



California: Housing Bellwether or Not?



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Outline

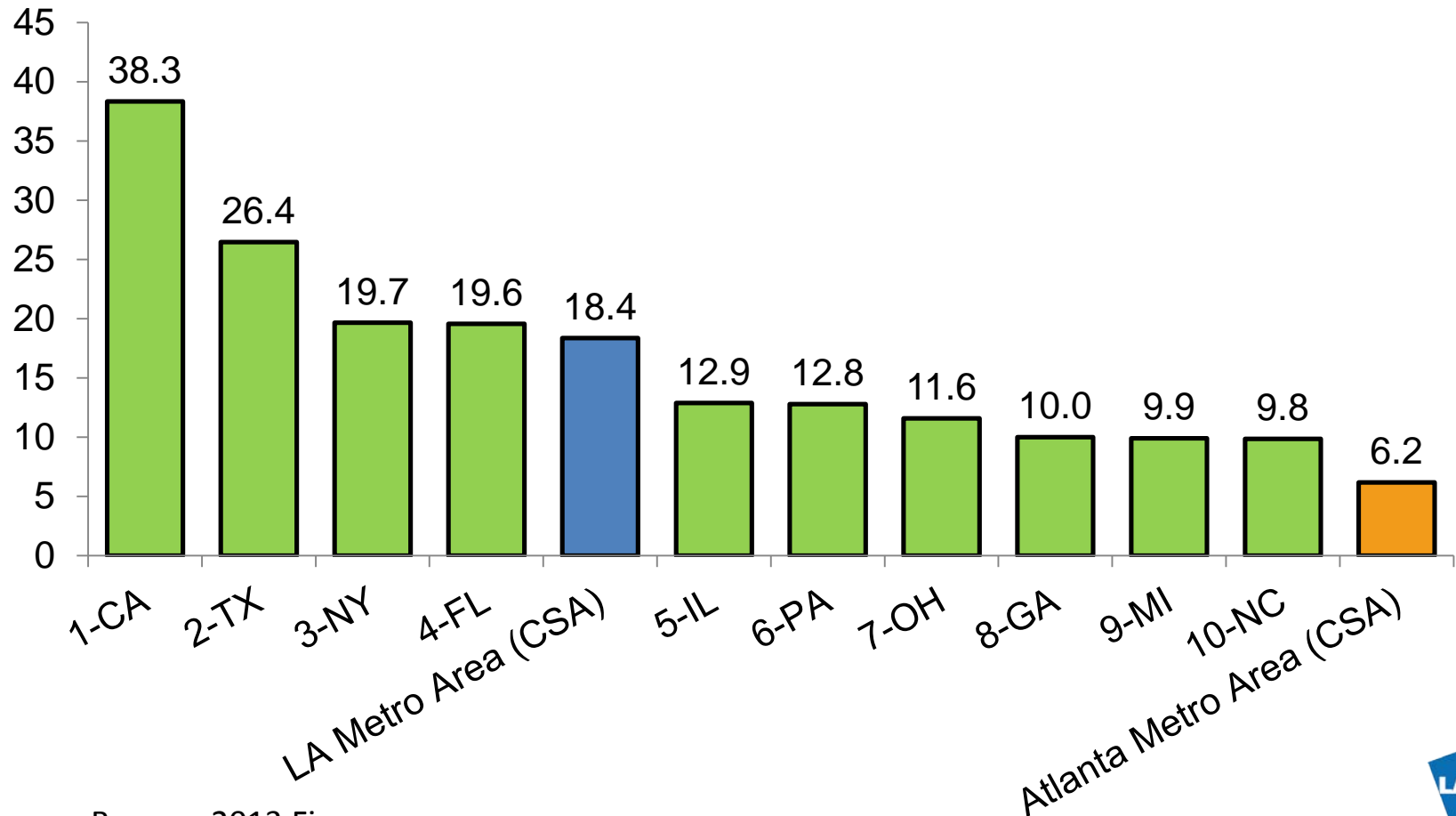
- Economic Comparisons:
 - California – Georgia
 - Los Angeles - Atlanta
- Housing Market Conditions
 - Atlanta, L.A., San Francisco, San Jose
- Conclusion: California's Leading Role?

The background of the slide features two flags flying against a clear blue sky. On the left is the United States flag, and on the right is the California state flag, which depicts a grizzly bear standing on a rock with the words 'CALIFORNIA REPUBLIC' written below it. The text 'Georgia & California' is overlaid in a large, bold, blue font across the center of the image.

Georgia & California

Population- State and Metro

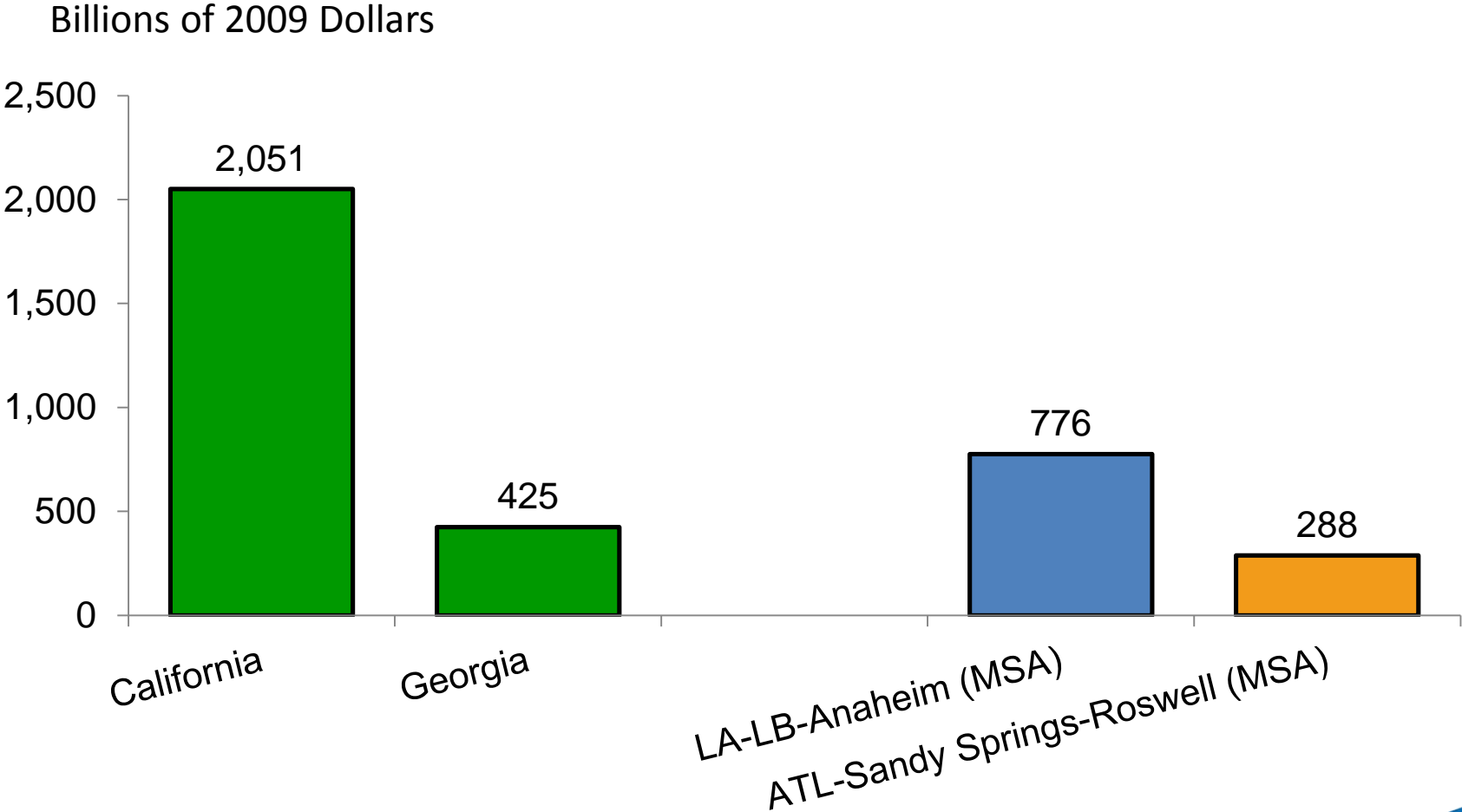
Millions



Source: Census Bureau, 2013 Figures



Gross Product- State and Metro



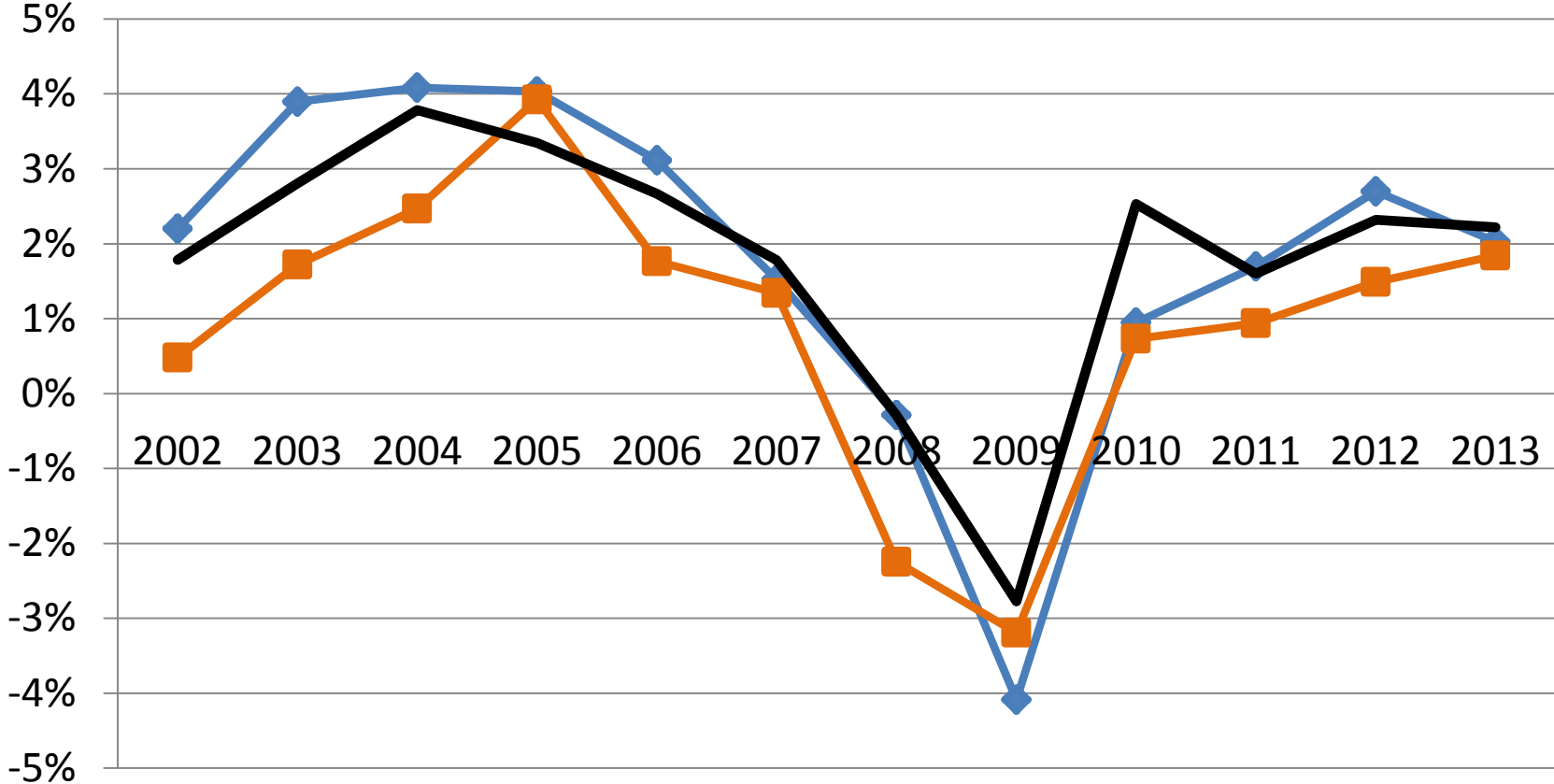
Source: Census Bureau



Gross State Product –GA & CA follow US

Annual % Change

California Georgia U.S.

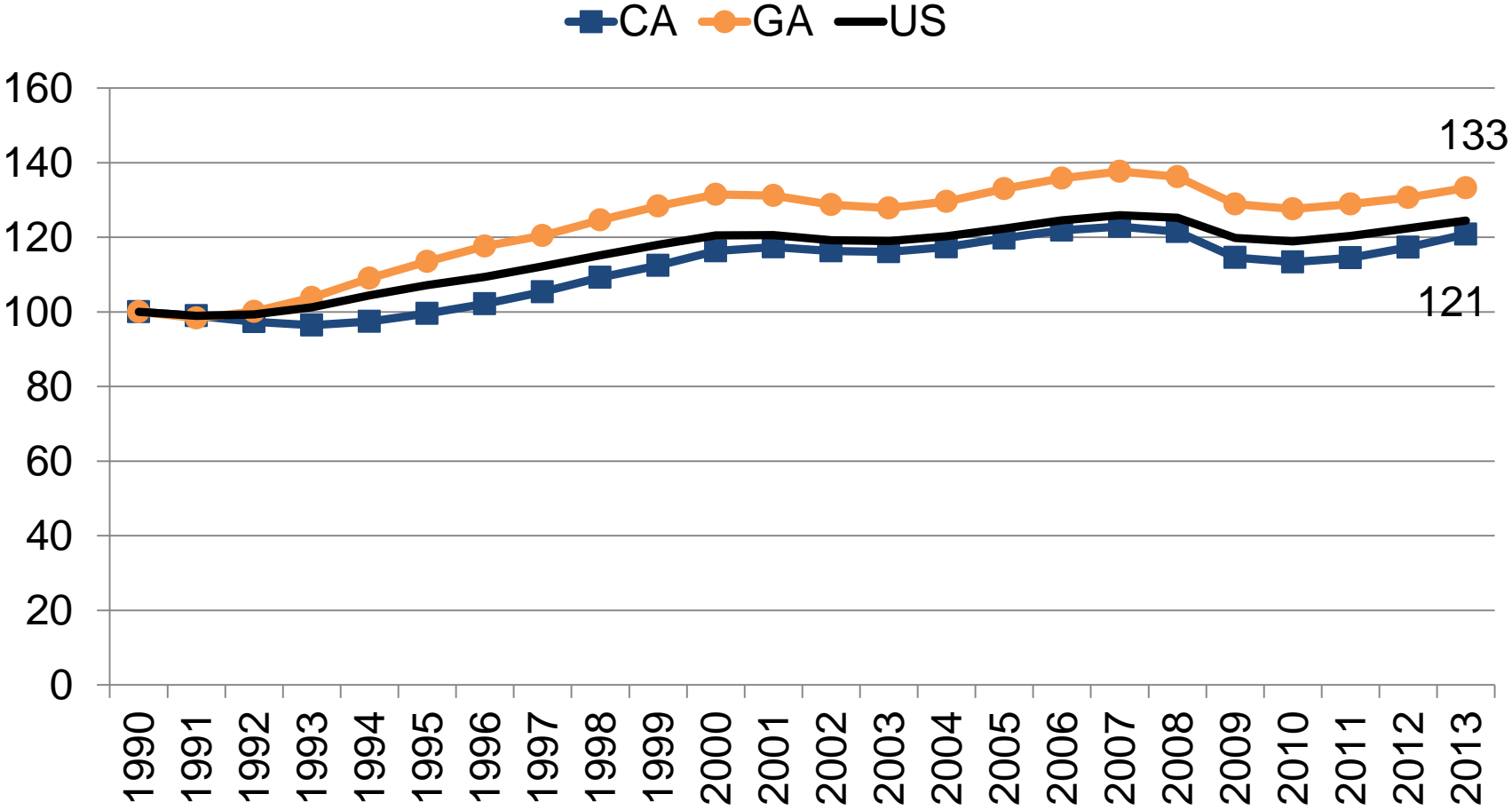


Source: BEA



Nonfarm Jobs –GA outpaced CA

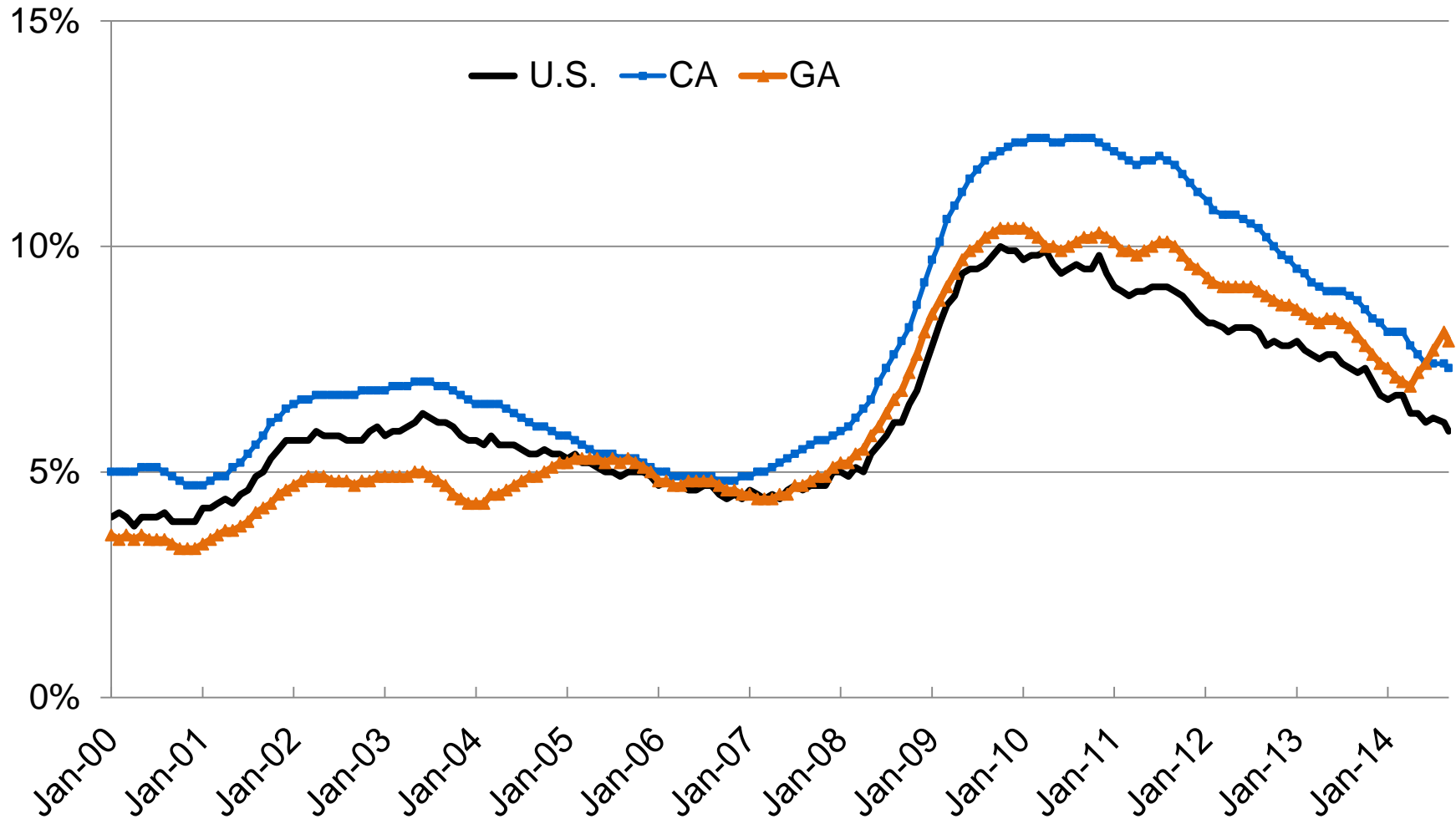
1990 = 100



Source: BLS



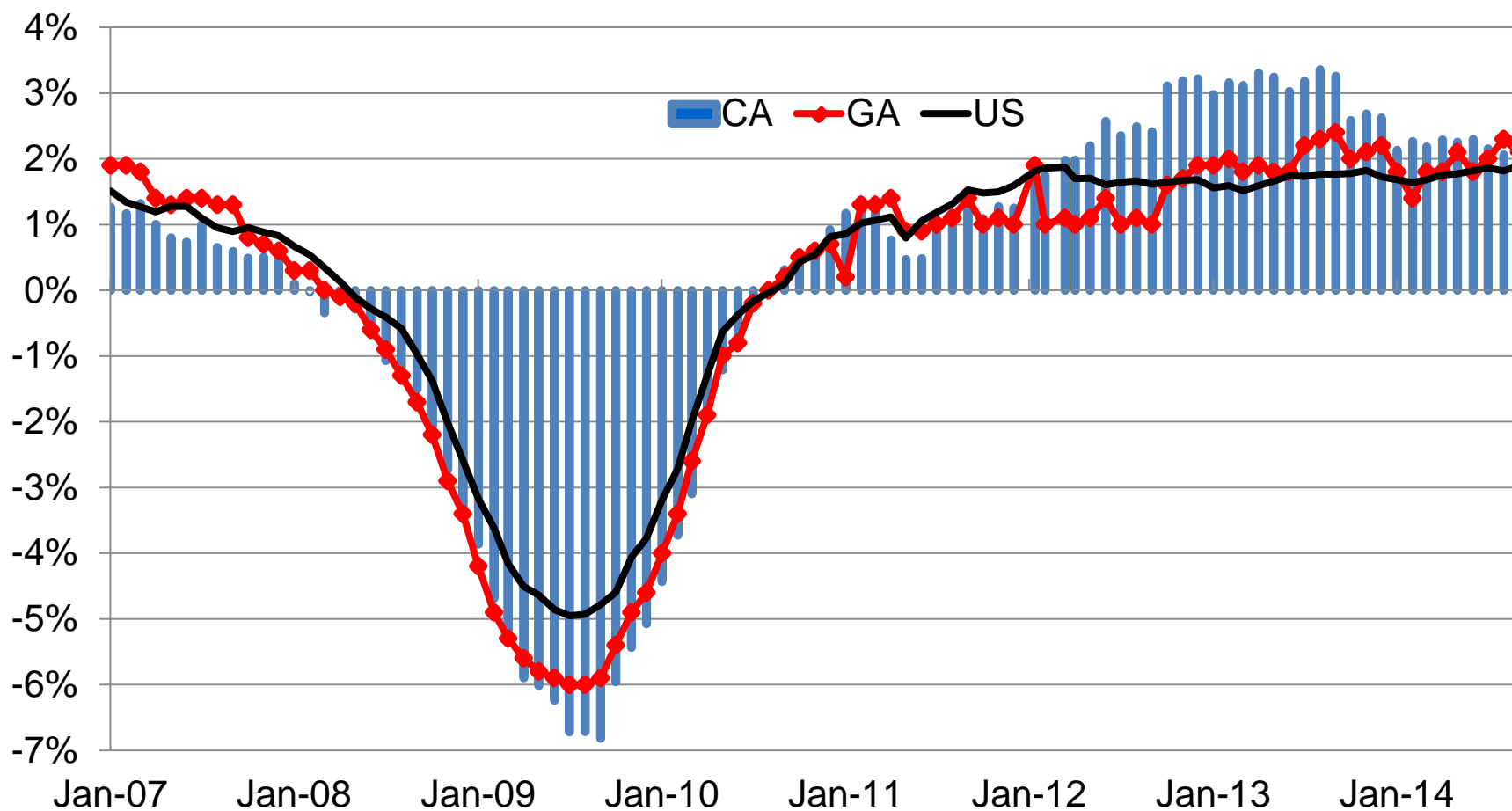
California, Georgia U-Rates Above US



Source: US BLS, CA EDD



CA Adding Jobs Faster than U.S.



Source: US BLS, CA EDD





Comparing Atlanta and Los Angeles

Los Angeles County - Gateway to America's Largest Consumer Market

Los Angeles Metropolitan Area

- Los Angeles County*
- Orange County
- Riverside County
- San Bernardino County
- Ventura County

Population: 18.5 Million

California

Population: 38.3 Million



Southern California

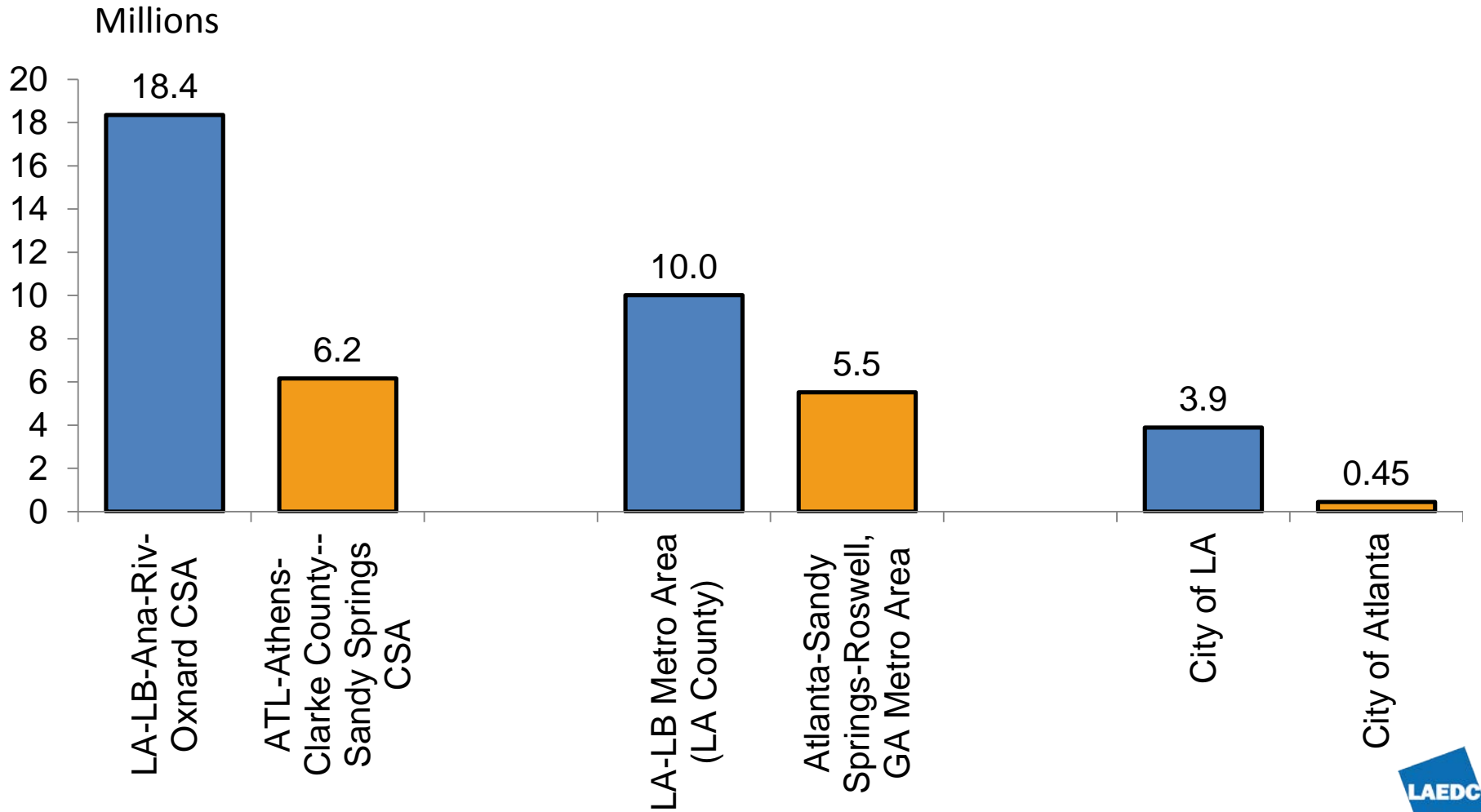
Los Angeles Metro Area
+
San Diego County

Population: 21.2 Million

*** If LA County were a state, it would be larger than 43 other states in US.**



Population

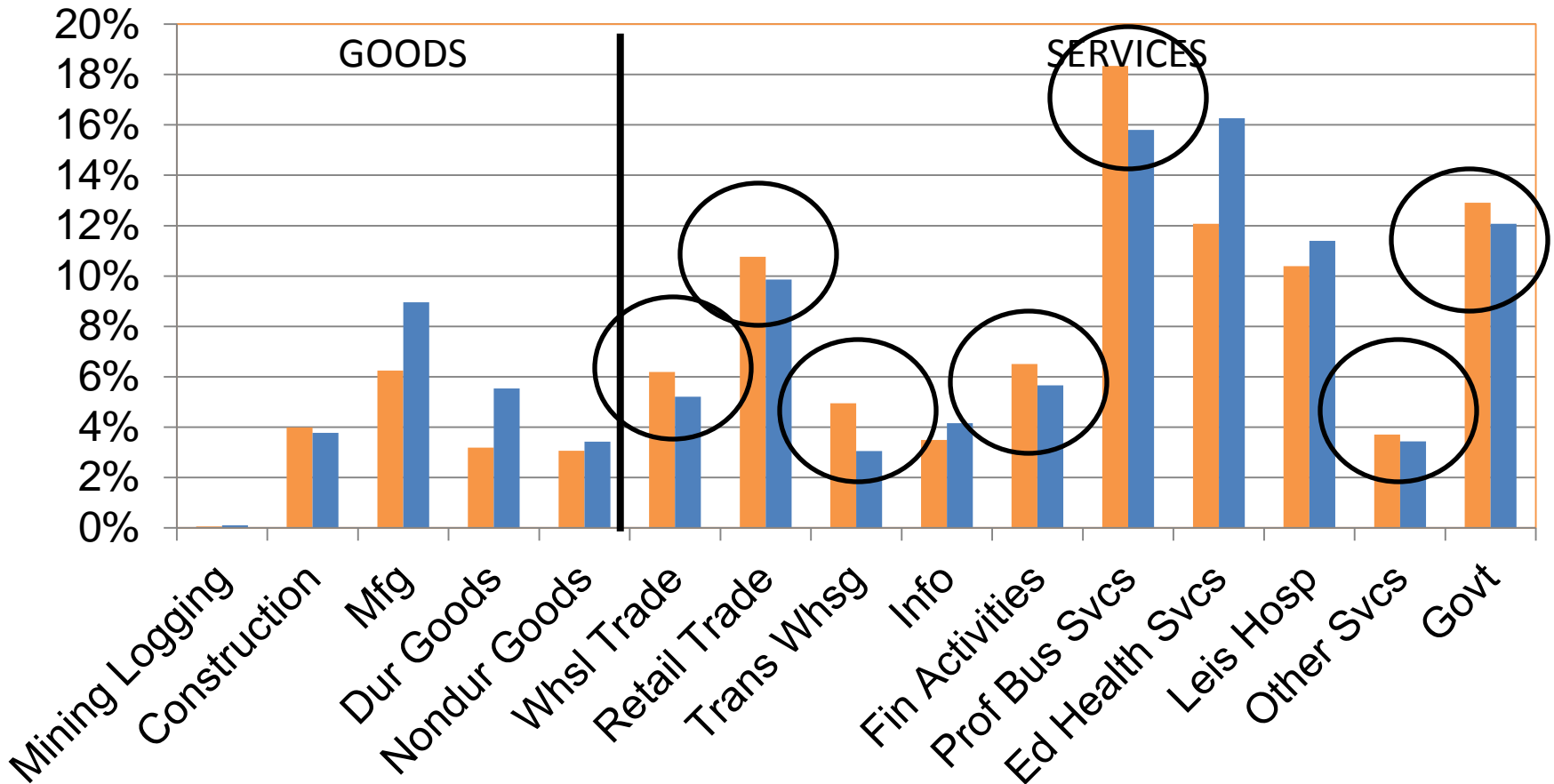


Source: Census



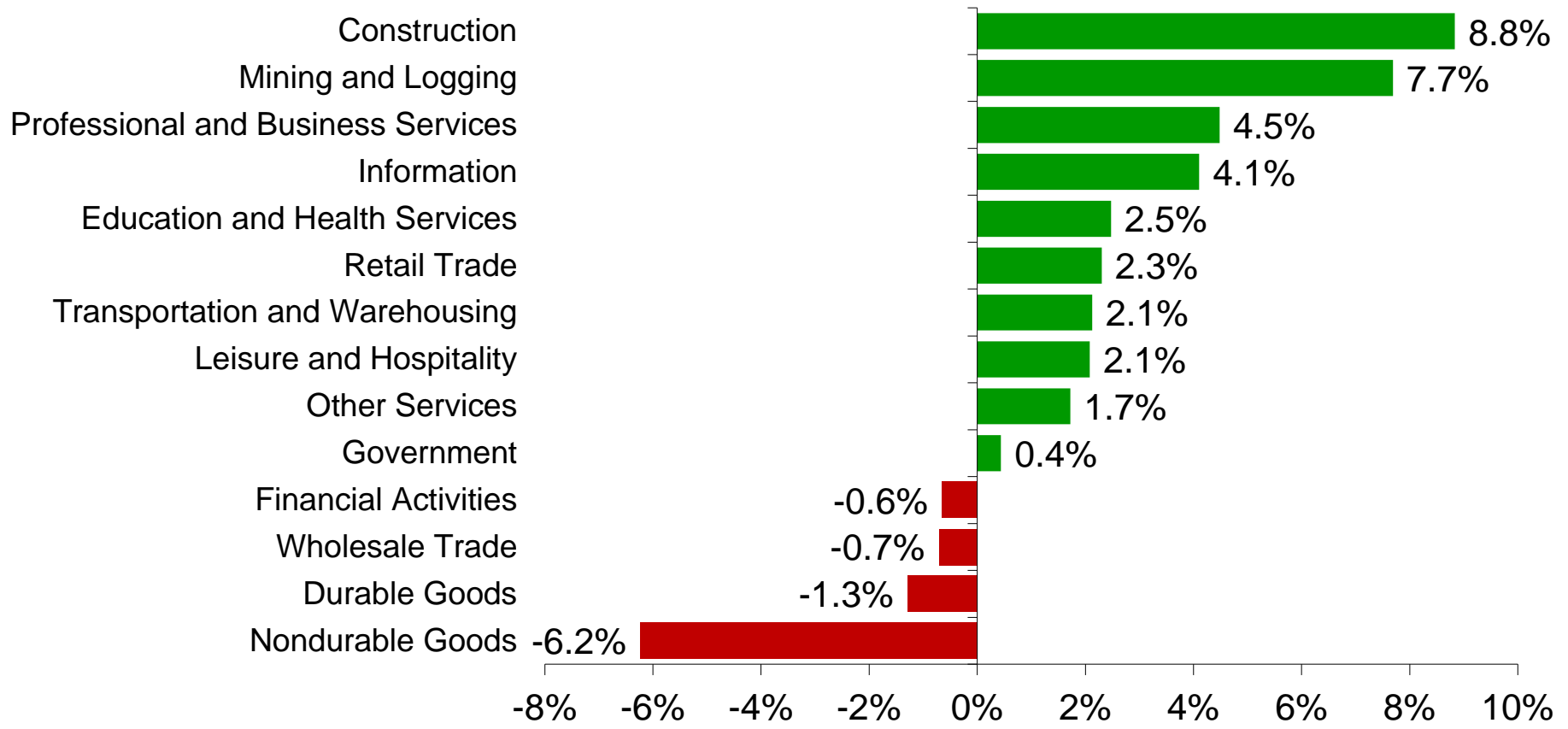
Compare Industries: Atlanta & L.A.

Atlanta LA



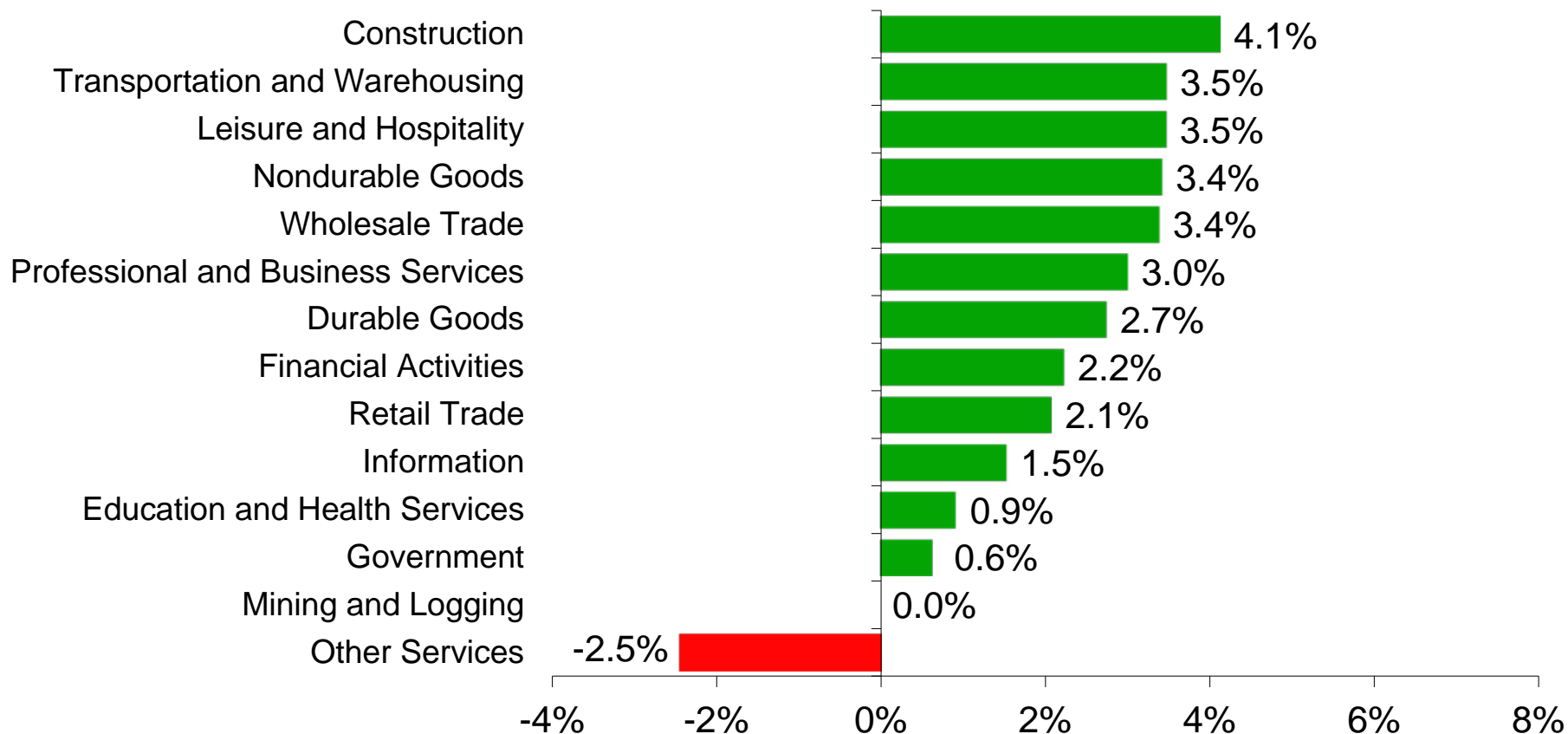
Job Trends by Industry – L.A.

Year-to-Year Percentage Change in Nonfarm Jobs, Sept. 2013 to Sept 2014



Job Trends by Industry – Atlanta

Year-to-Year Percentage Change in Nonfarm Jobs, Sept. 2013 to Sept 2014

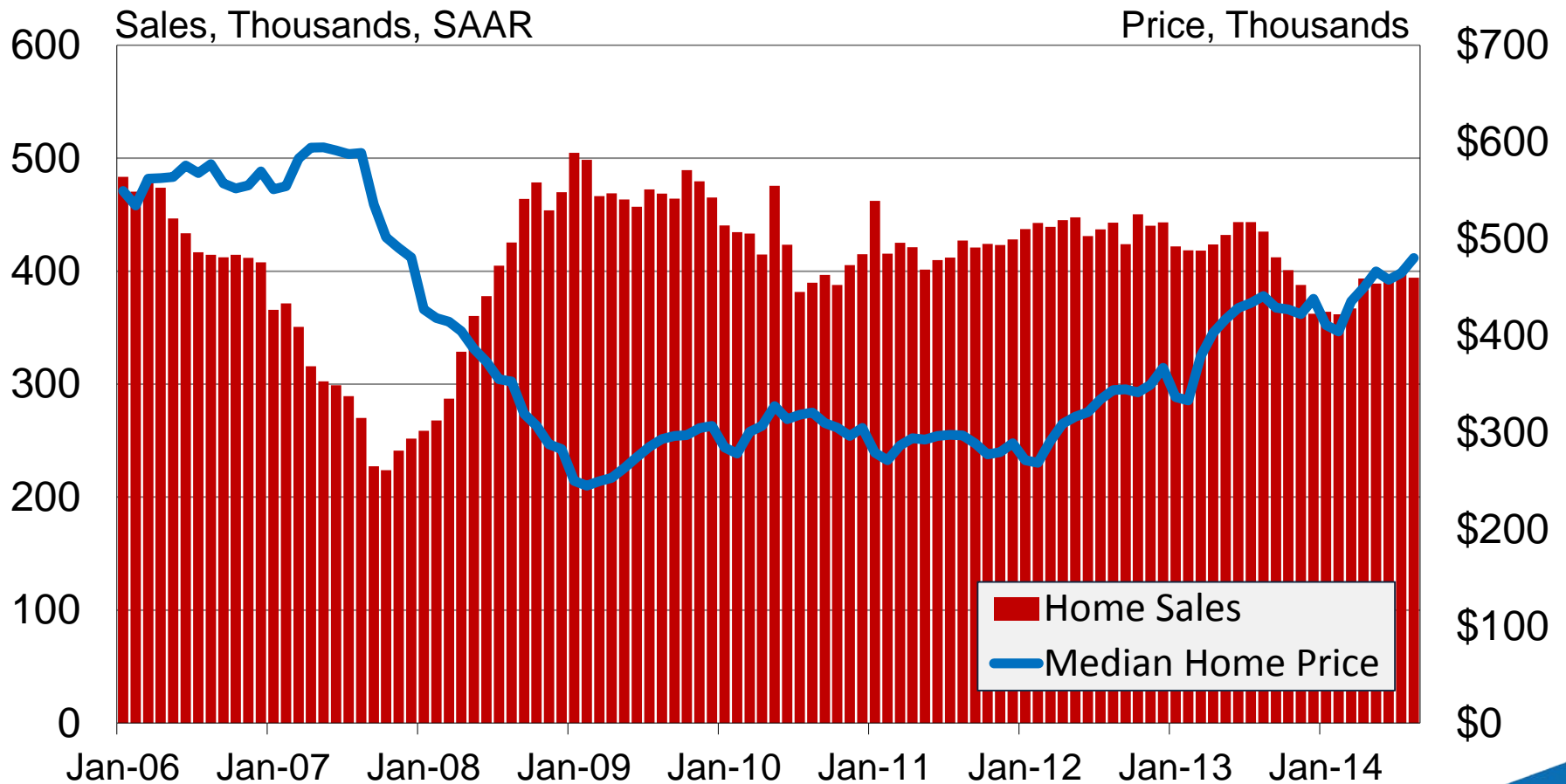


Housing Market Analysis



Home Sales & Median Prices California

Existing, single-family homes



Source: California Association of Realtors

Median Prices

Existing Single-Family Homes

Metro Area	2014.Q3	YTY % Change
Anaheim/Orange Cnty, CA	\$697,000	3.9%
Atlanta, GA	\$167,500	10.0%
Los Angeles	\$481,900	7.3%
Riverside-San Bern., CA	\$275,700	10.7%
San Diego, CA	\$517,800	6.8%
San Francisco, CA	\$744,400	7.0%
San Jose, CA	\$860,000	6.8%



Affordability

Existing Single-Family Homes

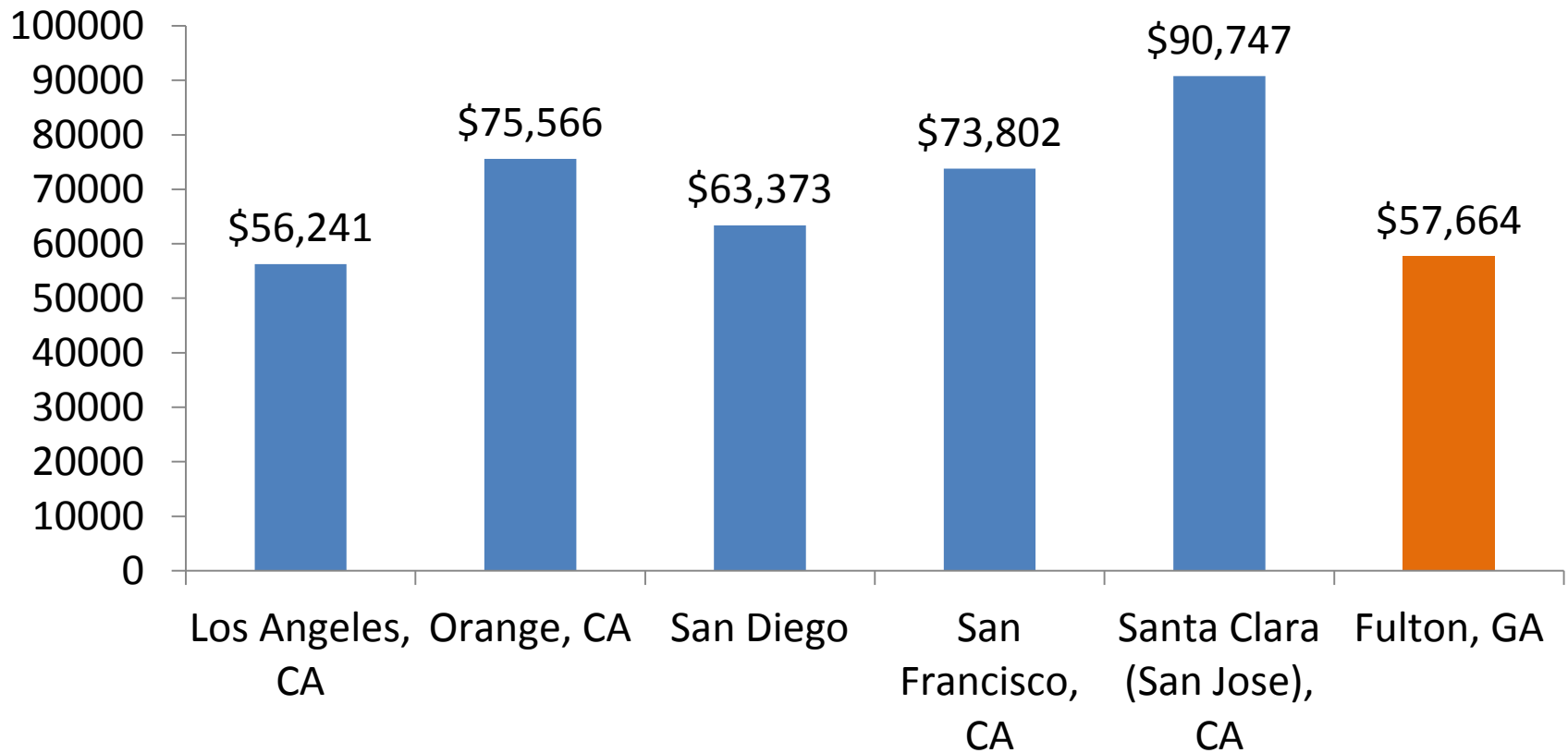
Metro Area	2014.Q3	Qualifying Income*	Affordability Index*
Anaheim/Orange Cnty, CA	\$697,000	\$130,555	67.8
Atlanta, GA	\$167,500	\$31,374	251.6
Los Angeles	\$481,900	\$90,265	79.9
Riverside-San Bern., CA	\$275,700	\$51,641	128.8
San Diego, CA	\$517,800	\$96,989	80.9
San Francisco, CA	\$744,400	\$139,433	72.6
San Jose, CA	\$860,000	\$161,086	70.1



Source: National Association of REALTORS *annual 2013

Household Income by County

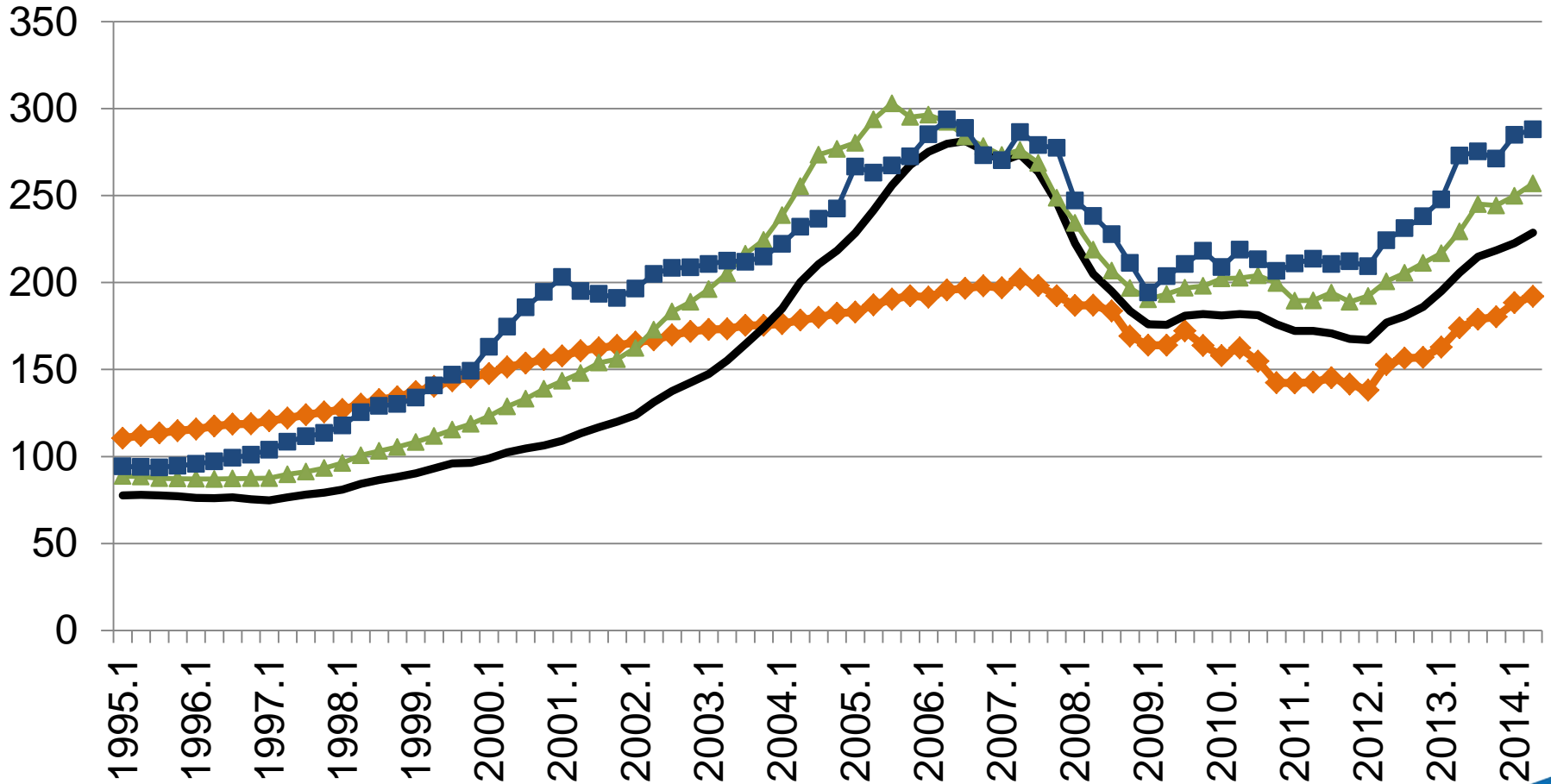
HH Income 2008-2012



California's Leading Role?

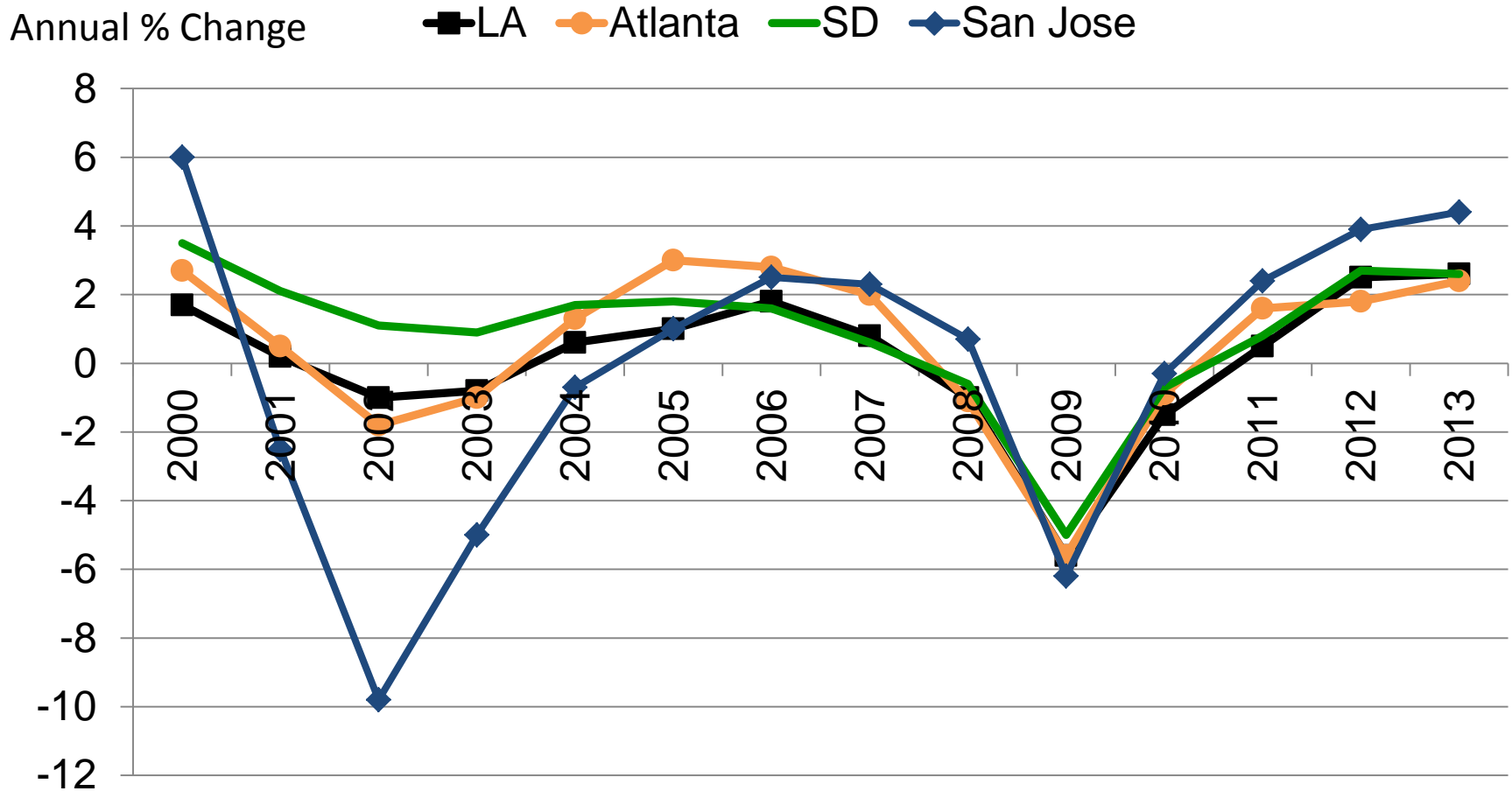
Home Prices 1995-2014

Atlanta Los Angeles San Diego San Jose



Source: FHFB

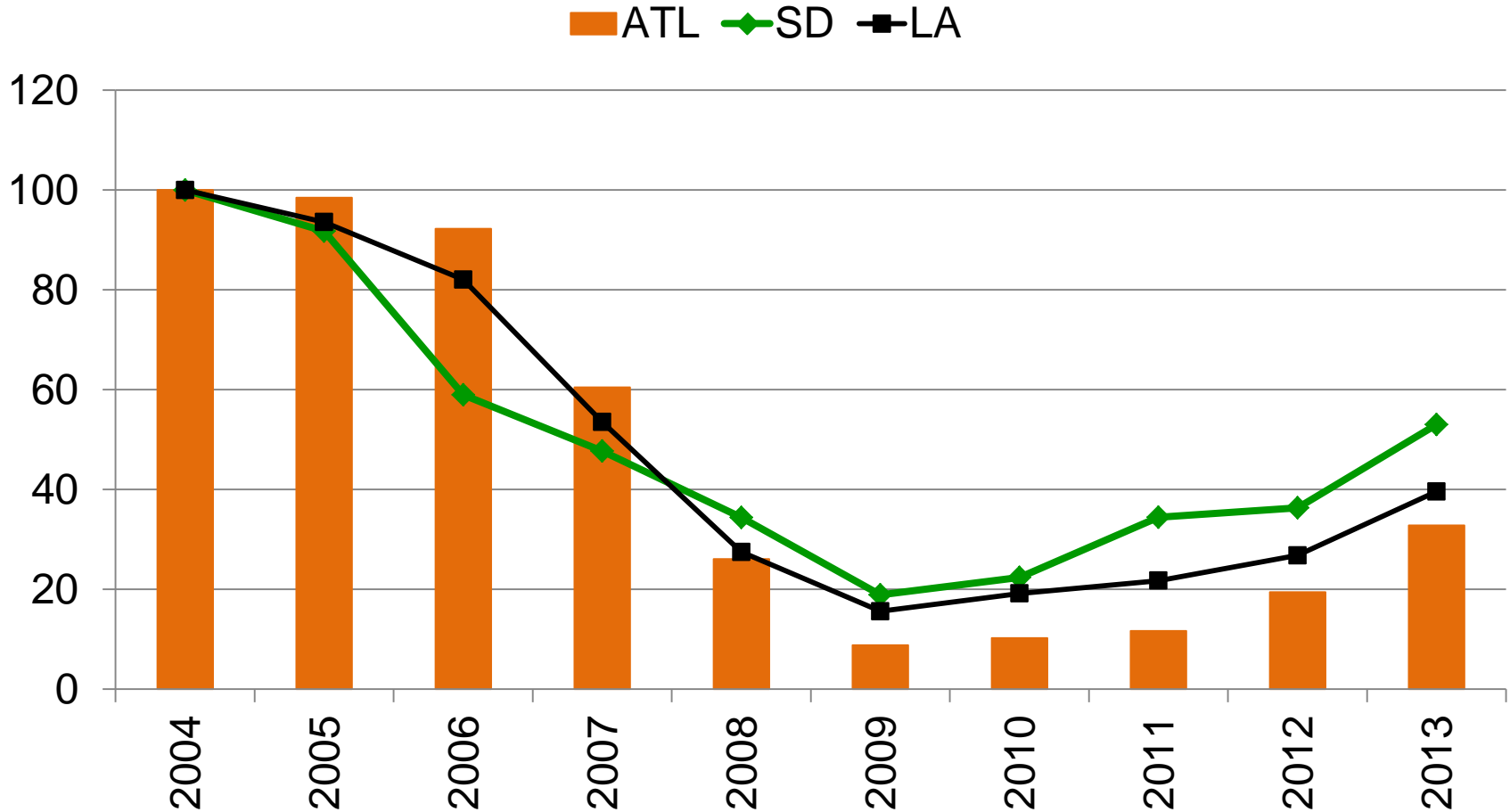
Nonfarm Jobs –Atlanta vs SD, San Jose



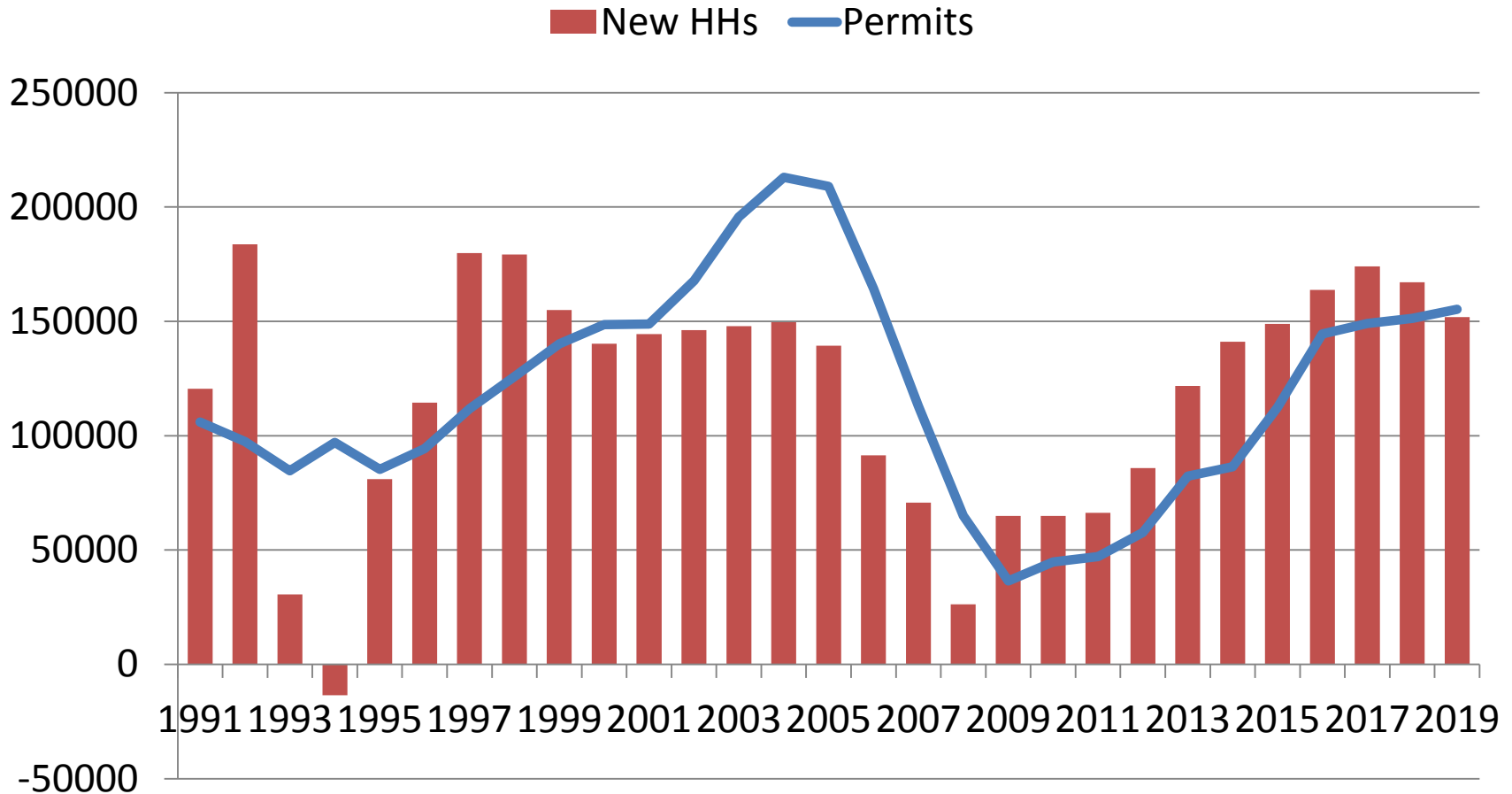
Source: BLS



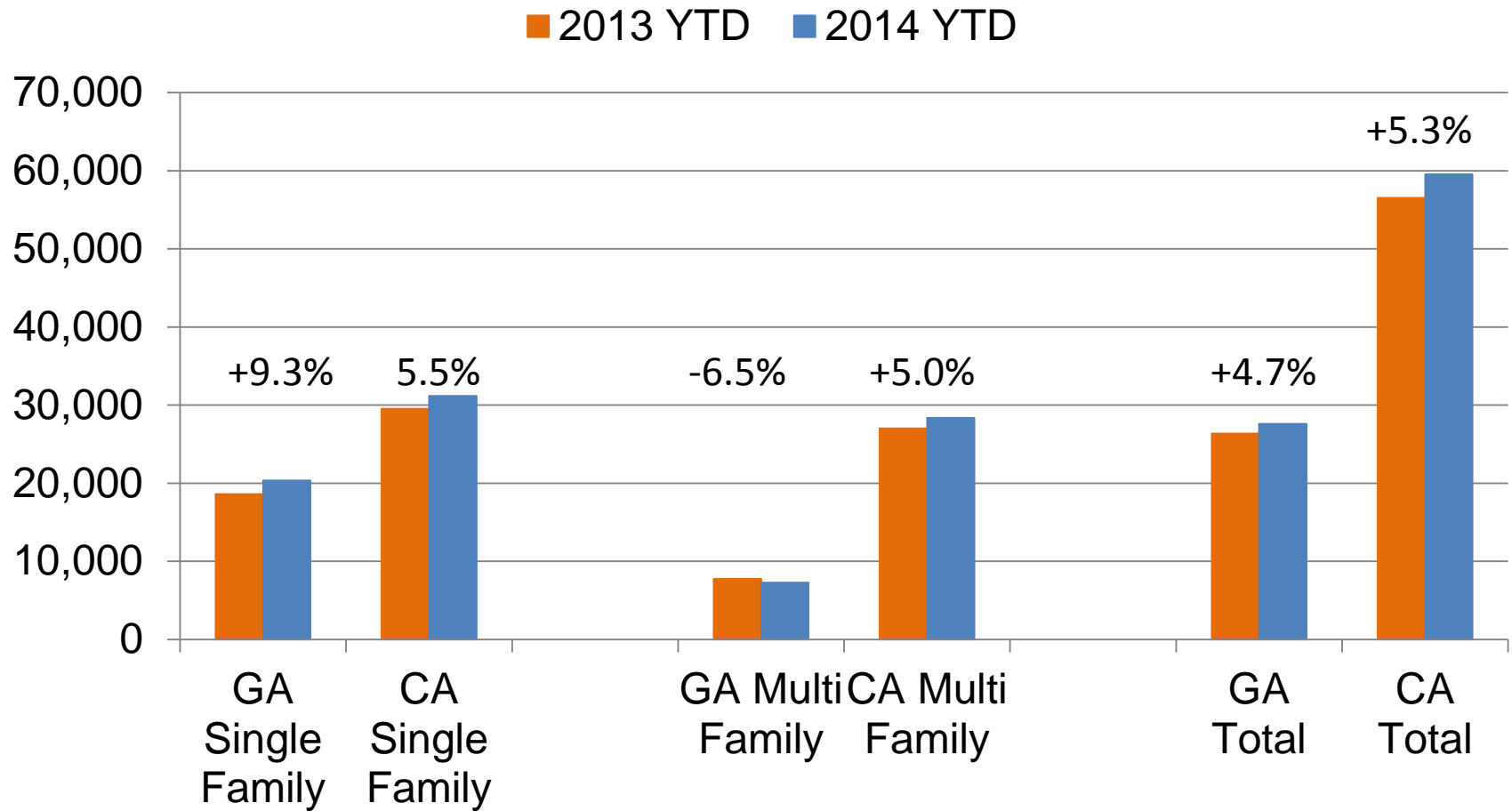
Building Permits



CA Housing Demand & Supply



Building Permits



Conclusion

- Housing volatile: new over existing, coastal over inland
- Home prices highly correlated with income...
- ...as well as: demographics, employment growth, density, scarcity of land, land use regulations, entitlement/permitting costs
- National trend with LOCAL variation



California: Housing Bellwether or Not?



Thank You!