

Lessons From the Housing Crisis

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Reinventing Older Communities: Bridging Growth and Opportunity

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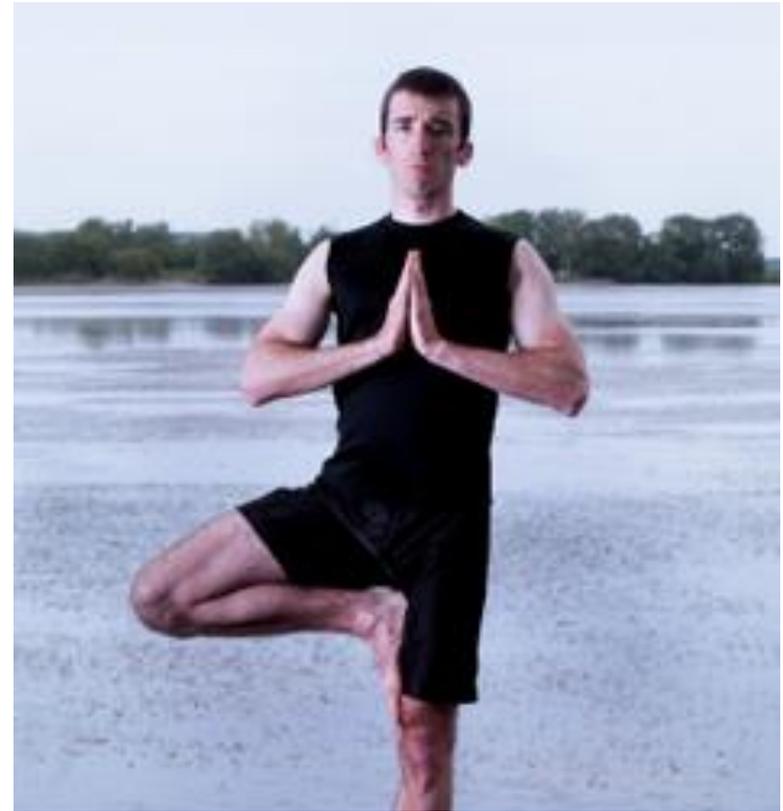


Overview

- Housing historically
- What's been seen
- What's been learned



A Context for Our Work



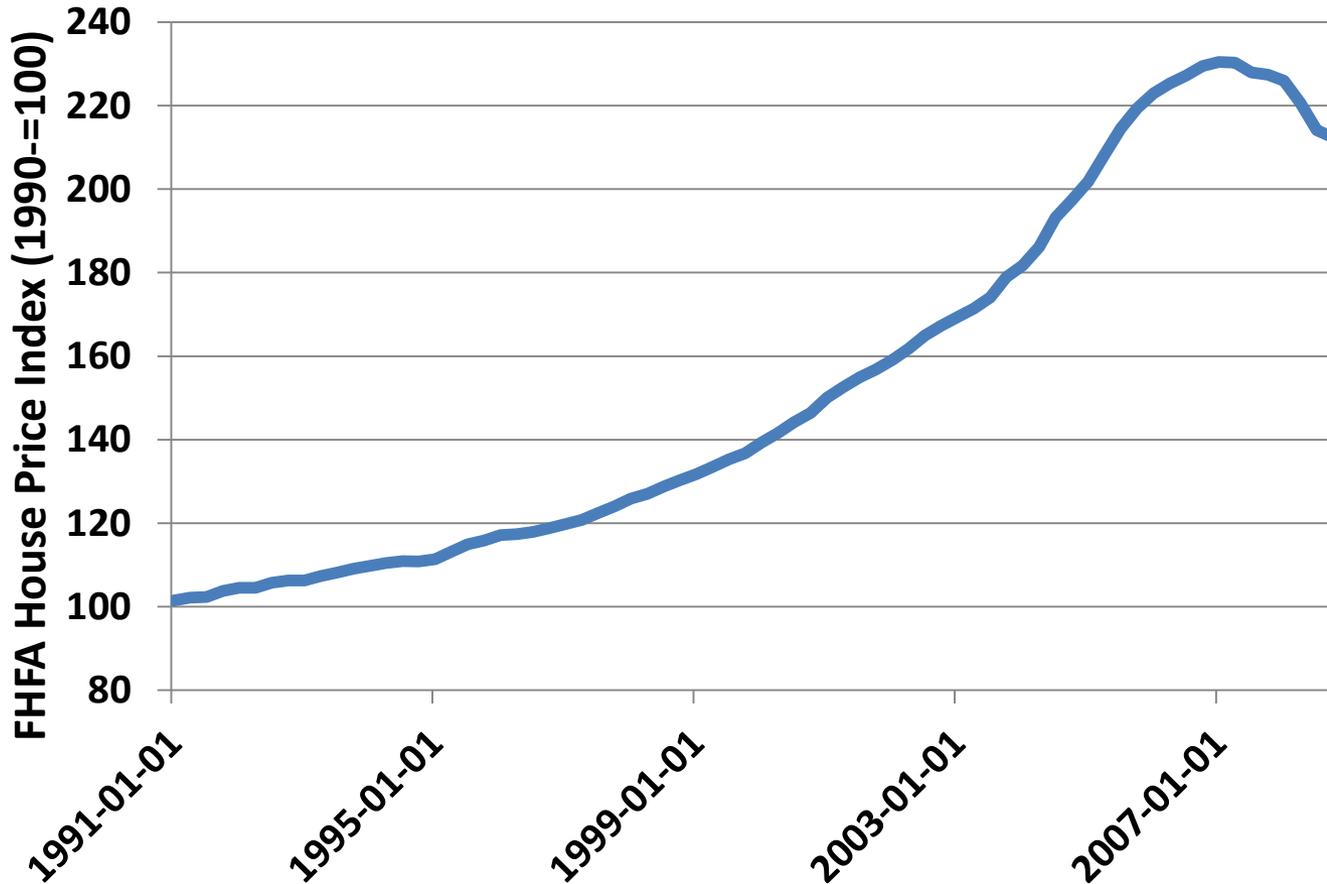


Imbalance!





October 2008: Freefall In Housing Prices



Source: Federal Housing Finance Agency

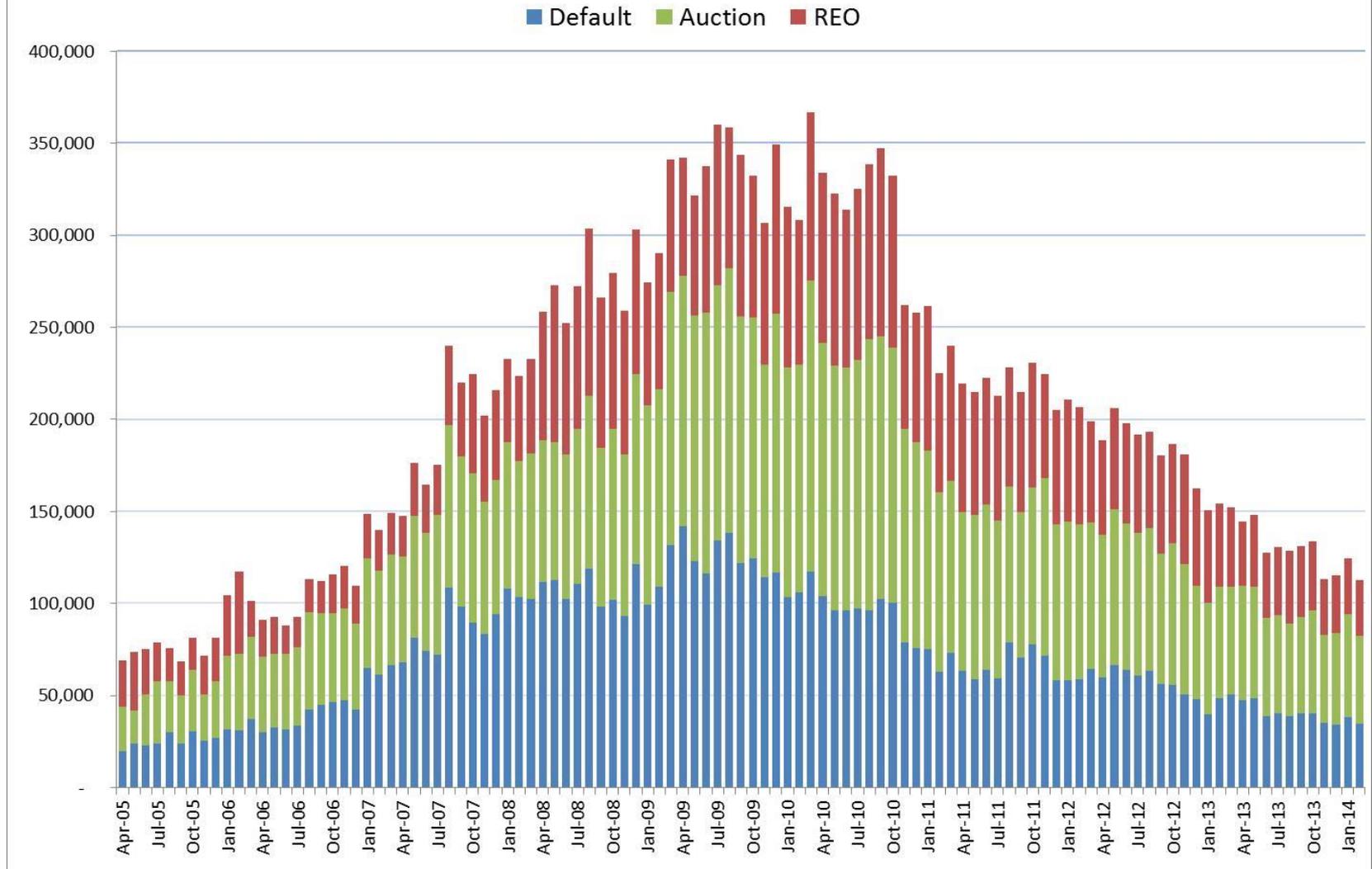


The Present

- Crisis is multi-pronged
 - Homeownership
 - Foreclosure remains a challenge



U.S. Foreclosure Activity by Type



Source: RealtyTrac

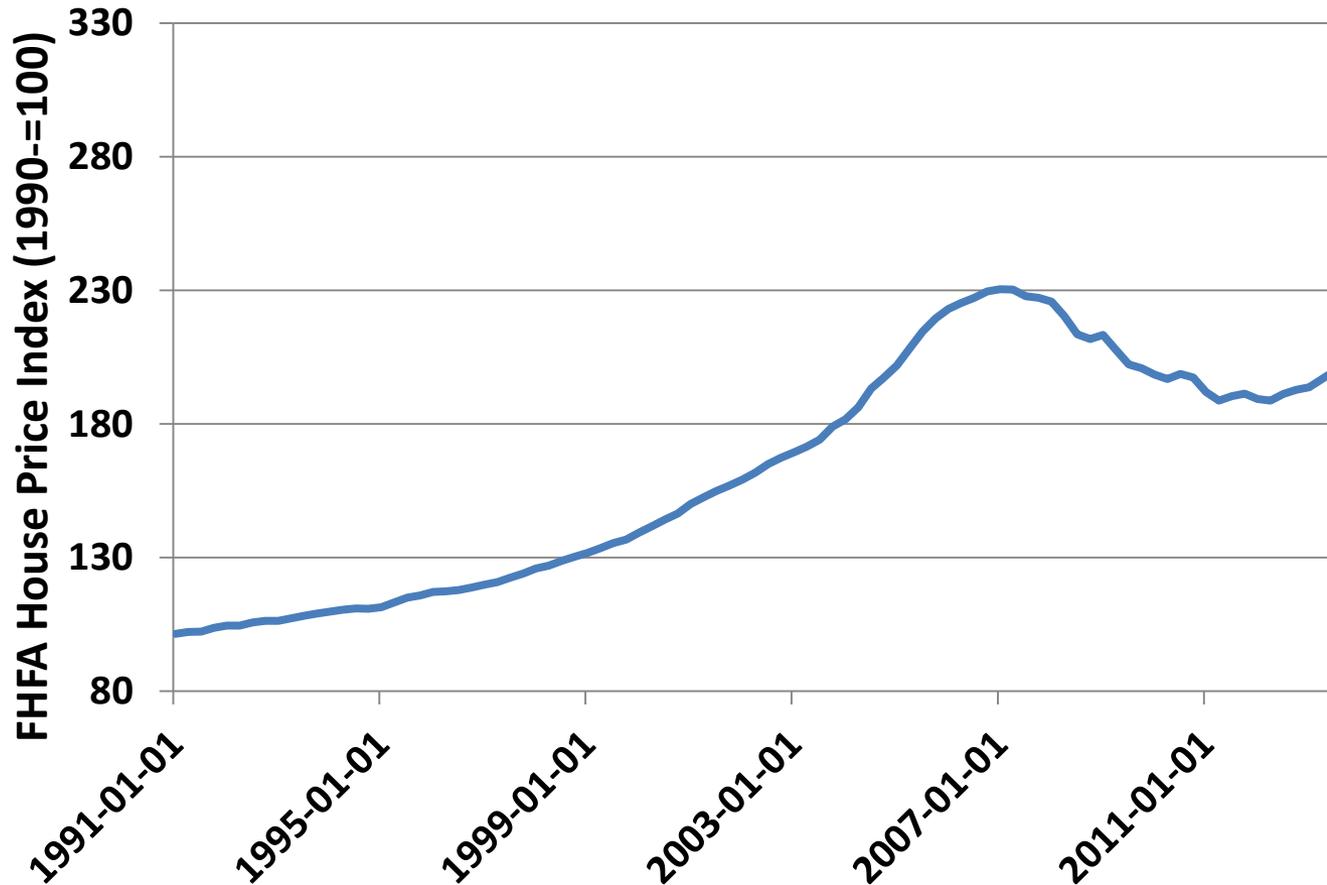


The Present

- Crisis is multi-pronged
 - Homeownership
 - Foreclosure remains a challenge
 - Negative equity and delinquency loom
 - Neighborhood-level instability persists



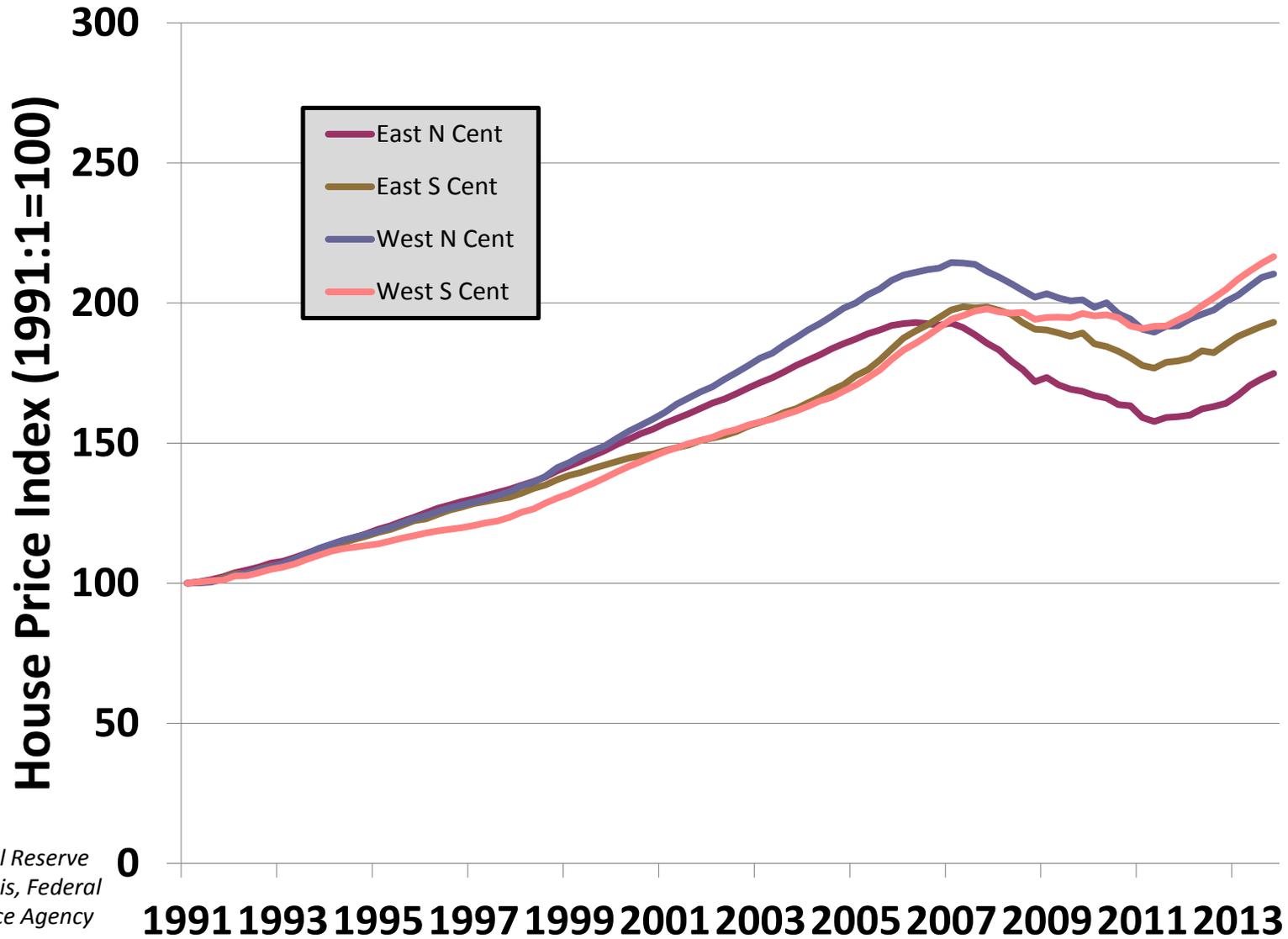
National Economic Dynamics: Housing as a Driver



Source: Federal
Housing Finance
Agency

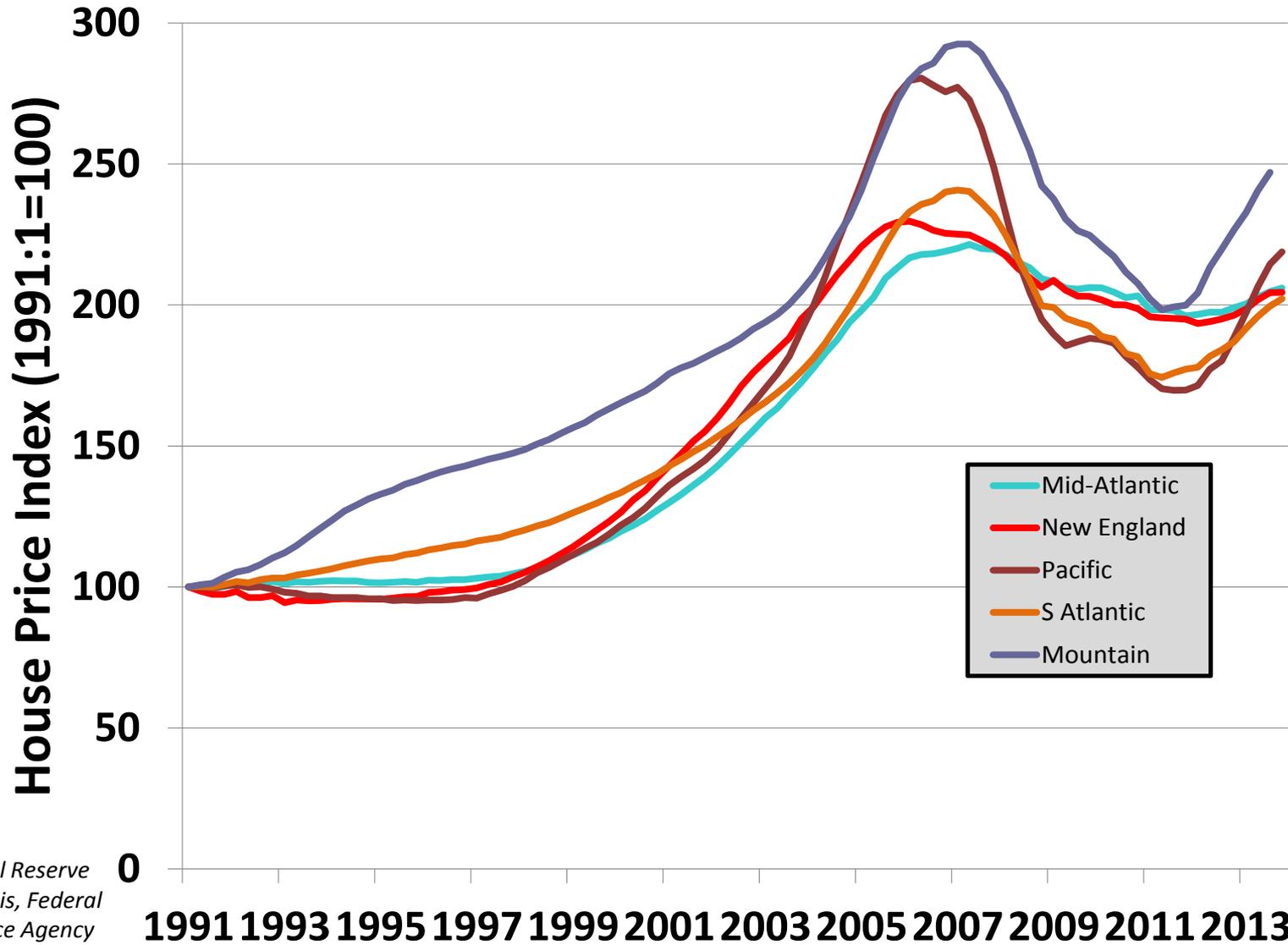


Two Realities: Slow and Steady



Source: Federal Reserve Bank of St. Louis, Federal Housing Finance Agency

Two Realities: Boom, Bust, and Boom

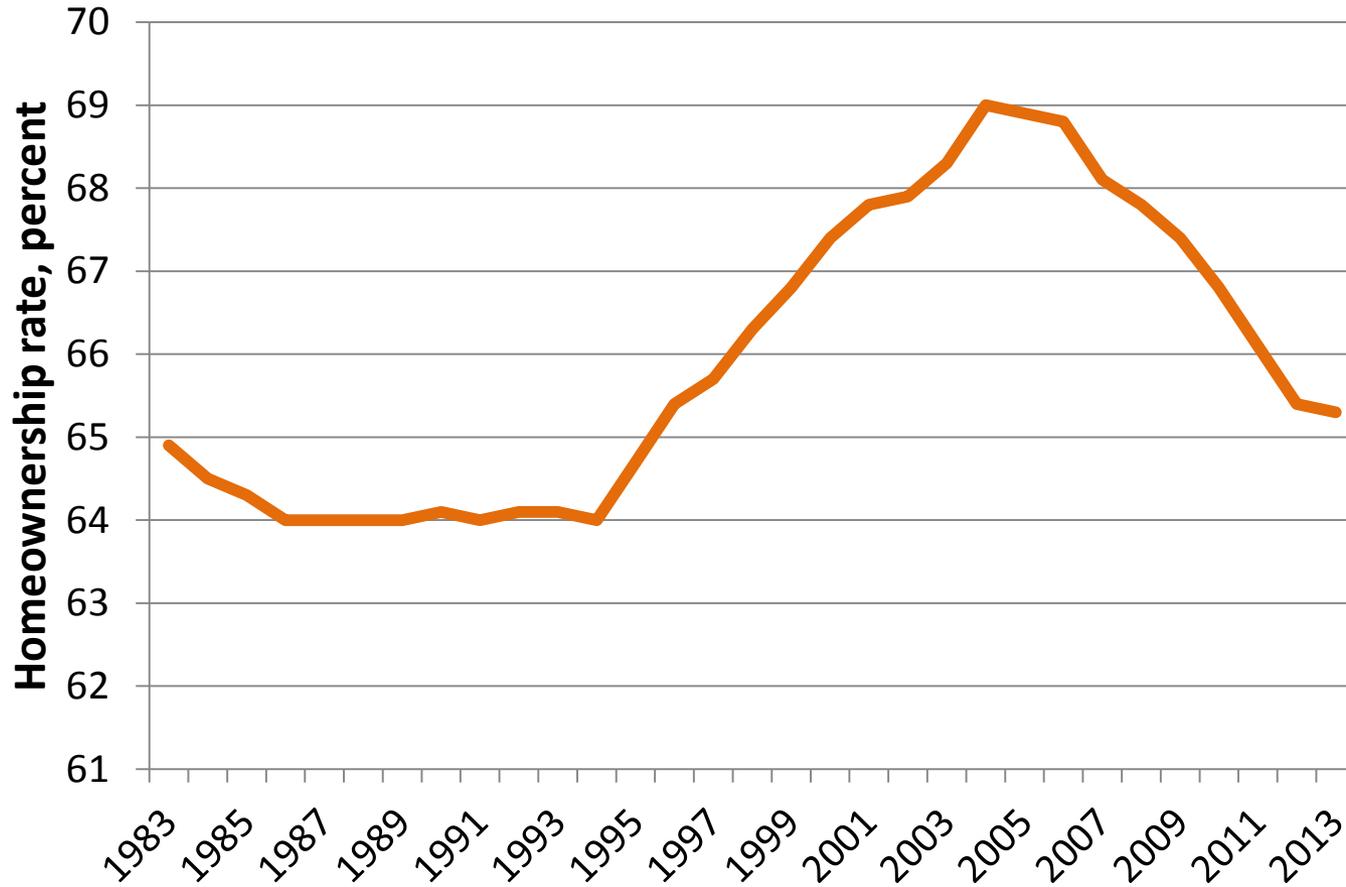


Source: Federal Reserve Bank of St. Louis, Federal Housing Finance Agency



National Economic Dynamics:

Homeownership Rate Continues its Decline



Source: Department of Housing and Urban Development



The Present

- Crisis is multi-pronged
 - Homeownership
 - Foreclosure remains a challenge
 - Negative equity and delinquency loom
 - Neighborhood-level instability persists
 - Rental markets
 - Affordability remains a significant concern
 - Competition for rentals has worsened, not improved, in many communities



Affordability Has Improved Dramatically



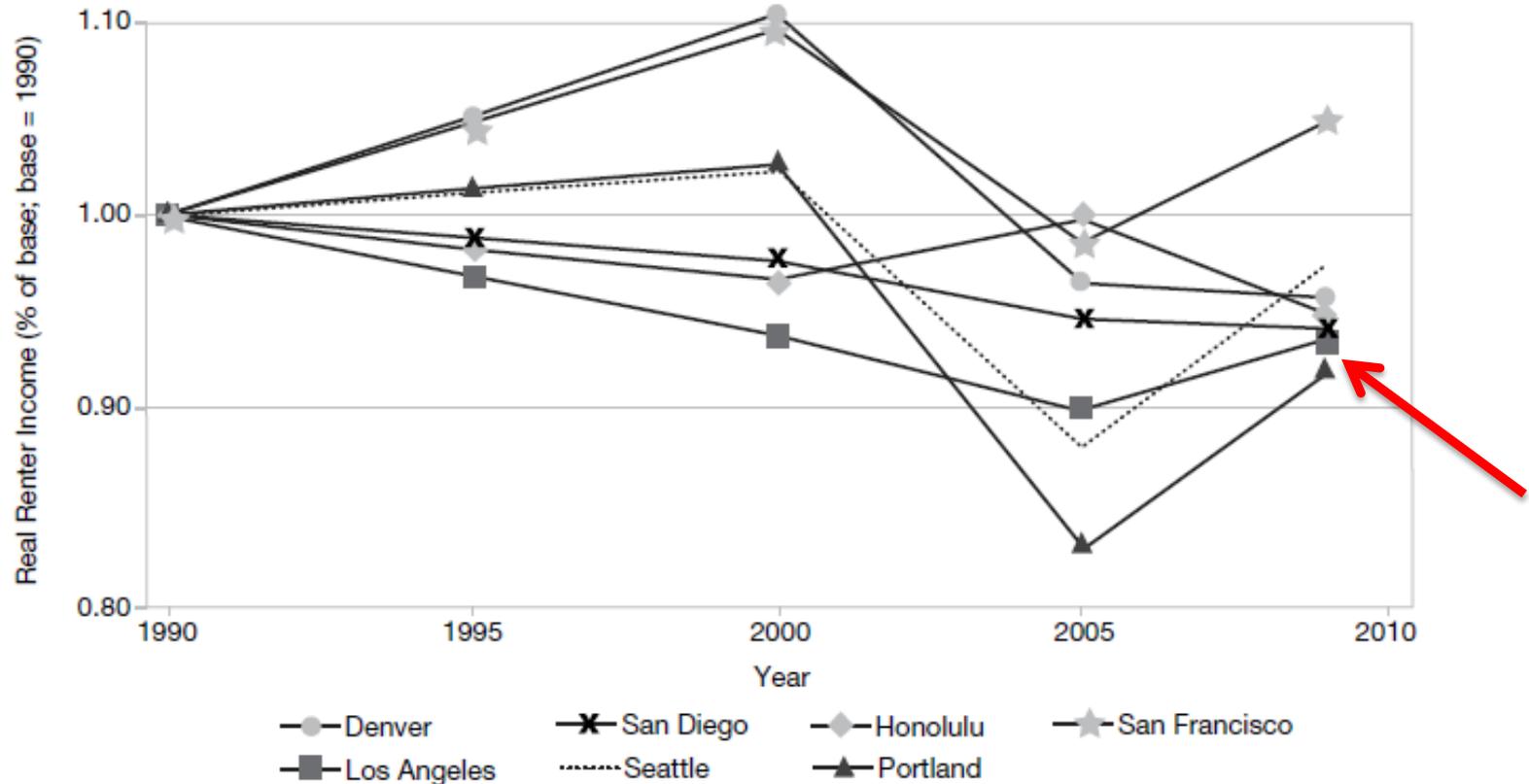
Source: Federal Reserve
Bank of St. Louis, National
Assn of Realtors

Renter Incomes Have Fallen



Exhibit 8

West: Real Renter Income by Metropolitan Area



Source: Census Bureau, American Community Survey, Integrated Public Use Microdata Series, 1990, 2000, 2005, and 2009

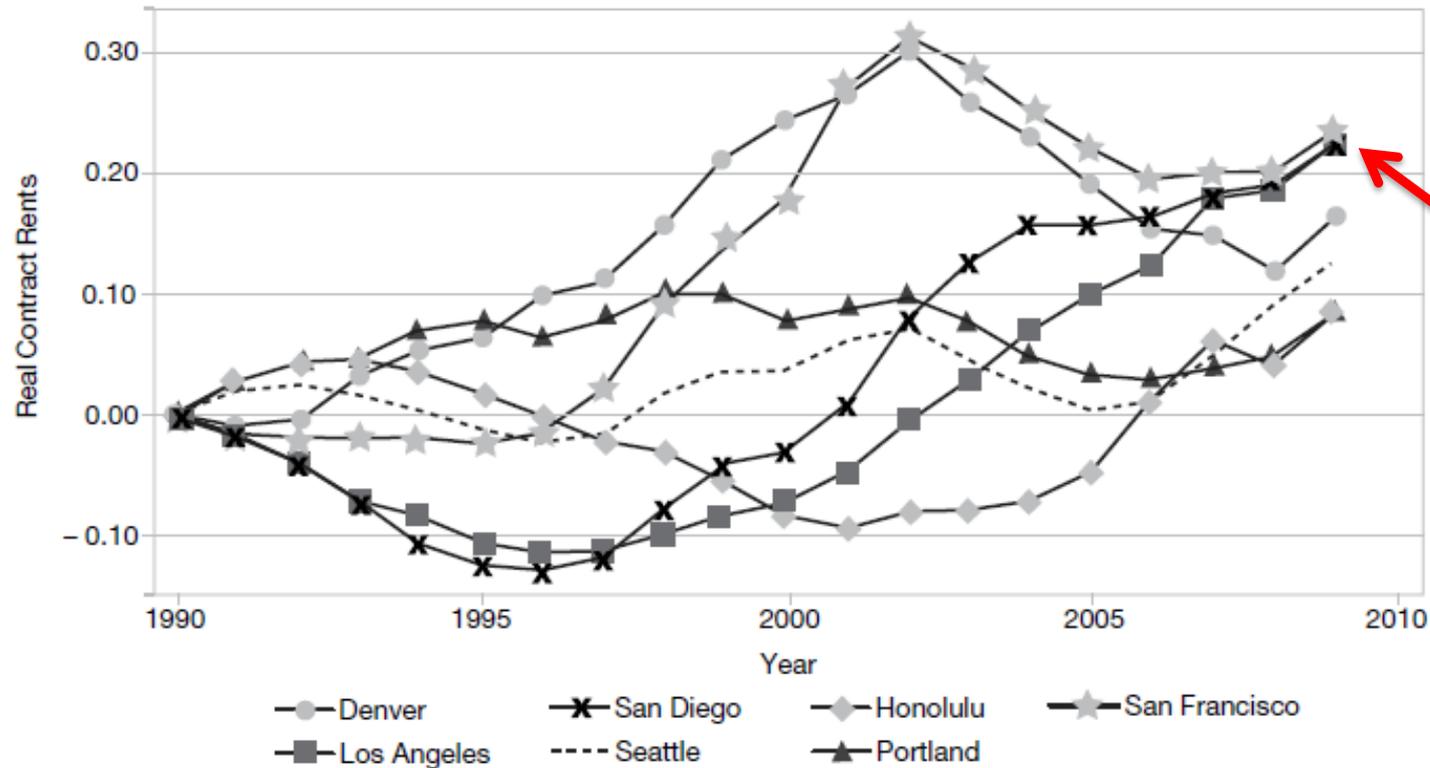
Source: Collinson (2011), *Cityscape Journal*



And Rents Are Sharply Up

Exhibit 13

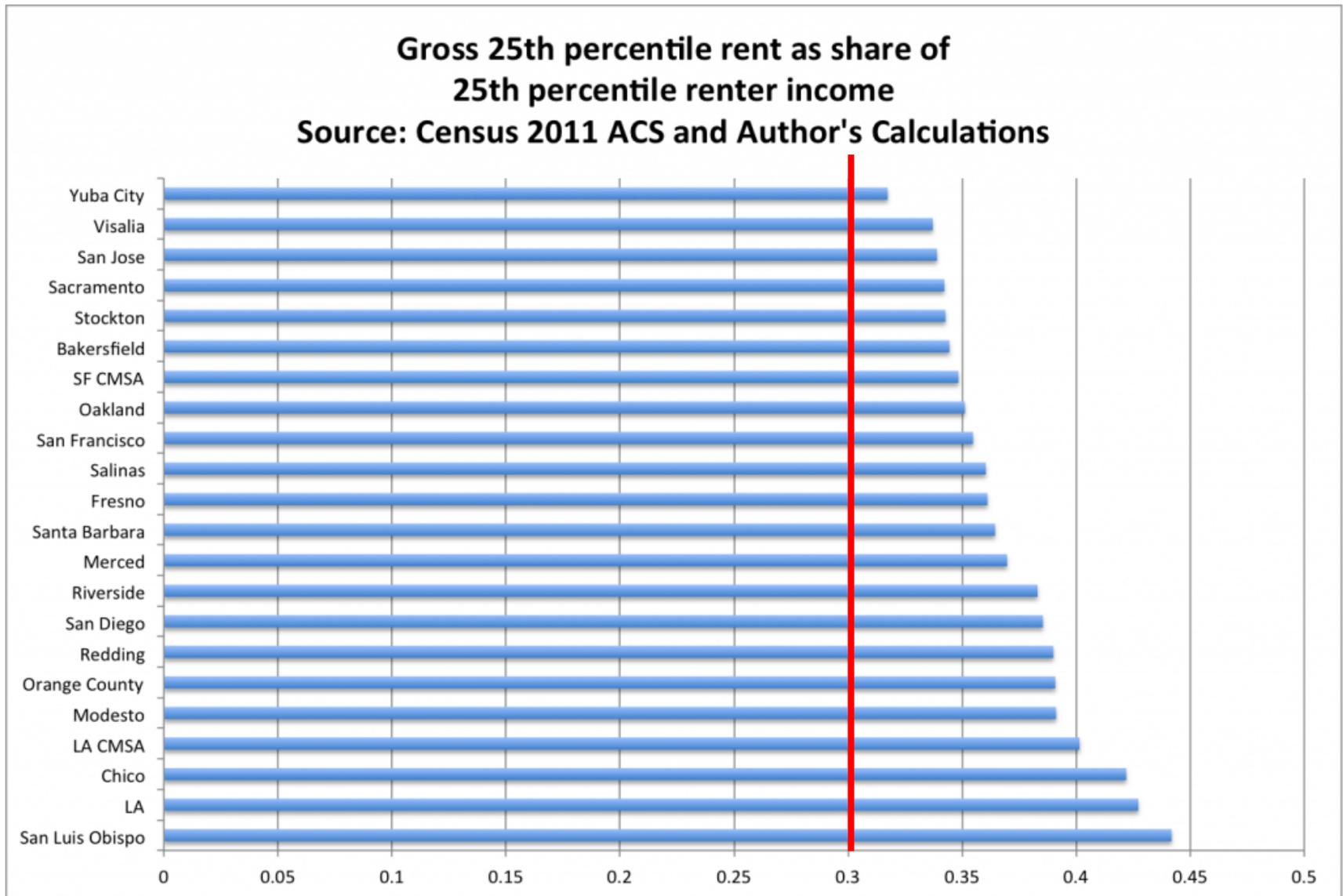
West: Rents by Metropolitan Area



Source: Consumer Price Index (Rent Index/Less Shelter Index), 1990-2009

Source: Collinson (2011), *Cityscape Journal*

Rental Affordability: A Statewide Problem



Source: Blog of Richard Green, University of Southern California, forbes.com



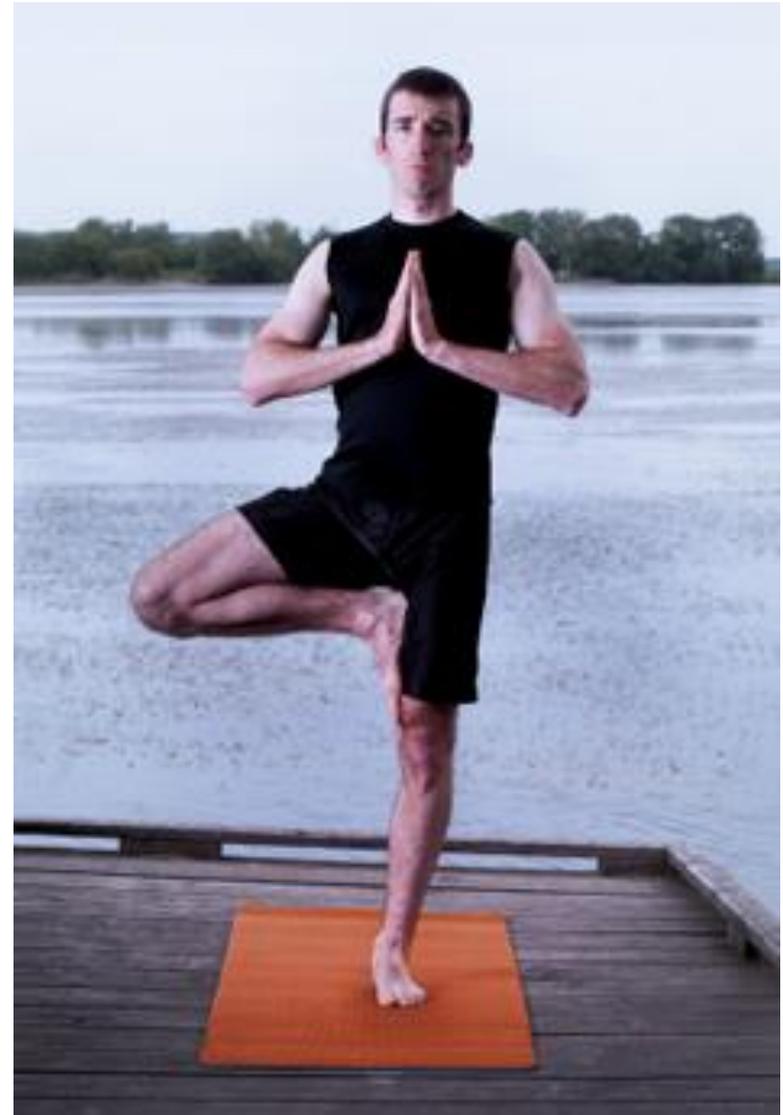
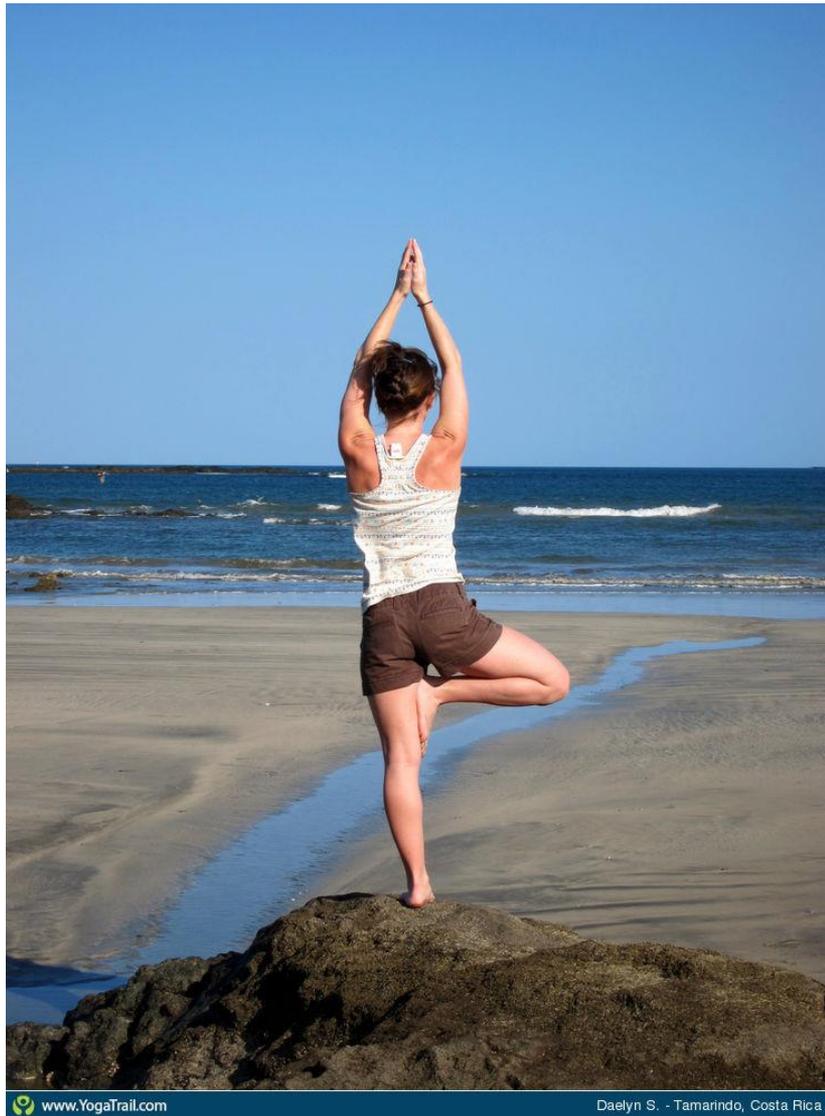
Rental Housing: The LA Story

Income Level	Affordable Units	Affordable and Available Units	Renter Households	Aff. and Avail per 100 Renters
30% AMI	213,000	124,000	501,000	25
30-50% AMI	211,000	136,000	374,000	36

Affordable Rental Vacancy Rate, 0-50% AMI	Total Rental Vacancy Rate, 0-50% AMI
3.3 percent	6.1 percent

NOTE: AMI = Area Median Income

Source: Collinson (2011), *Cityscape*, American Housing Survey data





Final Thoughts

- “A crisis is a terrible thing to waste.”
– Shaun Donovan, HUD Secretary
- “The successful people are those that learn how to take advantage of the world as it is.”
– Bill Clinton, former US President, NAHREP conference, October 2012