

COMPREHENSIVE HOUSING MARKET ANALYSIS

Santa Rosa-Petaluma, California

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

As of June 1, 2021



PD&R

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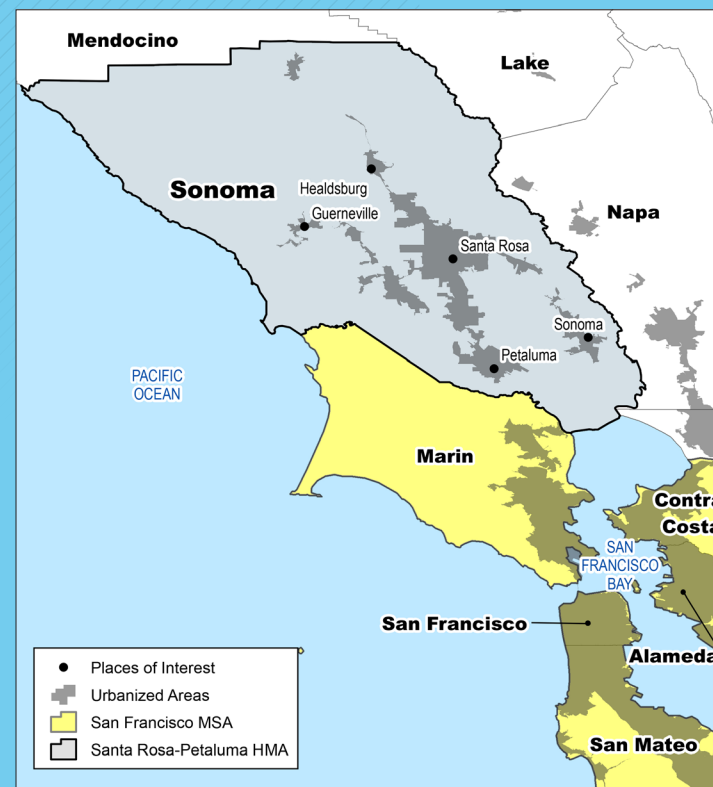


Executive Summary

Housing Market Area Description

The Santa Rosa-Petaluma Housing Market Area (hereafter, Santa Rosa HMA) is coterminous with Sonoma County in northern California, about 55 miles north of San Francisco. As one of the four counties that constitute the California Wine Country, the HMA contributes more than 45 percent of the grape-growing acres of the region and includes more than 425 wineries (Sonoma County). As a premier winery destination, the HMA draws significant tourism; during 2020, the HMA attracted 8.4 million visitors, with shopping and winery visits cited as the two top activities (Longwoods International).

The current HMA population is estimated at 489,600.



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 the [supplemental tables](#) of this report. For information on HUD-supported activity in this area, see the Community Assessment Reporting [Tool](#).

Market Qualifiers

Economy



Weak, but Improving: Nonfarm payrolls remain below prepandemic levels; however, the job recovery has continued at a steady pace since February 2021 after a second shutdown of economic activity due to the declining bed capacity of hospital intensive care units.

Following 9 years of consecutive job growth, nonfarm payrolls declined 8.6 percent, to 186,600 jobs, during the 12 months ending May 2021. The HMA has gradually reopened since January 2021 following a second pandemic-related shutdown intended to mitigate the impacts of a surge in COVID-19 cases. During the 3 months ending May 2021, nonfarm payrolls increased by 3,200 jobs, or 1.7 percent, compared with a loss of 21,800 jobs, or 10.5 percent, during the same period a year ago. The HMA has recovered slightly more than one-half of the jobs lost during March and April 2020. During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 3.2 percent annually as the economy recovers from pandemic-induced job losses.

Sales Market



Tight: Total new and existing home sales increased 17 percent in the HMA, and the average home sales price rose 14 percent during the 12 months ending May 2021.

Home sales grew in the HMA during the past year as in-migration of residents from San Francisco and other urban areas accelerated, resuming a trend that occurred before the COVID-19 pandemic. The number of homes sold increased to 6,150 during the 12 months ending May 2021, and the average home sales price rose to \$802,400 (Zonda). The sales market in the HMA is notably expensive—particularly for younger households; the income needed to afford a modestly priced home exceeds the median income. Demand is estimated for 3,875 homes during the next 3 years; the 420 homes underway will satisfy a portion of the demand.

Rental Market



Slightly Tight: The apartment vacancy rate in the HMA during the first quarter of 2021 was 3.4 percent, up slightly from the 3.2-percent rate during the first quarter of 2020.

The overall rental market is slightly tight in the HMA, with a current rental vacancy rate estimated at 4.0 percent, compared with 5.2 percent in 2010. During the first quarter of 2021, the apartment market remained slightly tight compared with conditions a year ago; however, rents have declined and vacancies increased slightly. The average apartment rent decreased 3 percent during the first quarter of 2021 compared with a year ago, whereas the apartment vacancy rate increased 0.2 percentage point. During the next 3 years, demand is expected for 2,600 new rental units; the 530 units currently under construction will satisfy a portion of the demand.

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3-Year Housing Demand Forecast

	Sales Units	Rental Units
Santa Rosa HMA		
Total Demand	3,875	2,600
Under Construction	420	530

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of June 1, 2021. The forecast period is June 1, 2021, to June 1, 2024.

Source: Estimates by the analyst



Economic Conditions

Largest Sector: Education and Health Services

The HMA has a larger share of older residents than the state and the country overall; as of 2019, 35 percent of Santa Rosa HMA residents were age 55 and older, compared with a 29-percent share in California and a 27-percent share nationwide (2019 1-year American Community Survey data), generating increased demand for health care.

Nonfarm Payroll Trends— 12 Months Ending May 2021

Before the pandemic, economic conditions in the Santa Rosa HMA were strong, with 9 consecutive years of job gains from 2011 through 2019. Economic conditions weakened considerably in 2020, however, with most of the job losses occurring in March and April 2020, when nonessential activities were curtailed in the HMA to slow the spread of COVID-19. Critically low hospital capacity resulted in a second shutdown in the HMA during December 2020 and January 2021, which impeded a trend of job growth since the previous reopening process began in May 2020. All sectors of the economy were affected, even the education and health services sector—the largest in the HMA, with 3 of the top 10 employers being healthcare providers (Table 1). During the 12 months ending May 2021, payrolls totaled 186,600, a decrease of 17,500 jobs, or

8.6 percent, compared with the same 12-month period a year ago (Table 2). Figure 1 shows the 12-month average nonfarm payrolls since 2000.

Every sector of the economy lost jobs as a result of the COVID-19-related shutdowns, but job losses were greatest in the leisure and hospitality sector, which lost 6,600 jobs during the 12 months ending May 2021,

Table 1. Major Employers in the Santa Rosa HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Kaiser Permanente	Education & Health Services	3,500
Providence Health & Services	Education & Health Services	2,500
Graton Resort & Casino	Leisure & Hospitality	2,000
Keysight Technologies, Inc.	Manufacturing	1,300
Jackson Family Wines	Manufacturing	1,150
Sutter Medical Center of Santa Rosa	Education & Health Services	1,050
Medtronic Public Limited Company	Manufacturing	1,000
Amy's Kitchen, Inc.	Manufacturing	990
Oliver's Markets	Wholesale & Retail Trade	750
Hansel Auto Group	Wholesale & Retail Trade	700

Note: Excludes local school districts.
Source: Santa Rosa Metro Chamber

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

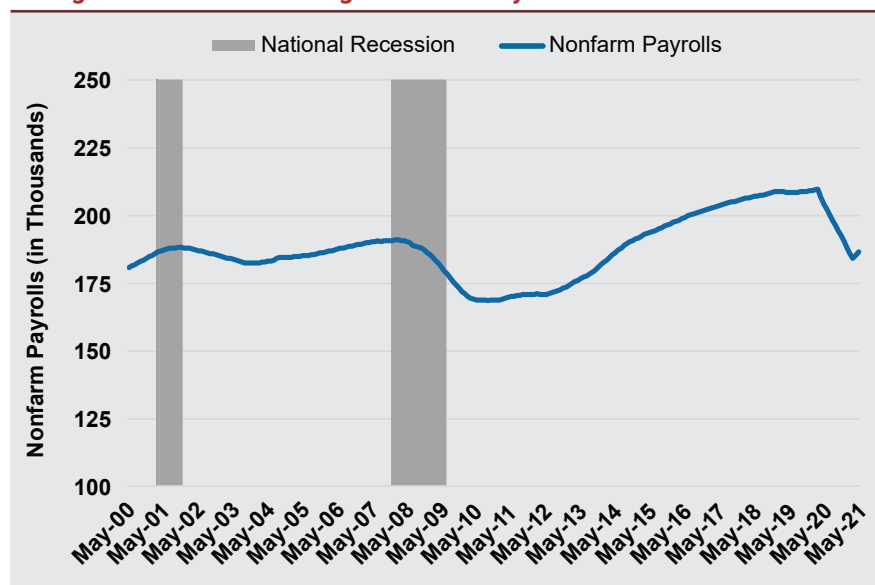
	12 Months Ending May 2020	12 Months Ending May 2021	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	204.1	186.6	-17.5	-8.6
Goods-Producing Sectors	39.8	38.2	-1.6	-4.0
Mining, Logging, & Construction	16.7	16.2	-0.5	-3.0
Manufacturing	23.1	22.0	-1.1	-4.8
Service-Providing Sectors	164.3	148.3	-16.0	-9.7
Wholesale & Retail Trade	31.0	30.2	-0.8	-2.6
Transportation & Utilities	4.2	4.1	-0.1	-2.4
Information	2.5	2.2	-0.3	-12.0
Financial Activities	8.4	7.3	-1.1	-13.1
Professional & Business Services	23.3	22.3	-1.0	-4.3
Education & Health Services	35.7	33.1	-2.6	-7.3
Leisure & Hospitality	23.6	17.0	-6.6	-28.0
Other Services	6.8	5.7	-1.1	-16.2
Government	28.9	26.3	-2.6	-9.0

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



a 28.0-percent decline. Almost 40 percent of all nonfarm job losses occurred in the sector, which relies heavily on face-to-face interaction. Layoffs were concentrated in hotels and wineries, including 123 employees at The Lodge at Sonoma Resort, Autograph Collection, 98 employees at the Epic Wines and Spirits, and 95 employees at Ferrari-Carano Vineyards and Winery (State of California, Employment Development Department). During 2020, tourist visits to the HMA totaled 8.4 million people, an 18.3-percent decline from the number of visitors in 2019 (Longwoods International). Visitor spending declined even more dramatically—by 49 percent—to \$1.13 billion, compared with visitor spending in 2019 (Dean Runyan Associates). Wineries account for roughly 30 percent of total employment in the manufacturing sector, which declined by 1,100 jobs, or 4.8 percent during the 12 months ending May 2021. The education and health services and the government sectors lost the second highest levels of jobs—2,600 jobs each—or a

Figure 1. 12-Month Average Nonfarm Payrolls in the Santa Rosa HMA



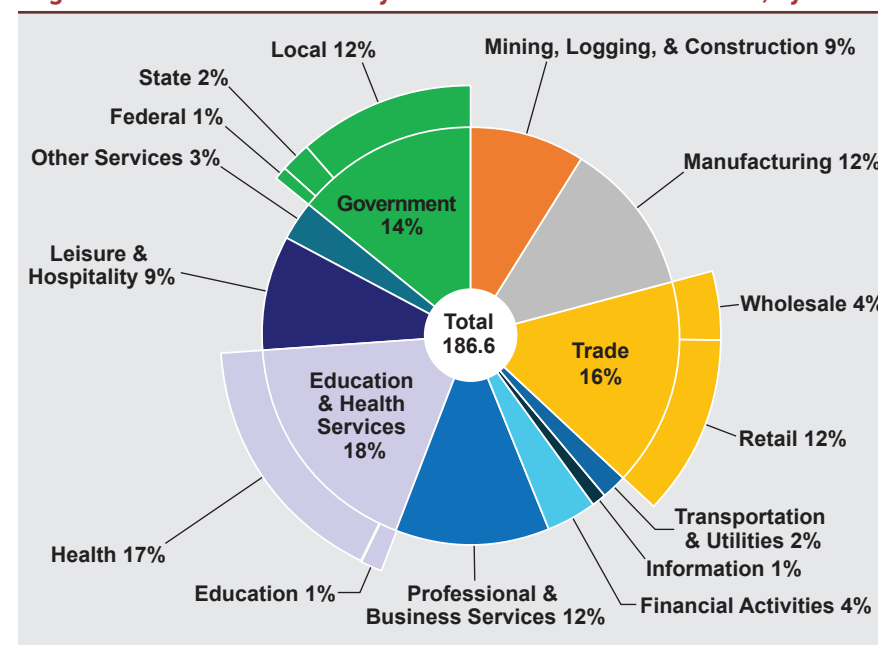
Note: 12-month moving average.

Sources: National Bureau of Economic Research; U.S. Bureau of Labor Statistics

7.3- and 9.0-percent decline, respectively. One of the largest layoffs in the education and health services sector was of 151 employees at Northern California Medical Associates, which closed its practice due in part to increased financial strain associated with the pandemic. Figure 2 shows the share of nonfarm payroll jobs by sector during the past 12 months.

The economic recovery from the downturn caused by the COVID-19 pandemic has been relatively weak in the HMA compared with the nation. This is primarily because of the second shutdown in January 2021 and a slow and careful second reopening process in the HMA that lags behind other parts of the nation. As of May 2021, the HMA has recovered about 52 percent of jobs lost during March and April 2020 (not seasonally adjusted). By comparison, the nation has recovered about 73 percent of jobs lost during the same period.

Figure 2. Share of Nonfarm Payroll Jobs in the Santa Rosa HMA, by Sector



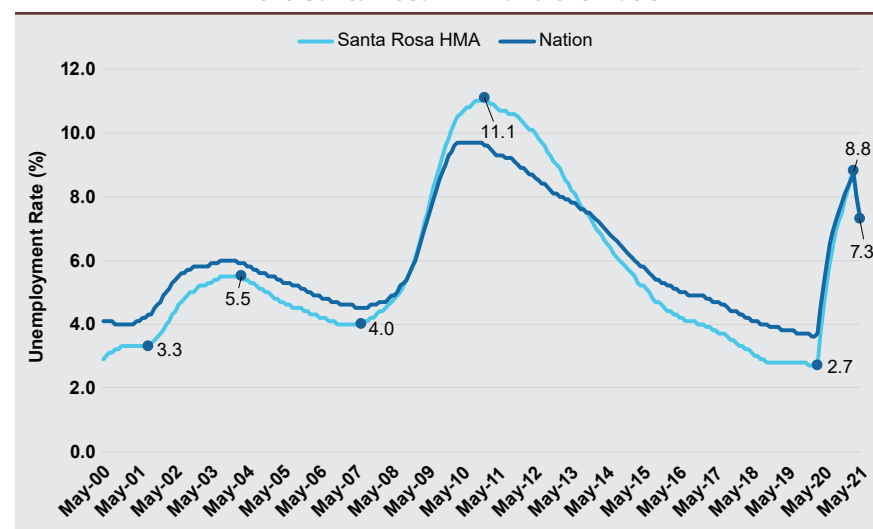
Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through May 2021.

Source: U.S. Bureau of Labor Statistics

Current Conditions—The Unemployment Rate

The unemployment rate in the HMA, which peaked at 11.1 percent in 2010 because of the Great Recession, averaged 7.3 percent during the 12 months ending May 2021, up significantly from the 4.6-percent rate a year ago (Figure 3). The significant increase in the unemployment rate during the past year is primarily the result of job declines associated with efforts to contain the spread of COVID-19. Many of the job losses occurred during the second quarter of 2020, as the nine-county Greater Bay Area (which includes the HMA) became the first area in the nation to announce a regional stay-at-home order. During the second quarter of 2020, the unemployment rate averaged 10.6 percent—significantly higher than the 2.7-percent rate during the second quarter of 2019, when unemployment rates reached historical lows. The unemployment rate is expected to decline during the 3-year forecast period as vaccinations continue and more businesses continue to reopen and expand capacity. Approximately 68 percent of the total population in the HMA has received at least one dose of the COVID-19 vaccine, and 60 percent are fully vaccinated as of the current date (Centers for Disease Control and Prevention).

Figure 3. 12-Month Average Unemployment Rate in the Santa Rosa 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: The Dot-Com Bust and Housing Boom

Nonfarm payrolls in the HMA declined by an average of 800 jobs, or 0.4 percent, annually from 2001 through 2003, likely from spillover effects in the aftermath of the dot-com bubble. The greatest job losses occurred in the manufacturing and the professional and business services sectors, which declined by averages of 1,600 and 500 jobs annually, or 5.7 and 2.5 percent, respectively.

During the following 4 years, the HMA recovered from the economic downturn of the early 2000s, as nonfarm payrolls increased by an average of 2,100 jobs, or 1.1 percent. The professional and business services sector led job gains, expanding by an average of 1,000 jobs, or 4.7 percent, annually and accounted for 48 percent of nonfarm payroll growth. During that period, job growth was

also significant in the government, the education and health services, and the wholesale and retail trade sectors, which added averages of 700, 600, and 500 jobs annually, or 2.2, 2.4, and 1.5 percent, respectively.

2008 Through 2010: The Great Recession

The economy in the HMA began to weaken during 2008, the same year the national economy started to lose jobs. From 2008 through 2010, nonfarm payrolls fell an average of 7,400 jobs, or 4.0 percent, annually, including a 1-year drop of 14,300 jobs, or 7.7 percent, during 2009, the same year nonfarm payrolls for the nation contracted 4.3 percent. Every nonfarm payroll sector in the HMA contracted during the 2008-through-2010 period except the education and health services sector, which expanded by an average of 700 jobs, or 2.7 percent. Among declining sectors, the mining, logging, and construction sector fell the most, by an average of 1,900 jobs, or 14.8 percent,

a year. Nearly all jobs lost in this sector were in the construction subsector, in part because of declining residential construction. From 2008 through 2010, an average of 550 residential units were permitted each year, a 76-percent reduction from the average of 2,250 residential units permitted annually from 2000 through 2007. Payrolls in the government and the professional and business services sectors both fell by an average of 1,400 jobs, or 4.8 and 6.4 percent, respectively. Low consumer spending led to decreased tax revenue, resulting in layoffs in the local government subsector. The wholesale and retail trade sector, in which payrolls fell an average of 1,300 jobs annually, was also affected. Nearly 70 percent of lost jobs were in the retail trade subsector. The manufacturing sector declined by an average of 700 jobs, or 3.3 percent, annually.

2011 Through 2017: The Tech Boom in the Greater Bay Area

From 2011 through 2017, the local economy added jobs at a strong rate, due in part to spillover effects of the technology boom in the Greater Bay Area, through greater local tourism into the HMA, increased migration to the HMA, and commutation to other job centers of the region. As the local economy began to recover from the Great Recession, nonfarm payrolls increased by an average of 2,500 jobs, or 1.4 percent, annually from 2011 through 2012. The leisure and hospitality and the wholesale and retail trade sectors—which expanded by averages of 900 and 800 jobs, or 4.1 and 2.8 percent, a year, respectively—led job growth. Increased tourism, particularly by residents of the Greater Bay Area, where nonfarm payrolls expanded by an average of 2.7 percent a year during the period, contributed significantly to the gains in the two sectors. Sectors with ties to housing, however, continued to lose jobs in the HMA during this period, with an average decline of 300, 200, and 100 jobs, or 1.6, 2.0, and 0.6 percent, in the professional and business services, the financial activities, and the mining, logging, and construction sectors,

respectively. During that period, residential construction increased from lows reached during the 2008-through-2010 period but remained significantly below levels during the early 2000s.

Job growth accelerated in the HMA from 2013 through 2017, a period when job growth averaged 3.3 percent a year in the Greater Bay Area. The HMA added an average of 6,400 jobs, or 3.4 percent, annually during the period. Net in-migration to the HMA increased during the period, which resulted in greater demand for services, and all sectors of the economy added jobs. Job gains were concentrated, however, in the education and health services, the government, and the mining, logging, and construction sectors, which added annual averages of 1,400, 900, and 900 jobs, or 4.7, 2.9, and 8.1 percent, respectively.

2018 Through 2019: The Impact of the Tubbs Fire

In October 2017, the Tubbs Fire burned more than 36,800 acres in parts of Napa, Sonoma, and Lake Counties in Northern California, with the most significant losses in the city of Santa Rosa, where approximately 6,700 homes and businesses were destroyed. Damage caused by the fire, which was the most destructive fire in California history at the time, was estimated at \$1.2 billion in the city alone (*Los Angeles Times*). The populated neighborhoods of Fountaingrove, Coffey Park, and Larkfield-Wikiup were the most affected, with respective losses of 1,800, 1,500, and 750 structures, many of them homes. The economic damage from the fire, including significant net out-migration, resulted in notably slowed nonfarm payroll job growth, averaging 1,700 jobs, or 0.8 percent, from 2018 through 2019. Five of the 11 payroll sectors reported job losses during the period, with the largest declines in the government and the wholesale and retail trade sectors, by averages of 1,400 and 400 jobs annually, or 4.4 and 1.1 percent, respectively. Although all levels of government contracted, the local government subsector accounted for much of the sector-wide decline, with an average loss of 900 jobs annually, or 3.3 percent.



Forecast

During the 3-year forecast period, nonfarm payrolls in the HMA are expected to increase by an average of 6,125 jobs, or 3.2 percent, annually. By the end of the 3-year forecast, the level of nonfarm payrolls is expected to be slightly higher than the level in February 2020, before the onset of the pandemic. The transition

to remote work for many tech workers in the Greater Bay Area is expected to spur migration to the HMA, creating demand for additional services. As such, the professional and business services, the education and health services, and the wholesale and retail trade sectors are expected to lead job gains.



Population and Households

Current Population: 489,600

Population growth was strong in the HMA during the early 2010s, but the population has declined each year since 2016, due in part to significant net out-migration of households affected by the Tubbs Fire.

Population and Migration Trends

As of June 1, 2021, the population of the Santa Rosa HMA is estimated at 489,600 (Table 3). Approximately 72 percent of the population lives in the nine incorporated cities of the HMA, the largest and fastest growing of which is Santa Rosa, with a January 1, 2021 population of 171,700, or approximately 35 percent of the total HMA population (State of California, Department of Finance). Population growth in the HMA has been responsive to economic conditions and housing affordability since the 2000s, although the impact of the Tubbs Fire has been significant. Since 2016, the population has declined every year, averaging a loss of 2,800 people, or 0.6 percent, annually. Net out-migration has accounted for all of the population decline and averaged 3,175 people a year. Significant out-migration of families and young professionals also contributed to a significant decline in net natural change, which averaged 380 people a year during the period. Figure 4 shows the components of population change for periods of significance between 2000 and the forecast date.

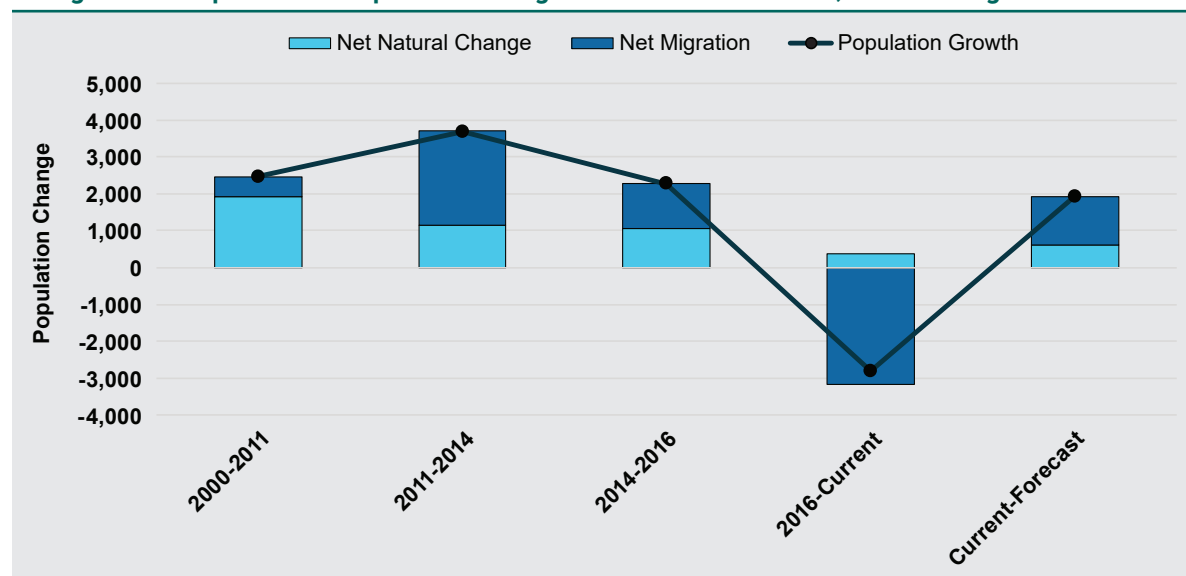
Table 3. Santa Rosa HMA Population and Household Quick Facts

Population Quick Facts	2010	Current	Forecast	
	Population	483,878	489,600	495,400
	Average Annual Change	2,525	510	1,925
	Percentage Change	0.5	0.1	0.4
Household Quick Facts	2010	Current	Forecast	
	Households	185,825	194,300	198,600
	Average Annual Change	1,350	760	1,450
	Percentage Change	0.8	0.4	0.7

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 (June 1, 2021) to June 1, 2024.

Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

Figure 4. Components of Population Change in the Santa Rosa HMA, 2000 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is from the current date (June 1, 2021) to June 1, 2024.

Sources: State of California, Department of Finance; U.S. Census Bureau; current to forecast—estimates by the analyst

Migration into the HMA has generally been from more expensive housing markets in California, including San Francisco, San Jose, and Los Angeles, whereas migration out of the HMA has been to more affordable housing markets, including Sacramento, Modesto, and Vallejo (Table 4). Strong economic conditions in both the HMA and the Greater Bay Area resulted in strong population growth during the early 2010s. The

population of the HMA expanded by an average of 3,675, or 0.8 percent, annually from 2011 to 2014, when net in-migration averaged 2,525 people, or 69 percent of total population growth. Net natural change averaged 1,150 people a year during that period. Some of the net in-migration was driven by a widening gap in sales housing affordability between the HMA and nearby San Francisco County. From 2011 through 2014, the average sales price for single-family homes in San Francisco County was 122 percent higher than in the HMA. By comparison, the difference was only 66 percent from 2005 through 2010 (Zonda).

Despite strengthening economic conditions in the HMA, the rate of population growth slowed during the mid-2010s. The decline was, at least partially, because of significant growth in sales prices as the average sales price differential with nearby counties became less pronounced during the period. From 2014 to 2016, the population of the HMA grew by an average of 2,275 people annually, or 0.5 percent; average international net in-migration of 1,100 people a year was responsible for much of the growth, as average domestic net in-migration averaged only 125 people a year, resulting in overall average net in-migration of 1,225 people. During 2016, the average home sales price in the Santa Rosa HMA was \$621,100, 52 percent lower than the average sales price of \$1.30 million in San Francisco County. The rate of net natural change also declined slightly from the 2011-to-2014 period to an average of 1,050 people a year, as births declined from 2014 to 2016.

Table 4. Metro-to-Metro Migration Flows in the Santa Rosa HMA, 2014–2018

Into the HMA	
San Francisco-Oakland-Hayward, CA	6,582
Los Angeles-Long Beach-Anaheim, CA	1,514
Vallejo-Fairfield, CA	1,440
Sacramento-Roseville-Arden-Arcade, CA	1,414
San Jose-Sunnyvale-Santa Clara, CA	1,220
Out of the HMA	
San Francisco-Oakland-Hayward, CA	4,200
Sacramento-Roseville-Arden-Arcade, CA	3,249
Los Angeles-Long Beach-Anaheim, CA	2,083
Modesto, CA	787
Vallejo-Fairfield, CA	745

Source: U.S. Census Bureau Migration Flows, 2014–2018 American Community Survey 5-year data

The 2000s was a period of moderate population growth that was primarily driven by net natural change. From 2000 to 2011, the population of the HMA increased by an average of 2,475, or 0.5 percent, annually, with significant net in-migration during the latter part of the decade offsetting net out-migration in the first part of the decade. Net out-migration averaged 130 people annually from 2000 to 2006, mainly due to lingering effects of the 2-year economic downturn from 2002 through 2003. During the period, the population of the HMA increased by an average of 1,575 people a year, due entirely to an average net natural change of 1,950 people a year. Population growth increased to an average of 3,550, or 0.7 percent, annually, during the 2006-to-2011 period, which included both the height of the housing bubble and the Great Recession that followed. Net in-migration averaged 1,625 people a year during the period.

Population Forecast

Population growth is expected to resume during the 3-year forecast period, given the significant rebuilding of neighborhoods affected by the Tubbs Fire, an economic recovery from the COVID-19-related disruption, and expanded remote work opportunities for tech workers in the Greater Bay Area. The population is expected to reach 495,400 by June 1, 2024, reflecting average annual growth of 1,925, or 0.4 percent. Net in-migration will account for much of the population growth, but as families with young children return to the HMA, net natural change is also expected to expand from its recent lows.

Household Trends

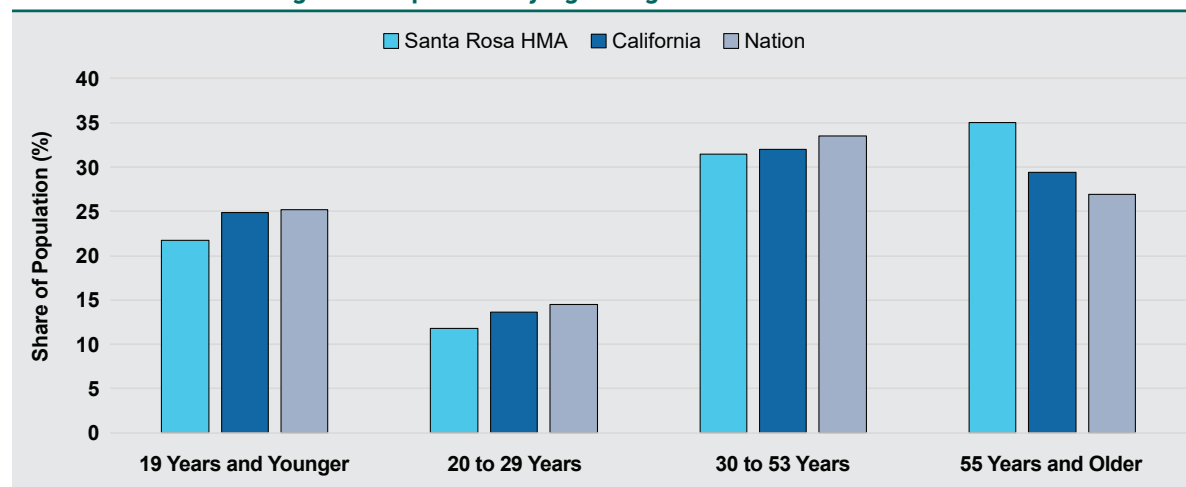
The prevalence of older residents, who generally live in smaller households, has contributed to notably faster household growth than population growth in the HMA since 2000 (Figure 5). As of June 2021, the

number of households is estimated at 194,300, including an estimated 121,100 owner and 73,200 renter households. From 2000 to 2010, the number of households increased by an average of approximately 1,350 households, or 0.8 percent, a year—faster than the 0.5-percent rate of population growth. Since 2010, the number of households has increased by an average of 760, or 0.4 percent, a year, compared with an average population growth rate of 0.1 percent annually during the period. An estimated 62.4 percent of households in the HMA are currently homeowners, up from a homeownership rate of 60.4 percent in 2010 (Figure 6). The number of renter households, on the other hand, has declined modestly since 2010 after increasing by an average of 1.7 percent, or 1,175 households, a year during the 2000-to-2010 period.

Household Forecast

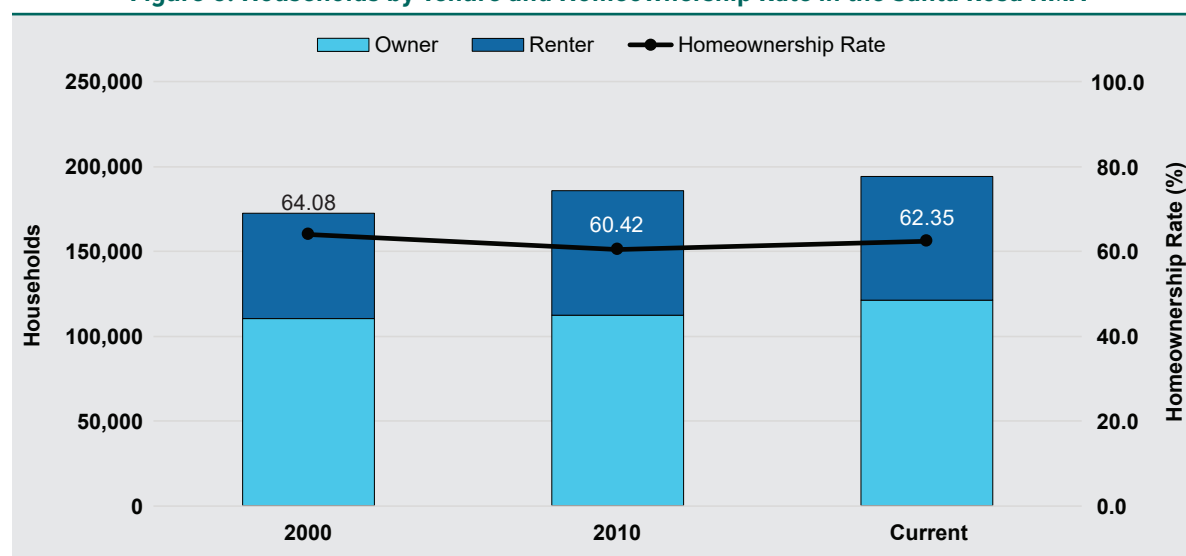
Due to an expected strong economic recovery and the return of families affected by the Tubbs Fire, household growth in the HMA is forecast to expand to an average of 1,450, or 0.7 percent, annually during the next 3 years. Roughly 62.6 percent of the additional households in the HMA are expected to be homeowners. For comparison, the current homeownership rate in the HMA is 62.4 percent.

Figure 5. Population by Age Range in the Santa Rosa HMA



Source: 2019 American Community Survey 1-year data

Figure 6. Households by Tenure and Homeownership Rate in the Santa Rosa HMA



Note: The current date is June 1, 2021.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

Home Sales Market

Market Conditions: Tight

The home sales market in the HMA is currently very tight, as the supply of for-sale inventory remains low despite relatively high levels of permitting activity since 2018.

Current Conditions

The current sales vacancy rate in the Santa Rosa HMA is estimated at 0.5 percent, down from 1.9 percent in April 2010, when conditions were slightly soft. Approximately 1,525 existing single-family homes, condominiums, and townhomes were available for sale in May 2021, representing a 2.4-month supply at the current sales rate—down from 1,875 homes for sale, or a 3.5-month supply, a year ago (Table 5; CoreLogic, Inc.). The decline in available supply contributed to a sharp increase in the average sales price during the past year. During the 12 months ending May 2021, the average sales price for new and existing homes rose 14 percent to \$802,200. The average sales price for a new home was 16 percent below that of an existing home because existing homes were generally built on larger lots. Existing homes sold during the most recent 12 months had average lot sizes that were more than 7 times larger than lot sizes of recently sold new homes. A significant share of homes sold in the HMA during the most recent 12 months were homes priced at \$750,000 or more (Figure 7). Approximately 6,125 new and existing homes were sold in the HMA during the 12 months ending

Table 5. Home Sales Quick Facts in the Santa Rosa HMA

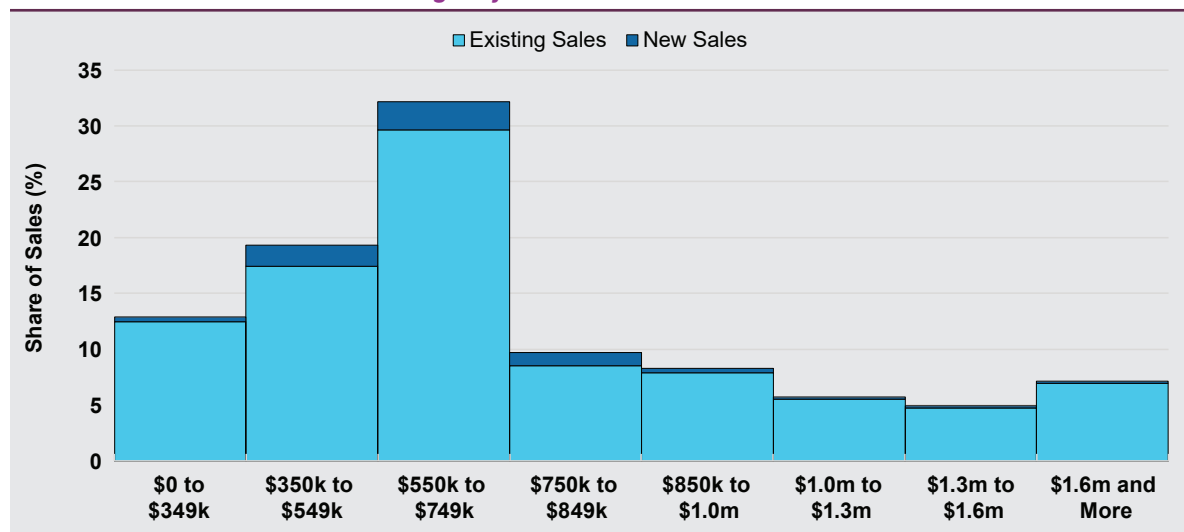
	Santa Rosa HMA	Nation
Vacancy Rate	0.5%	NA
Months of Inventory	2.4	1.3
Total Home Sales	6,125	6,276,000
1-Year Change	17%	12%
New Home Sales Price	\$680,800	\$416,900
1-Year Change	-4%	1%
Existing Home Sales Price	\$810,200	\$368,000
1-Year Change	15%	18%
Mortgage Delinquency Rate	2.0%	3.3%

NA = data not available.

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending May 2021; and months of inventory and mortgage delinquency data are as of May 2021. The current date is June 1, 2021.

Sources: Vacancy rate—estimates by the analyst; months of inventory—CoreLogic, Inc.; HMA home sales and prices—Zonda; national home sales and prices—National Association of Realtors® and Census Bureau/HUD

Figure 7. Share of Overall Sales by Price Range During the 12 Months Ending May 2021 in the Santa Rosa HMA



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

Source: Zonda

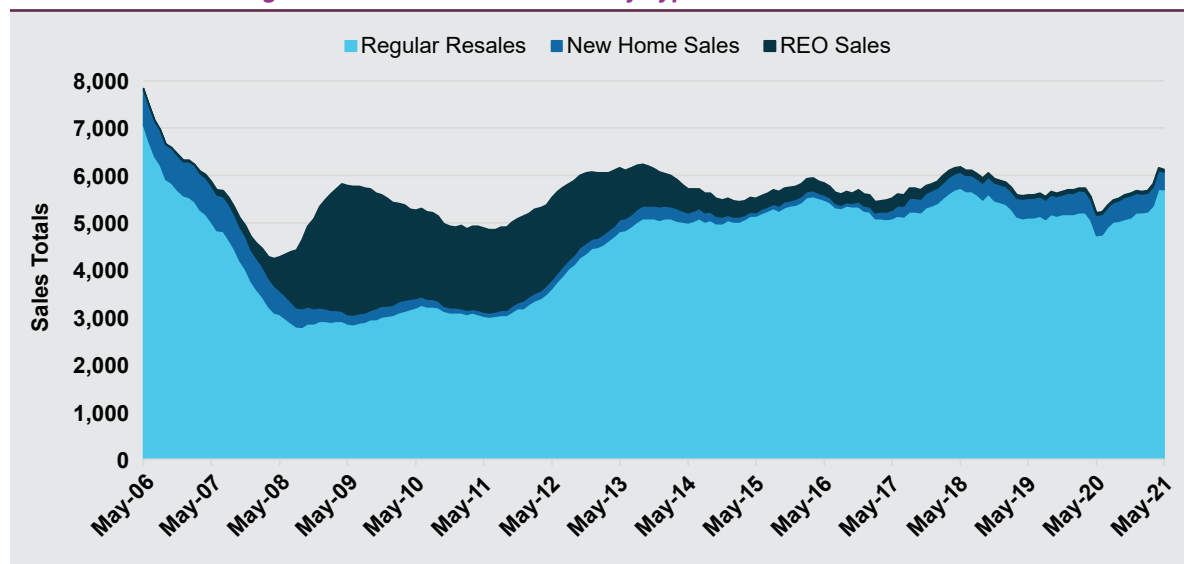
May 2021—a gain of 17 percent from the 5,200 homes sold during the previous year (Figure 8).

Trends in Home Sales: The Great Recession and Subsequent Recovery

Although the home sales market in the HMA was soft during the Great Recession, the initial effect of the foreclosure crisis was less severe than in other parts of the country, and the recovery was relatively rapid due to the start of the tech boom in the Greater Bay Area. As a result of significant declines in average sales prices, the homes sales market recorded yearly increases in sales as investors and homebuyers took advantage of lower home prices in the HMA. The average home sales price declined by an average of 20 percent annually from 2008 through 2009. The real estate owned (REO) sales price ranged from \$98,800 to \$173,200 lower, or 26 to 29 percent less, than the average price of an existing home during that period. From 2007 through 2009, the number of homes sold increased by an average of 8 percent annually, to 5,500. During that period, an average of 1,550 REO home sales accounted for 32 percent of total existing sales.

REO sales continued to contribute a large proportion of existing sales from 2009 through 2012, but sales prices were beginning to recover, leading to slower growth in home sales. During that period, home sales increased by an average

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



REO = real estate owned.

Source: Zonda

of 3 percent annually, to 6,100 home sales. Although REO sales accounted for 34 percent of all existing home sales, sales prices began to increase by 1 percent a year during the period, with price gains in almost all home sales types.

Trends in Home Sales: 2013 Through 2017

Given the desirability of living in the HMA, home sales are very responsive to price changes. From 2013 through 2014, when the sales market was recovering from the Great Recession, total new and existing home sales declined by an average of 5 percent annually. At the same time, home sales prices increased by an average of 18 percent annually. Total home sales increased by an average of 2 percent annually, however, from 2015 through 2017, when growth in average home sales prices slowed to an average of 9 percent annually (Figure 9). By 2017, the average homes sales price was \$695,600, 47 percent higher than the average sales price of \$472,100 in 2013.

During the 2013-through-2014 period, REO sales continued to account for a sizable share of total sales, contributing to slow price growth. Although the REO share was declining from previous highs during the

early part of the recovery from the Great Recession, REO sales accounted for an average of 15 percent of all existing sales. During the 2015-through-2017 period, however, REO sales accounted for an average of only 5 percent of all existing sales. The economic recovery and improvement in sales housing market conditions that occurred led to a decline in the availability of REO sales.

Seriously Delinquent Mortgages and REO Properties

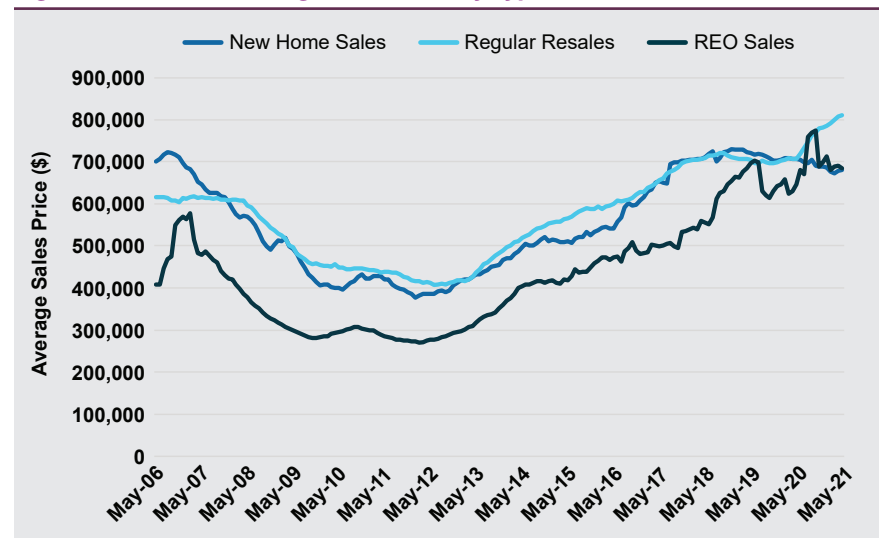
As economic conditions weakened during the past year, the rate of seriously delinquent mortgages and REO properties in the Santa Rosa HMA rose sharply. The rate for the HMA remains below the national rate, however, continuing the trend since 2000. In April 2021, 2.1 percent of mortgages in the HMA were seriously delinquent or had transitioned into REO status, up significantly from 0.4 percent a year earlier but a fraction of the peak rate of 7.6 percent during

February 2010, during the housing crisis. The rise in delinquencies partly reflects an increased reliance on mortgage forbearance, which was provided for most mortgage borrowers under the \$2.2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act. Approximately 1,550 mortgages in the submarket were 90 or more days past due in April 2021—almost a six-fold increase from April 2020; however, the number of foreclosures declined 9 percent. For context, the national rate of seriously delinquent mortgages and REO properties rose to 3.4 percent during April 2021, up from 1.4 percent in April 2020 but below the peak rate of 8.6 percent during January 2010.

Sales Construction Activity

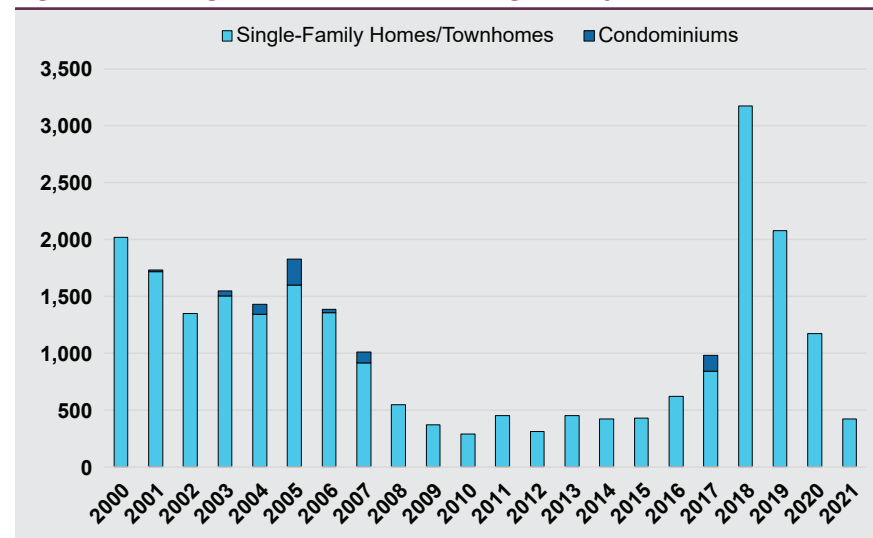
Despite tightening sales housing market conditions, home sales construction remained limited from 2008 through 2016, when an average of 430 sales units were permitted annually (Figure 10). By comparison, during the

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



REO = real estate owned.
Source: Zonda

Figure 10. Average Annual Sales Permitting Activity in the Santa Rosa HMA



Notes: Includes single-family homes, townhomes, and condominiums. Data for 2021 are through May 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

2000-through-2007 period, an average of 1,525 sales units were permitted each year. After the Tubbs Fire, which destroyed almost 5 percent of the housing stock in the city of Santa Rosa in 2017, permitting activity increased significantly as a part of rebuilding efforts. From 2017 through 2020, an average of 1,850 sales units were permitted each year. Permitting of new sales units slowed during the past year, as many fire victims completed reconstruction of their homes. Approximately 1,025 sales units were permitted during the 12 months ending May 2021, down 39 percent from the same period a year earlier (preliminary data).

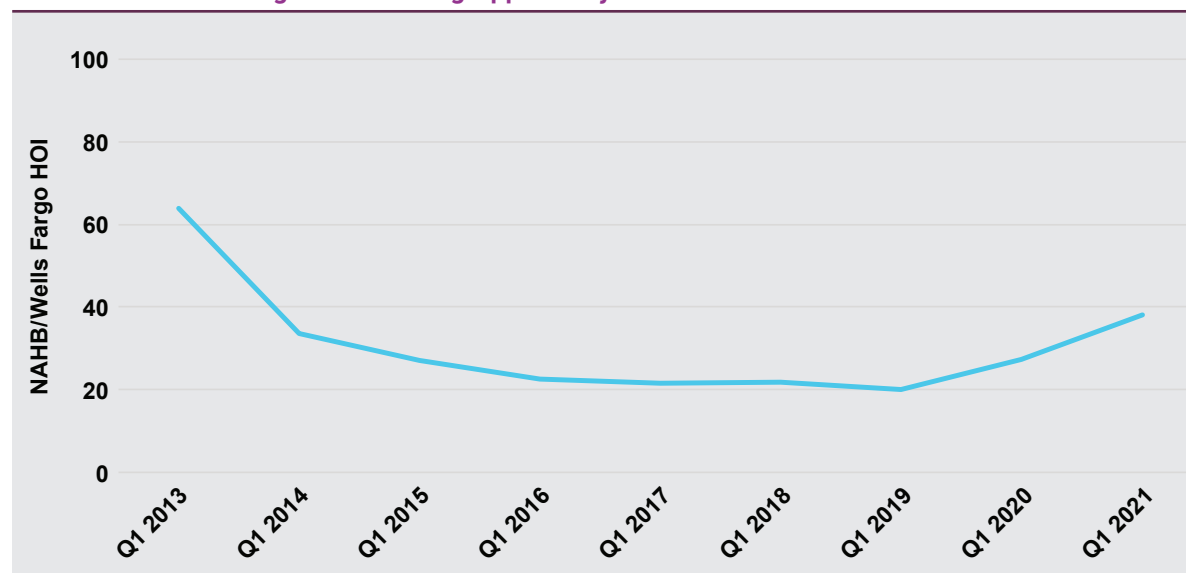
Permitting activity in the city of Santa Rosa has accounted for approximately 45 percent of permitting in the HMA total since 2018, with much of that activity associated with rebuilding homes that were destroyed in 2017. Some new development is underway, however, particularly along the Highway 101 corridor in the southern part of the HMA. New developments currently in progress include the 134-unit Riverfront by Tri Pointe Homes, approximately 15 miles south of Santa Rosa in the city Petaluma. Prices start at \$810,900, and home sizes range from 1,792 to 2,750 square feet. The two largest floorplans of the seven different floorplans available have already sold out. As of the current date, the development has completed construction on almost one-half of all units. The single-family-home neighborhood is part of the larger 36-acre

mixed-use Riverfront development, which also includes a 122-room hotel; the development will have 39 townhomes, 100 apartment units, 60,000 square feet of office space, 30,000 square feet of retail space, and a trail expected to be completed in the future.

Housing Affordability: Sales

Homeownership in the Santa Rosa HMA is extremely expensive, and the affordability of buying a home in the HMA declined sharply in the early and mid-2010s. Although affordability remains low, significant net out-migration since 2016 alleviated some of the pressure on rising home prices, and affordability has increased since 2019. The four-quarter moving average National Association of Home Builders (NAHB)/Wells Fargo Housing Opportunity Index (HOI) for the Santa Rosa HMA—which represents the share of homes that are affordable to a family earning the median income—was 38.0 during the first quarter of 2021, up from 27.3 during the first quarter of 2020. Although affordability has been trending upward since 2019, the index is still significantly lower than the first-quarter peak of 64.0 during the first quarter of 2013 (Figure 11). The increase in affordability during the past year resulted from an 11-percent increase in the

Figure 11. Housing Opportunity Index for the Santa Rosa HMA

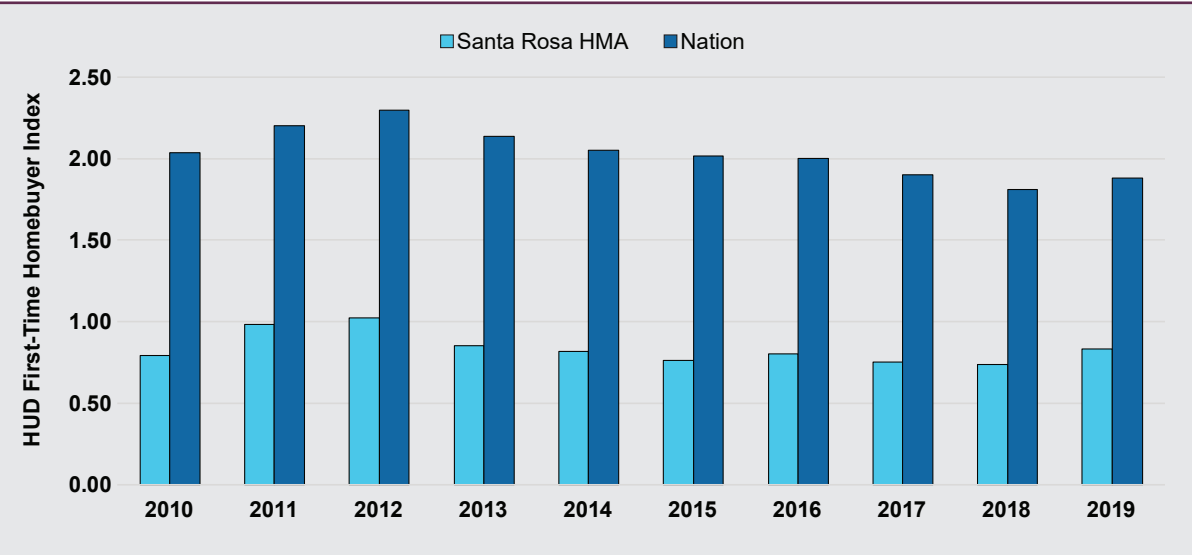


HOI = Housing Opportunity Index. NAHB = National Association of Home Builders. Q1 = first quarter.
Sources: NAHB; Wells Fargo

median income and an only 1-percent increase in the median sales price. Despite the increase in affordability since 2019, the HMA remained in the top 13th percentile of least affordable metropolitan areas in the nation during the first quarter of 2021.

Low overall housing affordability in the HMA has made it particularly difficult for first-time homebuyers to enter homeownership. The HUD first-time homebuyer affordability index is a measure of the median household income for householders age 25 to 44 years old relative to the income needed to purchase the 25th-percentile-priced home. Although the median income for householders age 25 to 44 years old rose an average of 4 percent a year from 2012 to 2018, the index was below 1.00 during the period, suggesting that the median income for householders age 25 to 44 years old has not been high enough to afford a 25th-percentile-priced home. As overall housing affordability rose in the HMA, the index increased during 2019 but remained below 1.00 (Figure 12). During 2019, the index was 0.83, up from 0.74 in 2018. The recent increase in affordability reflects a 2-percent year-over-year increase in the 25th-percentile-priced home, to \$455,400, but an 8-percent gain in the median income of householders age 25 to 44 years. By comparison, the national index has remained above 1.00 every year during the past decade and increased from 1.81 in 2018 to 1.88 in 2019.

Figure 12. HUD First-Time Homebuyer Index for the Santa Rosa HMA and the Nation



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

Forecast

Despite rising home prices, the average home sales price in the HMA remains approximately 43 percent below the average home sales price in San Francisco County, and the recent trend of net out-migration is expected to reverse as the economy recovers from the pandemic-related disruption. During the 3-year forecast period, demand is estimated for 3,875 new single-family homes, townhomes, and condominiums in the HMA (Table 6). Demand is expected to increase each year during the forecast period. The 420 homes under construction will satisfy some of the demand, although the sales market is likely to further tighten if home sales construction declines.

Table 6. Demand for New Sales Units in the Santa Rosa HMA During the Forecast Period

Sales Units	
Demand	3,875 Units
Under Construction	420 Units

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



Rental Market

Market Conditions: Slightly Tight

Apartment market conditions in the HMA have remained slightly tight despite the COVID-19 pandemic; the subsequent shift to widescale remote work, the desirability of living in the HMA, and the proximity to the job center of San Francisco has benefited the rental market.

Current Conditions and Recent Trends

Rental housing market conditions in the Santa Rosa HMA are slightly tight, with an estimated overall rental vacancy rate of 4.0 percent, down from the 5.2-percent rate in April 2010 (Table 7). Given the rural nature of parts of the HMA, a significant amount of the rental inventory consists of single-family homes and small apartment houses with fewer than five units per building; however, that share has declined since 2010. In 2019, approximately 62 percent of all renter households resided in single-family homes or buildings with fewer than five units, down from 69 percent in 2010 (American Community Survey, 1-year estimates).

Apartment Market Trends

Apartment market conditions are also slightly tight, with a vacancy rate of 3.4 percent during the first quarter of 2021, up slightly from

Table 7. Rental and Apartment Market Quick Facts in the Santa Rosa HMA

Rental Market Quick Facts		2010 (%)	Current (%)
	Rental Vacancy Rate	5.2	4.0
		2010 (%)	2019 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	52.4	47.5
	Multifamily (2–4 Units)	16.9	14.7
	Multifamily (5+ Units)	27.4	34.1
	Other (Including Mobile Homes)	3.4	3.7
Apartment Market Quick Facts		2Q2021	YoY Change
	Apartment Vacancy Rate	3.4	0.2
	Average Rent	\$1,675	-3%

2Q = second quarter. YoY = year-over-year.

Notes: The current date is June 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 data—Moody's Analytics REIS

3.2 percent a year ago (Moody's Analytics REIS). As the apartment vacancy rate increased, apartment rents declined for the first time during a first quarter since 2010. During the first quarter of 2021, the apartment rent averaged \$1,675—an almost 3-percent decline from the average apartment rent of \$1,725 a year ago. The average rent declined during the past year as apartment market conditions loosened modestly from the very tight conditions in the aftermath of the Tubbs Fire. Year-over-year rent growth was elevated from 2017 through 2019, averaging 2.8 percent, because of the limited supply and greater demand for rental housing, particularly from fire victims. As multifamily completions increased in 2019, apartment rent growth eased to less than 1 percent in 2020.

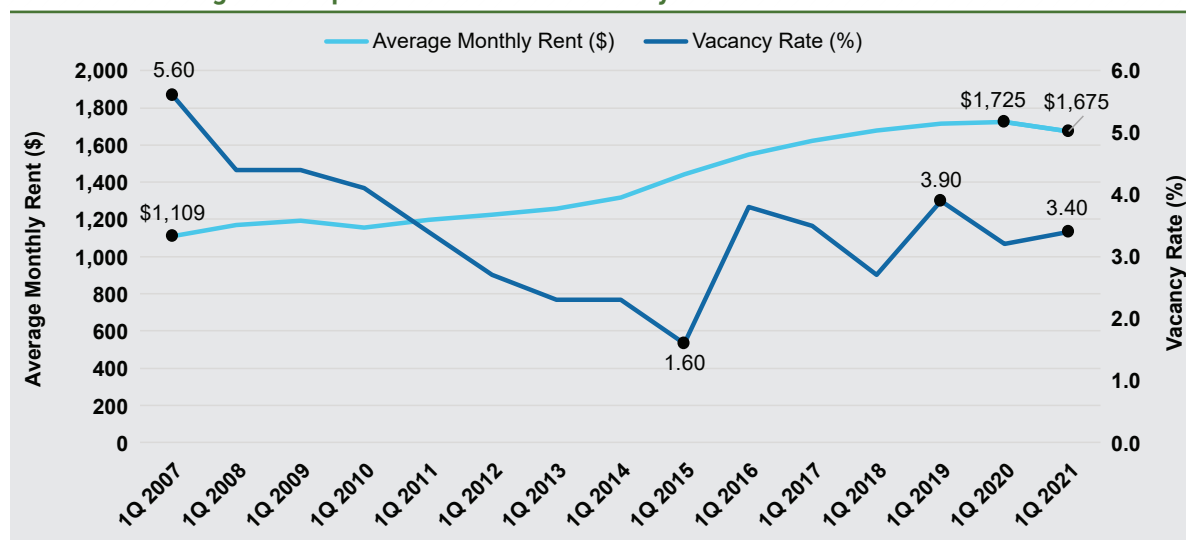
During the Great Recession, apartment vacancy rates hovered near 4.4 percent during 2008 and 2009 but subsequently fell during 5 of the next 6 years, to a low of 1.6 percent during the first quarter of 2015 (Moody's Analytics REIS). After a 1-year decline in 2010, the average apartment rent increased during each of the next 5 years, with the fastest growth in 2015, when the apartment market was very tight and vacancies were at a historical low (Figure 13). From 2016 to 2020, the apartment vacancy rate remained between 3.0 and 4.0 percent as apartment rent growth moderated.

Rental Construction Activity

Since the late 2000s, multifamily construction activity, as measured by the number of units permitted, has generally remained low and relatively steady in the Santa Rosa HMA. Regulatory barriers against high-density housing have contributed to the limited permitting activity; however, some regulatory changes have been implemented to encourage more dense development. During the 12 months ending May 2021, 270 rental units were permitted (preliminary data). That figure is 86 percent higher than the 145 units permitted a year ago but accounts for only one-fifth of all residential construction activity in the HMA. Since the Great Recession, rental construction activity has remained fairly stable except in a few years when permitting was higher. From 2007 through 2020, an average of 370 units were permitted annually (Figure 14). The period includes a high of 900 units during 2011, at the beginning of the recovery from the Great Recession, and the approximately 740 rental units permitted in 2018, following the Tubbs Fire. By comparison, during the housing boom from 2000 through 2006, the average of 750 rental units permitted each year was almost double the 2007-through-2020 average.

Developments currently underway include the 128-unit, luxury, 420 Mendocino apartments in the city of Santa Rosa. Because the project is in the downtown core, it is eligible for expedited planning approvals (including the design review

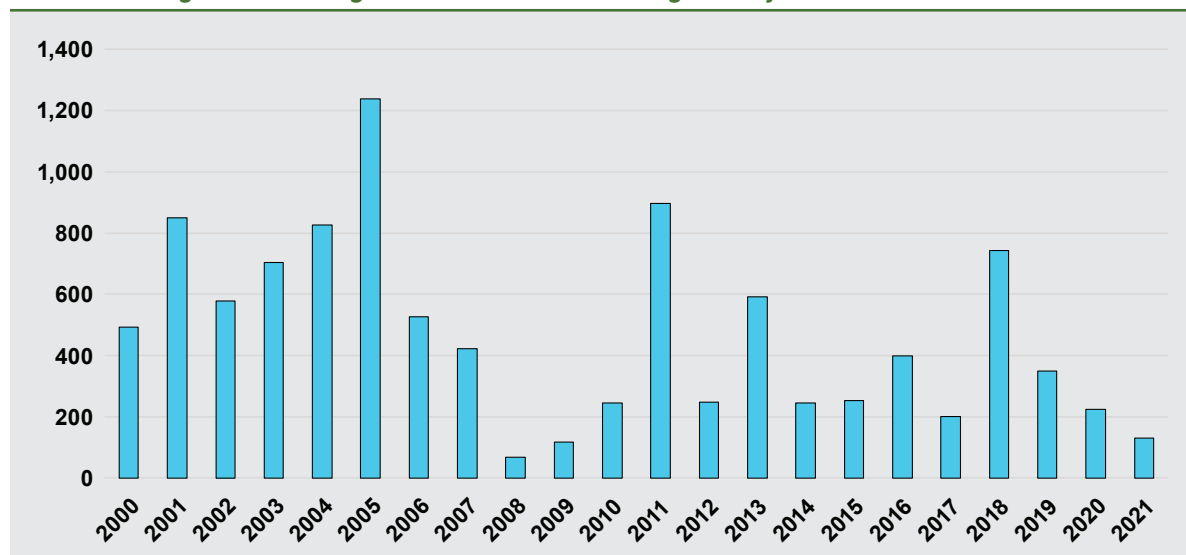
Figure 13. Apartment Rents and Vacancy Rates in the Santa Rosa HMA



1Q = first quarter.

Source: Moody's Analytics REIS

Figure 14. Average Annual Rental Permitting Activity in the Santa Rosa HMA



Notes: Includes apartments and units intended for rental occupancy. Data for 2021 are through May 2021.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020—final data and estimates by the analyst; 2021—preliminary data and estimates by the analyst

approval by the zoning administrator, as mentioned below in the affordability section of this report). Additionally, a significant part of the building will be manufactured with factory-built modular housing, enabling a faster construction timeline and lower costs. Completion is expected by the summer of 2022.

Housing Affordability: Rental Overall Affordability Issues

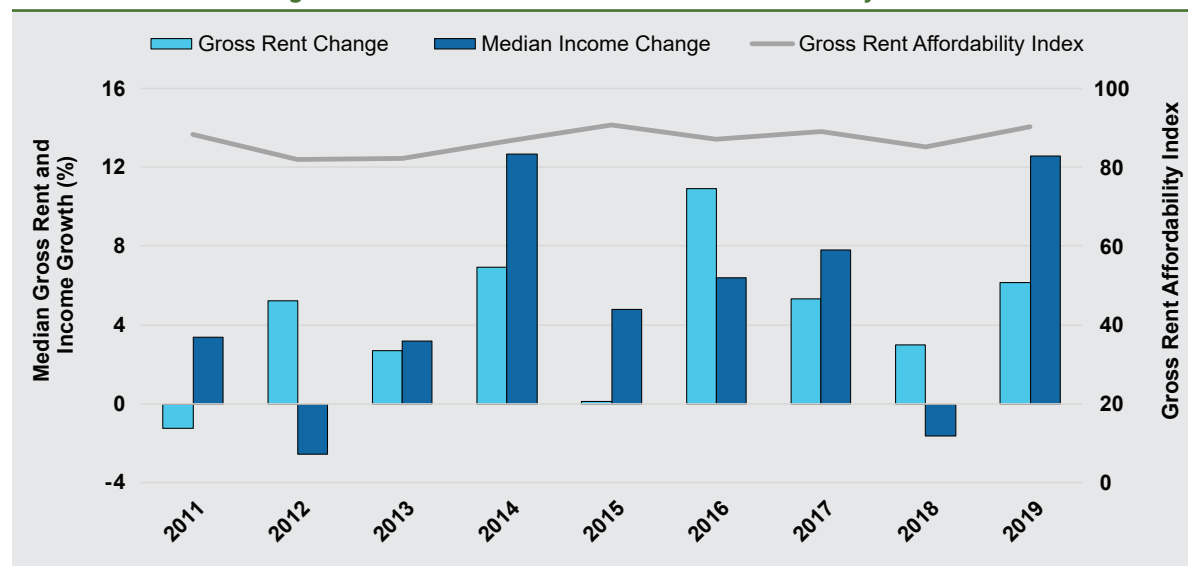
Rental housing is expensive in the Santa Rosa HMA, but rental affordability, especially for high-income earners, improved in 2019. Although renter household incomes have grown quickly—due in part to increased employment of highly skilled and highly paid tech workers—median rent growth has slowed as more multifamily development has occurred. The median gross monthly rent in the HMA rose 6 percent, from \$1,655 in 2018 to \$1,757 in 2019. During the same period, the median household income for renter households increased almost 13 percent, from \$66,200 to \$70,280. 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, rose. The index was 90.2 during 2019 (using the latest data available), up from 85.1 in 2018 but slightly below the high of 90.7 during 2015 (Figure 15).

Renter Cost Burdens

During the 2013-through-2017 period, an estimated 20.4 percent of all renter households in the HMA were cost burdened, spending between

30 and 49 percent of their income on rent, whereas 18.1 percent were severely cost burdened, spending more than 50 percent of income on rent (Table 8). Nationwide, a greater proportion of renter households were cost burdened and severely cost burdened, at 21.8 and 22.9 percent, respectively. Cost burdens are particularly notable, however, for lower income renter households in the HMA. Of renter households in the HMA with incomes less than 50 percent of the area median family income (AMFI), 16.6 percent paid

Figure 15. Santa Rosa HMA Gross Rent Affordability Index



Note: The Gross Rent Affordability Index differs from the HUD Rental Affordability Index published in U.S. Housing Market Conditions on the HUD User website in that it is based on combined rent and utilities expenditure.

Source: American Community Survey 1-year data

Table 8. Percentage of Cost-Burdened Renter Households by Income in the Santa Rosa HMA, 2013–2017

	Cost-Burdened		Severely Cost-Burdened	
	Santa Rosa HMA	Nation	Santa Rosa HMA	Nation
Renter Households with Income <50% HAMFI	16.6	25.6	60.3	50.1
Total Renter Households	20.4	21.8	18.1	22.9

HAMFI = HUD area median family income.

Sources: American Community Survey 5-year estimates; Consolidated Planning/CHAS Data, 2013–2017 (huduser.gov)

between 30 and 49 percent of their incomes on rent, and 60.3 percent of renter households at those income levels spent more than 50 percent of their incomes on rent. By comparison, nationwide, 25.6 percent of lower income renter households spent 30 to 49 percent of their income on rent, and 50.1 percent spent more than 50 percent of their income on rent.

Policy Initiatives

Several local and statewide policy initiatives have been introduced to address the significant housing affordability issues in the Santa Rosa HMA. The Santa Rosa Housing Authority has approved the use of about \$38 million in federal disaster relief funds from the Tubbs Fire to build hundreds of new affordable units in the coming years. The funds are expected to be used for the development of five projects, many of which will be restricted to low-income residents. The largest award of \$11.9 million will partially finance the first phase of the 3575 Mendocino Avenue project, which consists of 370 market-rate apartment units and 162 affordable apartment units intended to replace the 160-unit Journey's End mobile home park, which sustained significant damage during the Tubbs Fire.

In addition to the development of affordable units, the city of Santa Rosa is offering several incentives to encourage greater housing density near federally designated opportunity zones, including the downtown core. Through the High Density Multi-Family Residential Incentive Program, developers can receive reduced fees, eased housing requirements, and an expedited application timeline. The city has also adopted a “by-right” housing policy for those areas, in which no use permit or rezoning is necessary for residential development, allowing the Zoning Administrator to act as the review authority instead of the Design Review Board, which saves a step in the approval process. As a result, the application process is reduced from 10 to 3 months (*North Bay Business Journal*).

In 2017, the California legislature enacted SB-35, which requires local entities that fail to build enough housing to meet state-mandated housing construction requirements to streamline the approval of multifamily housing projects that

meet several criteria, including designating a portion of units as affordable and paying union wages for construction workers. Affordable housing developers have already invoked SB-35 for expedited approval of 100-percent affordable developments, such as The Cannery at Railroad Square, a 129-unit development in the city of Santa Rosa. In coastal metropolitan areas such as the HMA, the average time to issue a building permit after the entitlement process begins is 2.5 months longer than in a typical California inland community or a typical U.S. metropolitan area (California Legislative Analyst's Office). The Bay Area Council Economic Institute estimated that during the next 20 years, SB-35 could create 16,600 new market-rate units and decrease average rents for all units by almost 6 percent while creating an additional 4,150 below-market-rate units in California.

Current Affordable Housing Options: LIHTC, PBRA, HCV

The Low-Income Housing Tax Credit program (hereafter, LIHTC) is the primary source of funding for new affordable rental housing in the nation. From 2010 through 2019, approximately 1,700 LIHTC units were placed in service in the HMA, all of which were reserved for households with incomes at or below 60 percent of MFI (\$69,780 for a family of four in 2021); of those units, 36 percent were reserved for seniors. By comparison, from 2000 through 2009, 2,200 LIHTC units were placed in service in the HMA; all units were reserved for households with incomes at or below 60 percent of MFI; during that period, no units were reserved for seniors. Approximately 690, or 41 percent, of all LIHTC units placed in service in the HMA since 2010 have been in the city of Santa Rosa. The 27-unit Crossings on Aston is the most recently completed development in the city.

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 approximately 4,545 HCVs in 2020 (Picture of Subsidized Households). Some HCV holders report difficulty in obtaining a suitable unit at an affordable rent. The waitlist for HCV is currently closed; the last time it was open was in

May 2018 for one month (The Housing Authority of Santa Rosa). Within the Santa Rosa HMA, there are nearly 6,200 subsidized units funded through PBRA and other programs (*A Picture of Subsidized Households*). The number of units receiving federal rental assistance and the number of households that have an HCV in the HMA have increased by 6.2 and 8.8 percent, respectively, since 2010 due to rising household costs (Table 9). To address the growing number of assisted households that have rising costs, the (inflation-adjusted) rent subsidy from HUD has increased almost 17 percent since 2010 in the HMA; during the same time, the (inflation-adjusted) tenant contribution for HCV has decreased by almost 4 percent. By comparison, the total number of assisted units and voucher households has expanded

Table 9. Picture of Subsidized Households, 2020, Santa Rosa HMA and the Nation

	Santa Rosa HMA	HMA Change Since 2010	National Total	National Change Since 2010
Total Assisted Households (2020)	6,117	6.2%	4,599,832	3.9%
Total Housing Voucher Households (2020)	4,545	8.8%	2,313,166	13.4%
Average Monthly HCV Tenant Contribution	\$457	-3.5%	\$386	0.2%
Average Monthly HUD Subsidy	\$1,203	16.5%	\$834	0.9%

HCV = housing choice voucher.

Note: Dollar changes are inflation adjusted using the Consumer Price Index for All Urban Consumers (CPI-U).

Source: *A Picture of Subsidized Households* (HUD)

by respective averages of 3.9 and 13.4 percent nationwide, whereas the inflation-adjusted HUD subsidy increased slightly, by 0.9 percent, and the inflation-adjusted tenant contribution has increased 0.2 percent since 2010.

Homelessness

In the Santa Rosa HMA, approximately 2,200 people were homeless in 2020, and 62 percent were unsheltered homeless (2020 Point-in-Time Count). By comparison, about 75 percent of homeless persons in California were unsheltered.

Forecast

During the 3-year forecast period, demand is expected for 2,600 new rental units in the HMA (Table 10). The 530 units currently under construction are expected to meet a portion of that demand. Rental demand is expected to increase slightly in the second and third years of the forecast period, as economic growth recovers from the COVID-19-related disruption and household growth accelerates.

Table 10. Demand for New Rental Units in the Santa Rosa HMA During the Forecast Period

Rental Units	
Demand	2,600 Units
Under Construction	530 Units

Note: The forecast period is June 1, 2021, to June 1, 2024.

Source: Estimates by the analyst



Terminology Definitions and Notes

A. Definitions

Building Permits	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.
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.
Entitlement Process	The process through which a real estate developer or land owner seeks the right to develop or redevelop property with government approvals for zoning, density, design, use, and occupancy permits.
Greater Bay Area	The nine counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, Sonoma, and San Francisco.
Forecast Period	6/1/2021–6/1/2024—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.

Regulatory Barriers	The state and local laws, regulations, and policies adversely affecting the development, maintenance, improvement, availability, and/or cost of affordable housing.
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.

B. Notes on Geography

1.	The metropolitan division 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 national HUD First-Time Homebuyer Index is a weighted average of the index for each metropolitan area, weighted by the total number of sales.
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.



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