



**GLOBAL** INSIGHT

# **The Mortgage Crisis: Economic and Fiscal Implications for Metro Areas**

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**US Regional Services**

**Global Insight**

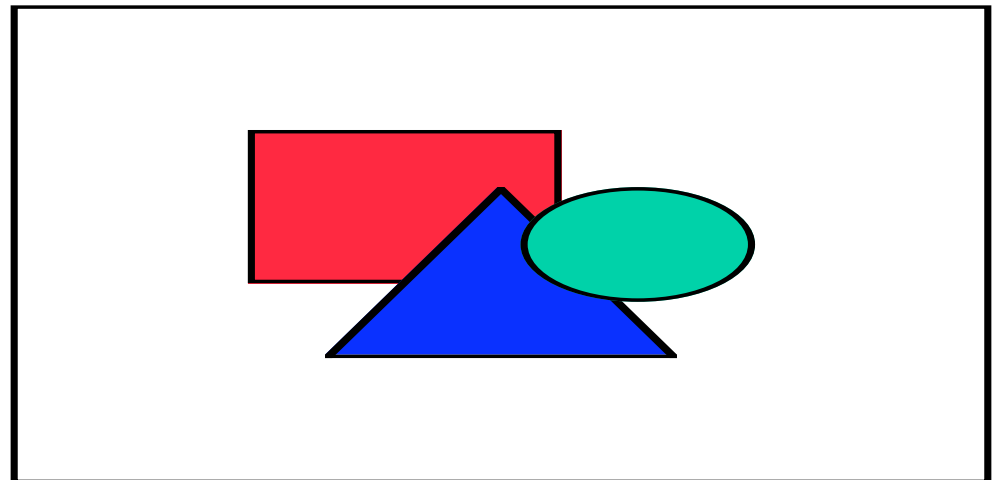
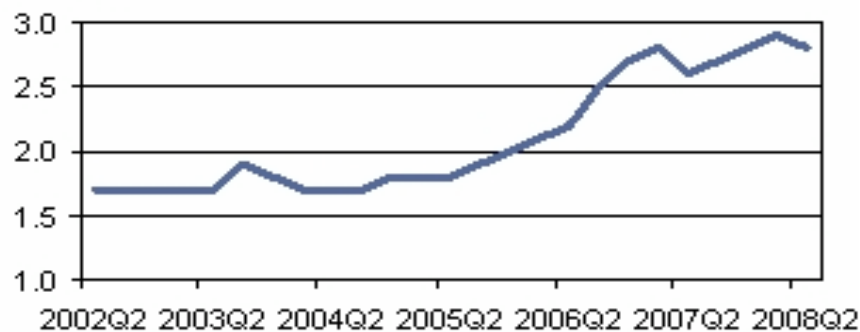
**September 24, 2008**

# US Housing Markets Summer 2008

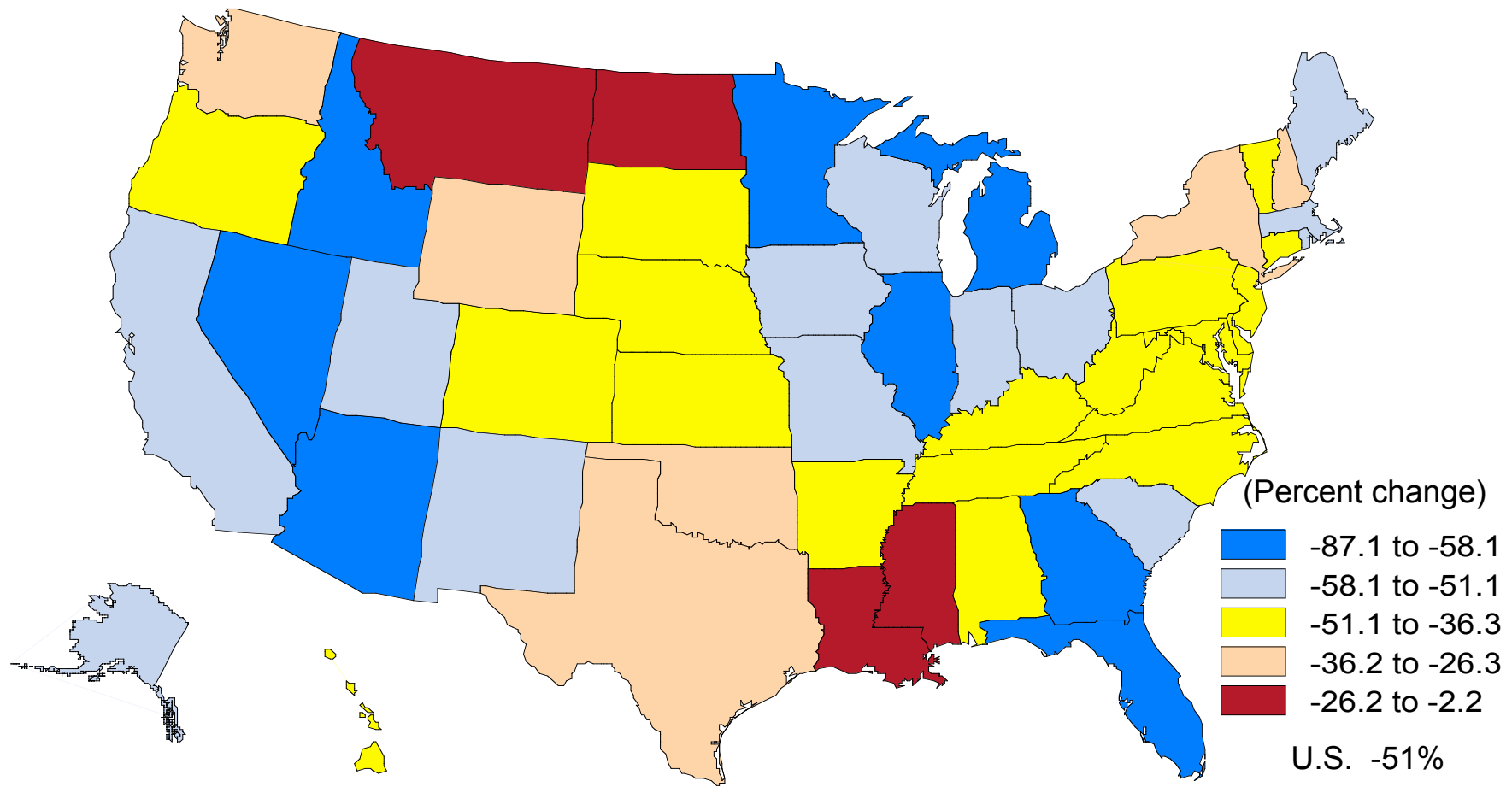
### The Existing Home Sales Market



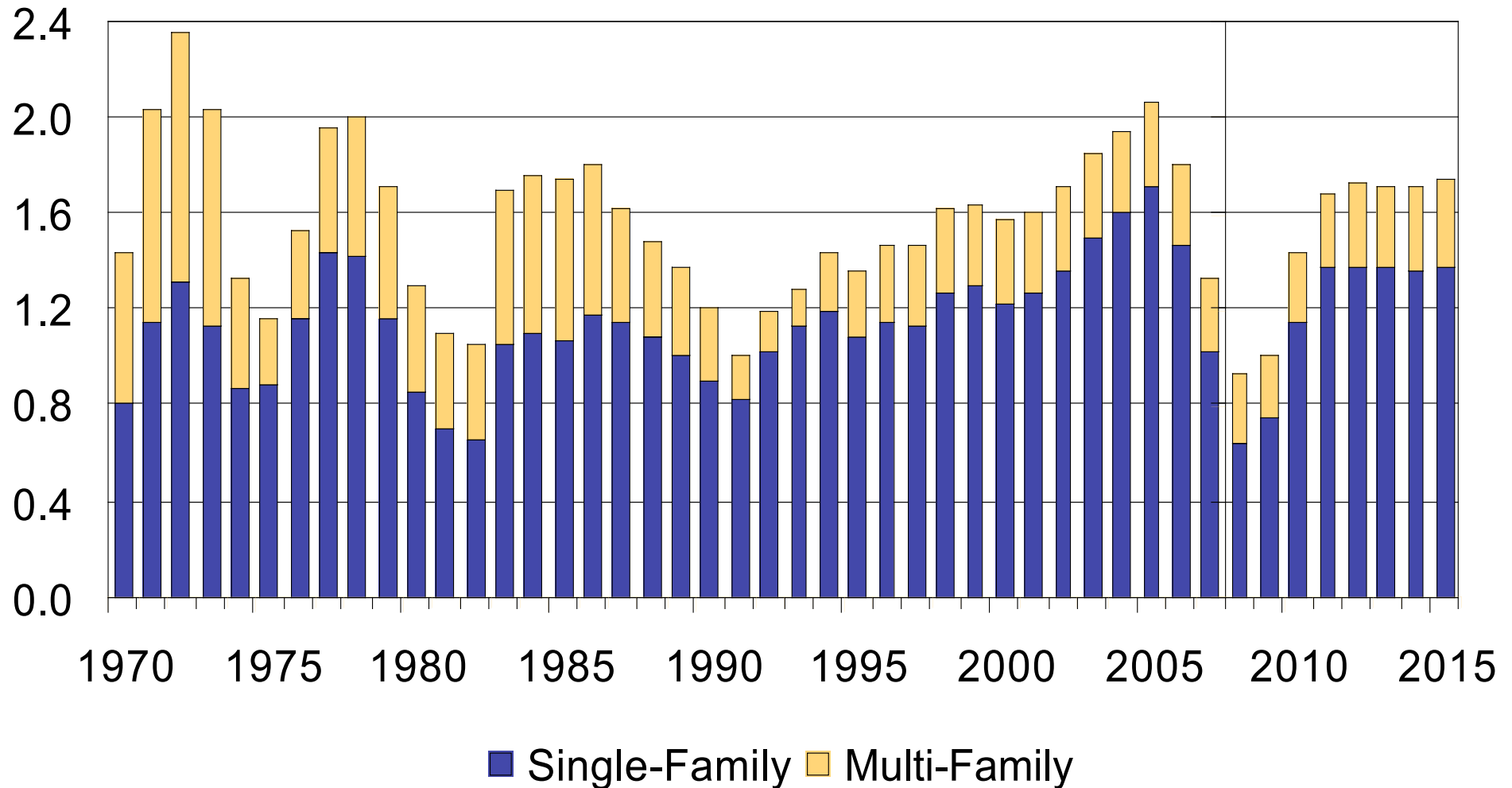
### Homeowner Vacancy Rate (Percent)



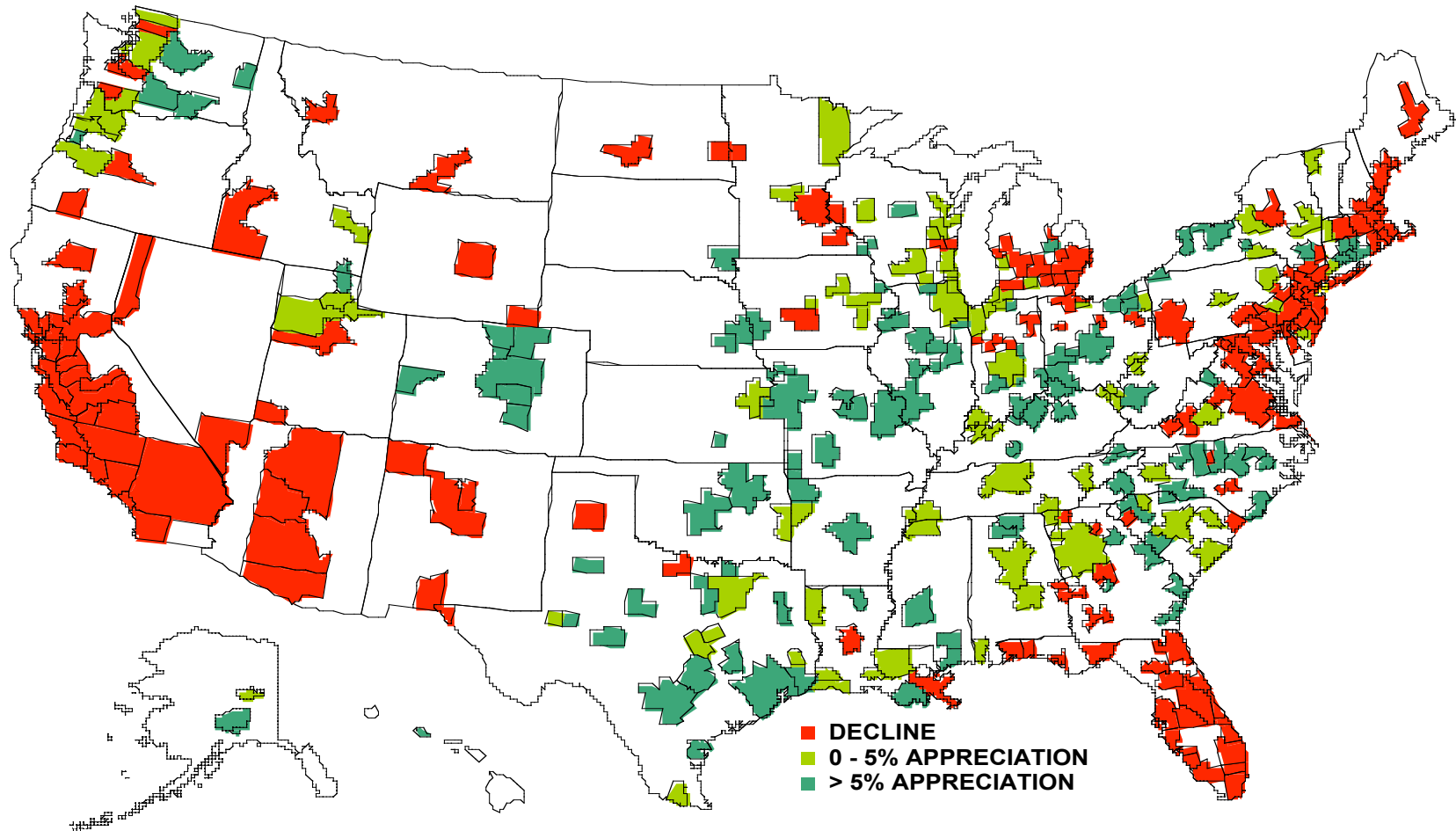
# Decline in Housing Starts 2006 to 2008



## Housing Starts Will Hit Bottom in 2008



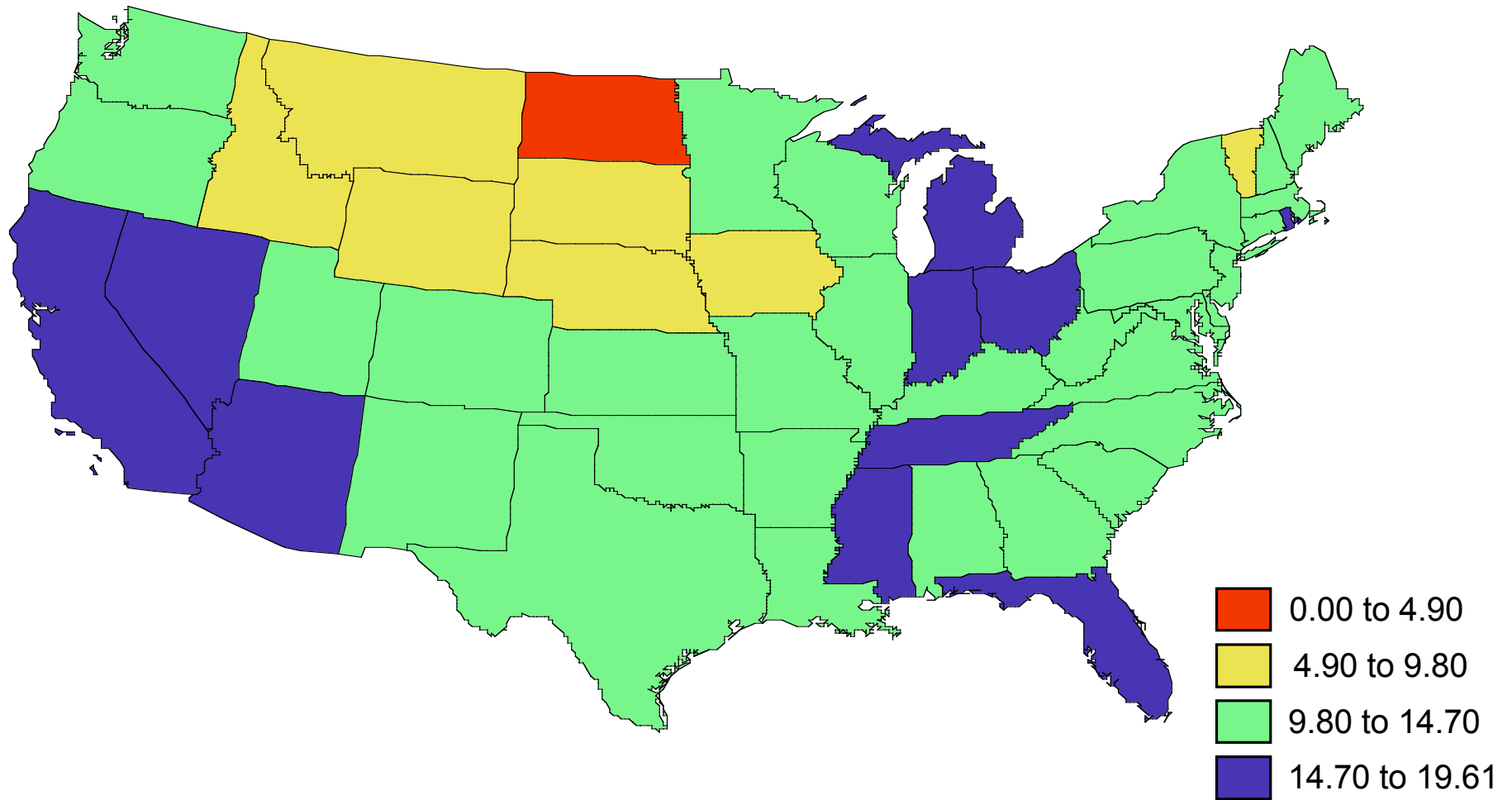
# Metro Appreciation 2008q2



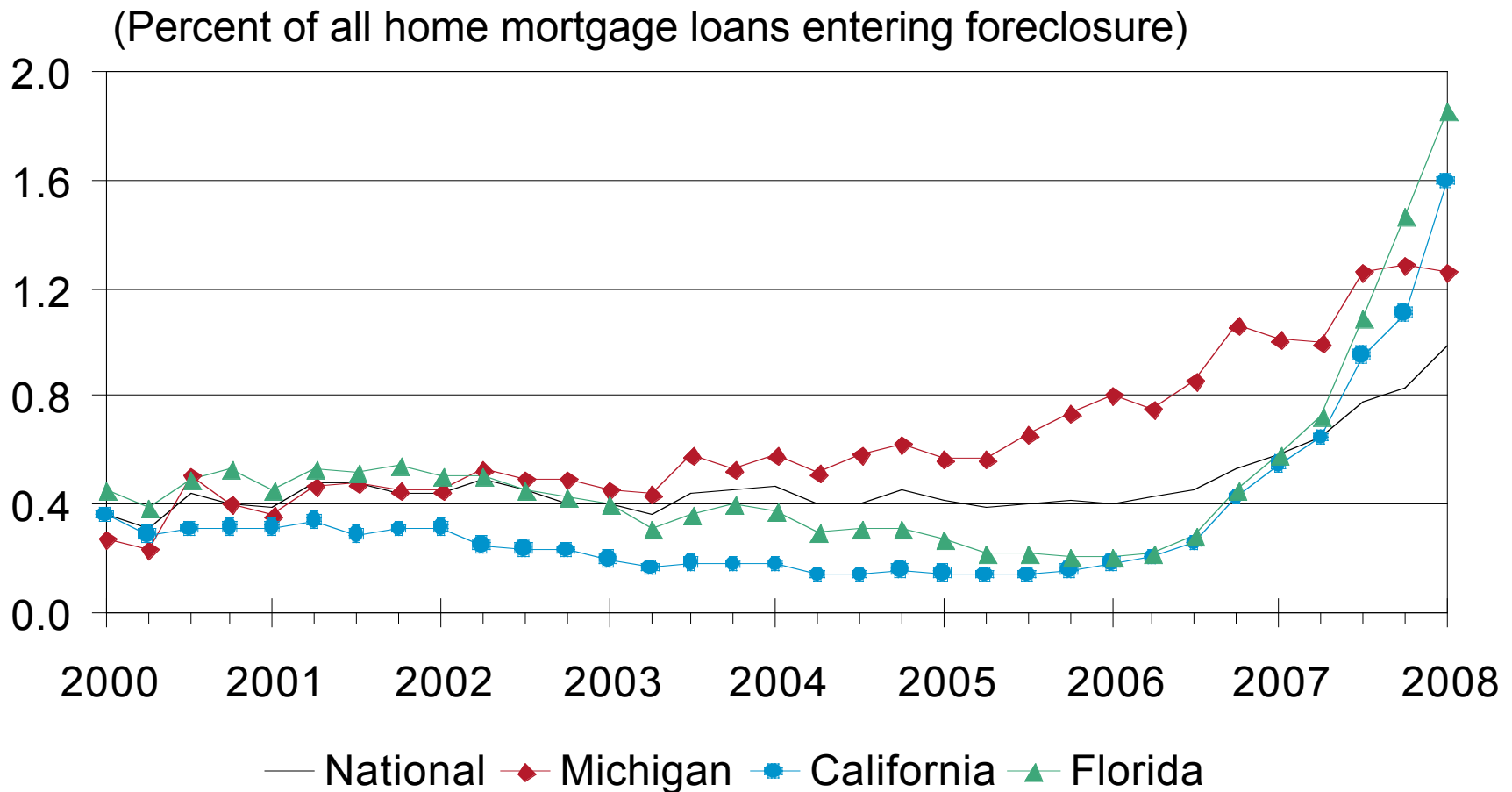
# Largest Home Price Declines

Merced, CA	-49.2%
Stockton, CA	-46.0%
Modesto, CA	-43.8%
Salinas, CA	-39.9%
Vallejo, CA	-37.3%
Yuba City, CA	-36.3%
Sacramento, CA	-36.1%
Santa Barbara, CA	-36.0%
Port St Lucie-Fort Pierce, FL	-33.9%
Cape Coral-Fort Meyers, FL	-33.5%
Riverside-San Bernardino, CA	-33.3%
Naples, FL	-33.0%
Santa Rosa, CA	-32.3%
Vero Beach, FL	-31.9%
Fresno, CA	-31.6%
Punta Gorda, FL	-31.6%
Oxnard-Ventura, CA	-31.5%
Sarasota, FL	-31.0%
San Diego, CA	-31.0%
Bakersfield, CA	-30.6%

## Share of Sub-Prime Loans



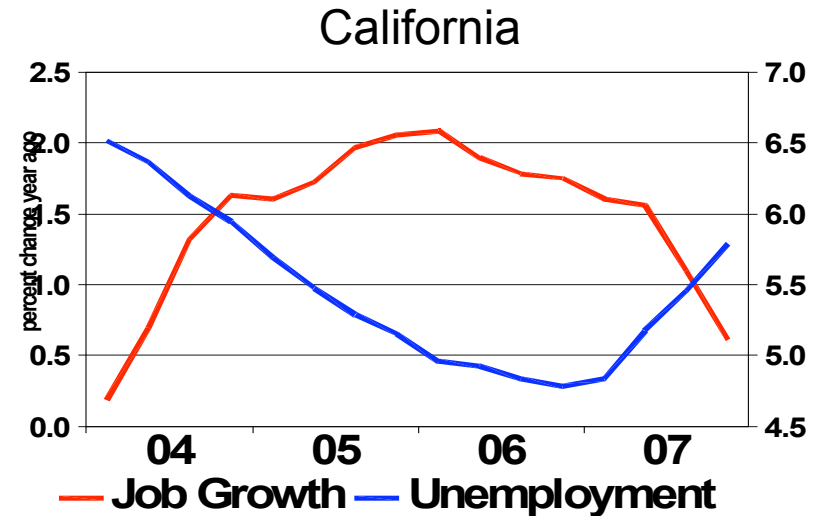
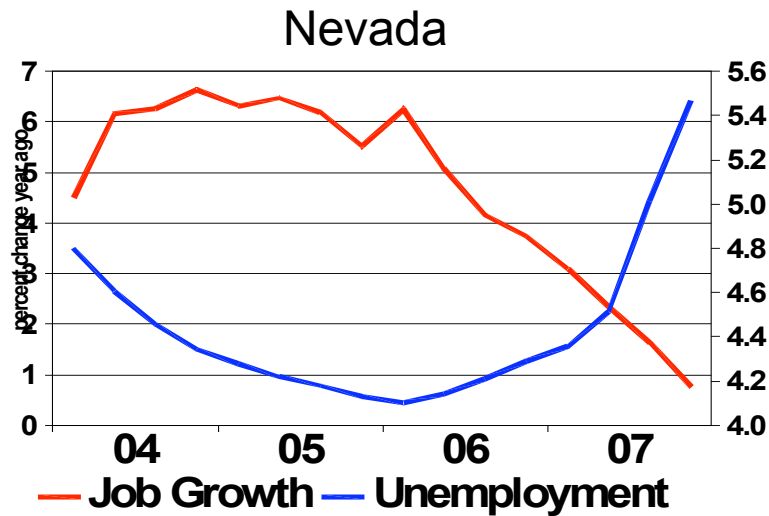
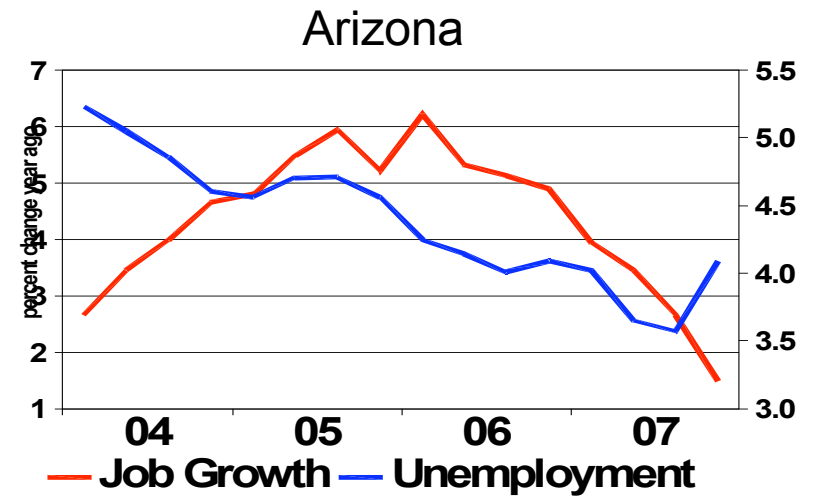
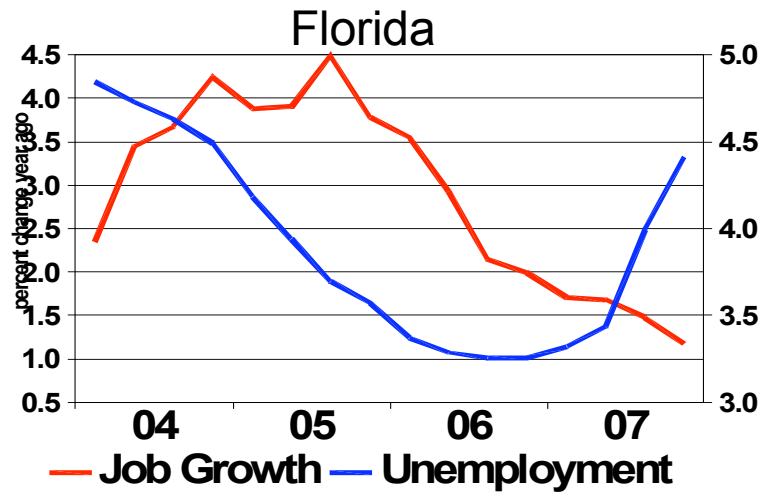
# Mortgage Foreclosure Rates in Key States

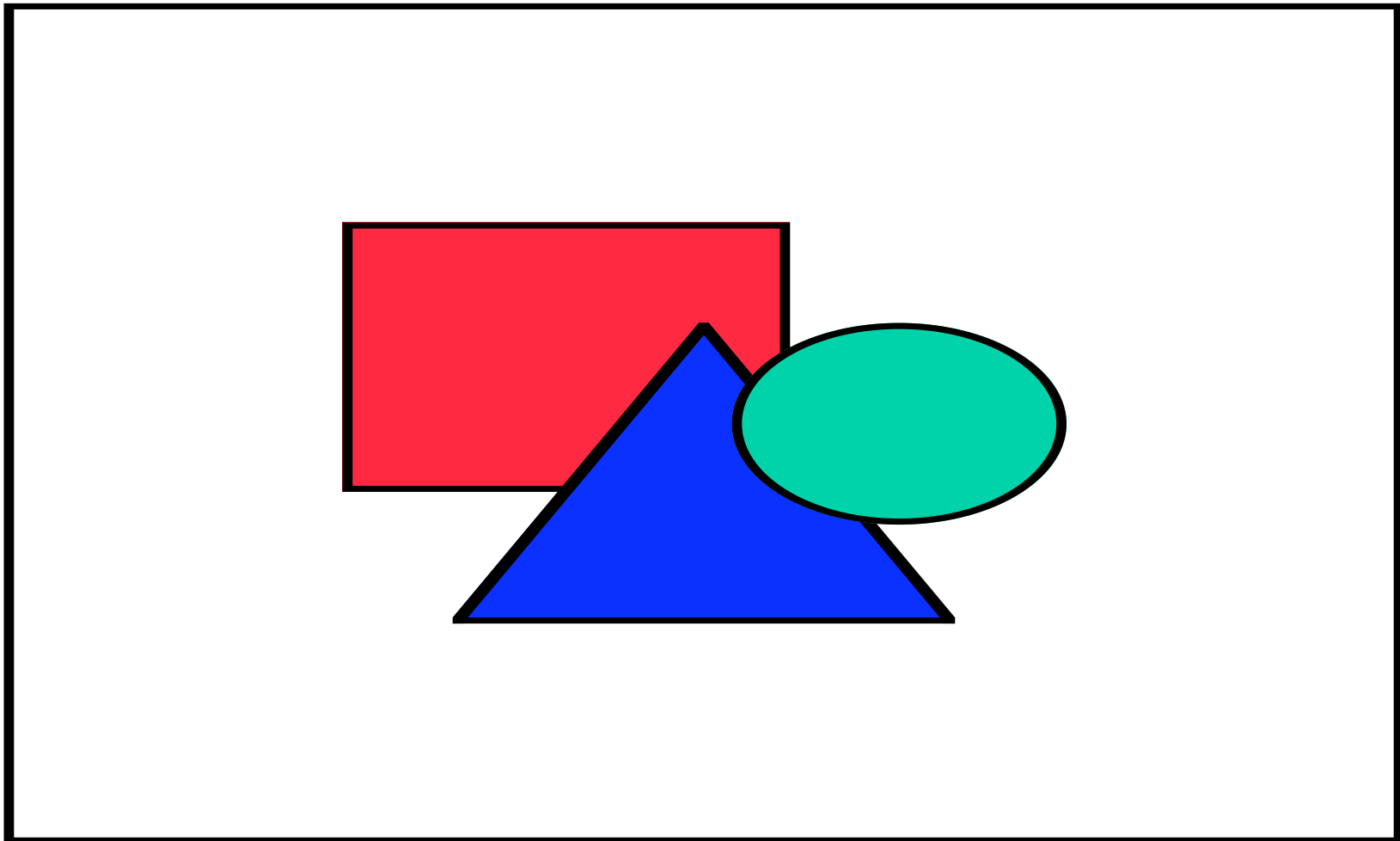


Source: Mortgage Bankers Association

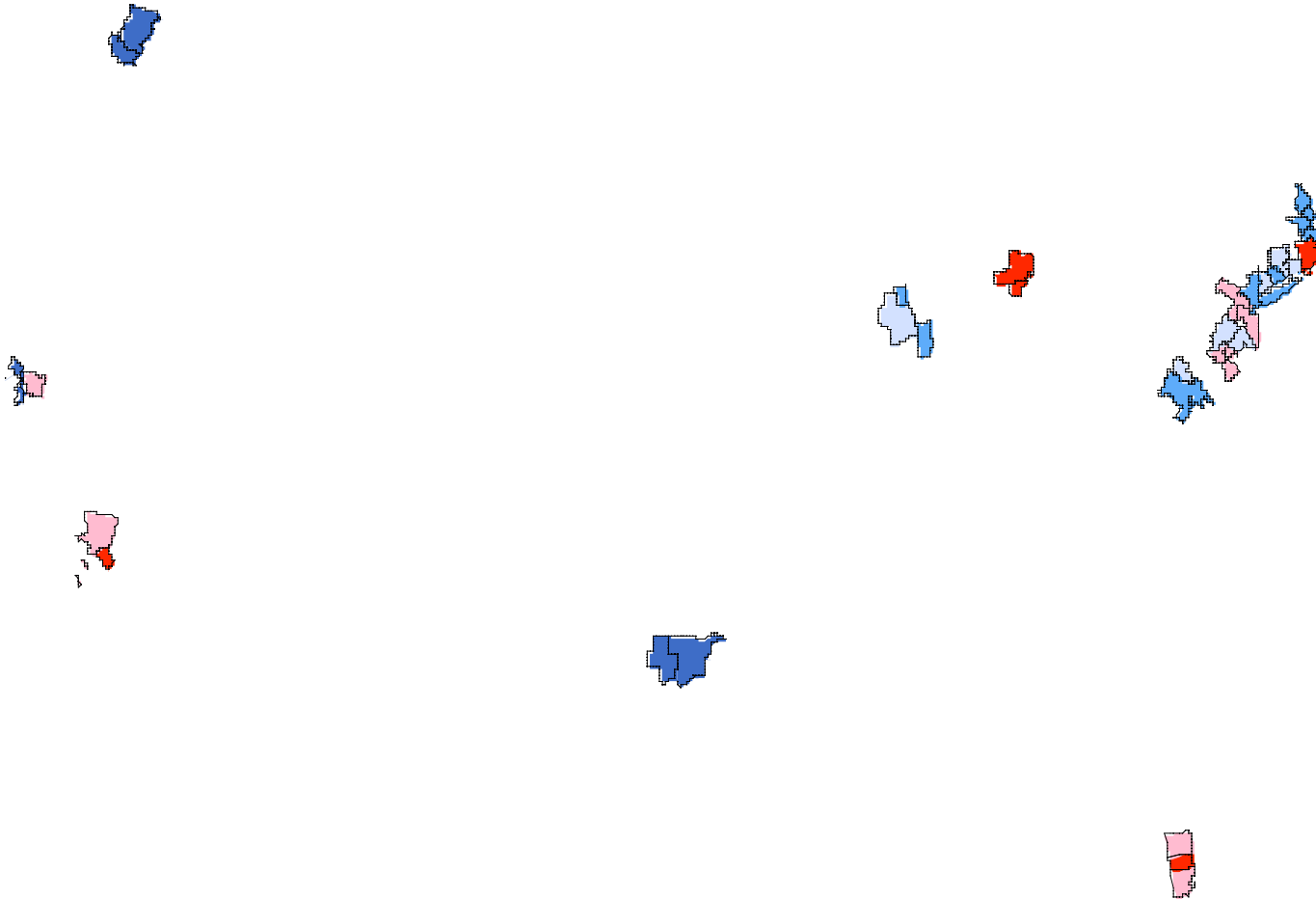


# The Housing Recession

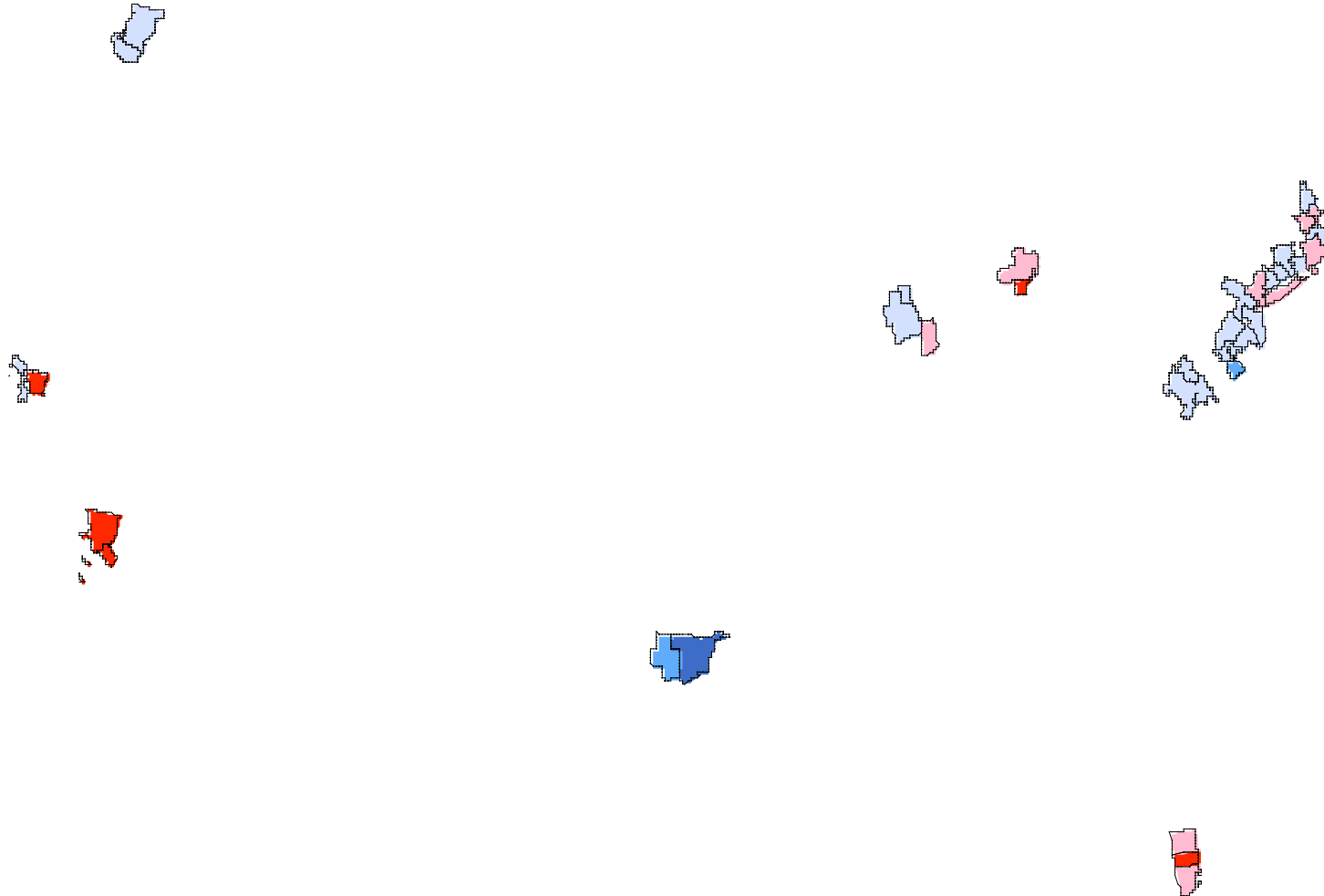




# Employment Growth 2008



# Employment Growth 2009





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