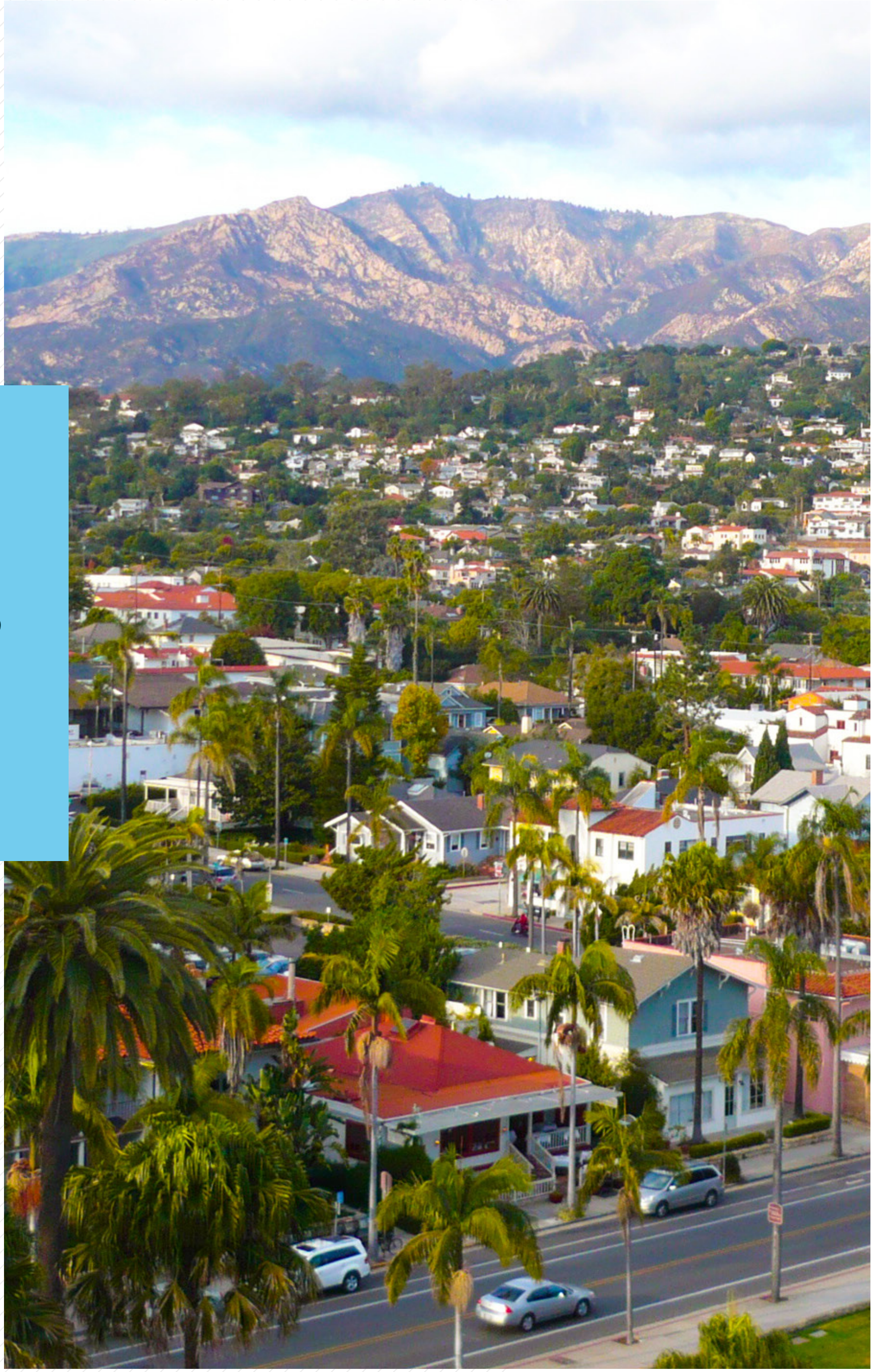
COMPREHENSIVE HOUSING MARKET ANALYSIS

Santa Maria-Santa Barbara, California



U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of August 1, 2021

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Executive Summary

Housing Market Area Description

The Santa Maria-Santa Barbara Housing Market Area (hereafter, Santa Barbara HMA) is defined as Santa Barbara County and is coterminous with the Santa Maria-Santa Barbara, CA Metropolitan Statistical Area (MSA). The HMA is located along the Pacific coast in southern California, approximately 100 miles north of the city of Los Angeles.

The current population of the HMA is estimated at 448,400.

The Santa Barbara HMA, with 110 miles of coastline, is home to scenic beaches, four islands—which are part of the Channel Islands National Park—the Santa Ynez mountains, and seven wine-producing regions, which make it a popular tourist destination. In addition, the HMA is home to the University of California, Santa Barbara (UCSB) and Vandenberg Space Force Base (SFB), the two largest employers in the HMA.

Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's Market-at-a-Glance tool.
Additional data for the HMA can be found in this report's supplemental tables.
For information on HUD-supported activity in this area, see the Community Assessment Reporting Tool.

Market Qualifiers

Economy

Weak but Slowly Improving: During the 12 months ending July 2021, the only nonfarm payroll sector to add jobs was the professional and business services sector.

During the 12 months ending July 2021, nonfarm payroll jobs in the Santa Barbara HMA totaled 181,300, down 6,400 jobs, or 3.4 percent, from the 12 months ending July 2020. Job recovery in the HMA from the impacts of COVID-19 and the policies implemented to contain its spread has been relatively slow—only 53 percent of jobs lost during March and April of 2020 have been recovered as of July 2021, compared with 79 percent for the nation. The unemployment rate averaged 6.6 percent during the 12 months ending July 2021, up from 6.4 percent a year earlier. During the 3-year forecast period, nonfarm payroll growth is expected to average 2.9 percent annually, and the number of jobs is expected to return to prepandemic levels.

Sales Market

Tight: The inventory of available homes for sale in the Santa Barbara HMA was 1.5 months in July 2021, down from a 1.9-month supply a year earlier (CoreLogic, Inc.).

The home sales market in the HMA is currently tight, with an estimated vacancy rate of 0.9 percent, down from 1.7 percent in April 2010, when conditions were soft. During the 12 months ending July 2021, the average new home sales price increased 7 percent to $733,400, whereas the average existing home sales price increased 32 percent to $1.28 million (Zonda). During the next 3 years, demand is estimated for 1,350 new homes. The 180 homes under construction will satisfy a portion of the demand during the first year of the forecast period.

Rental Market

Slightly Tight: The overall rental market has an estimated vacancy rate of 4.0 percent, down from 4.5 percent in April 2010.

Rental housing market conditions in the HMA are currently slightly tight, compared with tight conditions a year ago, but remain tighter than conditions in 2010 when the market was balanced. The apartment market is also slightly tight, with a vacancy rate of 3.7 percent during the second quarter of 2021, up from 3.0 percent a year earlier but below the recent peak of 4.4 percent during the second quarter of 2017 (Moody's Analytics REIS). During the next 3 years, demand is estimated for 1,575 new rental units. The 280 units under construction will satisfy a portion of that demand during the first year of the forecast period.

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3-Year Housing Demand Forecast

		Sales Units	Rental Units
Santa Barbara HMA	Total Demand	1,350	1,575
	Under Construction	180	280

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Demand for sales housing units does not include demand for seasonal or second homes. Units under construction as of August 1, 2021. The forecast period is August 1, 2021, to August 1, 2024.
Source: Estimates by the analyst

Economic Conditions

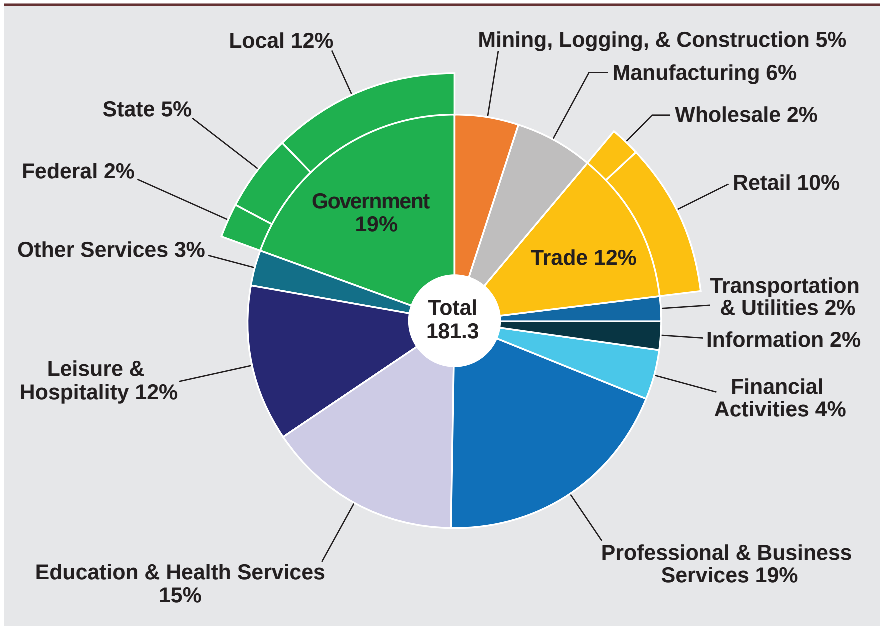
Largest Sector: Professional and Business Services

The professional and business services sector has been the fastest growing nonfarm payroll sector in the HMA since 2001.

Primary Local Economic Factors

The economy of the Santa Barbara HMA has historically been largely dependent on the government, the professional and business services, and the leisure and hospitality sectors, which together account for 50 percent of all nonfarm payroll jobs (Figure 1). UCSB and Vandenberg SFB, both of which are part of the government sector and are the largest employers in the HMA (Table 1), have traditionally contributed to job growth in the government sector. Due in part to the increasing prevalence and expansion of technology companies and startups, the HMA has become a hub of high-tech companies, which has contributed to notable gains in the professional and business services sector—the fastest growing sector in the HMA since 2001 (Figure 2). Nearly

Figure 1. Share of Nonfarm Payroll Jobs in the Santa Barbara HMA, by Sector



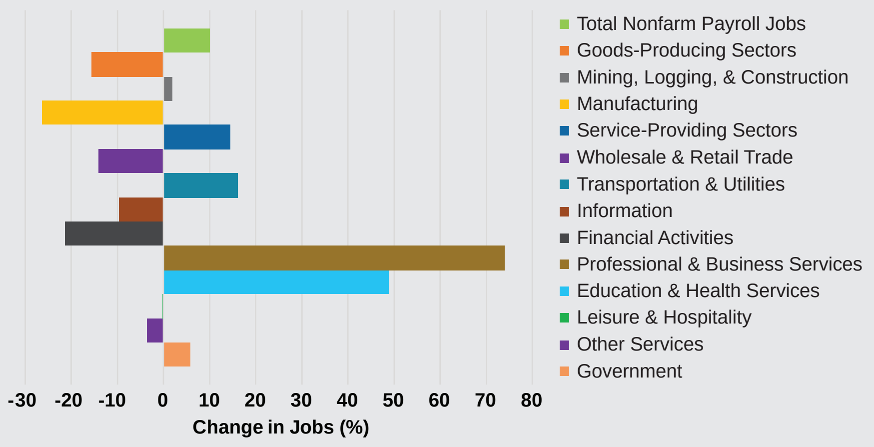
Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through July 2021.
Source: U.S. Bureau of Labor Statistics

Table 1. Major Employers in the Santa Barbara HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
University of California, Santa Barbara	Government	4,300
Vandenberg Space Force Base	Government	4,069
Cottage Health	Education & Health Services	3,245
Marian Regional Medical Center	Education & Health Services	2,170
Chumash Casino Resort	Leisure & Hospitality	2,000
Allan Hancock College	Education & Health Services	1,480
Safran S.A.	Manufacturing	1,200
Sansum Medical Clinic	Education & Health Services	1,200
Santa Barbara City College	Government	1,193
Raytheon Technologies Corporation	Manufacturing	1,150

Notes: Excludes local school districts. Data for the Vandenberg Space Force Base include military personnel, who are generally not included in nonfarm payroll survey data. There are 2,813 military personnel and 1,256 civilian personnel at Vandenberg Space Force Base.
Sources: County of Santa Barbara, 2020 Comprehensive Annual Financial Report; Defense Manpower System, September 2020; Moody's Analytics

Figure 2. Sector Growth in the Santa Barbara HMA, 2001 to Current



Note: The current date is August 1, 2021.
Source: U.S. Bureau of Labor Statistics

70 software and technology companies, including Amazon.com, Inc. and Zoom Video Communications, Inc., are currently located in downtown Santa Barbara, while the city of Goleta is home to high-tech companies, including Google LLC and Citrix Systems, Inc.

The HMA has attracted high numbers of visitors because of its location along the Pacific coast of southern California and temperate Mediterranean climate, contributing to job growth in the leisure and hospitality sector. Before the COVID-19 pandemic, the HMA was visited by approximately 7.2 million people, generating $1.9 billion in visitor revenue each year (Visit Santa Barbara, 2019–20). The prominent wine industry in the HMA also contributes to a significant number of jobs in the leisure and hospitality sector, including those associated with winery and vineyard tours as well as visits to tasting rooms and restaurants affiliated with wineries. Wine production also has a notable impact on the economic base of the HMA. Wine grapes are among the leading crops produced in the HMA and contribute significantly to the total economic impact associated with agriculture in the HMA, which averages $2.8 billion a year (County of Santa Barbara).

Current Conditions—Nonfarm Payrolls

On March 4, 2020, the governor of California declared a state of emergency in response to the COVID-19 pandemic. In order to slow the spread of COVID-19, the state of California issued stay-at-home orders on March 19, 2020. Other countermeasures implemented included ordering businesses to cease nonessential operations and discouraging nonessential travel. Economic conditions in the HMA weakened substantially in response to these measures, resulting in a loss of 31,100 jobs, or 15.8 percent of all jobs in the HMA, during March and April 2020 (not seasonally adjusted). Job recovery has been slow in the HMA; approximately 53 percent of the 31,100 jobs lost in March and April of 2020 have been recovered as of July 2021 (not seasonally adjusted). During the 12 months ending July 2021, nonfarm payrolls declined by 6,400 jobs, or 3.4 percent, from the same period a year earlier (Table 2). The leisure and hospitality sector, which declined by 4,200 jobs, or 16.7 percent, led the decline and accounted for 66 percent of total job losses in the HMA. The sector has been the fourth largest sector in the HMA since the COVID-19 pandemic began in early 2020, after being the third largest sector during 2019. Similarly, the government sector declined from being the largest sector in the HMA during the 12 months ending July 2020 to the second largest during the most recent 12 months due to a loss of 3,600 jobs, or 9.4 percent. The professional and business services sector was the only sector in the HMA with job gains during the 12 months ending July 2021, increasing by 4,000 jobs, or 13.0 percent, from the

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Santa Barbara HMA, by Sector

	12 Months Ending July 2020	12 Months Ending July 2021	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	**187.7**	**181.3**	**-6.4**	**-3.4**
Goods-Producing Sectors	22.1	21.2	-0.9	-4.1
Mining, Logging, & Construction	9.7	9.5	-0.2	-2.1
Manufacturing	12.4	11.7	-0.7	-5.6
Service-Providing Sectors	165.6	160.1	-5.5	-3.3
Wholesale & Retail Trade	22.7	22.5	-0.2	-0.9
Transportation & Utilities	3.4	3.4	0.0	0.0
Information	4.1	3.9	-0.2	-4.9
Financial Activities	6.9	6.6	-0.3	-4.3
Professional & Business Services	30.8	34.8	4.0	13.0
Education & Health Services	28.3	28.0	-0.3	-1.1
Leisure & Hospitality	25.1	20.9	-4.2	-16.7
Other Services	6.1	5.4	-0.7	-11.5
Government	38.3	34.7	-3.6	-9.4

Notes: Based on 12-month averages through July 2020 and July 2021. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

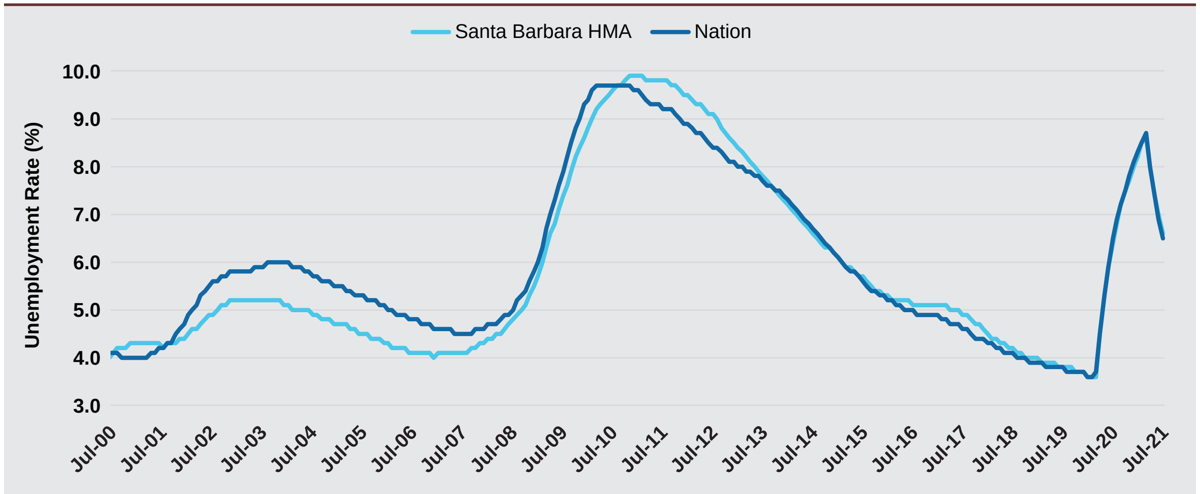
12 months ending July 2020. Nonfarm payrolls in the professional, scientific, and technical services industry increased by 500 jobs, or 4.3 percent, up from a 3.7-percent increase during the 12 months ending July 2020. In late 2020, Raytheon Technologies Corporation, in the city of Goleta, began hiring for more than 100 new jobs, including hardware and systems engineers. The opening of the Google LLC Quantum Artificial Intelligence campus in the city of Goleta in May 2021 also supported job growth in the sector.

Despite ongoing job losses in nearly all the nonfarm payroll sectors during the past year, economic conditions in the Santa Barbara HMA have been improving recently because restrictions on businesses have been gradually lifted, and the economy fully reopened in June 2021. During the 3 months ending July 2021, nonfarm payroll jobs increased by 11,200, or 6.4 percent, compared with the same 3-month period a year earlier. Job gains occurred in all nonfarm payroll sectors except for the government and the financial activities sectors, which were down by 1,100 and 200 jobs, or 2.5 and 3.1 percent, respectively. Leisure and hospitality was the fastest growing sector, increasing 21.4 percent, or by 4,000 jobs, from the 3 months ending July 2020 because occupancy restrictions on hotels, restaurants, wineries, and bars were lifted. Nonfarm payrolls in the accommodation and the food services and drinking places industries rose by 400 and 3,600 jobs, or 12.7 and 27.9 percent, respectively.

Current Conditions—Unemployment

Prior to the impact of COVID-19, the unemployment rate in the Santa Barbara HMA declined each year from a high of 9.9 percent in 2010 to a low of 3.7 percent in 2019 (Figure 3). As the economy of the HMA contracted, the unemployment rate in the HMA increased to 6.4 percent during the 12 months ending July 2020 and again to 6.6 percent during the 12 months ending July 2021. By comparison, during the 12 months ending July 2021, the unemployment rate in California and the nation averaged 8.9 and 6.5 percent, respectively. The unemployment rate in California increased from 7.7 percent during the 12 months ending July 2020, whereas the national unemployment rate was unchanged.

Figure 3. 12-Month Average Unemployment Rate in the Santa Barbara HMA and the Nation



Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance

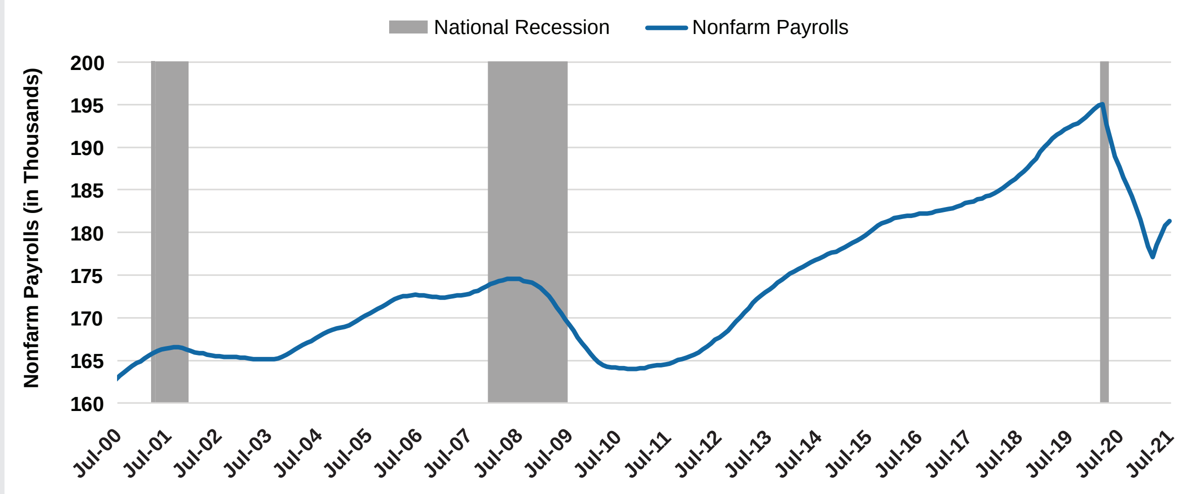
2001 Through 2007

Nonfarm payrolls in the Santa Barbara HMA generally rose from 2001 through 2007 despite a brief contraction in 2002 (Figure 4). During 2001, nonfarm payrolls in the Santa Barbara HMA increased by 1,200 jobs, or 0.7 percent. That increase included a gain of 1,700 jobs, or 5.2 percent, in the government sector, mostly due to 1,300 jobs being added in the local government subsector. During 2002, nonfarm payrolls in the HMA declined by 800 jobs, or 0.5 percent, partly due to the loss of 200 jobs associated with the closure of the Northrop Grumman Corporation manufacturing plant in the city of Goleta. Nonfarm payrolls subsequently increased by an average of 1,700 jobs, or 1.0 percent, a year from 2003 through 2007. The mining, logging, and construction sector led job gains, increasing by an average of 600 jobs, or 5.6 percent, a year partly because of increased residential construction. The education and health services and the leisure and hospitality sectors rose by an average of 400 jobs each, or 2.1 and 1.7 percent, a year, respectively. Job growth in the mining, logging, and construction, the education and health services, and the leisure and hospitality sectors accounted for 82 percent of total job additions from 2003 through 2007.

2008 Through 2010

Due largely to the national recession and the housing crisis, economic conditions in the Santa

Figure 4. 12-Month Average Nonfarm Payrolls in the Santa Barbara HMA



Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

Barbara HMA weakened significantly from 2008 through 2010. Nonfarm payrolls declined by an average of 3,300 jobs, or 1.9 percent, annually. Job losses occurred in 8 of 11 nonfarm payroll sectors, but they were concentrated in the mining, logging, and construction and the wholesale and retail trade sectors. These two sectors accounted for 70 percent of all job losses. Jobs in the mining logging, and construction sector fell by 1,200 jobs, or 11.9 percent, annually, because of a decline in residential construction. Nonfarm payrolls in the wholesale and retail trade sector declined by an average of 1,100 jobs, or 4.4 percent, a year, because many retail stores in the HMA closed due to a decrease in consumer spending. In the city of Santa Maria, several stores in the Town Center Mall closed during the period, including Gottschalks Inc., which closed in 2009, resulting in a loss of 30 jobs.

2011 Through 2019

Following 3 years of economic decline, the economy in the HMA began to recover in 2011, and by 2013, all jobs lost during the economic downturn were recovered. From 2011 through 2013, job growth averaged 3,700 jobs, or 2.2 percent, annually. Gains were strongest in the professional and business services and the leisure and hospitality sectors, which rose by an average of 1,000 and 800 jobs, or 4.2 and

3.7 percent, a year, respectively. Nonfarm payroll growth moderated from 2014 through 2017, increasing by an average of 2,300 jobs, or 1.3 percent, annually, with the greatest gains occurring in the leisure and hospitality and the education and health services sectors, which were up by 900 and 700 jobs, or 3.3 and 2.6 percent, a year, respectively. In 2015, the $126-million expansion of Goleta Valley Cottage Hospital in the city of Goleta contributed to job growth in the education and health services sector. Nonfarm payroll growth resumed at a fast pace from 2018 through 2019, averaging 4,800 jobs, or 2.6 percent, annually. Approximately 56 percent of the job additions were in the professional and business services sector, which rose by 2,700 jobs, or 10.6 percent, annually. The expansion of technology companies in downtown Santa Barbara, including Invoca, Inc., a software technology company, contributed to job growth in the professional and business services sector.

Commuting Patterns

Due to the increasingly high costs of housing, many people who work in the HMA live in nearby areas and commute to the HMA for work. Approximately 35 percent of the people employed in the HMA commute from surrounding counties with relatively lower housing costs, including Ventura, Los Angeles, and San Luis Obispo Counties (Census Bureau, OnTheMap), where average home sales prices are currently at least 20 percent lower than in the HMA. By comparison, in 2010, when the average home price in the HMA was approximately 53 percent lower than the current level, and average home prices in the aforementioned surrounding counties were at least 21 percent lower than the HMA, only 31 percent of people employed in the HMA lived outside the HMA.

Forecast

During the 3-year forecast period, nonfarm payroll jobs in the HMA are expected to increase at an average rate of 2.9 percent annually. Job growth is expected to be fastest during the first year of the forecast, with the recovery of all jobs lost during the pandemic anticipated by the third year. Job gains are expected to be strong in the professional and business services sector, a continuation of recent trends. Job growth is also expected in the leisure and hospitality sector as new restaurants and hotels open in response to increased tourism. SeaLegs Santa Barbara, a planned seaside restaurant in the city of Goleta, is expected to create as many as 125 jobs when it opens during the summer of 2022.

Population and Households

Current Population: 448,400

Home price variations have had a notably strong impact on population growth in the HMA during the past two decades, with periods of rapid home price growth generally coinciding with net out-migration to less expensive areas.

Population and Migration Trends

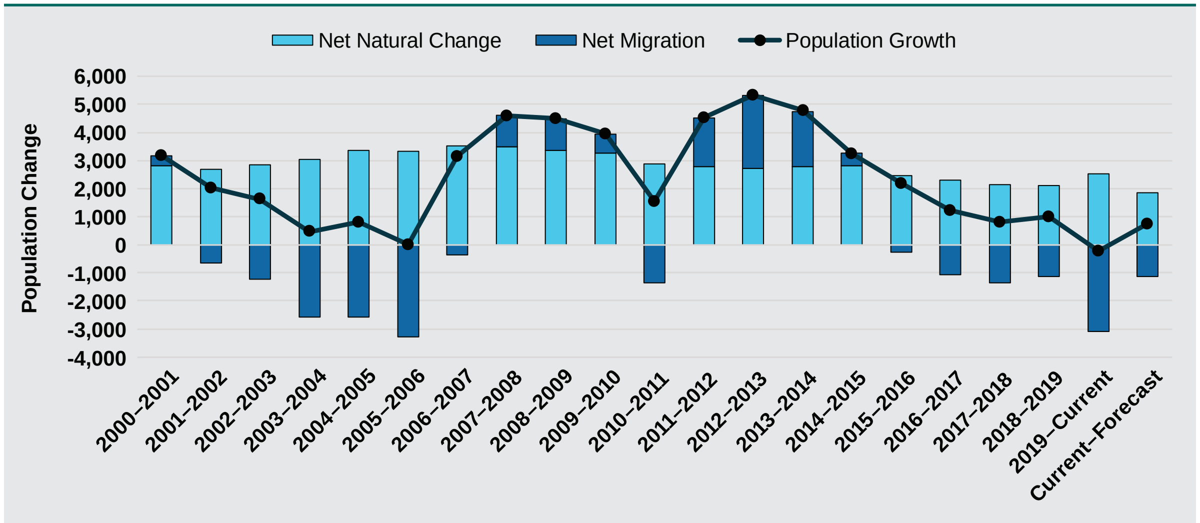
As of August 1, 2021, the population of the Santa Barbara HMA is estimated at 448,400, representing an average annual increase of 2,175, or 0.5 percent, since April 2010 (Table 3). Economic conditions, housing prices, mortgage lending standards, and changes in university enrollment at UCSB have largely affected population growth and migration trends in the HMA since the 2000s. During the early 2000s, lenient mortgage lending standards and relatively low housing prices in the HMA contributed to modest population growth, averaging 1,400 people, or 0.3 percent, annually from 2000 to 2006 (Figure 5). The average net natural change of 3,000 people a year accounted for all of the population growth during this period. Despite strengthening economic conditions during much of the period, population growth generally trended downward because of increasing levels of net out-migration. Rapidly rising housing prices contributed to higher levels of net out-migration from 2003 to 2006, averaging 2,825 people annually, compared with average net out-migration of 500 people a year from 2000 to 2003. Residents were predominantly moving to San Luis Obispo, Los Angeles, and Ventura Counties, where average home sales prices were 27, 25, and 17 percent lower, respectively, than in the Santa Barbara HMA during 2006 (U.S. Census Bureau, 2006—2010 American Community

Table 3. Santa Barbara HMA Population and Household Quick Facts

		2010	Current	Forecast
Population Quick Facts	Population	423,895	448,400	450,600
	Average Annual Change	2,450	2,175	730
	Percentage Change	0.6	0.5	0.2
		2010	Current	Forecast
Household Quick Facts	Households	142,104	149,300	150,200
	Average Annual Change	550	630	290
	Percentage Change	0.4	0.4	0.2

Notes: Average annual changes and percentage changes are based on averages from 2000 to 2010, 2010 to current, and current to forecast. The forecast period is from the current date (August 1, 2021) to August 1, 2024.
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

Figure 5. Components of Population Change in the Santa Barbara HMA, 2000 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is from the current date (August 1, 2021) to August 1, 2024.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

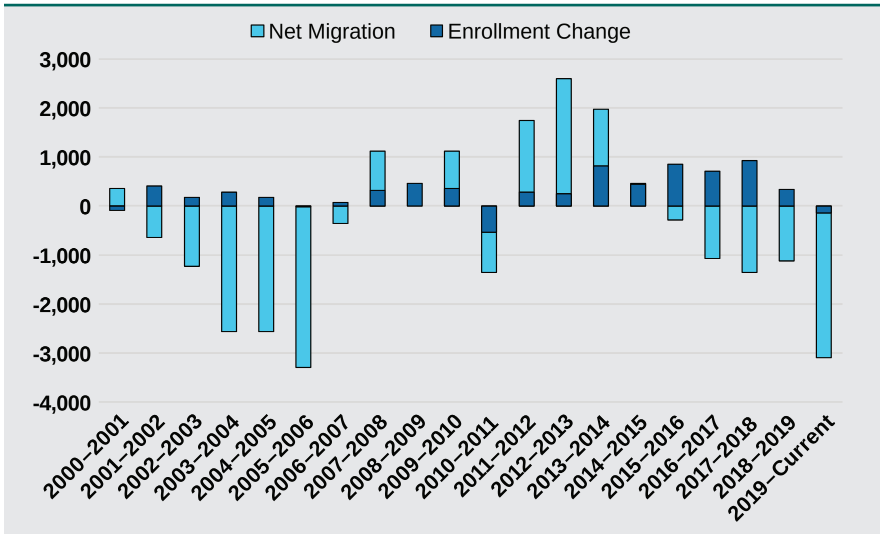
Survey [ACS] 5-year data; Zonda). As mortgage lending standards became more stringent in California and nationwide, net out-migration slowed to only 375 people from 2006 to 2007. Net natural change averaged 3,525 people from 2006 to 2007 and accounted for all of the population growth of 3,150 people, or 0.8 percent, during the year. Despite weakening economic conditions, declining home prices in the HMA contributed to net in-migration, which averaged 400 people a year from 2007 to 2011, and the population increased by an average of 3,650, or 0.9 percent, annually. During this period, net natural change averaged 3,250 people a year, accounting for 89 percent of population growth.

As the economy in the HMA recovered following the downturn in the late 2000s, population growth accelerated to an average of 4,475 people, or 1.0 percent, a year from 2011 to 2015, with net in-migration and net natural change averaging 1,700 and 2,775 people a year, respectively. Enrollment at UCSB rose by an average of 450 students, or 2 percent, each year from 2011 to 2015, which accounted for some of the increase in net in-migration (Figure 6). Since 2015, population growth has slowed to an average of 770 people, or 0.2 percent, annually, because of high levels of net out-migration and slowing net natural change, averaging 1,580 and 2,350 people a year, respectively. Rising housing costs have led to increasing numbers of residents relocating to relatively more affordable areas, such as San Luis Obispo and Ventura Counties, where average home prices during the 12 months ending July 2021 were 33 and 20 percent lower, respectively, than the average home price in the Santa Barbara HMA.

Household Trends

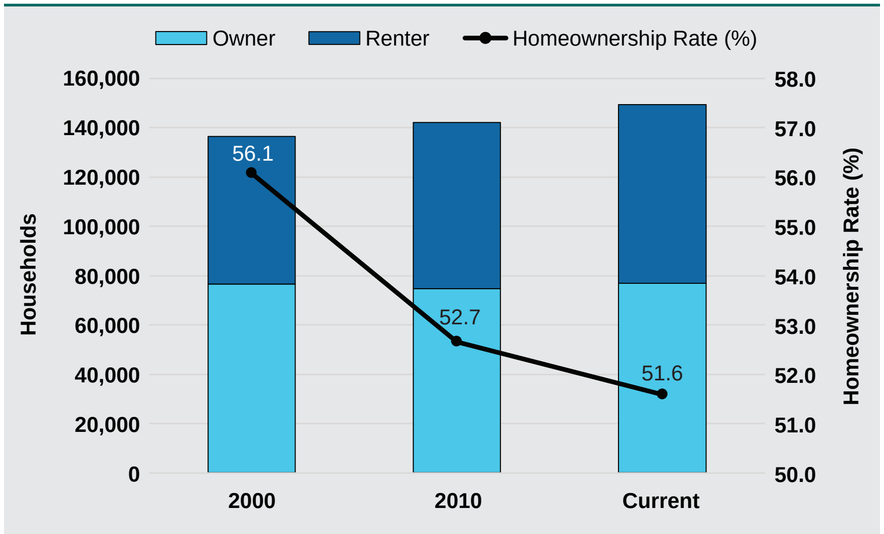
Household growth in the HMA has generally reflected population growth trends since 2000. As of August 1, 2021, an estimated 149,300 households reside in the HMA, reflecting an average annual increase of 630 households, or 0.4 percent, since April 2010—slightly slower than the 0.5-percent rate of population growth in the HMA during the period. From 2000 to 2010, the number of households increased by an average of 550, or 0.4 percent, annually, slightly slower than the 0.6-percent rate of population growth during the period. Currently, an estimated 51.6 percent of households are homeowners, down from 52.7 percent in 2010 (Figure 7). As the rate of

Figure 6. Student Enrollment and Net Migration Trends in the Santa Barbara HMA



Sources: U.S. Census Bureau; University of California, Santa Barbara Institutional Research, Planning, and Assessment

Figure 7. Households by Tenure and Homeownership Rate in the Santa Barbara HMA



Note: The current date is August 1, 2021.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

homeownership has declined, the proportion of renter households in the HMA has increased from 47.3 percent in 2010 to 48.4 percent currently.

Military Households

The Santa Barbara HMA is home to Vandenberg SFB in the city of Lompoc. There are approximately 2,800 military personnel at Vandenberg SFB, a portion of whom are accompanied by dependents. Among the 2,800 military personnel, approximately 360, or 13 percent, live in on-base unaccompanied housing, and nearly 1,000, or 36 percent, live in on-base privatized single-family home rentals. Of the nearly 1,440 remaining military personnel who live off-base, 24 percent own homes, and approximately 74 percent rent private units (estimates by the analyst). Military households are estimated to account for 2 percent of the 72,250 renter households and less than 1 percent of the 77,000 owner households in the HMA.

Student Households

From 2010 to 2020, approximately 90 percent of students admitted every year by UCSB originated from outside the central coast of California—or beyond 50 miles from the HMA—and they typically would need to relocate to attend school (University of California, Santa Barbara Institutional Research, Planning, and Assessment). A portion of student housing demand is primarily met by the nearly 10,100 student beds in residence halls and student apartments on the UCSB campus. In the fall of 2020, 26,179 students were enrolled at UCSB, an increase of nearly 4,000 students since the fall of 2010. In 2019, student households accounted for an estimated 5 percent of all renter households in the HMA, up slightly from 4 percent in 2010. Due to the pandemic and remote learning, there is uncertainty concerning the number of students who moved to the HMA in 2020; however, 5 percent of students lived in university-owned student housing in 2020, compared with 38 percent in 2019. The impact of student households on the rental market has risen only modestly since 2010, in part because the overall increase in student enrollment was partially offset by the addition of approximately 2,500 beds in residence halls and university-owned student apartments from 2010 to 2019. Student enrollment is expected to continue to increase; there are currently no plans to add additional student housing during the next 3 years. The anticipated increase in student enrollment, coupled with no additional student housing, is expected to put upward pressure on the rental market in the HMA because more students will have to find off-campus housing options.

Forecast

During the next 3 years, the population of the HMA is expected to increase by an average of 730, or 0.2 percent, annually. Population growth is expected to increase during each of the next 3 years, with net out-migration expected to slow as economic conditions in the HMA improve and student enrollment increases. The number of households in the HMA is expected to increase by an average of 290, or 0.2 percent, annually during the forecast period, to 150,200 households.

Home Sales Market

Market Conditions: Tight

> The average home sales price in the Santa Barbara HMA has increased every year since 2012 as the home sales market has tightened.

Current Conditions

The sales housing market in the Santa Barbara HMA is currently tight. As of August 1, 2021, the sales vacancy rate is estimated at 0.9 percent (Table 4)—down from 1.7 percent in April 2010, when conditions were soft. Despite net out-migration during recent years, increased demand from absentee buyers and relatively low levels of new home construction have resulted in a general decline in the supply of for-sale housing and tightening sales market conditions since the early 2010s. Approximately 27 percent of homes purchased since 2012 have been second or seasonal home purchases, up from only 19 percent from 2008 through 2011 (Zonda). The inventory of available homes for sale was 1.5 months in July 2021, down from a 1.9-month supply a year earlier and much lower than the 6.4-month supply during July 2010 (CoreLogic, Inc.). During the 12 months ending July 2021, the average sales price of new and existing homes increased 33 percent, to $1.25 million, compared with a 12 percent increase during the previous 12-month period (Zonda). Despite the sharp increase in prices and the low supply of homes available for sale, new and existing home sales rose significantly during the 12 months ending July 2021, totaling 5,275 homes, a 29 percent increase from the 4,075 homes sold during the 12 months ending July 2020, partially because COVID-19 restrictions limited sales during the 12 months ending July 2020.

Table 4. Home Sales Quick Facts in the Santa Barbara HMA

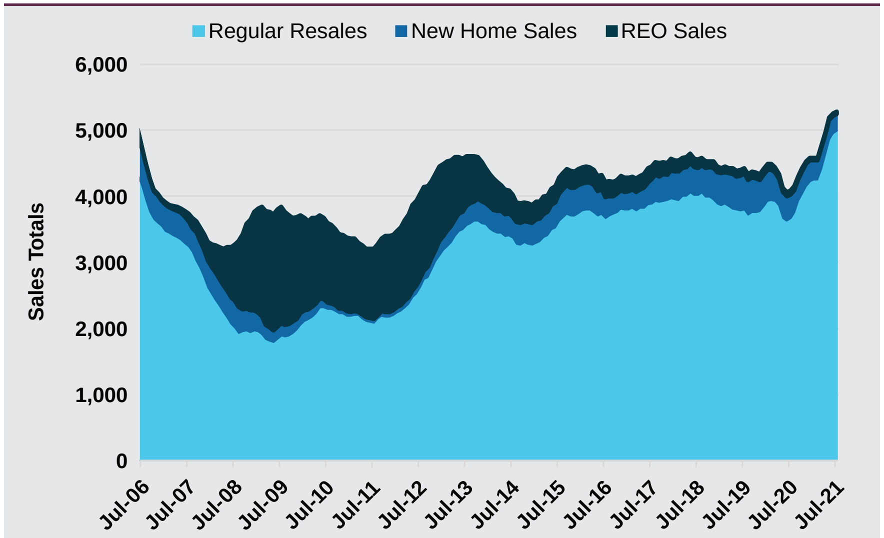
		Santa Barbara HMA	Nation
Home Sales Quick Facts	**Vacancy Rate**	0.9%	NA
	Months of Inventory	1.4	1.5
	Total Home Sales	5,275	6,524,000
	1-Year Change	29%	15%
	New Home Sales Price	$733,400	$425,200
	1-Year Change	7%	4%
	Existing Home Sales Price	$1,276,000	$380,800
	1-Year Change	32%	21%
	Mortgage Delinquency Rate	1.9%	2.9%

NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending July 2021; and months of inventory and mortgage delinquency data are as of July 2021. The current date is August 1, 2021.
Sources: Vacancy rate—estimates by the analyst; months of inventory—CoreLogic, Inc.; home sales and prices—Zonda

Home Sales

Total home sales, including new and existing single-family homes, townhomes, and condominiums, peaked in 2005 at 5,875 homes sold (Zonda). Despite net out-migration during most of the early to mid-2000s, lenient mortgage lending standards during that period allowed a greater proportion of households to purchase homes, which contributed to relatively high levels of home sales. The tightening of mortgage lending standards and subsequent economic contraction during the end of the 2000s contributed to the decline in the number of homes sold. From 2006 through 2011, an average of 3,600 homes sold each year, a 39 percent decrease from 2005. Growth in real estate owned (REO) home sales, which increased by an average of 190, or 96 percent, annually from 2006 through 2011, partially offset average annual declines in new homes sales of 110 homes, or 32 percent and regular resales of 490 homes, or 13 percent (Figure 8). In 2008,

Figure 8. 12-Month Sales Totals by Type in the Santa Barbara HMA



REO = real estate owned.
Source: Zonda

at the peak of REO sales, 40 percent of total sales were REO sales, compared with 1 percent currently. As the economy recovered and net in-migration resumed at relatively high levels following a year of net out-migration in 2011, the housing market began to improve. Home sales increased by an average of 250 homes, or 7 percent, annually from 2012 through 2015. During this period, REO sales declined significantly, to an average of 550 homes a year, compared with an average of 920 homes a year from 2006 through 2011. Total home sales were relatively stable from 2016 through 2020, averaging approximately 4,450 homes sold annually. During this period, new home sales increased to an annual average of 390, and regular resales increased to an average of 3,950 a year. In comparison, annual averages of 320 new home sales and 3,425 regular resales occurred from 2012 through 2015. REO sales, however, declined further to an average of 120 homes sold a year from 2016 through 2020.

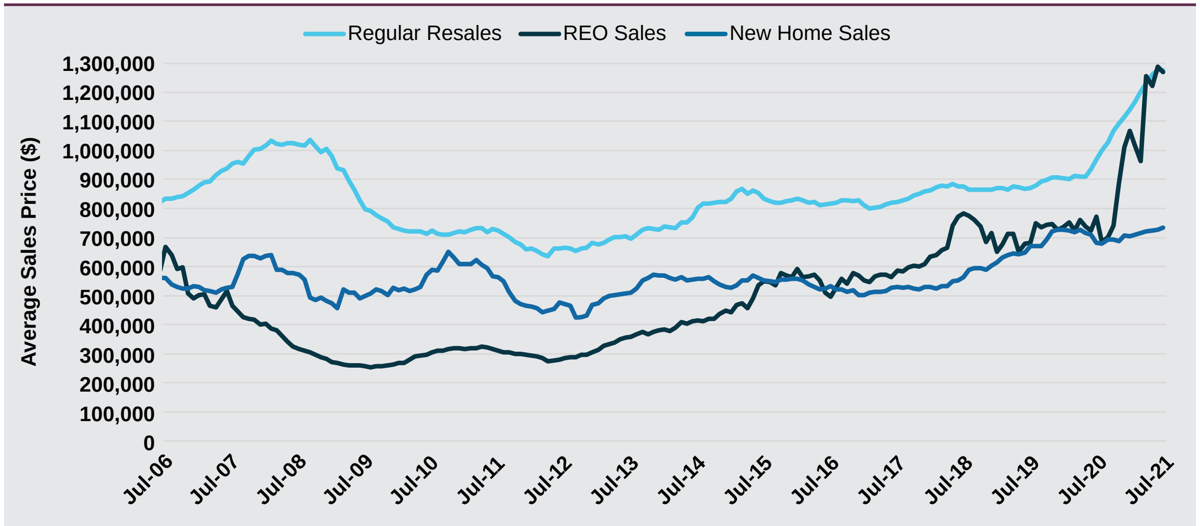
REO Sales and Delinquent Mortgages

The economic contraction caused by the COVID-19 pandemic contributed to an overall increase in the rate of seriously delinquent mortgages and REO properties in 2020, although the rate has since moderated. The increase in the rate began in May 2020 because a number of homeowners struggled to make mortgage payments due to a loss of income. The rate of seriously delinquent mortgages and REO properties was 3.6 percent during July 2020, well above the 0.5-percent rate during July 2019 (CoreLogic, Inc.). All of the increase occurred among mortgages that were 90 or more days delinquent, which rose from 190 in July 2019 to 1,650 in July 2020. Foreclosures and REO properties declined from 35 and 10 properties to 30 and 5 properties, respectively, partly because mortgage forbearance programs prevented many loans from going into foreclosure or REO status. As of July 2021, however, 1.9 percent of home loans in the HMA were seriously delinquent or had transitioned into REO status, down from a year ago and well below the high of 7.4 percent during July 2010. The July 2021 rate in the Santa Barbara HMA was higher than the 1.5-percent rate for California but below the 2.9-percent rate for the nation.

Home Sale Prices

After reaching a high of $907,200 in 2007, the average new and existing home sales price declined as the market softened (Zonda). From 2007 through 2011, the average home sales price fell by an average of $59,450, or 8 percent, a year to a low of $533,400. Increasing numbers of relatively low-priced REO sales contributed to declining sales prices during that period. The average sales price of an REO property was $297,700 in 2011, less than half the average regular resale price of $658,000 (Figure 9). As demand for sales housing has increased and available inventory has declined, home prices have risen each year in

Figure 9. 12-Month Average Sales Price by Type of Sale in the Santa Barbara HMA



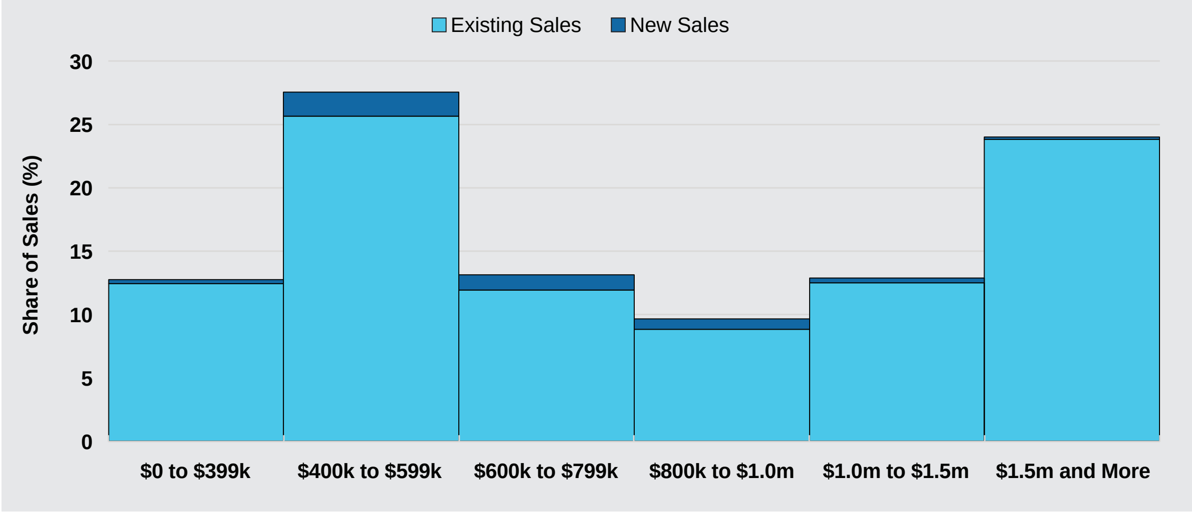
REO = real estate owned.
Source: Zonda

the HMA since 2012. From 2012 through 2020, the average home sales price increased by an average of $61,400, or 8 percent, a year to $1.09 million. During this period, the average new home sales price rose by an average of $27,000, or 5 percent, to $707,900. In 2020, the average REO home price increased by $79,200, or 15 percent, to $1.01 million; during the same year, the average regular resale price increased by $50,800, or 6 percent, to $1.11 million. The average regular resale price has been higher than the average new home sales price since at least 2006 because new home construction has been concentrated in the northern portion of the HMA, where homes are typically less expensive than those in the southern part of the HMA. Some of the existing inventory of homes in the HMA includes luxury homes in and surrounding the city of Santa Barbara, located in the southern part of the HMA. Overall, homes priced from $400,000 to $599,000 accounted for the largest share of sales among price ranges during the 12 months ending July 2021, closely followed by the share of homes averaging more than $1.5 million (Figure 10).

Sales Construction

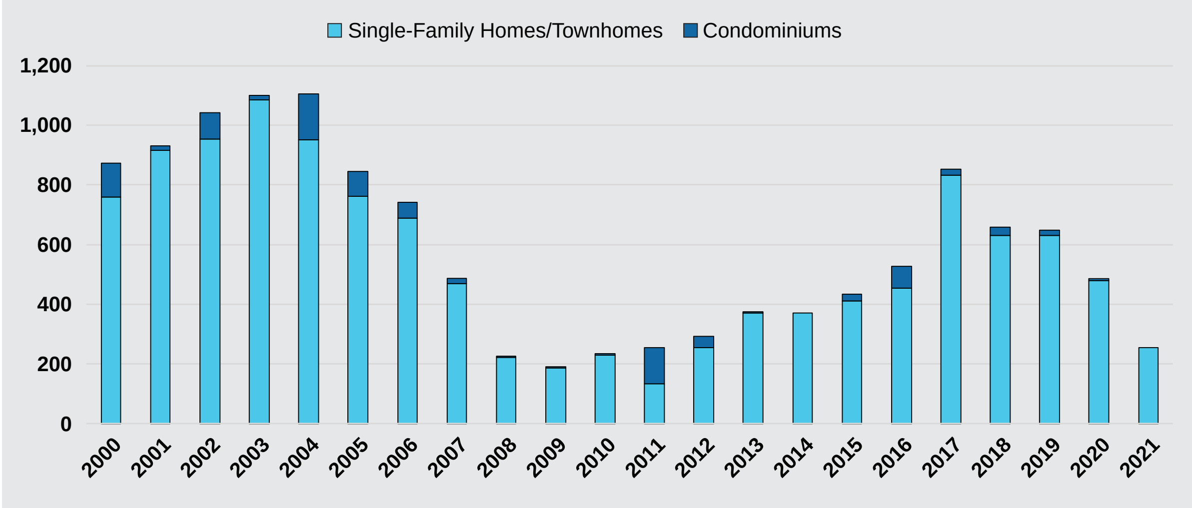
In recent years, sales housing construction in the HMA—as measured by the number of single-family homes, townhomes, and condominiums (hereafter, homes) permitted—has been below the relatively high levels during the early to mid-2000s (Figure 11). Despite net out-migration, homebuilding generally rose from 2001 through 2004, increasing by an average of 60 homes

Figure 10. Share of Overall Sales by Price Range During the 12 Months Ending July 2021 in the Santa Barbara HMA



Note: New and existing sales include single-family homes, townhomes, and condominium units.
Source: Zonda

Figure 11. Average Annual Sales Permitting Activity in the Santa Barbara HMA



Notes: Includes single-family homes, townhomes, and condominiums. Data for 2021 are through July 2021.
Sources: U.S. Census Bureau, Building Permits Survey; 2000 through 2020—final data and estimates by the analyst; 2021—preliminary data and estimates by the analyst

permitted, or 6 percent, annually, to a high of 1,100 homes by 2004. The number of homes permitted declined as the market softened during the years leading up to and during the housing market crisis, falling by an average of 210 homes, or 24 percent, annually, from 2005 through 2007 before averaging only 220 homes permitted a year from 2008 through 2010. Relatively high levels of net in-migration contributed to an average annual increase of 50 homes, or 14 percent, from 2011 through 2016 before an increase of 62 percent to 850 homes permitted in 2017. Despite tightening sales market conditions, new home construction slowed from 2018 through 2020, averaging 600 homes permitted annually. New home construction slowed, after peaking in 2017, in response to the slowdown in household growth; however, levels of construction were still higher than during the early 2010s. During the 12 months ending July 2021, approximately 460 homes were permitted, down 16 percent from the 550 homes permitted during the 12 months ending July 2020 (preliminary data, with estimates by the analyst).

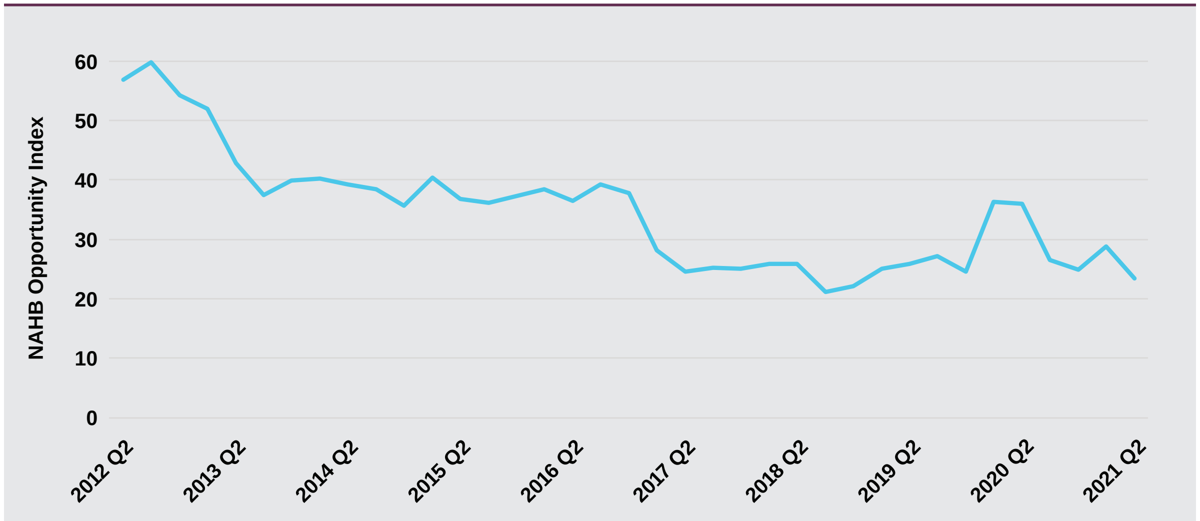
New Construction

Recent new home construction has been concentrated in the northern part of the Santa Barbara HMA, where home prices are generally lower. The Groves at Rice Ranch and The Meadows at Rice Ranch are two single-family home communities underway in the unincorporated town of Orcutt; they will include 77 and 103 homes, respectively, with prices starting at $919,000 and $835,000 for three-bedroom homes. Currently, 58 homes at The Groves at Rice Ranch and 77 homes at The Meadows at Rice Ranch have been completed. Completion of the remaining homes in both of these developments is expected during the spring of 2022. Also in the northern part of the HMA, Pasadera Homes, a master-planned community with 800 single-family homes planned at buildout, is underway in the city of Guadalupe. Approximately 371 homes have been completed in the first two phases of construction, including 154 homes in the Paseo Collection, where prices start at $374,200, and 217 homes in the Cielo Collection, where prices start at $419,765.

Housing Affordability: Sales

The affordability of buying a home in the HMA has generally declined since 2012 because home prices have increased each year (Figure 12). Low inventory levels have placed upward pressure on home prices, suppressing growth in homeownership. The National Association of Home Builders (NAHB)/Wells Fargo Housing Opportunity Index for the Santa Barbara HMA, which represents the share of homes sold that would have been affordable to a family earning the local median income, was 23.5 during the second quarter of 2021, down from 36.0 during the second quarter of 2020 and much lower than 56.9 during the second

Figure 12. Santa Barbara HMA Housing Opportunity Index

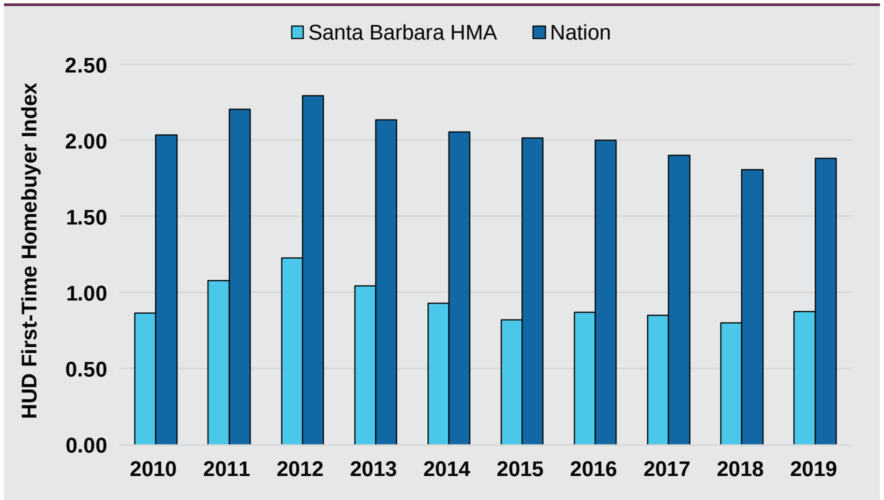


NAHB = National Association of Home Builders. Q2 = second quarter.
Sources: NAHB; Wells Fargo

quarter of 2012. The HMA was the 15th least affordable metropolitan area in the nation during the second quarter of 2021. Of the 236 areas ranked during the period, 221, or 93 percent, were more affordable than the Santa Barbara HMA.

Low housing affordability in the HMA has made it particularly difficult for first-time homebuyers to enter homeownership. The HUD First-Time Homebuyer Affordability Index measures the median household income for householders ages 25 to 44 years old relative to the income needed to purchase the 25th percentile-priced home. The index has generally declined since reaching a peak of 1.23 in 2012 (Figure 13), when the median income for householders ages 25 to 44 years old was greater than the income needed to afford the 25th-percentile priced home. During 2019, however, the index rose to 0.88, up from 0.80 in 2018. The increase was partly because of an only 5-percent over-the-year increase in the 25th-percentile-priced home to $391,700, whereas the median income of householders aged 25 to 44 years increased 8 percent. The national index has been above 1.00 every year during the past decade and rose from 1.81 in 2018 to 1.88 in 2019.

Figure 13. Santa Barbara HMA HUD First-Time Homebuyer Affordability Index



Sources: American Community Survey, 1-year data; Federal Housing Finance Agency; and Zonda

Forecast

During the next 3 years, demand is estimated for 1,350 new homes in the HMA (Table 5). The 180 homes currently under construction will meet a portion of the demand during the first year of the forecast. Demand is expected to be relatively steady throughout the forecast period.

Table 5. Demand for New Sales Units in the Santa Barbara HMA During the Forecast Period

	Sales Units
Demand	1,350 Units
Under Construction	180 Units

Notes: Demand does not include demand for seasonal or second homes. The forecast period is from August 1, 2021, to August 1, 2024.
Source: Estimates by the analyst

Rental Market

Market Conditions: Slightly Tight

Despite fluctuations in the apartment market vacancy rate, the average apartment rent in the HMA has increased every year since 2011.

Current Conditions and Recent Trends

The rental housing market in the Santa Barbara HMA is slightly tight, with an overall estimated rental vacancy rate of 4.0 percent, down from 4.5 percent in April 2010 (Table 6). Rising for-sale home prices and a general trend of increased enrollment at UCSB have contributed to strong rental demand since 2010. Approximately 53 percent of renter households in the HMA reside in single-family homes, mobile homes, townhomes, and two- to four-unit structures, a decline from 62 percent in 2010 (2010 and 2019 ACS 1-year data). The remainder of renter households, or 47 percent, reside in multifamily structures with five or more units, typically apartments, compared with 38 percent in 2010.

Single-Family Home Rentals

Approximately 38 percent of renter households in the HMA reside in single-family homes, down from 42 percent in 2010 (2010 and 2019 ACS 1-year data). Currently, the rental market for single-family homes is tight, unchanged from a year ago. The average vacancy rate for professionally managed single-family rental homes during July 2021 was 1.5 percent, unchanged from a year ago but lower than the 2.3-percent vacancy rate in July 2012, the earliest data available (CoreLogic, Inc.). By number of bedrooms, vacancy rates during July 2021 ranged from 1.2 percent for four-bedroom homes to 2.4 percent for one-bedroom homes. Vacancy rates declined slightly for most unit types from a year ago, except for one- and three-bedroom homes, which were unchanged. During the past year, average rents declined for all unit types, except for one-bedroom homes, which rose 2 percent to $2,748 in July 2021. Average rents declined for most unit types, primarily because property managers reduced rents in response to the economic impact of the COVID-19 pandemic. The average rent declined the most for four-bedroom single-family homes, down 11 percent from a year earlier to $3,528. The average rent for two- and three-bedroom homes declined 3 and 8 percent from a year ago, to $2,996 and $3,209, respectively. From July 2012 to July 2021, however, average rents for each unit type increased by at least 2 percent a year.

Table 6. Rental and Apartment Market Quick Facts in the Santa Barbara HMA

Rental Market Quick Facts		2010 (%)	Current (%)
	Rental Vacancy Rate	4.5	4.0
		2010 (%)	**2019 (%)**
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	42	38
	Multifamily (2–4 Units)	17	13
	Multifamily (5+ Units)	38	47
	Other (Including Mobile Homes)	3	2

Notes: The current date is August 1, 2021. Percentages may not add to 100 due to rounding.
Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2019 American Community Survey, 1-year data

Apartment Market Conditions

The apartment market is slightly tight, with a 3.7-percent vacancy rate as of the second quarter of 2021, up from the 3.0-percent rate during the second quarter of 2020, but below the second quarter high of 5.0 percent during 2007 (Figure 14; Moody's Analytics REIS). Vacancy rates increased during the second quarter of 2021, due in part to weak economic conditions that resulted from the COVID-19 pandemic, increased net out-migration, and high levels of rental construction activity during recent years. The average monthly apartment asking rent in the HMA was $1,674 during the second quarter of 2021, a nearly 1 percent increase from the second quarter of 2020.

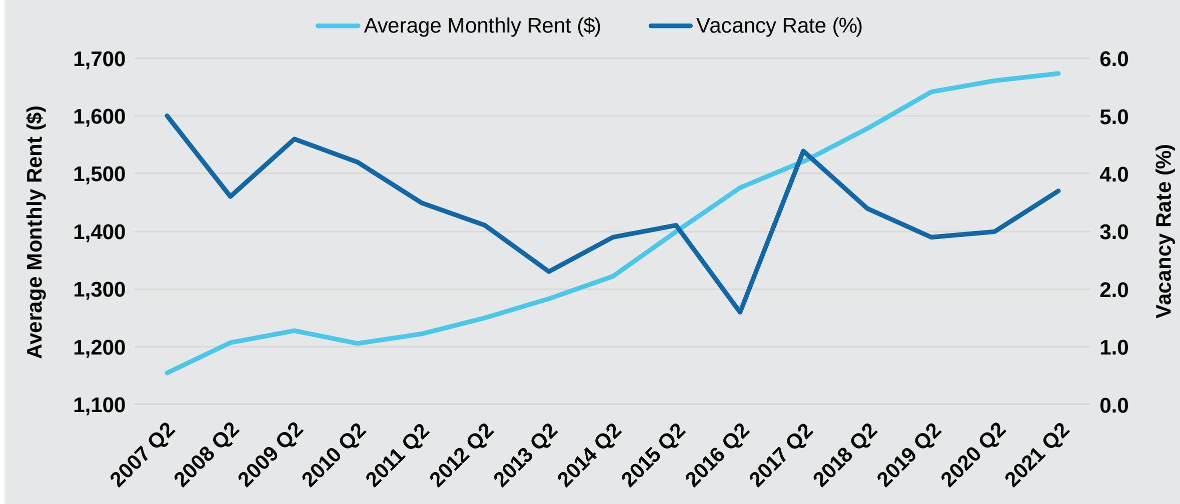
Housing Affordability: Rental

Despite expensive rental housing in parts of the HMA, rental affordability in the Santa Barbara HMA has generally improved since the mid-2010s because growth in the median income for renter households has been greater than the increase in the median gross rent (Figure 15). The median monthly gross rent in the HMA rose 24 percent, from $1,336 in 2013 to $1,660 in 2019. During the same period, the median renter household income increased 35 percent, from $41,224 to $55,639. As a result, the HUD Gross Rent Affordability Index, a measure of median renter household income relative to qualifying income for the median-priced rental unit, increased from 77.1 in 2013 to 83.8 in 2019. The current index, however, is lower than the recent high of 84.0 in 2017.

Renter Cost Burdens

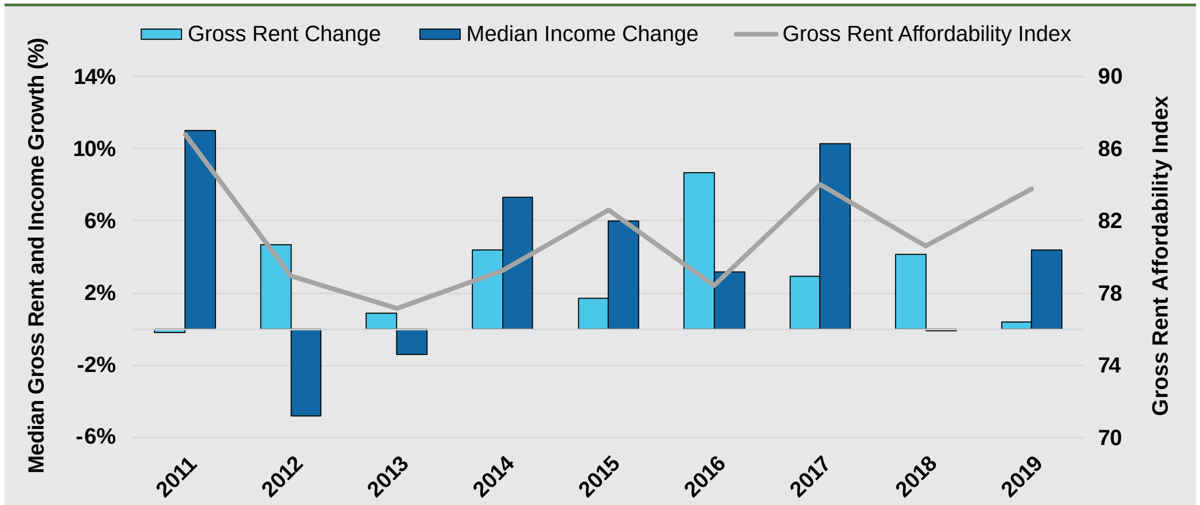
The percentage of cost burdened households in the HMA is higher than for the nation. During the 2014-through-2018 period, an estimated 25.2 percent of all renter households in the HMA were in the moderate to high-cost burden category—spending between 31 and 50 percent of their income on housing costs—while 27.3 percent were severely cost burdened, spending 51 percent or more of their income towards housing costs (Table 7). By comparison, the proportions of renter households nationwide that were in the moderate to high-cost burden and severe cost burdened categories were 21.8 and 22.6 percent, respectively. Cost burdens are particularly notable for lower-income renter

Figure 14. Apartment Rents and Vacancy Rates in the Santa Barbara HMA



Q2 = second quarter.
Source: Moody's Analytics REIS

Figure 15. Santa Barbara HMA Gross Rent Affordability Index



MSA = metropolitan statistical area.
Notes: Rental affordability is for the larger Santa Barbara MSA. The Gross Rent Affordability Index differs from the HUD Rental Affordability Index published on the U.S. Housing Market Conditions website in that it is based on combined rent and utilities expenditure.
Source: American Community Survey, 1-year data

households in the HMA. For renter households with incomes less than 50 percent of the Area Median Family Income (AMFI) in the HMA, 18.9 percent were in the moderate to high-cost burden category, but most households at these income levels, or 61.6 percent, were severely cost burdened. By comparison, nationwide, 24.7 percent of lower income renter households were moderate to high-cost burdened, whereas 51.2 percent were severely cost burdened.

Homelessness

Approximately 1,900 people throughout the HMA were homeless in 2020 (Point-in-Time Count). Of the number of people that were homeless in the HMA, approximately 64 percent were unsheltered, compared with approximately 70 percent in California and 39 percent throughout the nation, Puerto Rico, and the United States territories.

Policy Initiatives

To address homelessness and housing affordability issues in the HMA, several local and statewide policy initiatives are in place. The county of Santa Barbara has adopted an inclusionary housing ordinance, with the purpose of increasing the supply of affordable housing units. This ordinance requires that new residential developments with five or more units, or subdivisions of land that would allow for the construction of at least five units, reserve a portion of units as affordable housing units. Developers can avoid the requirement by paying an in-lieu-of fee. Affordable housing incentives are available to developers in the city of Santa Barbara. These incentives include grants and loans for the construction and preservation of affordable housing units. Some affordable housing programs include the Housing Rehabilitation Loan Program for Multi-Family Units and state density and city density bonus programs.

Table 7. Percentage of Cost Burdened Renter Households by Income, 2014–2018

	Moderate to High Cost Burden: 31–50 Percent of Income Toward Housing Costs		Severely Cost Burdened: 51 Percent or More of Income Toward Housing Costs	
	Santa Barbara HMA	Nation	Santa Barbara HMA	Nation
Renter Households with Income <50% HAMFI	18.9	24.7	61.6	51.2
Total Renter Households	25.2	21.8	27.3	22.6

HAMFI = HUD area median family income.
Source: Consolidated Planning/CHAS Data, 2014–2018 American Community Survey 5-year estimates (huduser.gov)

Current Affordable Housing Options: LIHTC, PBRA, HCV

The low-income housing tax credit (LIHTC) program is the primary funding source for new affordable rental housing in the nation. From 2000 through 2009, approximately 630 new LIHTC units were placed in service in the HMA—an average of nearly 65 units annually. Since 2010, 700 new LIHTC units—or an average of 65 units annually—have been placed in service in the HMA. Of those placed in service since 2010, approximately 28 percent have been in the city of Lompoc, 22 percent in the city of Santa Barbara, and 12 percent in the city of Santa Maria.

In addition to LIHTC, income-eligible residents may qualify for project-based rental assistance (PBRA) or housing choice vouchers (HCVs) through the local public housing authority (PHA). The PHAs in the HMA administered 6,663 HCVs in 2020 (Table 8). The waitlists for HCVs and public housing in the HMA

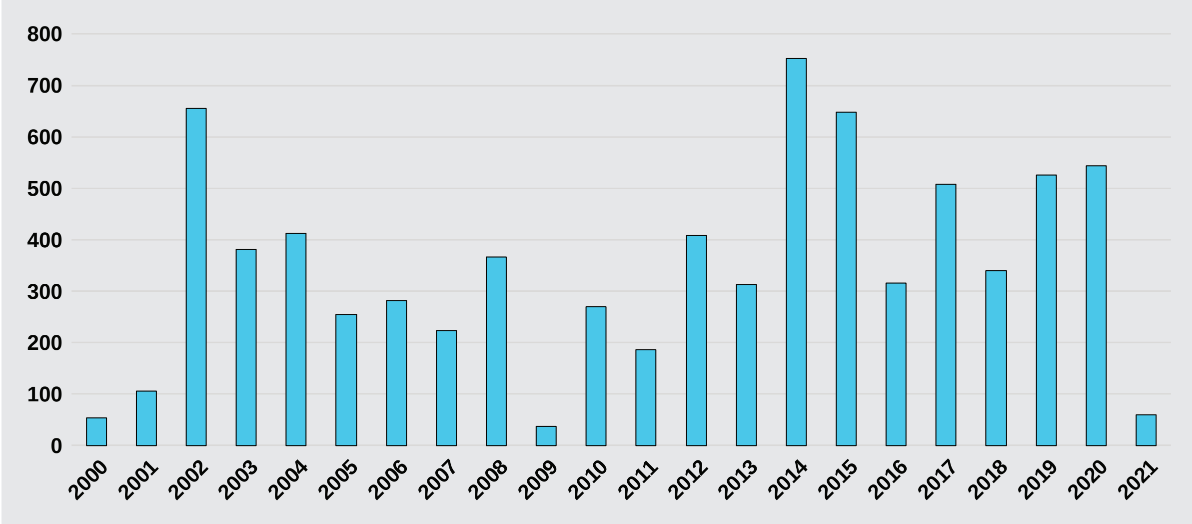
Table 8. Picture of Subsidized Households, 2020

	Santa Barbara HMA	HMA Change Since 2013	National Total	National Change Since 2013
Total Assisted Households (2020)	7,582	12.2%	4,599,832	1.0%
Total Housing Voucher Households (2020)	6,663	21.5%	2,313,166	9.5%
Average HCV Tenant Monthly Contribution	$495	5.5%	$386	0.4%
Average Monthly HUD Subsidy	$1,295	18.3%	$834	7.1%

HCV = housing choice voucher.
Note: Dollar changes are inflation adjusted using the Consumer Price Index for All Urban Consumers (CPI-U).
Source: HUD Picture of Subsidized Households

are currently closed, with a waiting time of approximately 1.5 years. There are 7,812 subsidized units through PBRA and other programs, including 214 public housing units (Picture of Subsidized Households). The number of households that have an HCV in the HMA has increased 21.5 percent since 2013. The increase in assisted households has occurred while an inflation-adjusted rent subsidy from HUD has increased 18.3 percent since 2013; during the same time, the inflation-adjusted tenant contribution for HCVs rose 5.5 percent. By comparison, the total number of voucher households in the nation increased 9.5 percent since 2013, whereas the inflation-adjusted HUD subsidy has increased 7.1 percent, and the inflation-adjusted tenant contribution increased 0.4 percent.

Figure 16. Average Annual Rental Permitting Activity in the Santa Barbara HMA



Notes: Includes apartments and units intended for rental occupancy. Data for 2021 are through July 2021.
Sources: U.S. Census Bureau, Building Permits Survey; 2000 through 2020—final data and estimates by the analyst; 2021—preliminary data and estimates by the analyst

Rental Construction Activity

Rental construction—as measured by the number of rental units permitted—has been at relatively high levels during much of the period since the mid-2010s (Figure 16), with recent apartment construction concentrated in the cities of Santa Barbara, Santa Maria, and Goleta. Rental construction was very low in the early 2000s, averaging only 80 units permitted a year during 2000 and 2001, partially because of slow population growth. Rental unit permitting increased sharply to 660 units in 2002, before falling to an average of 320 units a year from 2003 through 2008. Rental unit permitting declined again to an average of 160 units a year from 2009 through 2011, when builders scaled back construction in response to weak economic conditions and the housing market collapse. High levels of net in-migration as the economy recovered led to an increased number of rental units permitted, which rose by an average of 190 units, or 59 percent, annually from 2012 to a peak of 750 units in 2014. From 2015 through 2020, construction remained relatively elevated, averaging 480 units annually. During the 12 months ending July 2021, approximately 290 rental units were permitted, down nearly 47 percent from 540 units permitted a year earlier (preliminary data, with estimates by the analyst).

New Construction

Rental developments currently under construction are concentrated in the city of Santa Barbara, with additional units underway in the city of Goleta. Construction is underway at 800 Santa Barbara, also known as Santa Barbara Street Apartments—a 23-unit apartment community in downtown Santa Barbara that will consist of 9 studios, 10 one-bedroom units, 3 two-bedroom units, and 1 three-bedroom unit. Completion of the development is expected in December 2021. Cortona Point Apartments, a 179-unit apartment community in the city of Goleta, is also under construction, with expected completion by late 2021. The apartment community will have prices ranging from $2,695 to $2,764 for one-bedroom units, from $3,295 to $3,605 for two-bedroom units, and from $3,979 to $4,150 for three-bedroom units. Recently completed apartment communities include the 318-unit Azure in the city of Santa Maria. Rents for studios and one-, two-, and three-bedroom units start at $1,950, $2,181, $2,404, and $2,980, respectively.

Forecast

During the 3-year forecast period, demand is estimated for 1,575 new rental units in the HMA (Table 9). The 280 units under construction are expected to satisfy a portion of the demand during the first year of the forecast. Demand is expected to be relatively steady throughout the forecast period.

Table 9. Demand for New Rental Units in the Santa Barbara HMA During the Forecast Period

	Rental Units
Demand	1,575 Units
Under Construction	280 Units

Note: The forecast period is August 1, 2021, to August 1, 2024.
Source: Estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Building Permits/ Permitting/ Permitted	Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Cost Burdened	Spending more than 30 percent of household income on housing costs. Moderate to high-cost burden refers to households spending 31 to 50 percent of income on housing costs. Severe cost burden refers to households spending 51 percent or more of income on housing costs.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
Existing Home Sales	Include regular resales and REO sales.
Forecast Period	8/1/2021–8/1/2024—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family, townhome, and condominium sales.
Net Natural Change	Net natural change is resident births minus resident deaths.

Regular Resales	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party and include short sales.
Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Seriously Delinquent Mortgages	Mortgages 90+ days delinquent or in foreclosure.
Unaccompanied Housing	Military housing intended to be occupied by members of the armed forces serving a tour of duty unaccompanied by dependents.

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	Urbanized areas are defined using the U.S. Census Bureau 2010 Census Urban and Rural Classification and the Urban Area Criteria.

C. Additional Notes

1.	The NAHB Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
2.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
3.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

D. Photo/Map Credits

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