February 28, 2012
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Federal Reserve Bank of Atlanta

The views in this presentation are those of the presenter alone and do not necessarily represent the views of the Federal Reserve Bank of Atlanta or the Federal Reserve System.
OVERVIEW:

- HOUSING CONDITIONS
  - Price
  - Negative Equity
  - Home Sales
  - Foreclosure

- RENT OR OWN
  - Post foreclosure
  - Homeownership rates and effective homeownership
  - Demographics of homeownership
  - Homeownership and housing crisis
  - Employment
HOUSING CONDITIONS: home prices continue to decline

SOURCE: FHFA Home Price Index, Purchase Only, NSA
HOUSING CONDITIONS: negative equity

CoreLogic® Negative Equity Share

- U.S: 2Q11 - 30.0%, 3Q11 - 30.0%
- Idaho: 2Q11, 3Q11
- Ohio: 2Q11, 3Q11
- Virginia: 2Q11, 3Q11
- Maryland: 2Q11, 3Q11
- California: 2Q11, 3Q11 - 30.2%
- Georgia: 2Q11, 3Q11 - 30.0%
- Michigan: 2Q11, 3Q11
- Florida: 2Q11, 3Q11
- Arizona: 2Q11, 3Q11
- Nevada: 2Q11, 3Q11

Source: CoreLogic®
HOUSING CONDITIONS: existing home sales on a upward trend

Sales and Months' Supply of Existing Single-Family Homes

Existing Sales

Months' Supply Inventory

Source: National Association of Realtors

thru December 2011
HOUSING CONDITIONS: existing home sales by state

Southeast Existing Home Sales

thousands, SAAR

Source: National Association of Realtors

through Q3 2011
HOUSING CONDITIONS: new home sales relatively flat

Sales and Months' Supply of New Single-Family Homes

Source: U.S. Census Bureau and U.S. Department of Housing and Urban Development thru December 2011
Note: All first liens (prime, near-prime, and subprime mortgages) that were delinquent (30 days, 60 days, or 90+ days) or in foreclosure January 2008–December 2011.
Source: Staff calculations based on data provided by LPS Applied Analytics
**HOUSING CONDITIONS:** county delinquency & foreclosure rates, Dec 2011

<table>
<thead>
<tr>
<th>County</th>
<th>30 Days</th>
<th>90+ Days</th>
<th>Foreclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barrow</td>
<td>5.78%</td>
<td>5.46%</td>
<td>3.05%</td>
</tr>
<tr>
<td>Berrien</td>
<td>3.93%</td>
<td>4.19%</td>
<td>2.94%</td>
</tr>
<tr>
<td>Gwinnett</td>
<td>3.78%</td>
<td>4.79%</td>
<td>2.95%</td>
</tr>
<tr>
<td>Putnam</td>
<td>3.20%</td>
<td>3.12%</td>
<td>1.47%</td>
</tr>
<tr>
<td>Screven</td>
<td>7.32%</td>
<td>5.49%</td>
<td>1.83%</td>
</tr>
<tr>
<td>Washington</td>
<td>4.98%</td>
<td>5.44%</td>
<td>1.21%</td>
</tr>
</tbody>
</table>

Note: Delinquency (30 days, 60 days, or 90+ days past due) and foreclosure rates (total number of loans in the data set divided by the corresponding number of loans that are delinquent or in foreclosure) for first liens (including prime, near-prime, and subprime mortgages) by county as of December 2011. Fields showing N/A indicate counties where the data set contains insufficient information to calculate rates.

Source: Staff calculations based on data provided by LPS Applied Analytics
HOUSING CONDITIONS:
30 days delinquent
HOUSING CONDITIONS:
90+ days delinquent
HOUSING CONDITIONS:
foreclosures
RENT OR OWN: post foreclosure housing

• Post-foreclosure borrowers:
  • are much less likely to live in owner-occupied units
  • are much less likely to have a mortgage than the comparison group.
  • are less likely to live with other household members who have a mortgage (only 17 percent of the post-foreclosure individuals lived in a household where at least one person had a mortgage, compared to 82 percent of the comparison group)
  • Don’t experience a noticeably change in average household size.

RENT OR OWN: homeownership rates

Aggregate Official Homeownership Rate

RENT OR OWN: effective homeownership rates

Aggregate Official and Effective Homeownership Rates

Sources: U.S. Bureau of the Census; LPS Applied Analytics and LP data; authors’ calculations.

RENT OR OWN: age and homeownership

Ownership rates by age group

RENT OR OWN: the demographics of preference

*What is your age?*

- Under 30: 38% Renters unlikely to own in the next 10 years, 19% Renters likely to own in the next 10 years.
- 30 to 39: 31% Renters unlikely to own in the next 10 years, 12% Renters likely to own in the next 10 years.
- 40 to 49: 16% Renters unlikely to own in the next 10 years, 19% Renters likely to own in the next 10 years.
- 50 to 59: 10% Renters unlikely to own in the next 10 years, 13% Renters likely to own in the next 10 years.
- 60 and over: 35% Renters unlikely to own in the next 10 years, 3% Renters likely to own in the next 10 years.

RENT OR OWN: household type and housing situation

What is your current housing situation?

<table>
<thead>
<tr>
<th>Status</th>
<th>Own outright</th>
<th>Mortgage</th>
<th>Rent</th>
<th>Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>22%</td>
<td>16%</td>
<td>52%</td>
<td>10%</td>
</tr>
<tr>
<td>Divorced</td>
<td>38%</td>
<td>22%</td>
<td>37%</td>
<td>3%</td>
</tr>
<tr>
<td>Widowed</td>
<td>62%</td>
<td>13%</td>
<td>22%</td>
<td>3%</td>
</tr>
<tr>
<td>Married/Partnered</td>
<td>30%</td>
<td>46%</td>
<td>21%</td>
<td>3%</td>
</tr>
</tbody>
</table>

RENT OR OWN:
demographic projections

**Household age distribution projection**

<table>
<thead>
<tr>
<th>Year</th>
<th>&lt;24</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>5%</td>
<td>16%</td>
<td>18%</td>
<td>17%</td>
<td>17%</td>
<td>5%</td>
</tr>
<tr>
<td>2015</td>
<td>5%</td>
<td>16%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
<td>5%</td>
</tr>
<tr>
<td>2020</td>
<td>5%</td>
<td>15%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
<td>5%</td>
</tr>
<tr>
<td>2025</td>
<td>5%</td>
<td>15%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
<td>5%</td>
</tr>
<tr>
<td>2030</td>
<td>5%</td>
<td>15%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
<td>5%</td>
</tr>
<tr>
<td>2035</td>
<td>5%</td>
<td>15%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
<td>5%</td>
</tr>
<tr>
<td>2040</td>
<td>5%</td>
<td>15%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
<td>5%</td>
</tr>
</tbody>
</table>

RENT OR OWN: housing crisis impact on housing preference

Has the housing crisis made you...?*

Respondents grouped by current housing situation

<table>
<thead>
<tr>
<th>Survey Group</th>
<th>More likely to buy</th>
<th>The crisis had little or no impact on my intentions to buy or rent</th>
<th>More likely to rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Population</td>
<td>27%</td>
<td>51%</td>
<td>19%</td>
</tr>
<tr>
<td>Renters</td>
<td>30%</td>
<td>36%</td>
<td>31%</td>
</tr>
<tr>
<td>Owners with negative equity</td>
<td>34%</td>
<td>48%</td>
<td>18%</td>
</tr>
<tr>
<td>Owners with positive equity</td>
<td>62%</td>
<td>0%</td>
<td>23%</td>
</tr>
<tr>
<td>Owners without mortgages</td>
<td>0%</td>
<td>11%</td>
<td>21%</td>
</tr>
</tbody>
</table>

- Recent experiences in the real estate market do not appear to have reduced the appetite for home ownership
- Underwater borrowers are more likely to report that the crisis has increased their intentions to buy likely due to improved affordability from lower house prices

RENT OR OWN: unemployment rates remain elevated

District Unemployment Rates
Percent of labor force, December 2011

- GA (9.7%)
- U.S. (8.5%)

Source: U.S. Bureau of Labor Statistics
ABOUT the Federal Reserve Bank of Atlanta
## 2012 CED Work Plan...Six Core Issues

<table>
<thead>
<tr>
<th>ISSUES</th>
<th>GOALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Business Development and Entrepreneurship</td>
<td>Enhance small business/entrepreneurial ecosystems and inform the policy making process.</td>
</tr>
<tr>
<td>Workforce Development and Unemployment</td>
<td>Foster partnerships to develop and implement solutions to chronic unemployment.</td>
</tr>
<tr>
<td>Foreclosure Response and Neighborhood Stabilization</td>
<td>Enhance District response strategies by fostering dialogue and providing timely information.</td>
</tr>
<tr>
<td>Financial Access and Stability</td>
<td>Improve access to mainstream financial services and asset building opportunities.</td>
</tr>
<tr>
<td>CRA and Community Development Finance</td>
<td>Enhance the community and economic development finance infrastructure in the District.</td>
</tr>
<tr>
<td>Disaster Preparedness</td>
<td>Improve networks to promote effective response and long-term recovery for communities struck by disaster</td>
</tr>
</tbody>
</table>
CED is composed of outreach and research functions that work closely together and with the REIN staff.
Partners Update is an online newsletter addressing community and economic development trends, issues, and events. Updated continuously, it offers timely articles, research roundups, and links to podcasts created by the Atlanta Fed's Community and Economic Development group.

www.frbatlanta.org/pubs/partnersupdate/
Economic Development Podcast Series

- Tax Relief? An Innovative Proposal to Nurture Entrepreneurs
  Bob Friedman, Corporation for Enterprise Development

- New Perspectives on Familiar Concepts in Economic Development
  Jeff Finkel, IEDC

- The Important Role of Microenterprise in Job Creation
  Connie Evans, Association for Enterprise Opportunity

- Can Self Employment Improve Economic Opportunities for Low Skilled Workers?
  Magnus Lofstrom, Public Policy Institute of California

- and more…

www.frbatlanta.org/podcasts/economicdevelopment/
Delinquency & Foreclosure Trend Reports

Delinquency and Foreclosure Trends – State of Louisiana
Second Quarter, 2009

This report provides an overview of trends in mortgage payment delinquency and foreclosure for the State of Louisiana. It is part of the Delinquency and Foreclosure Trends series, released quarterly, which provides information on mortgage market conditions in the six states that comprise the Federal Reserve Bank of Atlanta District, including Alabama, Florida, Georgia, Louisiana, Mississippi, and Tennessee.

The report provides four indicators to track delinquencies and foreclosures:
1. The first series of charts examines delinquency and foreclosure trends beginning in September 2007 and continuing through the most recent quarter for the entire state.
2. The second is a comparison across states looking at all year due accounts, beginning in September 2007 through the most recent quarter.
3. The third series provides a snapshot of delinquency and foreclosure rates by county at one point in time (e.g., the most recent quarter).
4. The final indicator maps year-to-year change in delinquencies and foreclosures by county.

About the data: The information in this report is based on an analysis of the Lender Processing Services Inc. (LPS) Applied Analytics database. Formerly referred to as the "RealtyTrac Analytics" database, it serves as a leading mortgage servicer database, containing approximately 60 percent of all active residential mortgages in the United States, including agency, non-agency, and subprime products. As a service, participating US servicers own both primary non-prime and subprime loans, but the dataset only represents subprime loans.

The LPS dataset is compiled from mortgage servicing firms that collect mortgage payments for investors and lenders and that handle the associated PEO. By June 2009, one of the two servicers, including the Bank of America, Del Amore, and Wells Fargo, and a total of eighteen from provided data to LPS. The Bank of America, Del Amore, and Wells Fargo, and a total of eighteen from provided data to LPS. The Bank of America, Del Amore, and Wells Fargo, and a total of eighteen from provided data to LPS. Therefore, it is suggested that the credit quality of the data and the coverage in the LPS dataset is probably lower than that of a randomly sampled U.S. mortgage.

www.frbatlanta.org/pubs/mdft/
This repository provides access to research published by the Board of Governors and all 12 Federal Reserve Banks on topics related to employment, unemployment, and workforce development.

www.frbatlanta.org/chcs/compendium/
Thank you!

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