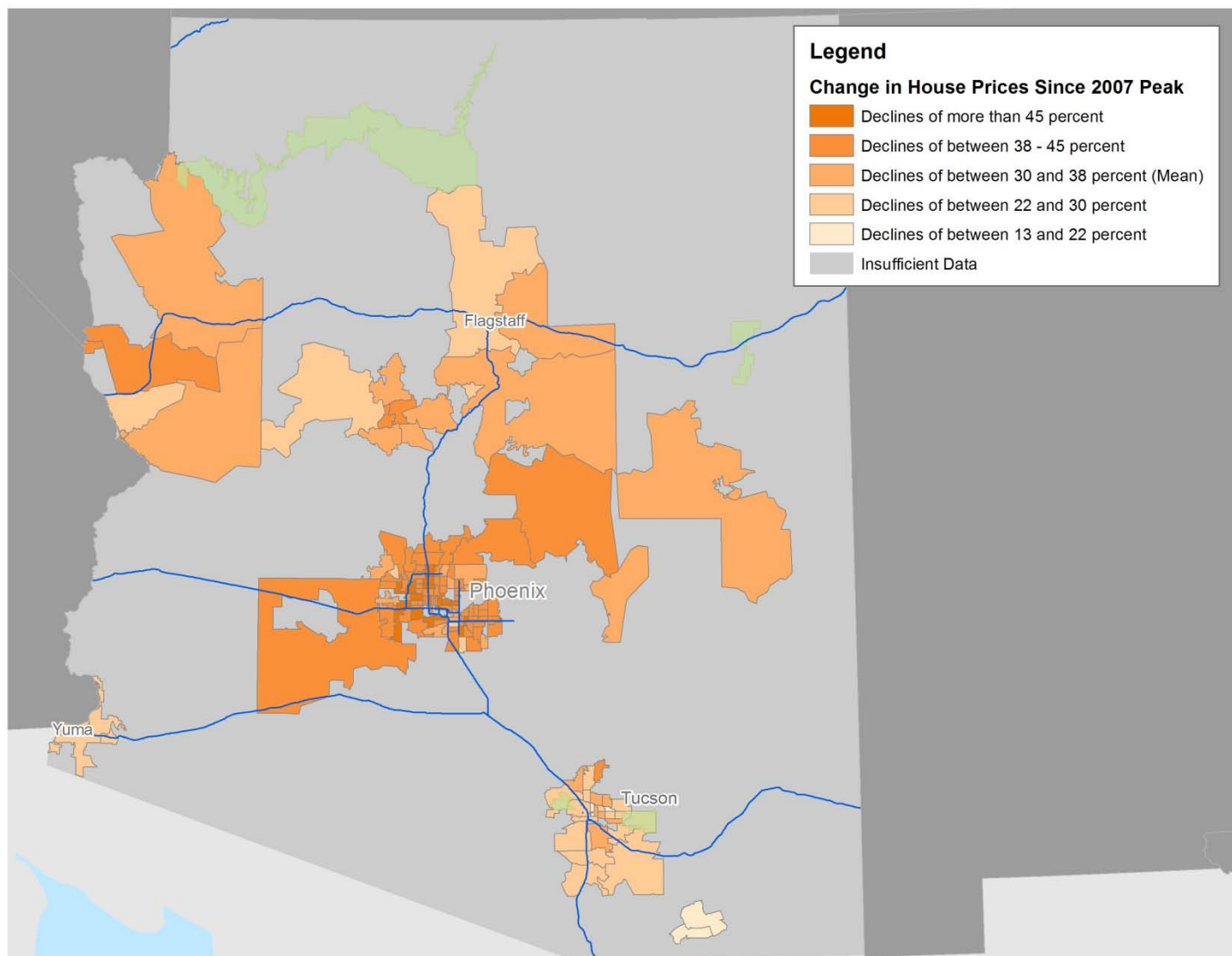
February 2011



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

# Change in House Prices Since 2007

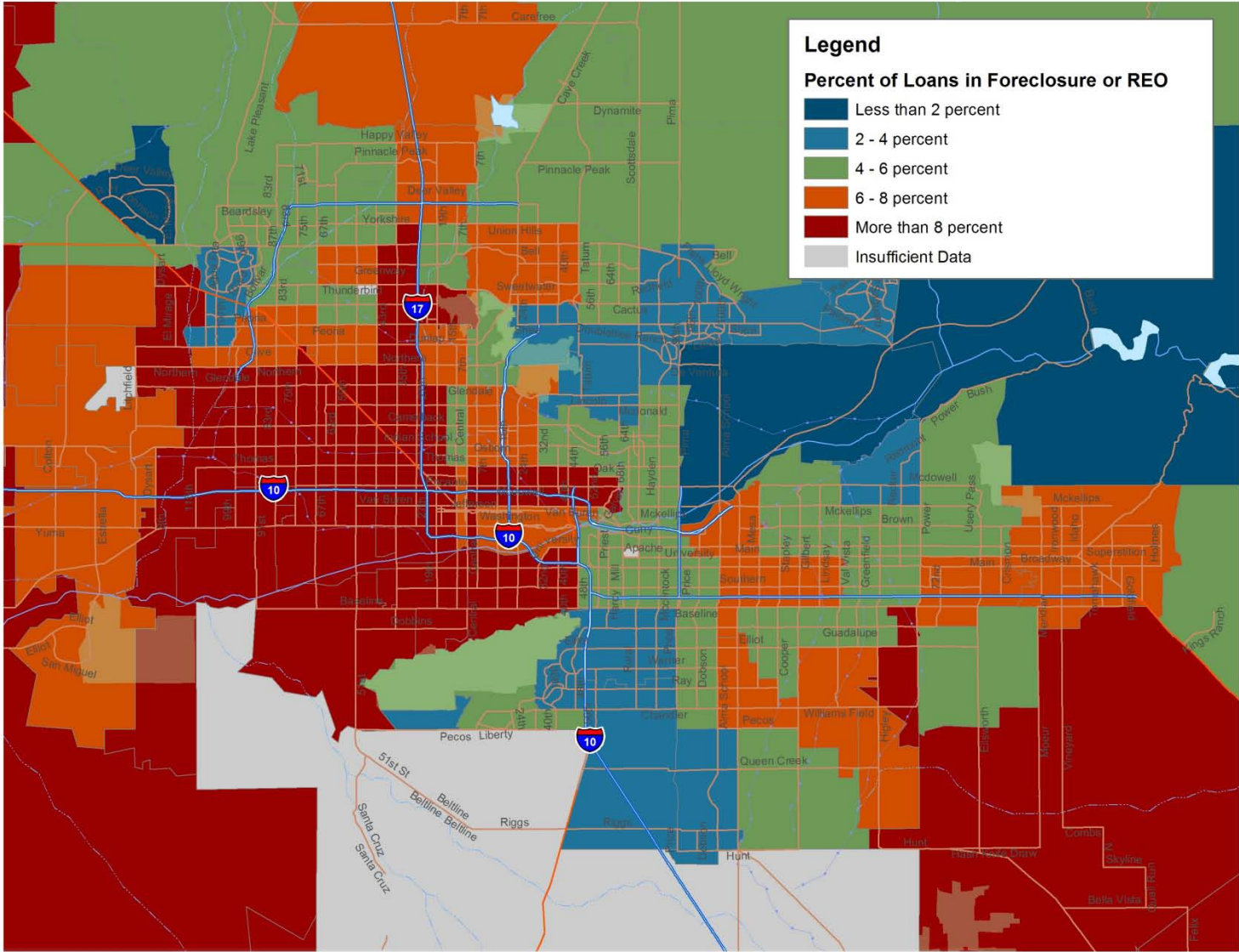
February 2011



Source: CoreLogic Home Price Index and FRBSF CD Calculations

# Areas Affected by Concentrated Foreclosures

February 2011

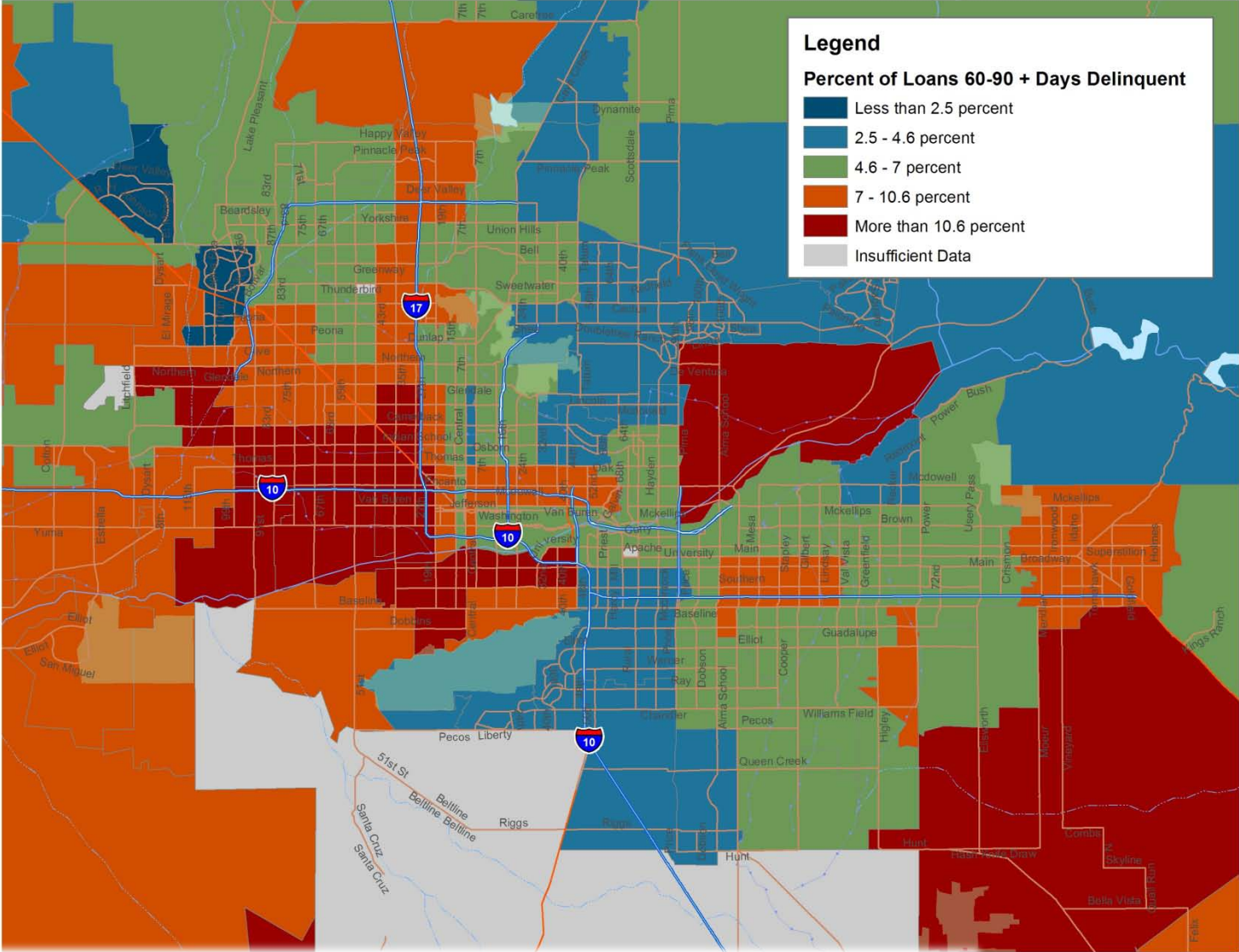


Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations



# Areas at Risk of Additional Foreclosures

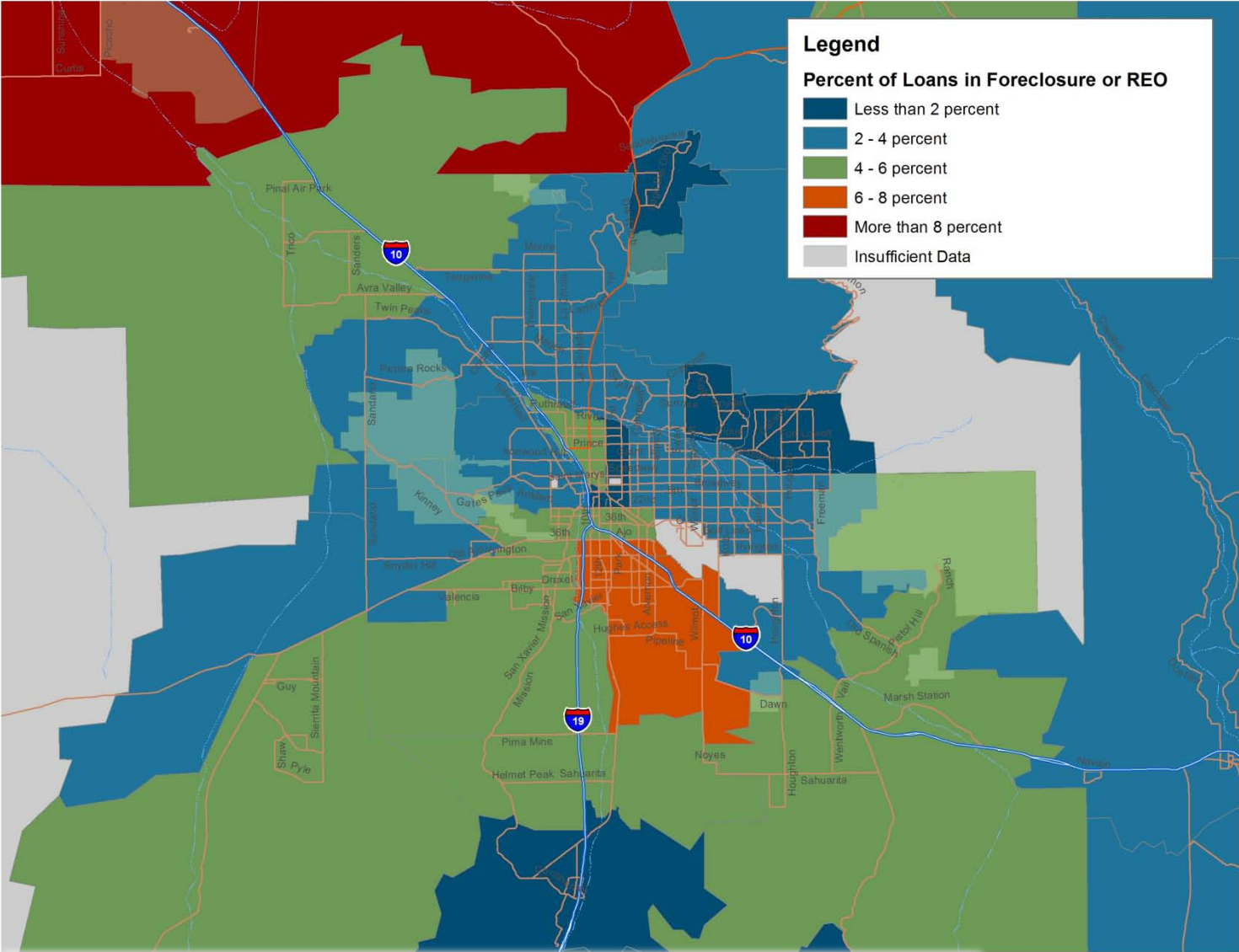
February 2011



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

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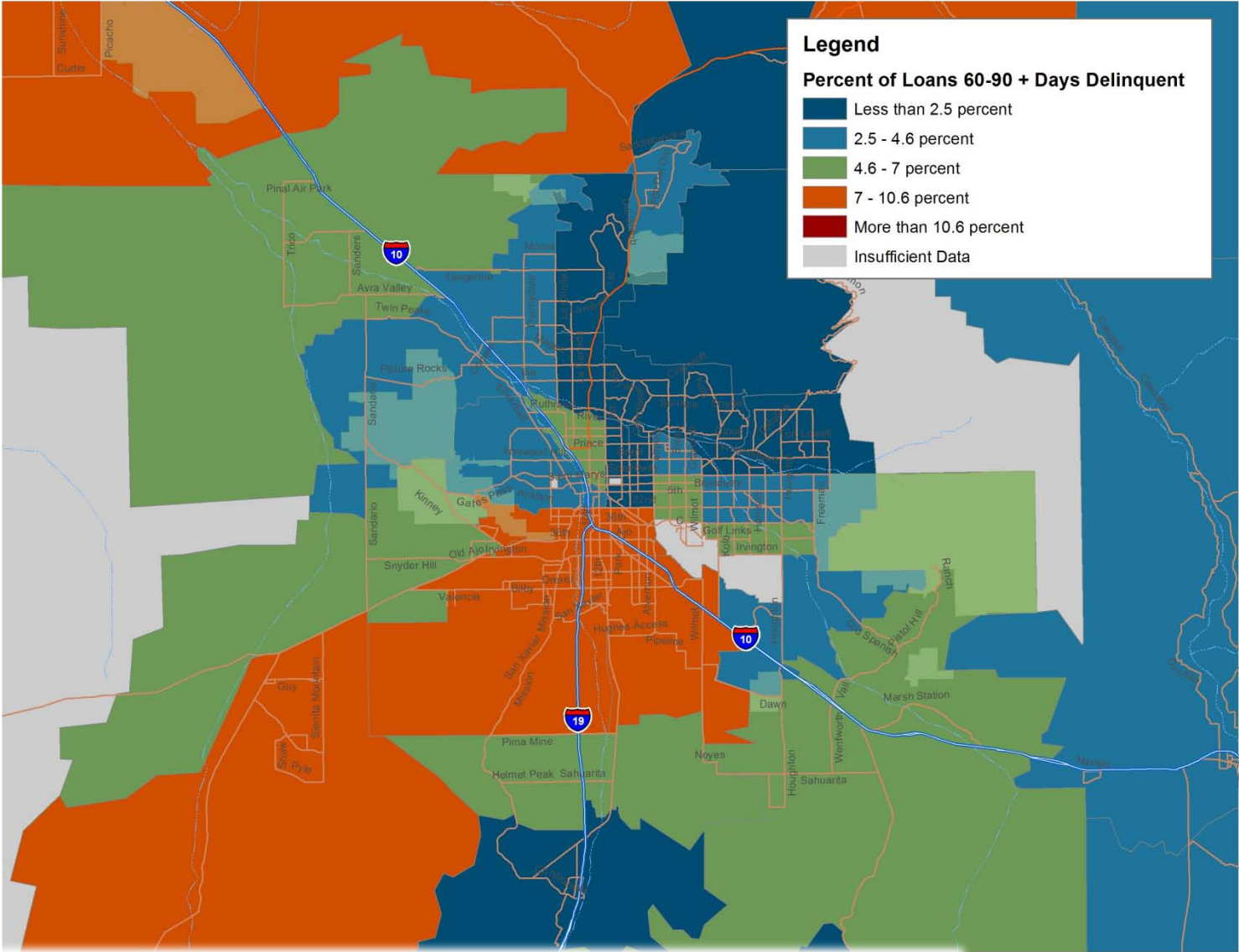
February 2011



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

# Areas at Risk of Additional Foreclosures

February 2011



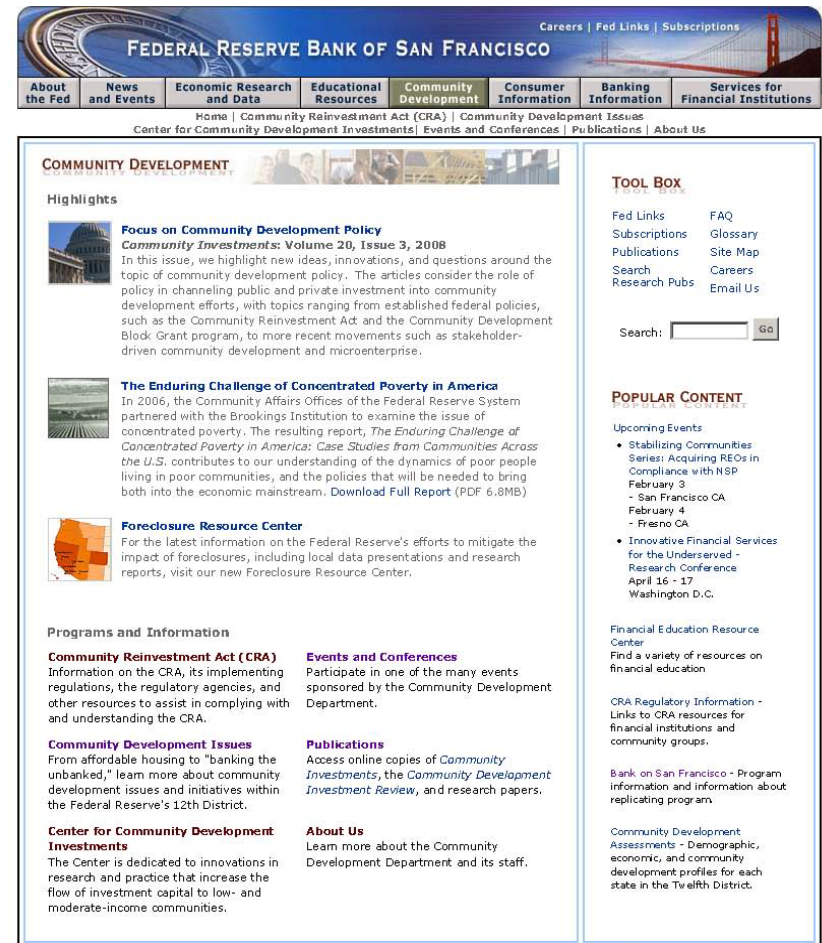
Source: Lender Processing Services Inc. Applied Analytics & FRBSF Calculations

# Conclusions



# For More Information: FRBSF Community Development Website

- Links to other resources and research on foreclosure trends and mitigation strategies
- All publications, presentations available on our website
- Conference materials also posted shortly after events



<http://www.frbsf.org/community/>