

# Housing Statistics

(FESAC Meeting, Dec 13, 2013)

Comments on Census and BLS Presentations

Some Broader Issues on Housing Statistics

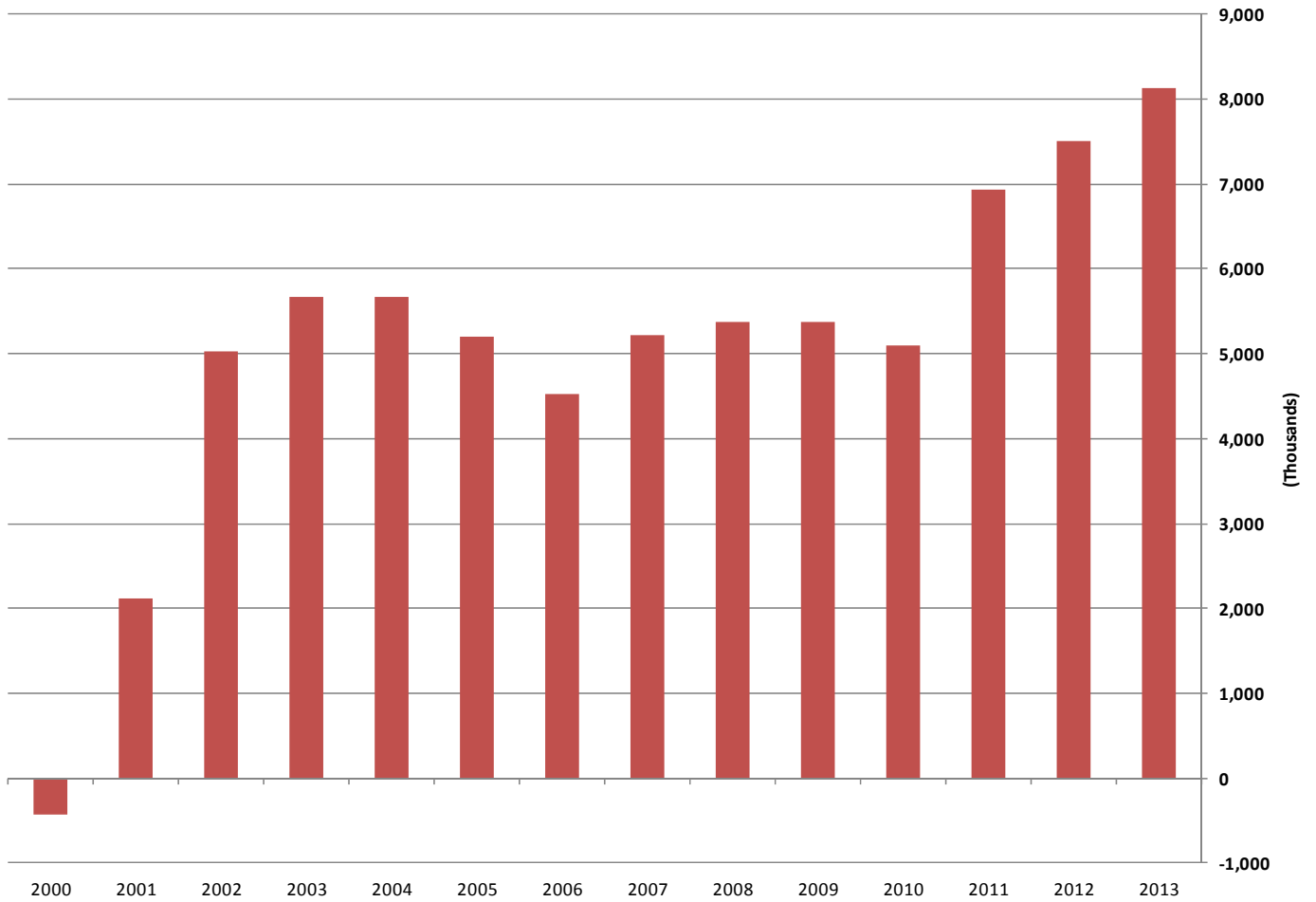
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# **CENSUS: Household Estimates Conundrum**

- Importance of housing units/household data
- Implications for household formation
- Difficulty of collecting the data
- Negotiate agreement on standard rules to be used by field representatives in establishing occupancy status
- Hopefully, use of Master Address File (MAF) reduces discrepancies among surveys

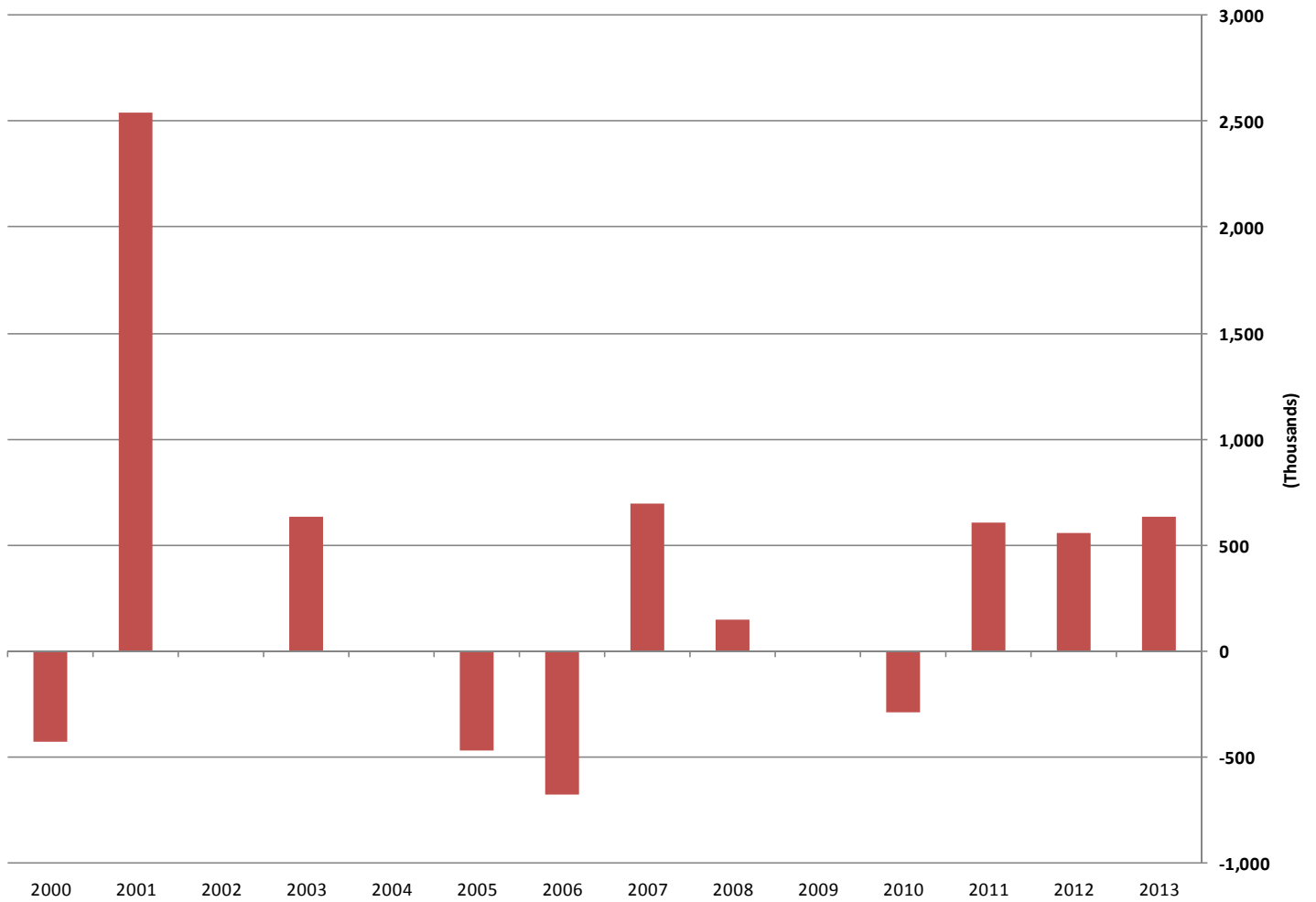
# 3

## Difference Between Actual Household Unit Estimates (CPS/ASEC Minus CPS/HVS)



# 4

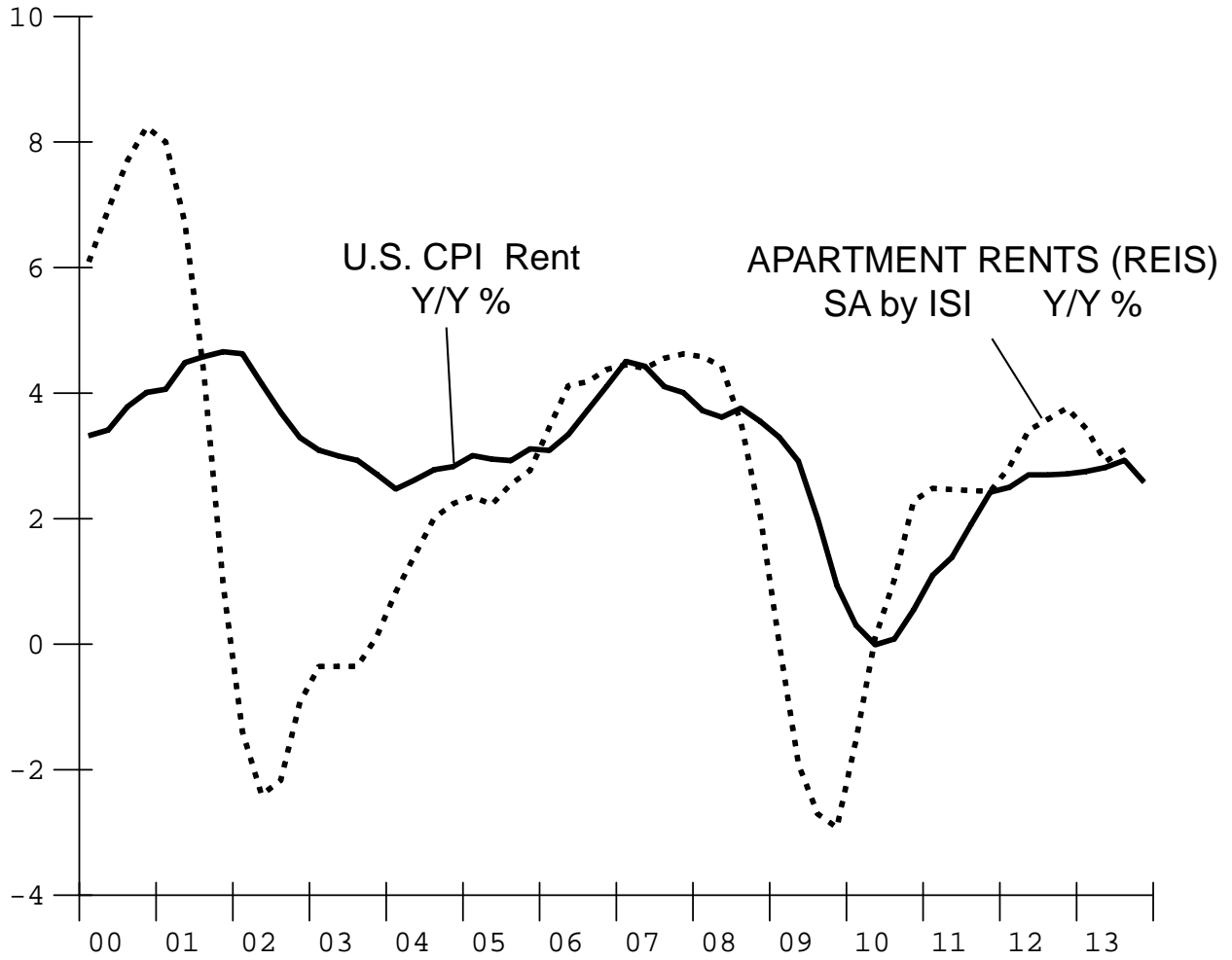
## Difference Between YoY HH Formation Estimates (CPS/ASEC Minus CPS/HVS)



# CPI Housing Initiatives

- Use of private sector data on addresses
- Continuous updating
- Increasing sample size: not clear why extra units would have lower price relatives
- Standard errors (deviations)
- Rent data: what do we know about it?

# Rent: CPI vs REIS Apartment Rents



# “Perfect Storm” That Hit U.S. Economy

(Alan Blinder’s List From *After The Music Stopped* (2013))

<u>Problem</u>	<u>Housing Related?</u>
• Asset Bubbles -- House Prices and Bonds	X
• Excessive Leverage	X
• Lax Financial Regulation	X
• Disgraceful banking practices, especially in subprime lending	X
• Crazy quilt of securities and derivatives	X
• Abysmal performance of rating agencies	
• Perverse compensation system in financial institutions (incentives to “go for broke”)	

# Where are the Housing Data?

## CENSUS

- Starts, permits, completions
- New house sales
- Housing units/households
- Smaller reports on narrow topics
- Residential investment (Value of Construction Put in Place)
- Manufactured home placements and characteristics (Manufactured Homes Survey)
- Total housing stock estimates (Population Estimates Program)

## BLS

- Housing price/cost inflation
- Construction (and other housing-related) employment
- CES data on housing-related expenditures

## BEA

- Residential investment (nominal, real, prices)
- Improvements

## FDIC

- Delinquencies

## FHFA

- Some mortgage data
- House price index

## FEDERAL RESERVE

- Aggregate mortgage data
- Broad sector holdings of mortgages
- Housing-related assets/liabilities (Survey of Consumer Finances)

## FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL/FED

- Home mortgage applications and dispositions (Home Mortgage Disclosure Act database)



# What's Missing or Incomplete in the Public Domain

Existing house sales

Existing houses for sale

Demolitions

More demographic characteristics of purchasers

House price indexes

Buyers of primary residence vs investors/speculators

Foreclosures (final action)

Prime vs subprime mortgages

New mortgages characteristics

- Price/income ratio

- Loan/value ratio

- Downpayment terms

- Fees in mortgage process

Existing mortgages

- Number with negative equity

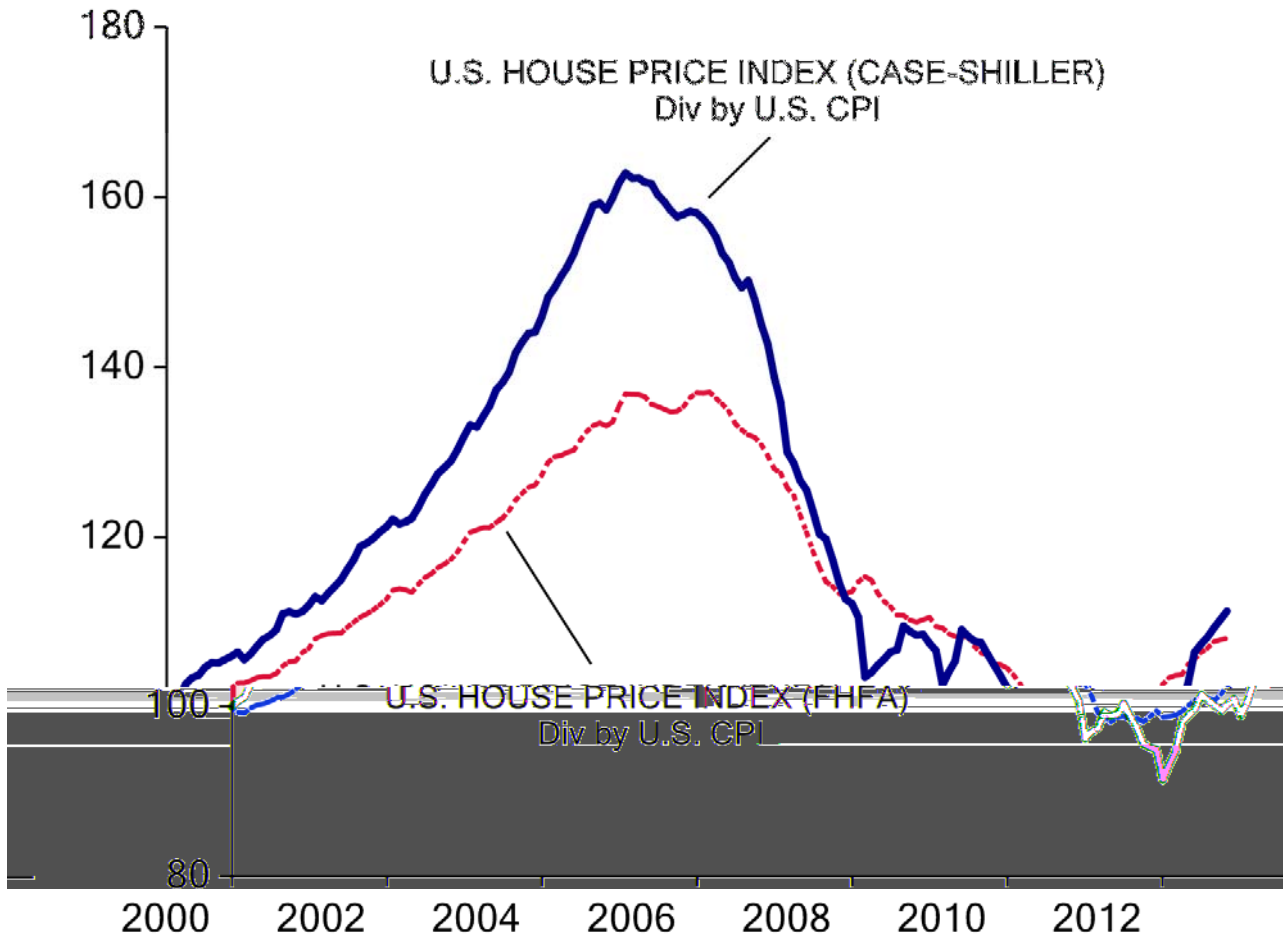
- Amount of negative equity

Holders of mortgages

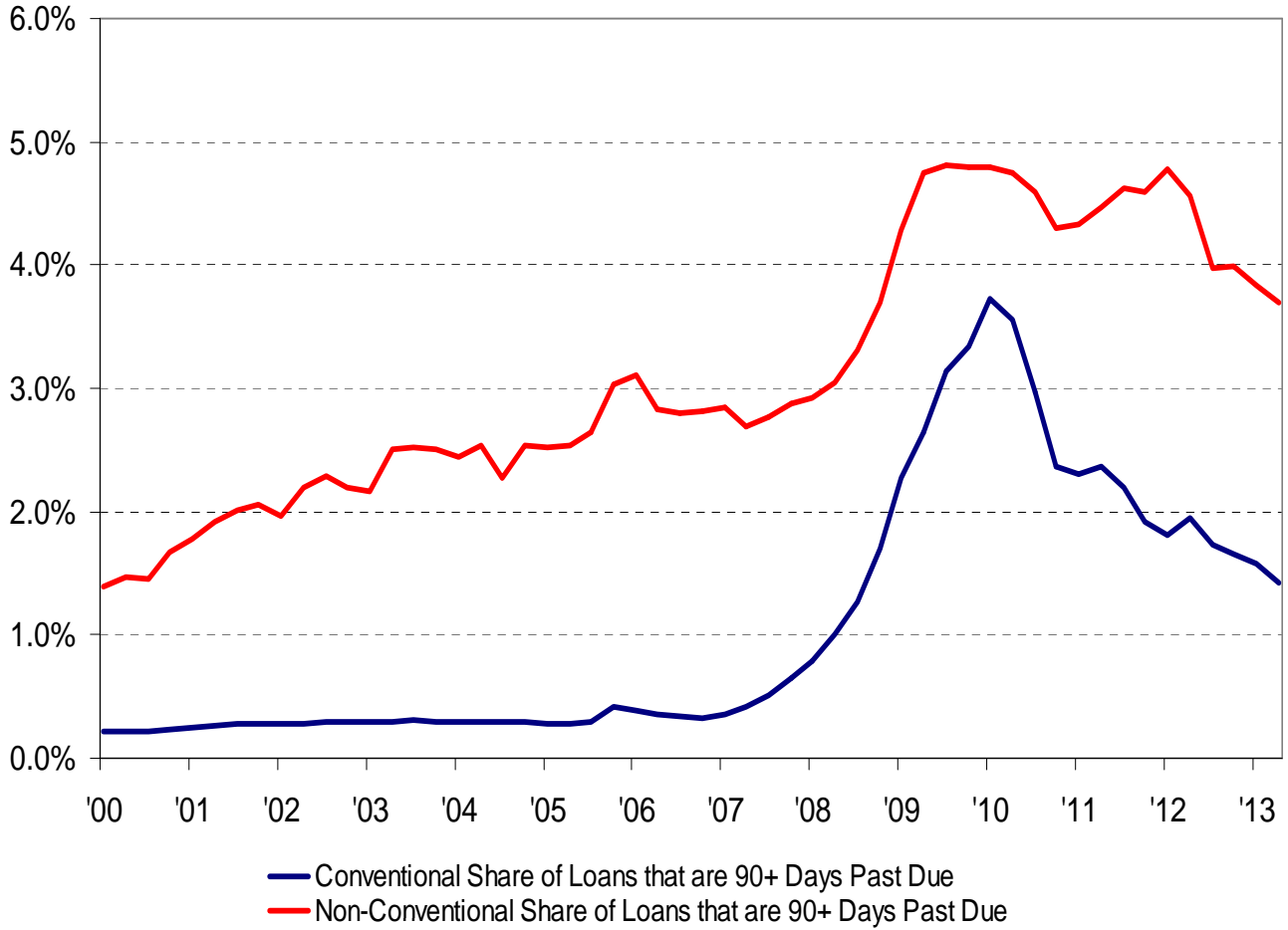
- By type of institution (flows vs stock)

- Securitized amount

# Real House Price Measures



## Conventional And Non-Conventional SDQ Loans

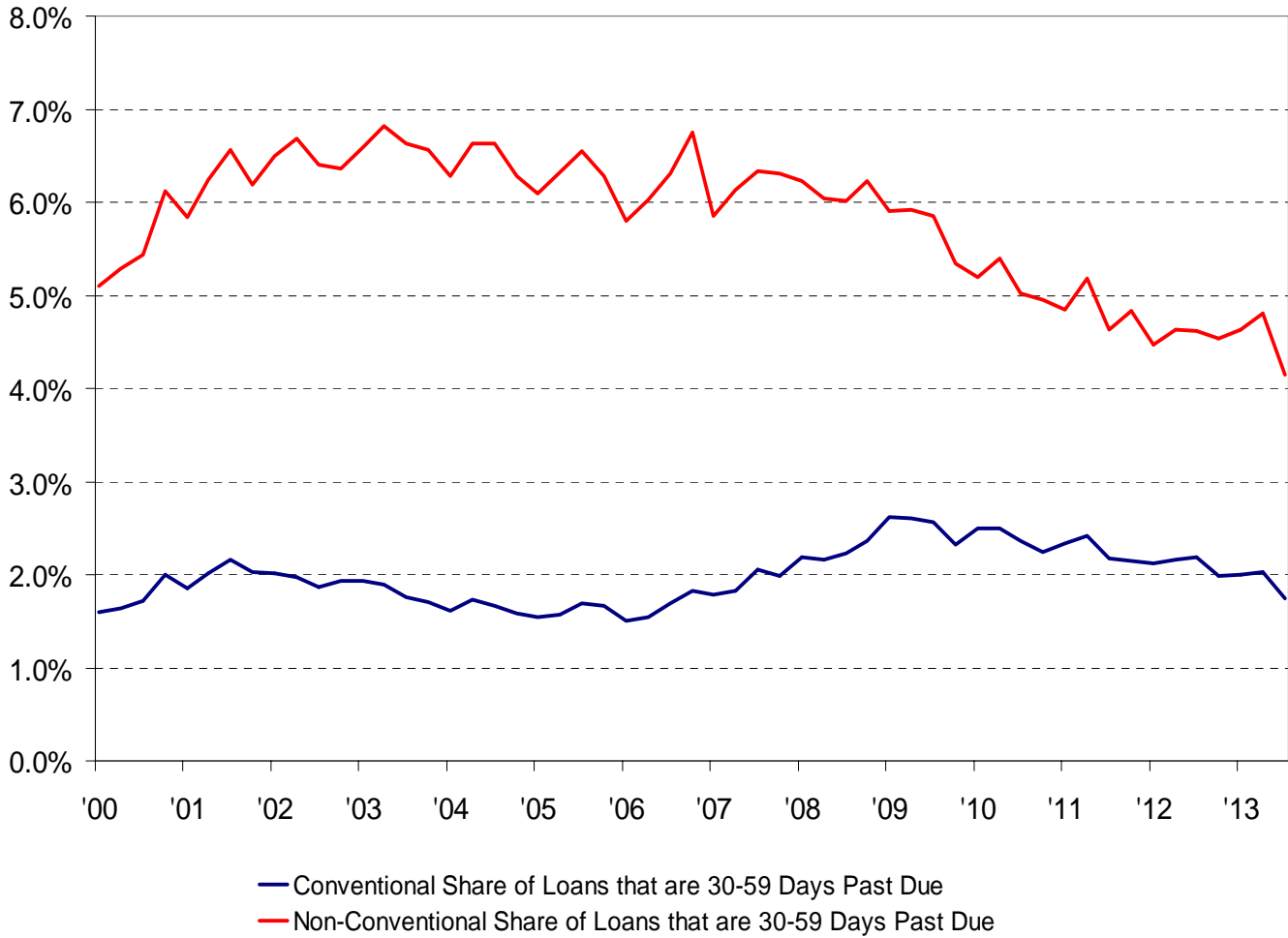


Note1: SDQ defined as loans that are 90+ days delinquent.

Note2: Non-Conventional loans include FHA and VA loans.

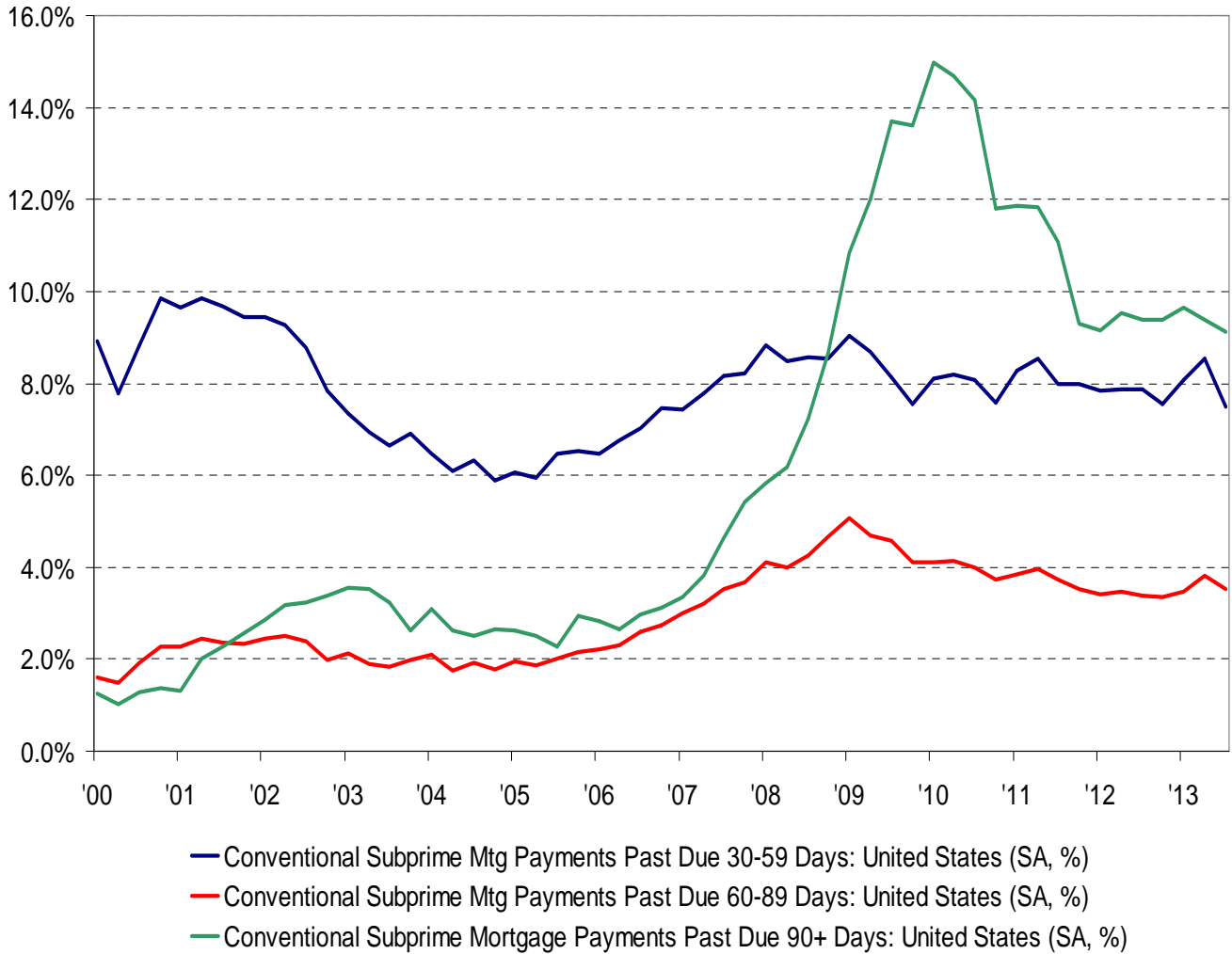
Source: Mortgage Bankers Association

## Conventional and Non-Conventional Share of Loans That Are 30-59 Days Delinquent



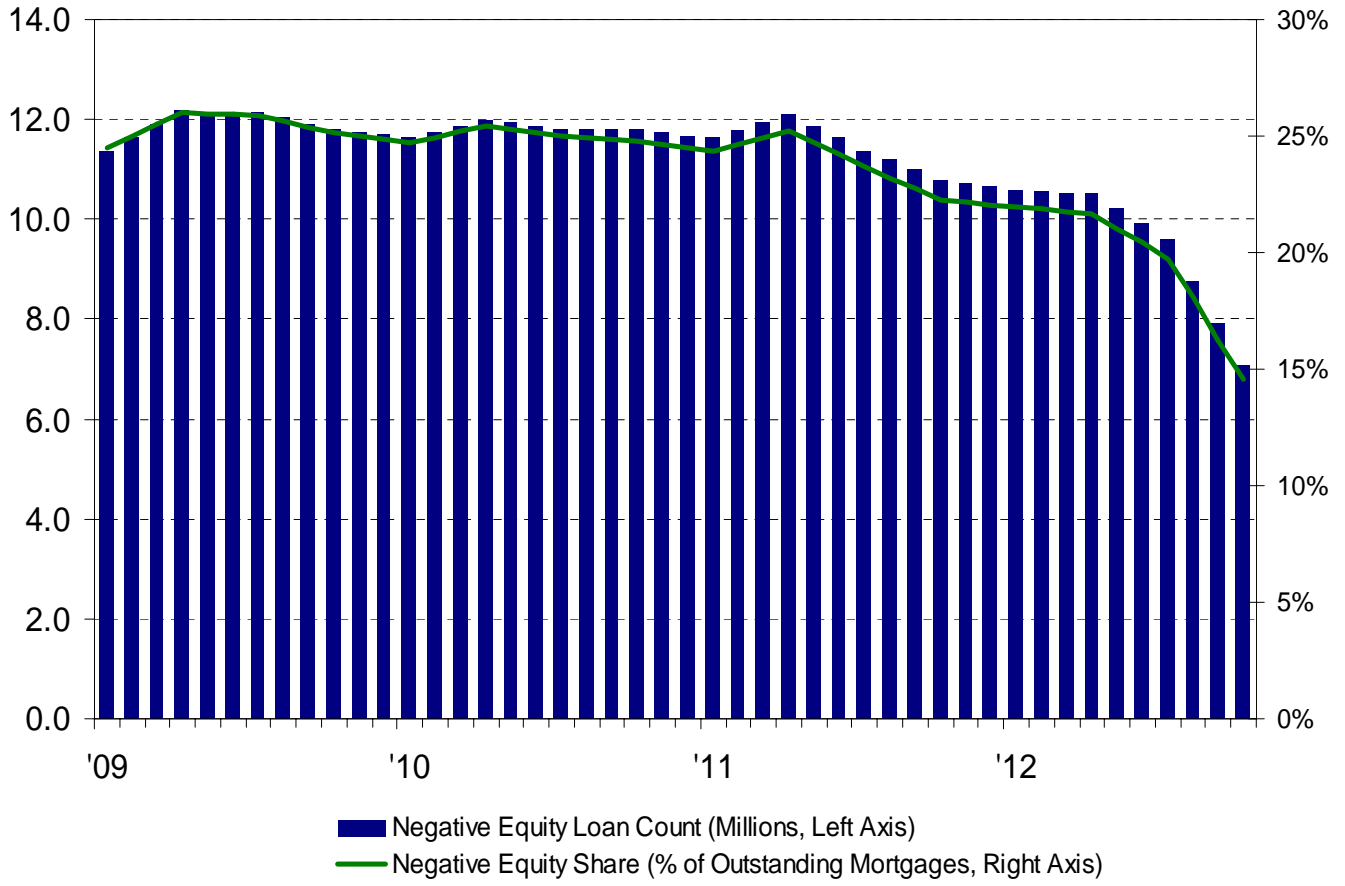
Source: Mortgage Bankers Association

## Past Due Subprime Mortgages by Days Delinquent



Source: Mortgage Bankers Association

## Underwater Borrowers



Source: CoreLogic