

**BURNHAM-MOORES**  
CENTER FOR REAL ESTATE  
UNIVERSITY OF SAN DIEGO SCHOOL OF BUSINESS



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**OUTLOOK 2021**

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# PANELISTS



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MODERATOR:

**Norm Miller**

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University of San Diego School of Business

Dec. 10, 2020

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# 2021 Housing & Mortgage Outlook

**FDIC**

**Frank Nothaft, CoreLogic Chief Economist**

**December 10, 2020**



# COVID-19 Effects on Housing and Mortgage Markets

- Record low mortgage rates for fixed-rate: 30-year FRM at 2.7%!
  - Biggest refinance boom since 2003
- Home sales and single-family rentals remain strong, multifamily rental weaker
  - For-sale inventory critically low
  - Pending sales in autumn trending solidly above last year
  - First-time & trade-up, Millennials & Gen X, fuel demand surge
- Mortgage credit risk jumps
  - Job loss triggers delinquency, home price decline triggers distressed sale
  - HPI Forecast: U.S. slows to 1.9% (through October 2021); NV, TX, WY with price dip
  - Project serious delinquency remains 3x February 2020 level by yearend 2021

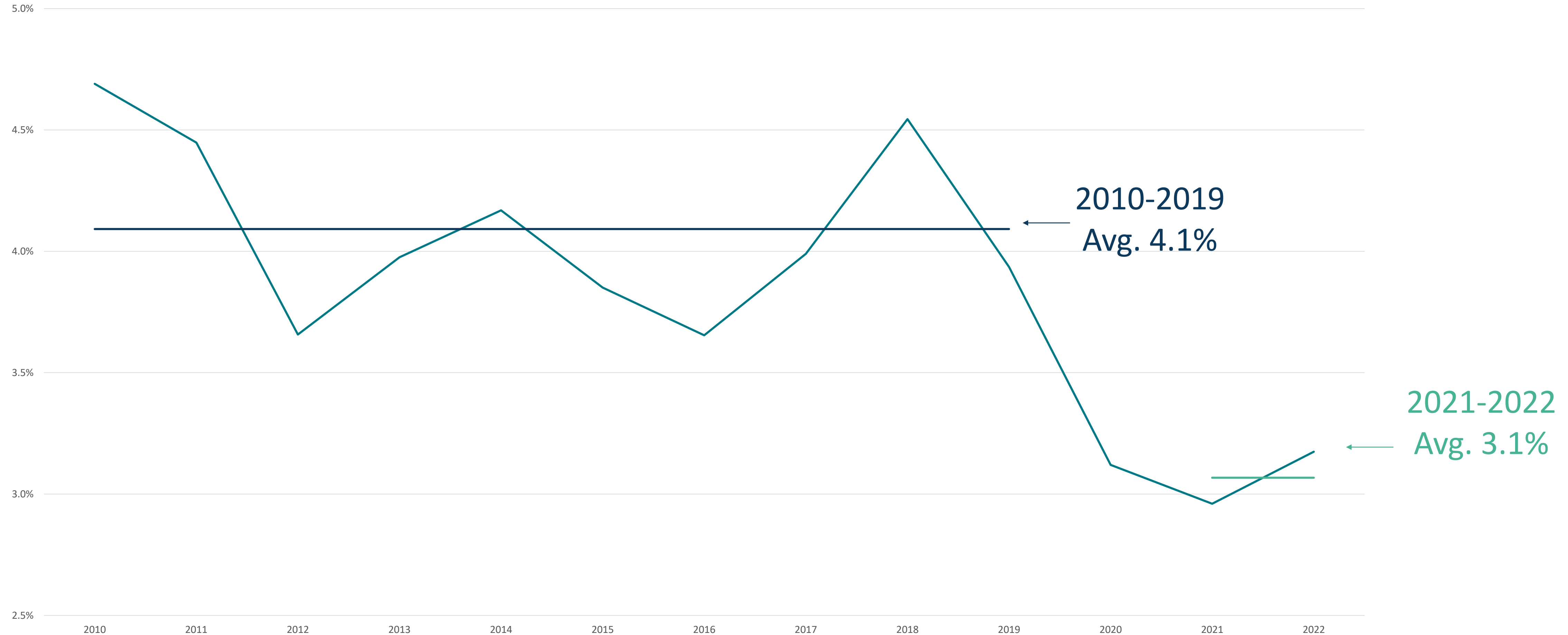




# Mortgage Rates Are Forecast to Remain Low

Low mortgage rates projected to continue in 2021 and 2022

## 30-year Fixed-Rate Mortgage Interest Rate (annual average)



Source: Freddie Mac Primary Mortgage Market Survey® (history), IHS Markit (forecast)

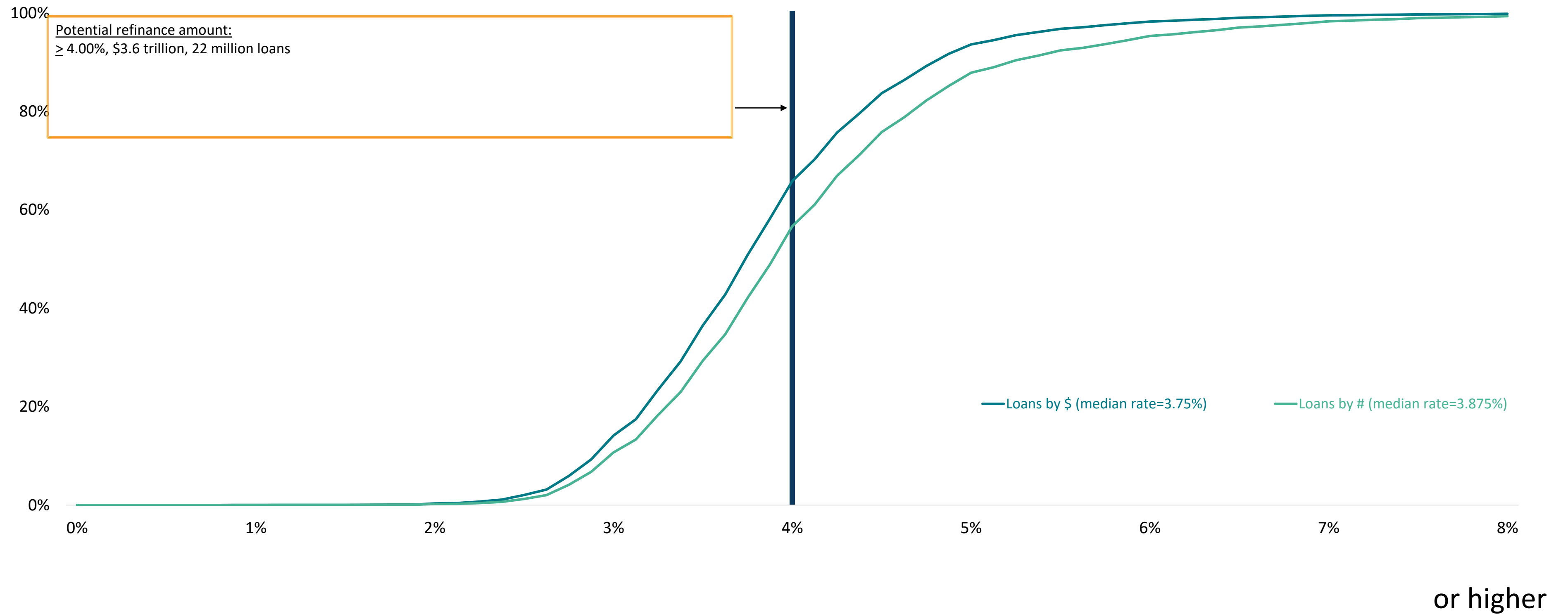
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# Large Amount of Mortgages Are In-the-Money to Refi

The longer mortgage rates remain sub-3%, the larger 2021 refinance will be

## Cumulative Share of Home Mortgage Loans by Interest Rate

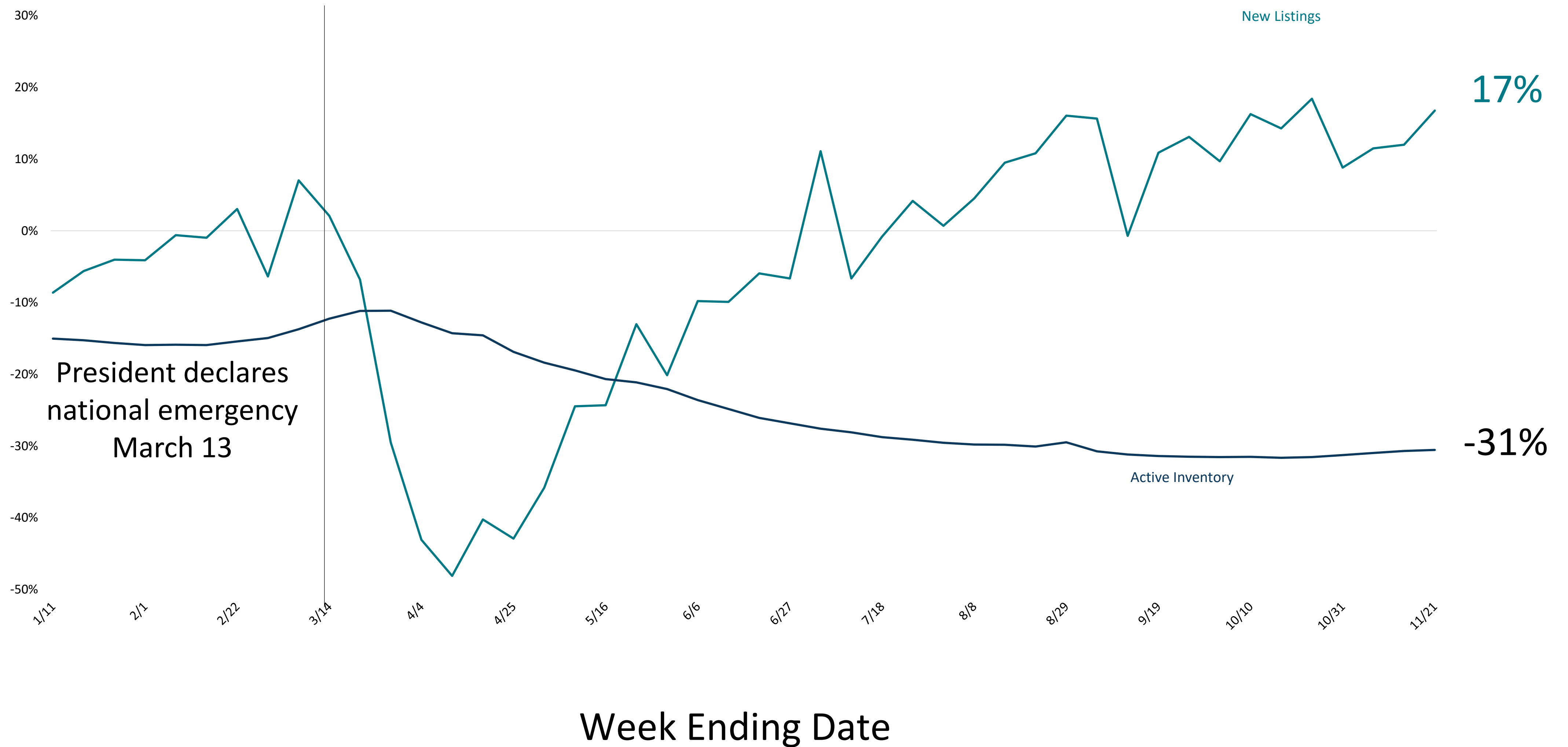


Source: CoreLogic TrueStandings Servicing, all loan terms (September 30, 2020); Federal Reserve Board (Z.1, L.218 Home Mortgages, \$10.6T first-lien as of June 30, 2020); Census Bureau (2018 ACS and 2018 RHFS).  
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# Acute Shortage of Active Inventory Constrains Sales

Year-over-year Percent Change by Week



Source: CoreLogic MLS PIN  
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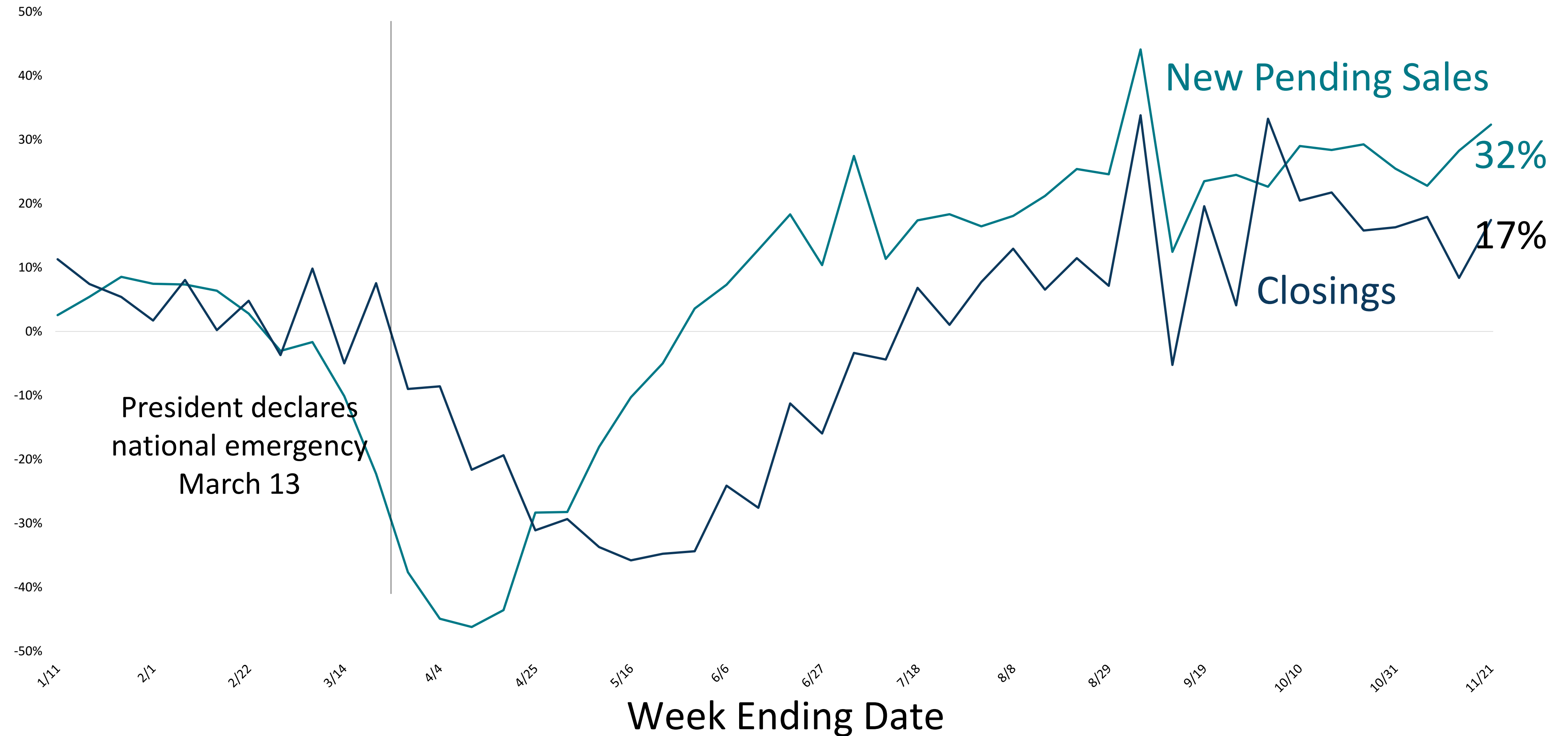




# Strong Pending Sales Suggest Strong 2020 Year-End

Time from contract signing to close: 35 days (median) in 2020

Year-over-year Percent Change, Weekly Data

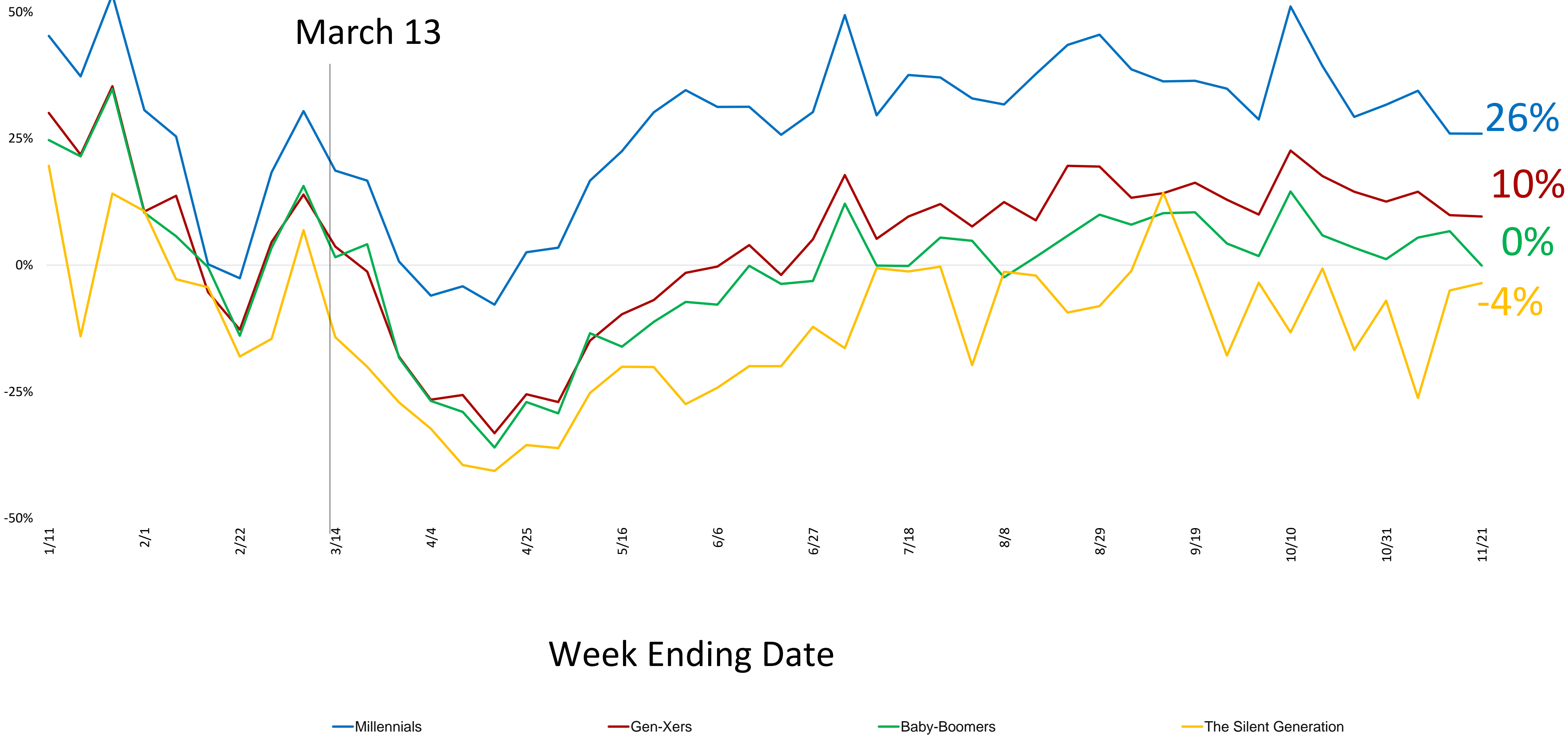


Source: CoreLogic MLS PIN (closings for weeks ends 3/28, 4/4, 6/27, 7/4, 8/29, 9/5 for identical 7-day period in 2019 and 2020)



# Millennials & Gen X Account for Much of the Resurgence

## Year-over-year Percent Change in Weekly Home-Purchase Applications



Source: CoreLogic  
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# Two Dimensions of Affordability

Affordability Thought Experiment: Identical home, 10% down, today vs. 1-year ago

## Repeat buyer:

	<u>A Year Ago</u>	<u>Today</u>
Home price	\$400,000	\$429,200 (7.3% rise, CoreLogic HPI)
Down Payment (10%)	\$ 40,000	\$ 42,920
Loan size	\$360,000	\$386,280
Mortgage rate	3.7%	2.8%
Monthly P&I	\$1,657	\$1,581

**Affordability: Down Payment up 7%, monthly P&I down 5%**

## First-time buyer:

Home price	\$200,000	\$218,000 (9.0% rise, Price 75% to 100% of local median)
Down Payment (10%)	\$ 20,000	\$ 21,800
Loan size	\$180,000	\$196,200
Mortgage rate	3.7%	2.8%
Monthly P&I	\$829	\$803

**Affordability: Down Payment up 9%, monthly P&I down 3%**

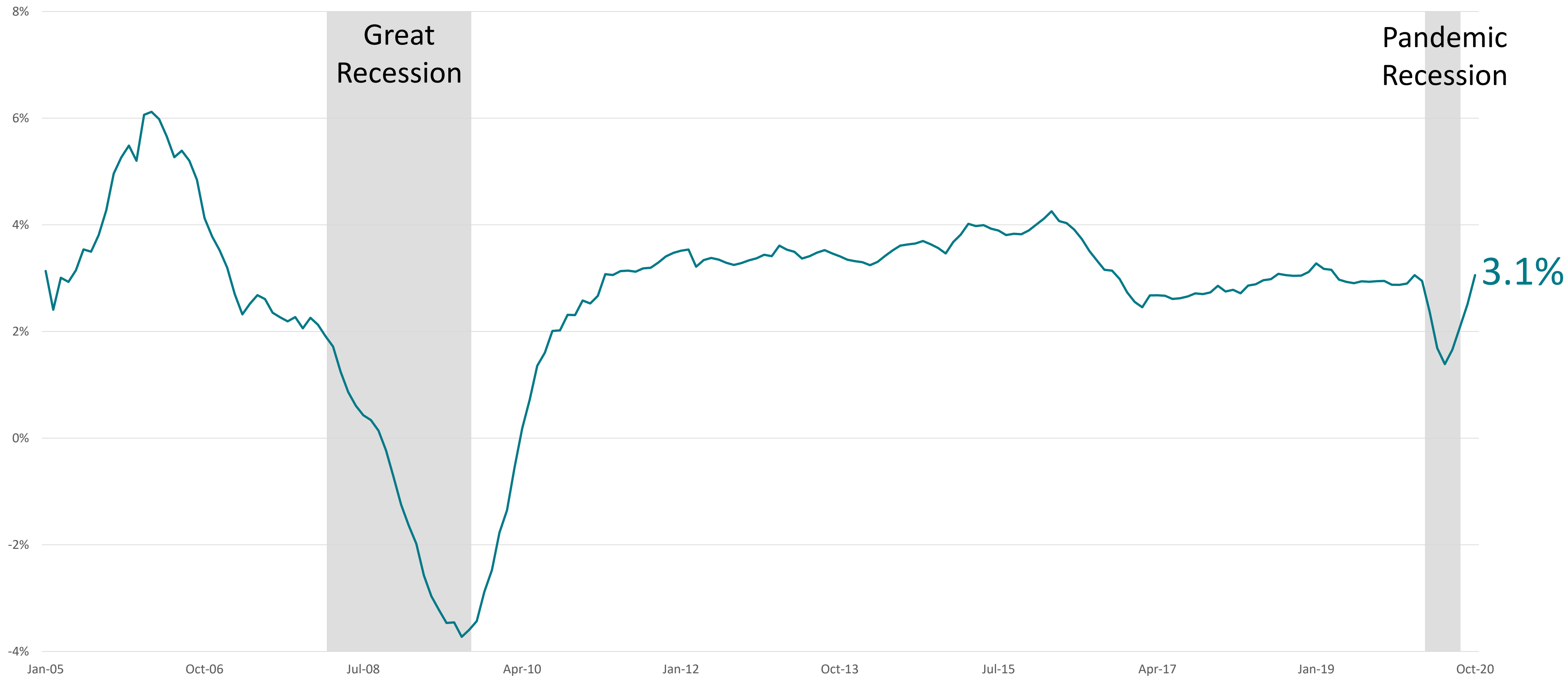
Source: CoreLogic HPI (December 1, 2020 release), Freddie Mac PMMS (average for November 2019 and 2020)

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# Single-Family Rent Growth Has Rebounded Too

## Rent Growth (12-month percent change)



Source: CoreLogic Single-Family Rent Index  
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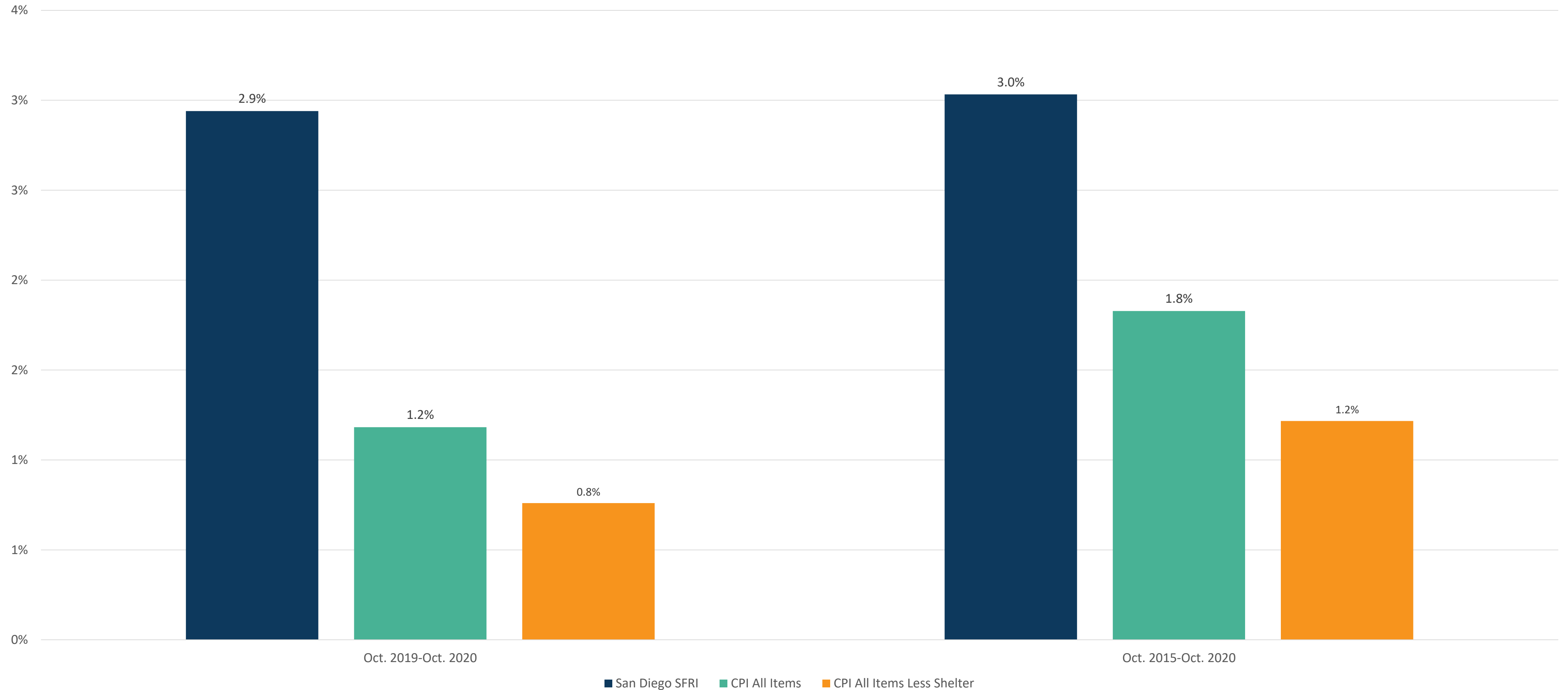




# Shelter Costs Up More Than Other Consumer Prices

In latest year and over 5 years, CoreLogic Single-Family Rent Index up more than inflation

Index growth (annual percent change)

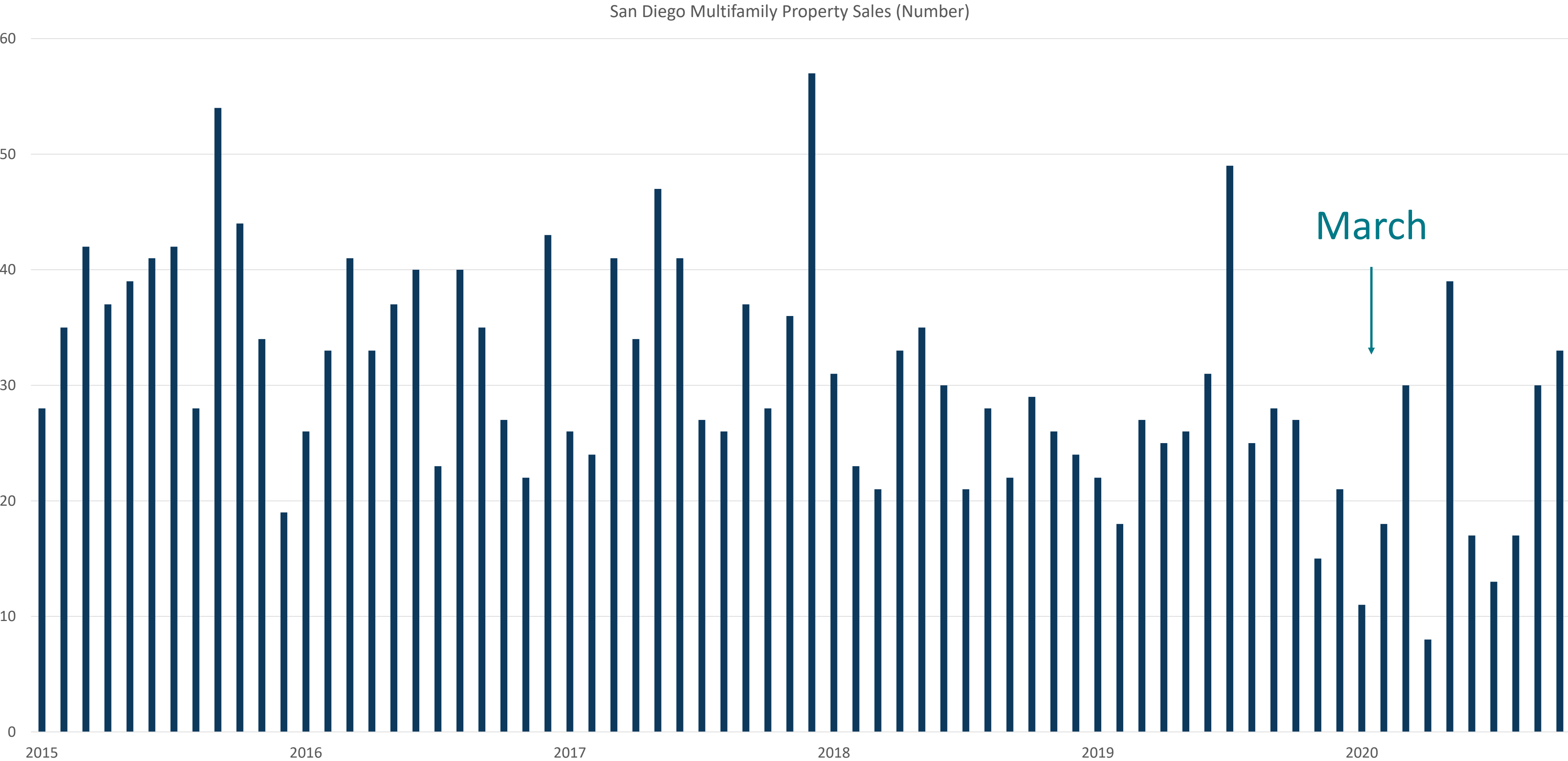


Source: CoreLogic Single-Family Rent Index; U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: U.S. City Average

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# Multifamily Sales Down 26% in San Diego Since Pandemic (Apr-Oct YOY)

April 2020 had least number of settlements since November 2008



Source: CoreLogic

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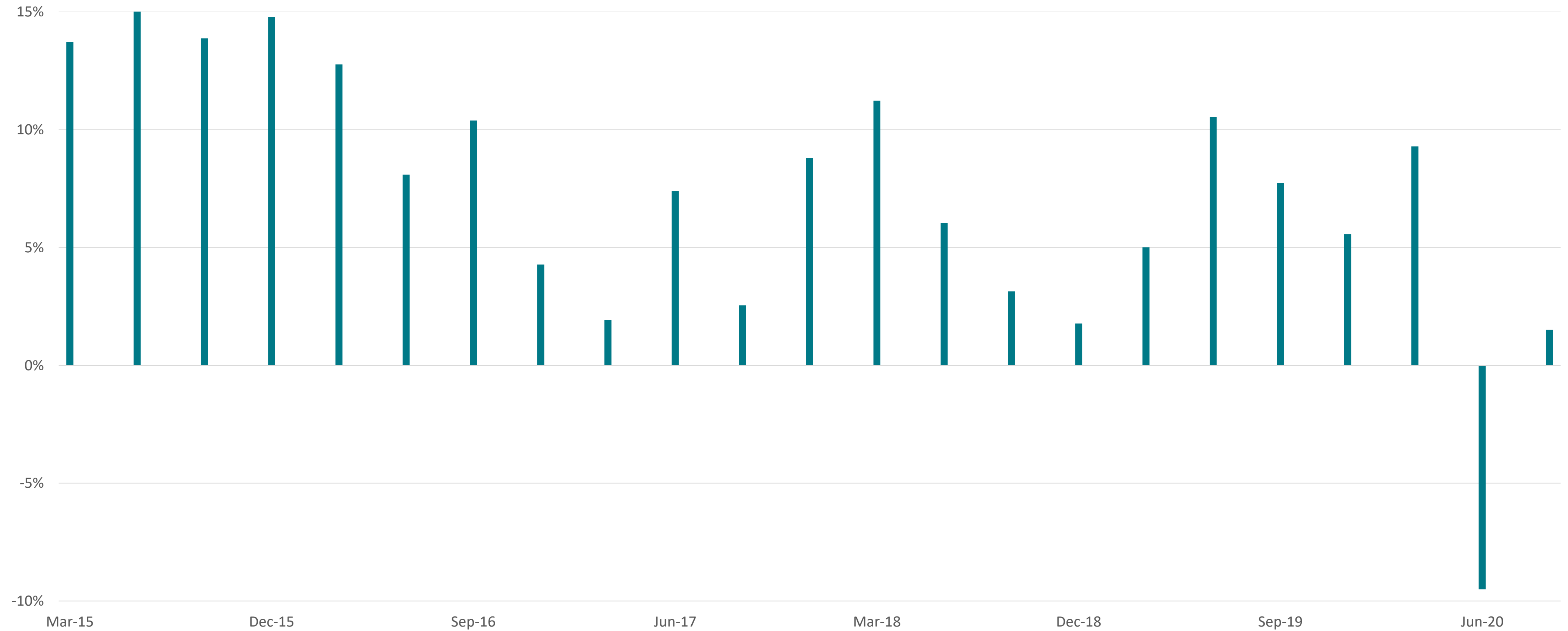




# Multifamily Prices Dropped 10% In 2020Q2 (YOY)

2020Q2 had first YOY price decline since Great Recession

## Multifamily Price Index, 10-MSA Composite (annual percent change)

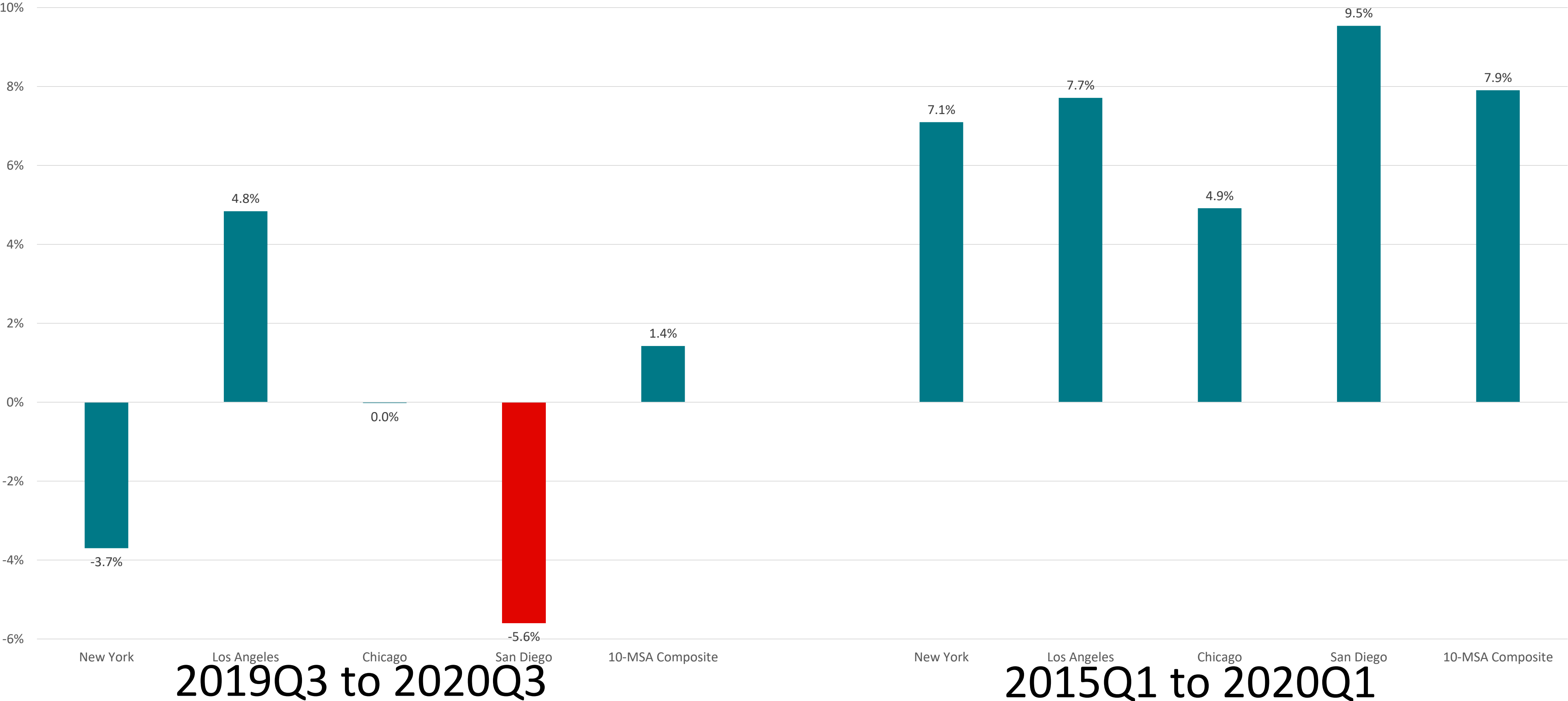


Source: CoreLogic Multifamily Price Index, 10-MSA Composite

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# Multifamily Price Growth Weaker Once Pandemic Hit

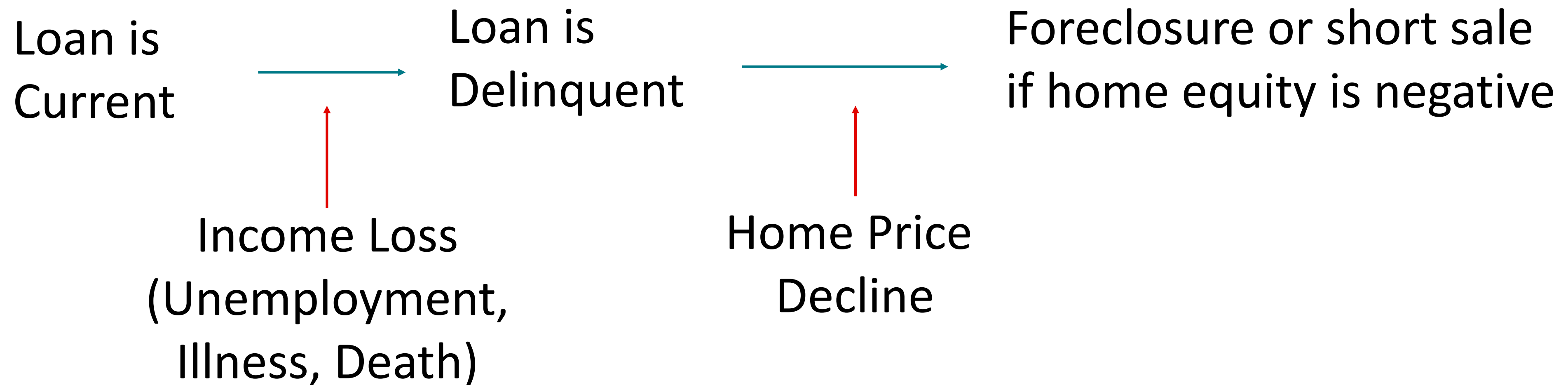
## Multifamily Price Index (percent change CAGR)



Source: CoreLogic Multifamily Price Index, four-quarter moving average

# Current-to-Foreclosure Timelines Vary by State

Double trigger: income loss can cause delinquency, equity loss can lead to distressed sale



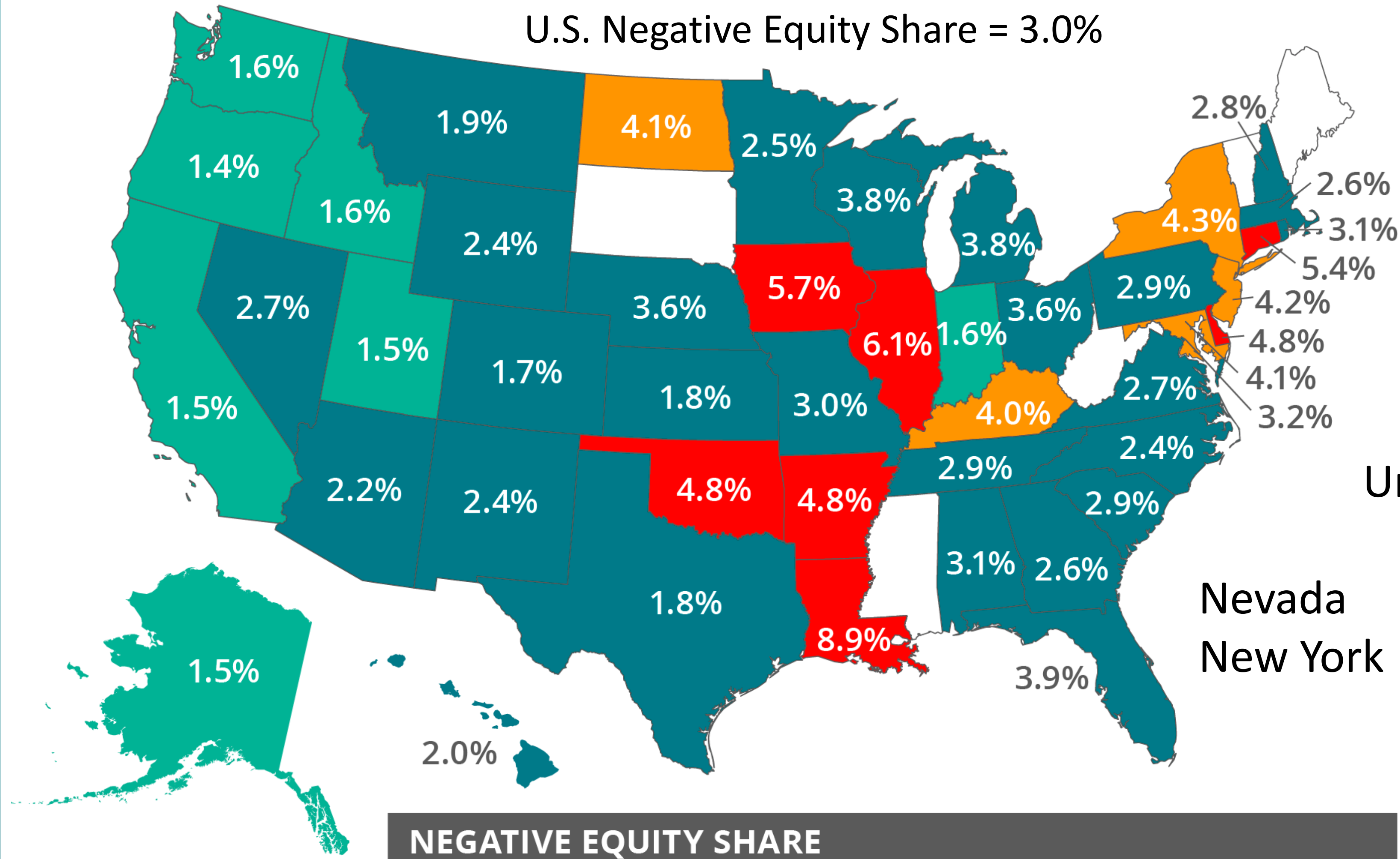
From Last Payment Made to Foreclosure Sale:  
11 months (GA, MN, MS)  
4 to 5 years (NY, NJ)



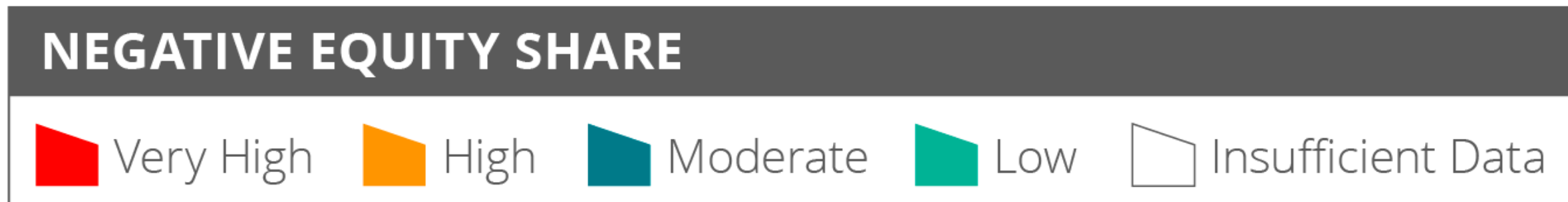
# Job Loss & Home-Price Weakness Spark Delinquencies

Income loss and lack of home equity add to risk of foreclosure or short sale

U.S. Negative Equity Share = 3.0%



	Unemployment Rate (Oct.)	1-year HPI Forecast
Nevada	12.0%	-1.0%
New York	9.6%	1.0%



Source: CoreLogic Home Equity Report 2020Q3 (December 10, 2020) and HPI Forecast Oct. 2020-to-Oct. 2021

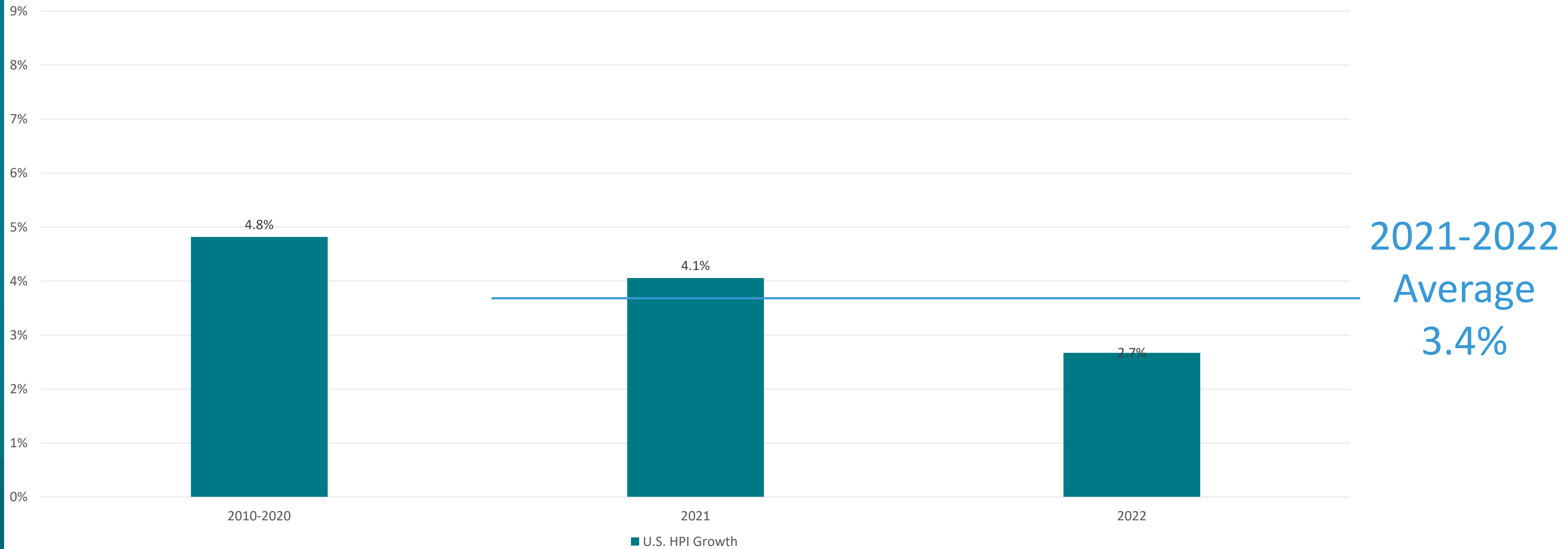
©2020 CoreLogic, Inc. All Rights Reserved. (December 1, 2020); U.S. Bureau of Labor Statistics (October 2020 state unemployment rate)



# U.S. Prices Forecast to Rise

U.S. HPI: 2021-2022 growth of 3.4% per year, vs. 2010-2020 growth of 4.8% per year

CoreLogic Home Price Index Growth (percent change, annual rate)



Source: CoreLogic Home Price Index and Forecast (December 1, 2020 release), compound annual growth rate in annual average

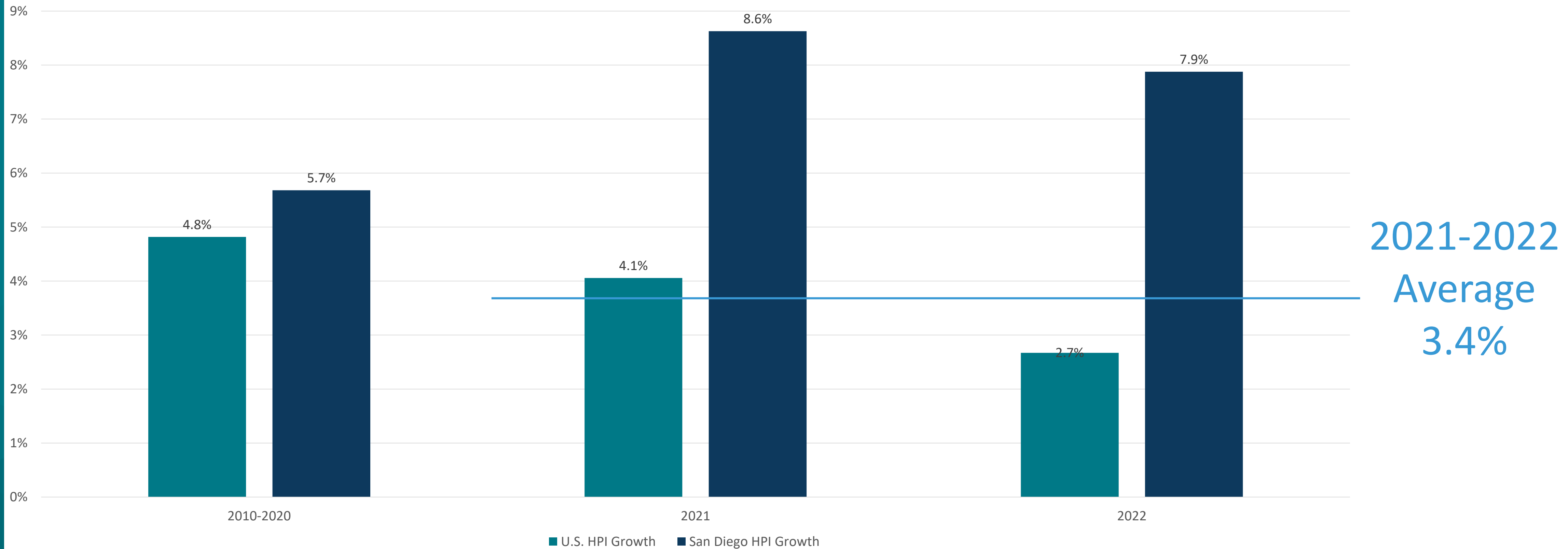
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# U.S. Prices Forecast to Rise, San Diego Growth Above U.S.

U.S. HPI: 2021-2022 growth of 3.4% per year, vs. 2010-2020 growth of 4.8% per year

## CoreLogic Home Price Index Growth (percent change, annual rate)



Source: CoreLogic Home Price Index and Forecast (December 1, 2020 release), compound annual growth rate in annual average

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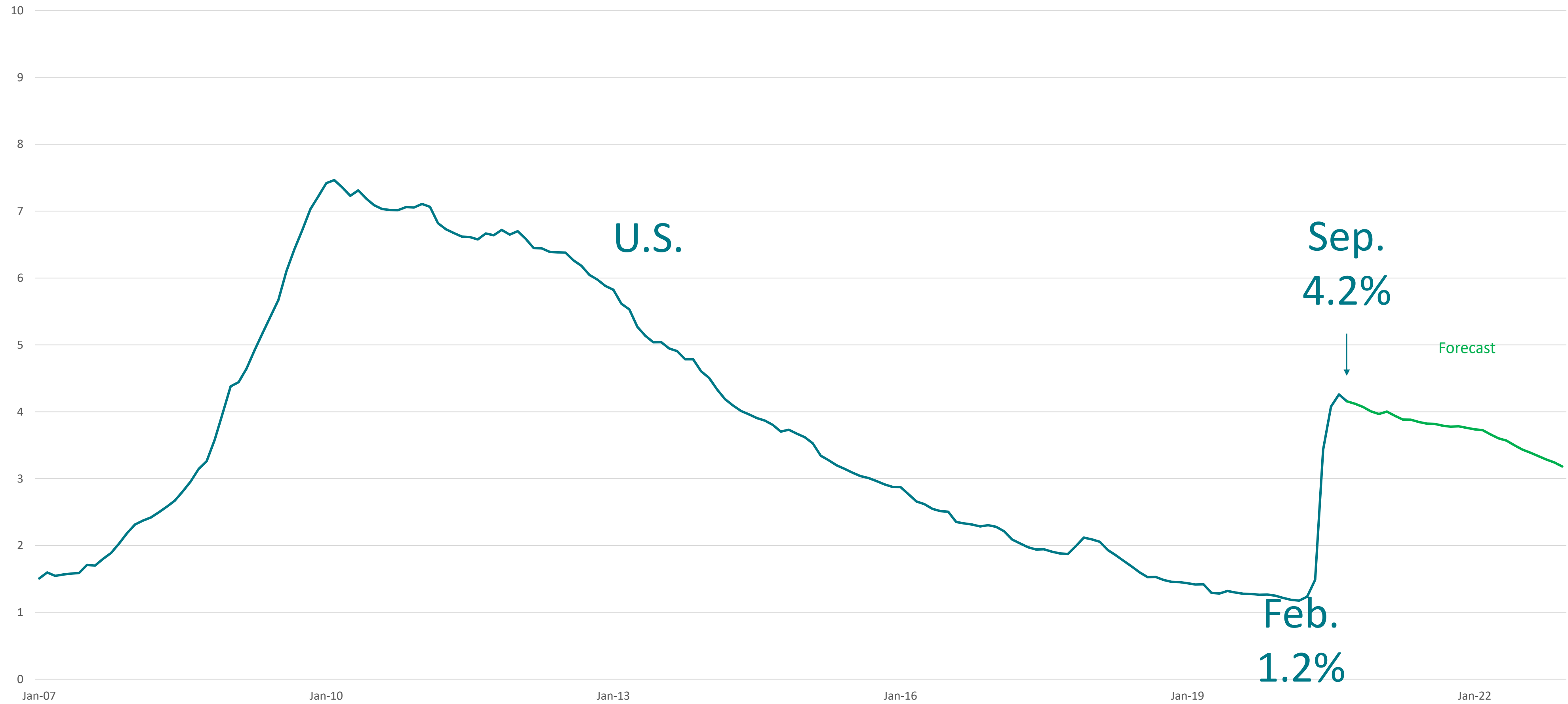




# Serious Delinquency Up 3.5x, Feb. 2020 to Sep. 2020

Forbearance provides financial crutch; if income does not recover, distressed sales will rise

## Serious Delinquency Rate (Percent of Active Loans)



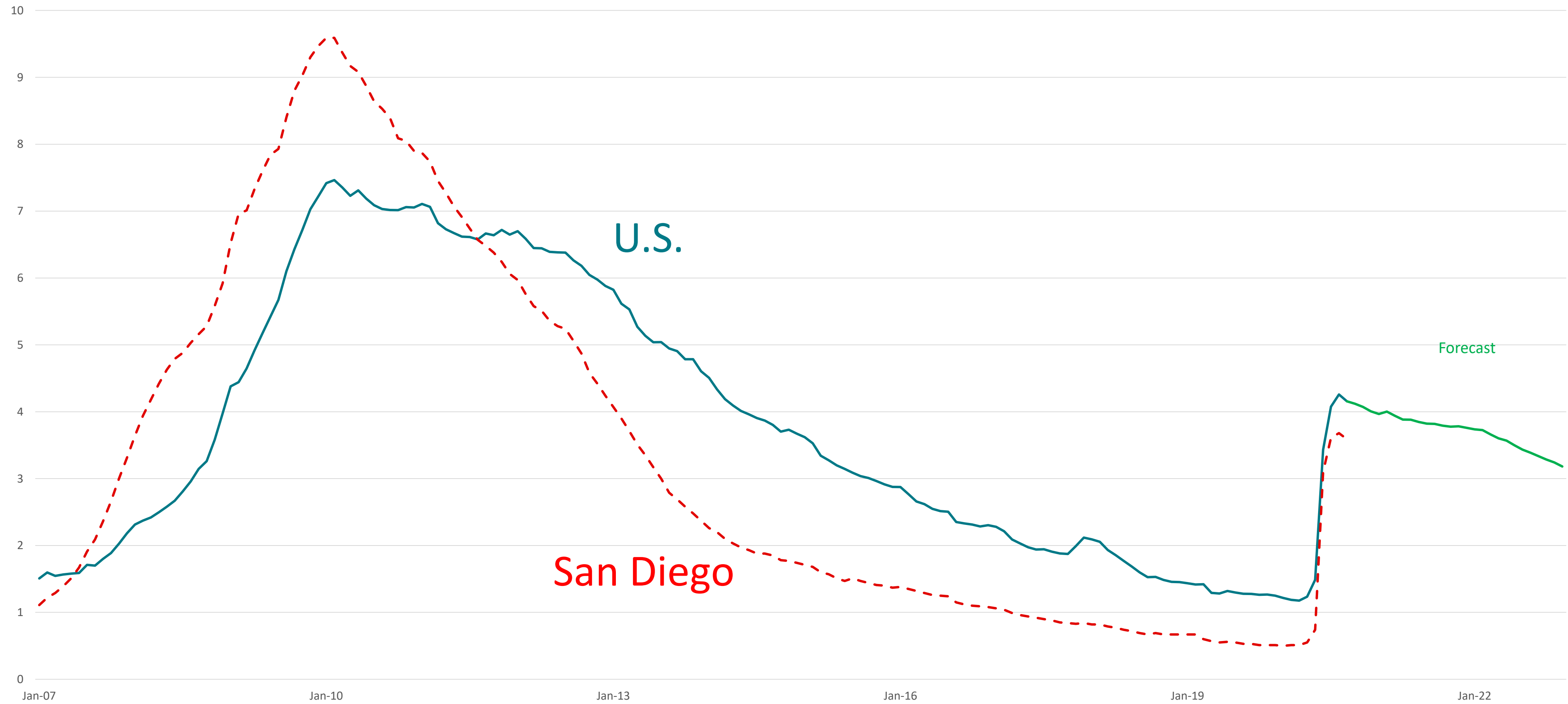
Source: CoreLogic TrueStandings Servicing, HPI Forecast (December 1, 2020) and serious delinquency forecast; IHS Markit (December 2020 unemployment rate forecast); serious delinquency is at least 90 days delinquent or in foreclosure proceedings



# Ser. Del. Up 3%-points in U.S. and San Diego, Feb. to Sep. 2020

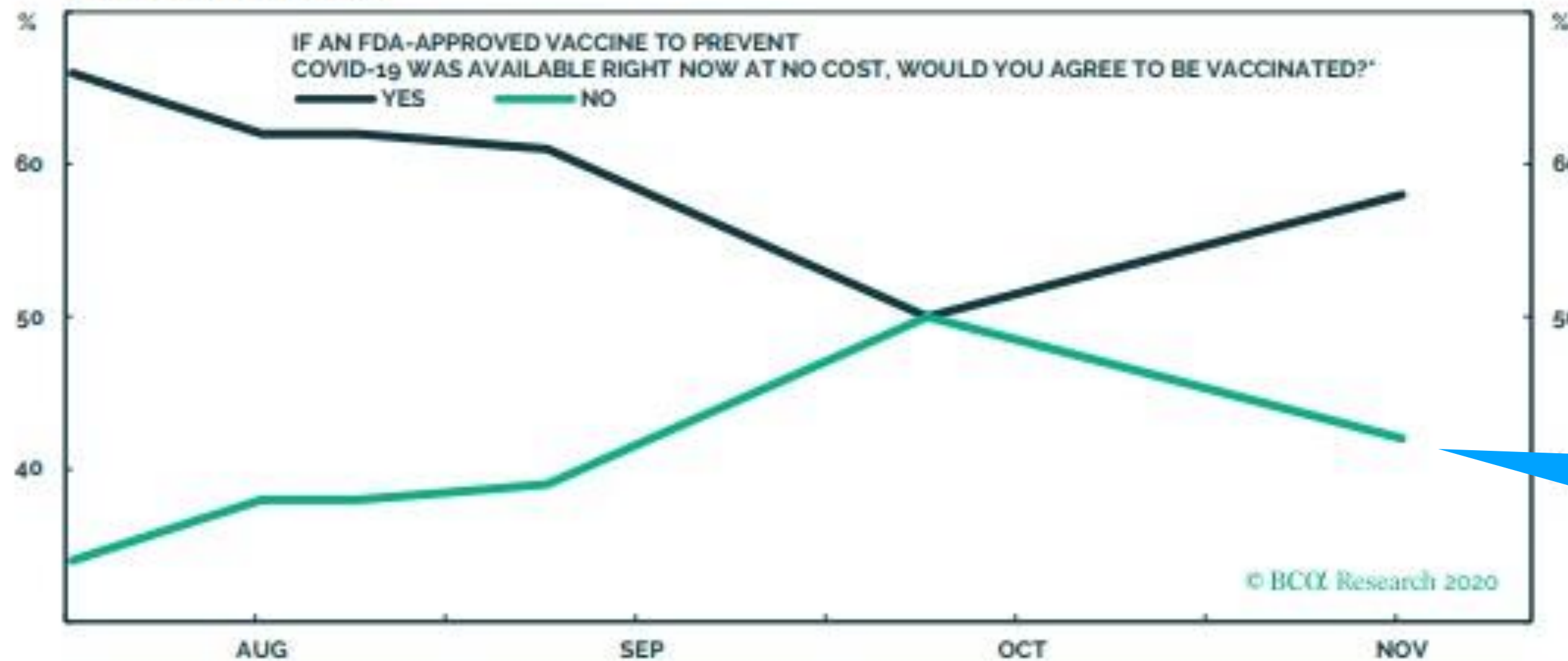
Forbearance provides financial crutch; if income does not recover, distressed sales will rise

## Serious Delinquency Rate (Percent of Active Loans)



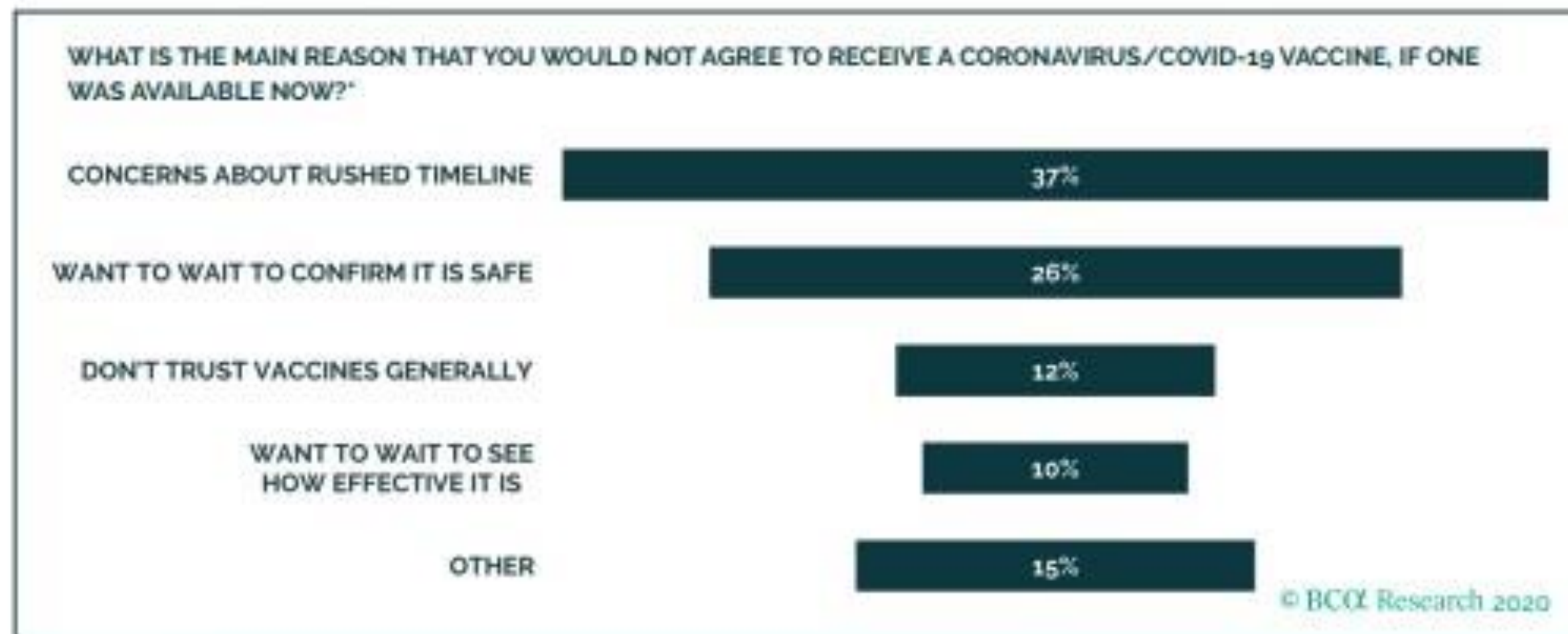
Source: CoreLogic TrueStandings Servicing, HPI Forecast (December 1, 2020) and serious delinquency forecast; IHS Markit (December 2020 unemployment rate forecast); serious delinquency is at least 90 days delinquent or in foreclosure proceedings

### The Vaccine Blues



First Question: Will this slow down our economic recovery or is that the right question to ask?

Some 40% are resistant to being vaccinated?



\* SOURCE: GALLUP.



# Questions for Dr. Frank Nothaft

**Will the GSEs go private? Will this drive up mortgage rates or will too big to fail persist?**

**Our Nobel prize winning colleague, Dr. Robert Shiller, recently came out and suggested we are approaching a housing bubble. Of course, he predicted a stock market crash two years before it happened so maybe that is a more reasonable lead time for his prophecy this time around. What do you think?**

**Bill Wheaton used to say “No one owns the median house in America.” He refers to the fact that we have several price tiers and that median indexes tend to reflect the mix of what sold as much as constant quality homes. The media then picks up on these average trends and imputes them to the entire spectrum of the market. The current case is no different with low inventories and lower interest rates, but there is a crisis looming among the lowest 1/4<sup>th</sup> of the price tier where the front line workers, retail workers, restaurant workers own. With a slow recovery, won't we see a slew of lower priced distress sales ? and will this be another boon to the SFR market?**

**Nine million mortgages will be refinanced by year end representing over \$4 trillion dollars. Won't this help the economy going forward in terms of monthly payment savings that can be rechanneled into spending?**

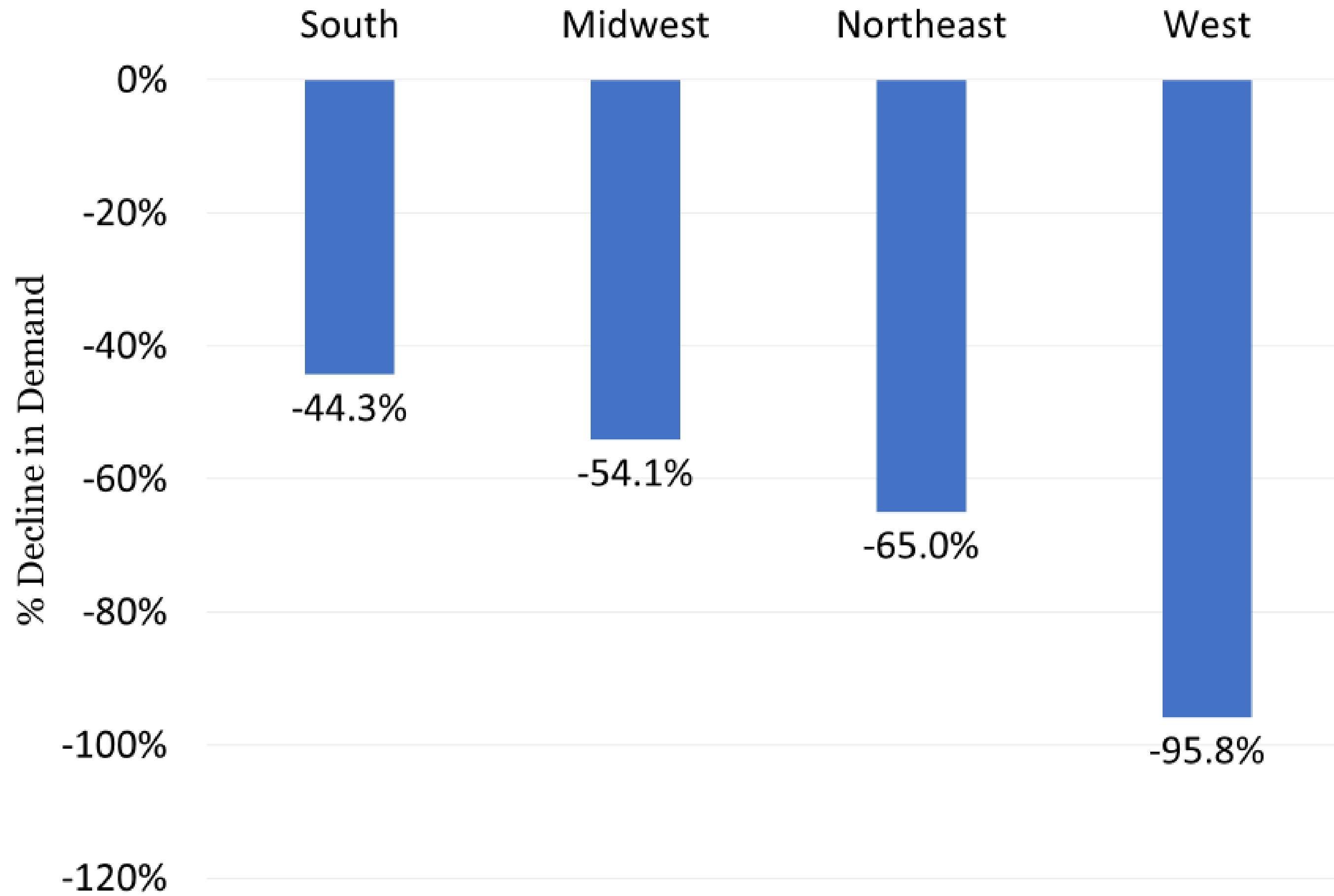
# Kimberly Byrum Overview Starting with the Impact of COVID 19 on the Housing Markets

Dec. 10, 2020

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# Estimated Stall in Demand Differs Substantially by Geography

YOY Demand Drop (1Q20 to 3Q20)



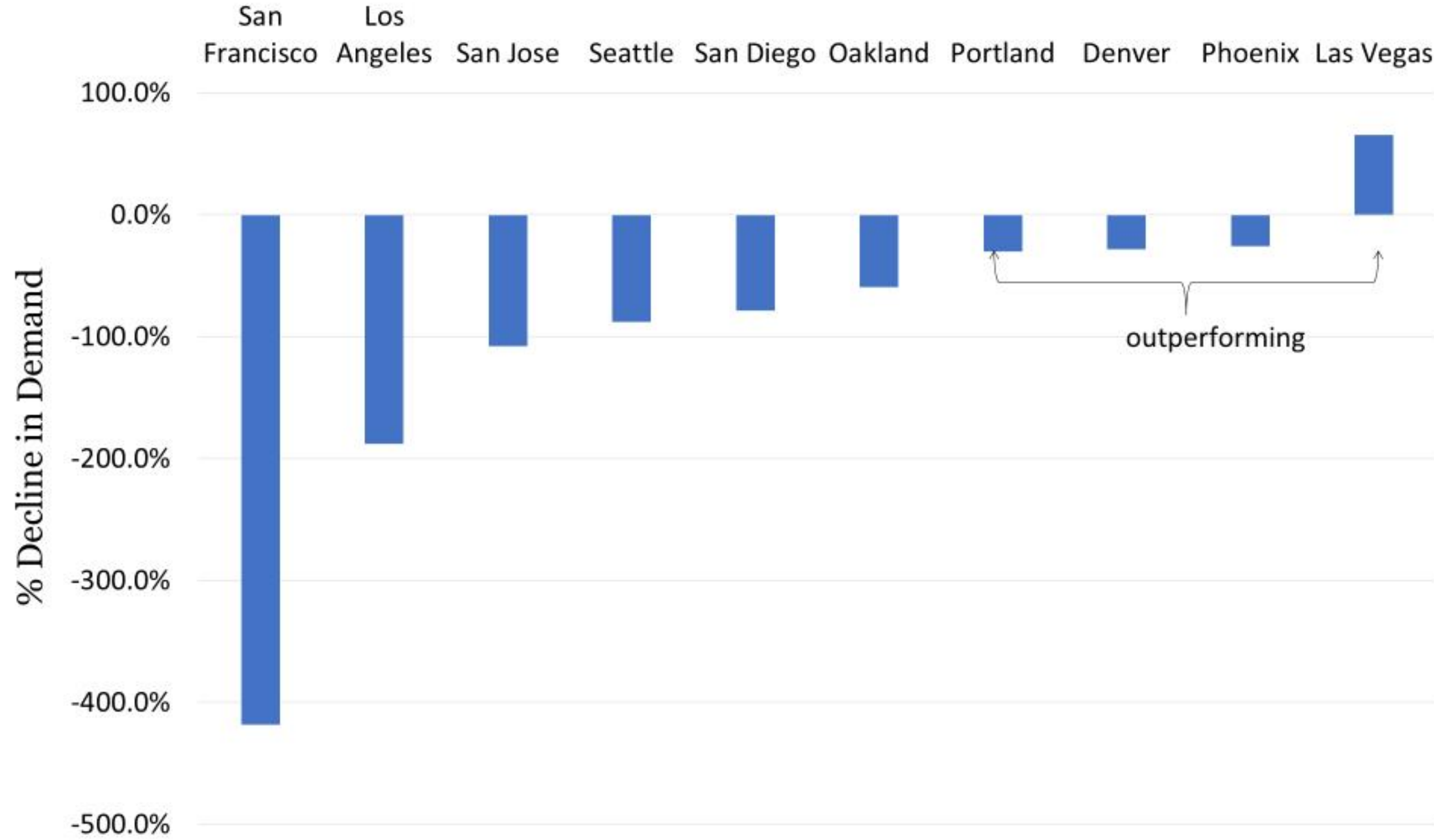
- Bay Area biggest drop in demand followed by LA, NYC driving big drop in NE and Chicago fueling Midwest decline
- South performance impacted by larger drops in Miami (-66% drop) and Orlando (-61% drop) due to hospitality industry and undocumented workers leaving US or ineligible for unemployment benefits<sup>1</sup>
- Las Vegas demand has improved from 2Q, West excluding Las Vegas strongly impacted (down 113%)

<sup>1</sup> Aimco Investor Presentation, June 2020



# Breaking down the West

## YOY Demand Drop (1Q20 to 3Q20)

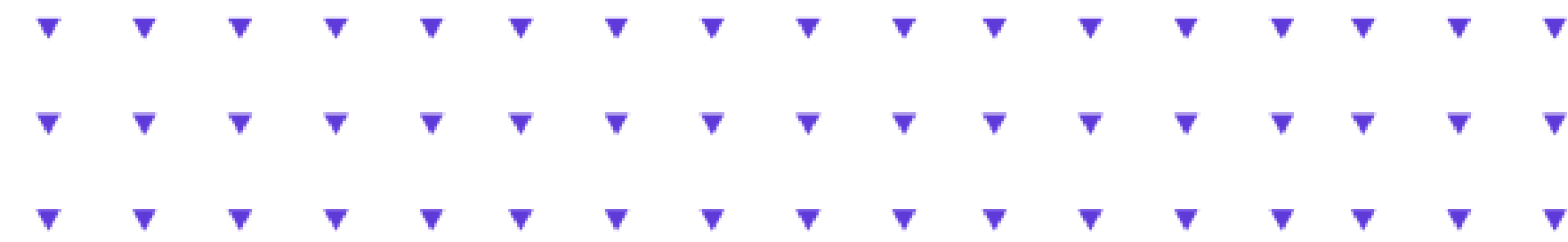


- Portland, Phoenix & Denver outpacing the national avg.
- Oakland is California outlier

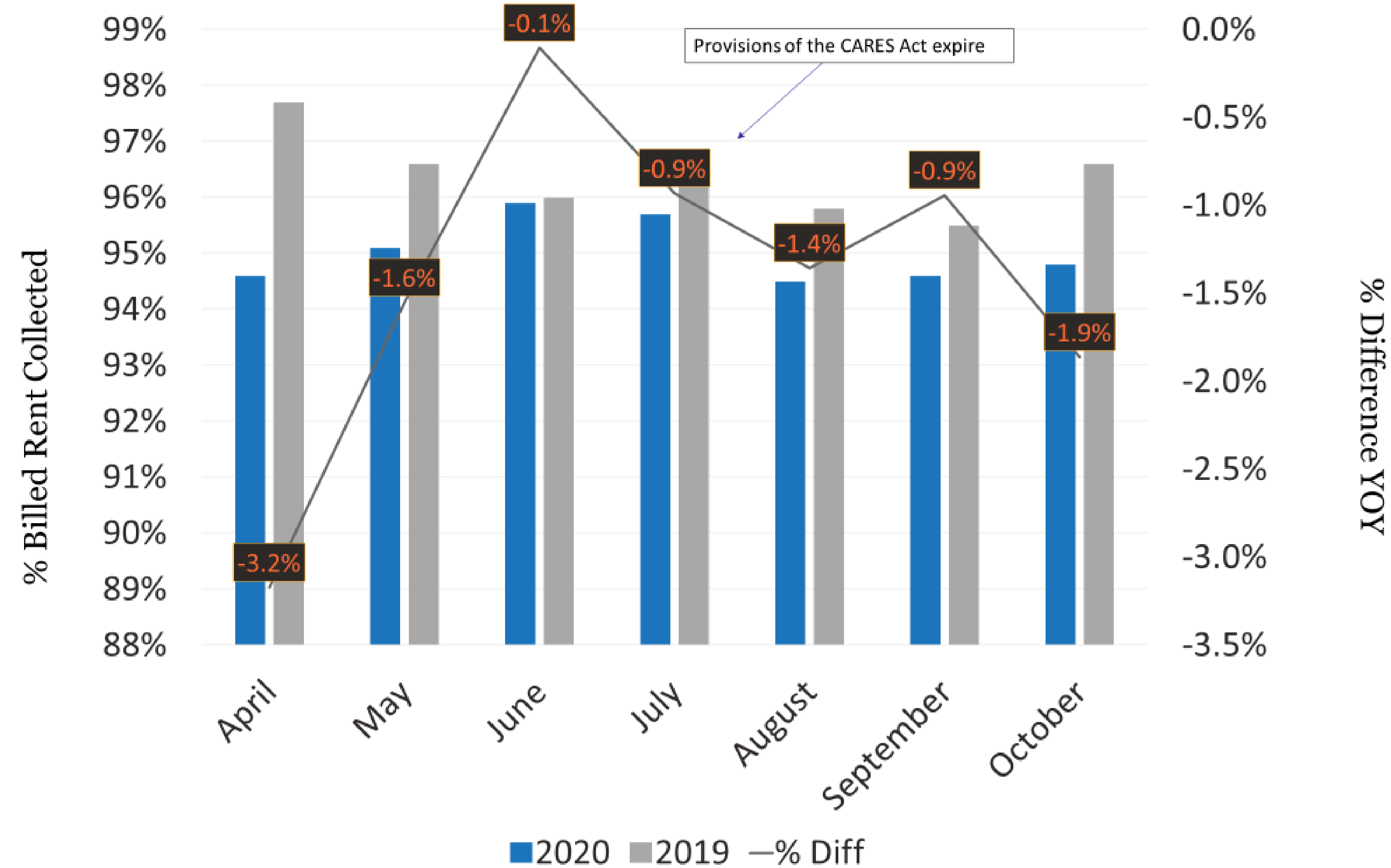
### Moving Out of San Francisco



Source: United Van Lines  
 Note: Numbers are interest in moving, which is the number of people requesting a quote to move out of a specific location



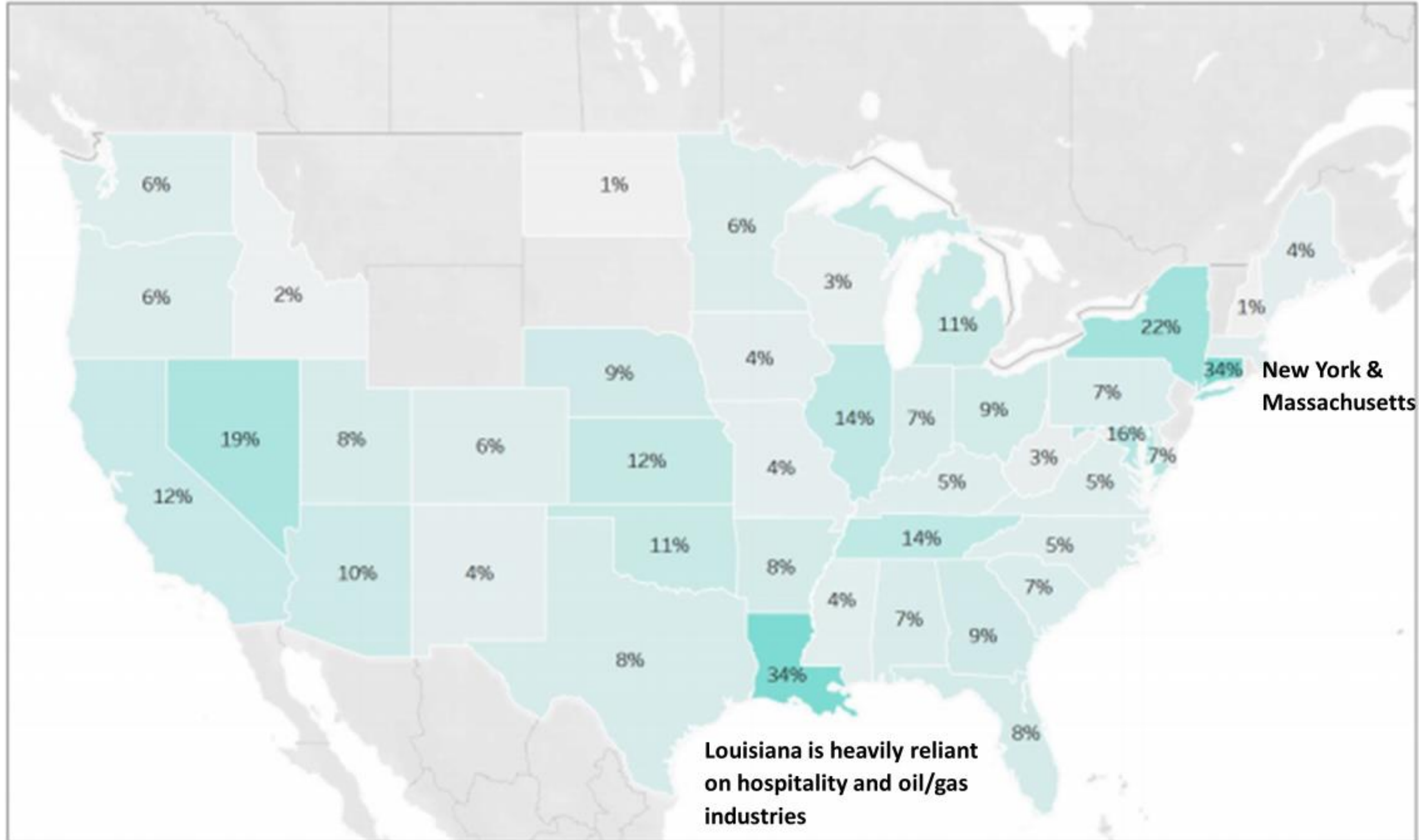
# Apartment Dwellers Continue to Pay their Rent



- ➔ **Softening occurred in October**
- ➔ **CDC Moratorium on evictions expires in December 2020**
- ➔ UDR says ~500 residents are delinquent and without a payment plan (<1%)
- ➔ Camden reports 1.9% delinquent and MAA reports 1.2% delinquent as of October 2020



## UNCOLLECTED RENT (SEPTEMBER 2020)



### Double Digits

- Nevada – 19%
- New Jersey – 16%
- Tennessee – 14%
- Illinois – 14%
- California – 12%
- Kansas – 12%
- Oklahoma – 11%
- Michigan – 11%
- Arizona – 10%

Louisiana is heavily reliant on hospitality and oil/gas industries





## Renter's Sentiment Towards Home Buying

Reasons for Living in an Apartment	%
Low Maintenance	18%
Not Financially Ready for Ownership*	17%
No Down Payment*	13%
Like Apartment Amenities	12%
May Move Out of the Metro	10%
Not Personally Ready for Ownership	9%
Can't Afford to Buy in Neighborhood I like*	7%
Student Loans*	5%
Salary Not Keeping Pace with Home Prices*	5%
Credit Issues*	3%

Avg HH Income of respondents is \$75k, Camden reports resident incomes of \$101k, and MAA reports HH incomes of \$77k.

Source: Meyers Research survey, Dallas Class A apartment renters

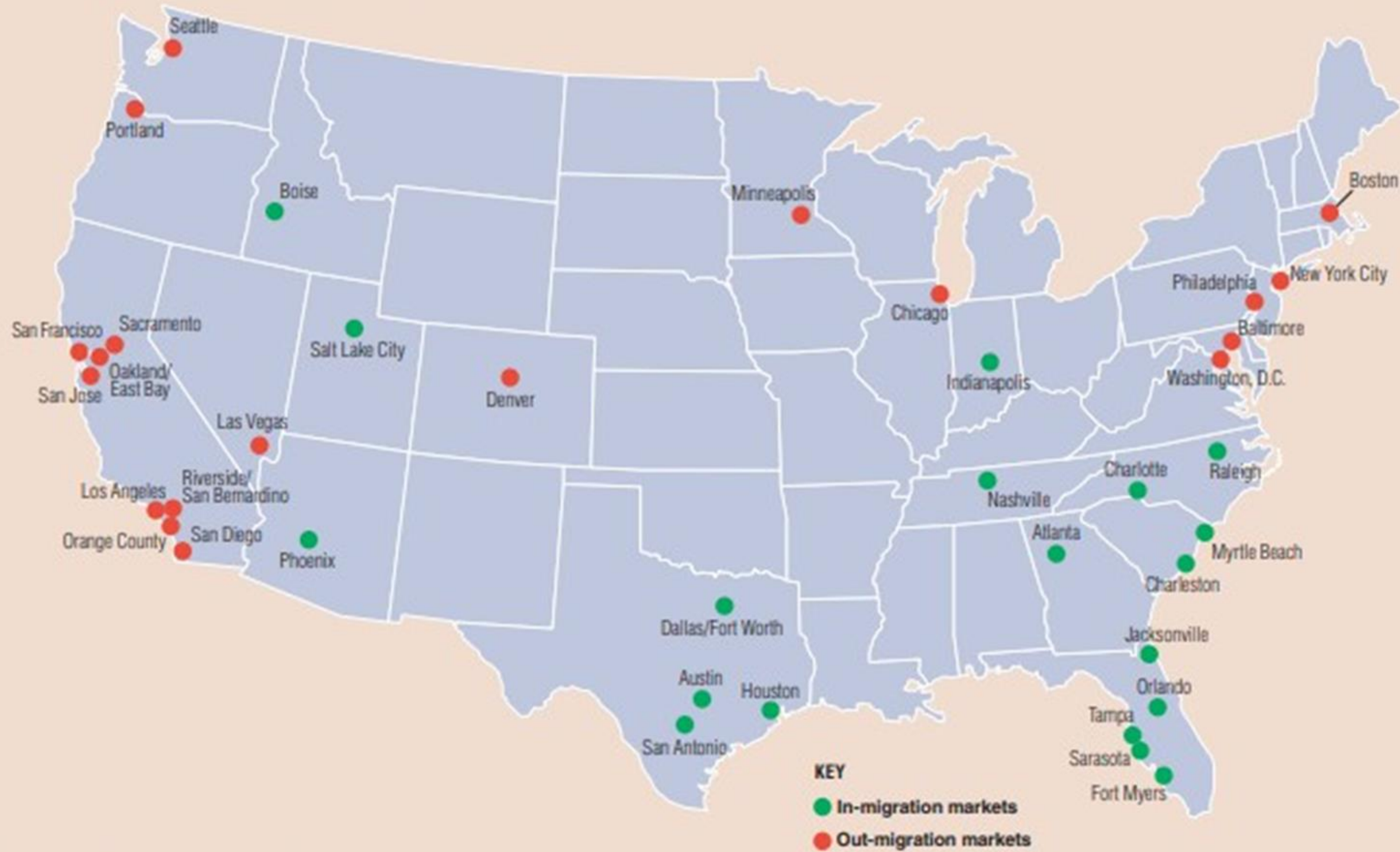
- Respondents lived in an apartment for 4.5 years and plan to live in an apartment another 3.4 years = 8 years in an apartment
- On average, have lived in 3 different apartment communities in the 4.5 years of tenure (may live in 5 or more apartment communities)



- According to Camden's 2Q20 report, move-outs for home purchase were 13.7% as of 1Q20 (23% at peak of HO rate in 2005-2006)
- Meyers' surveys indicates 20% of apartments plan to purchase a home



## Homebuyers on the Move: U-Haul Migration Patterns



Source: John Burns Real Estate Consulting analysis of pricing data pulled from uhaul.com.

Note: In-migration markets are those where it costs more to bring a U-Haul vehicle into that city than to take one out. The premium to bring in vehicles implies that more people are moving in than leaving.

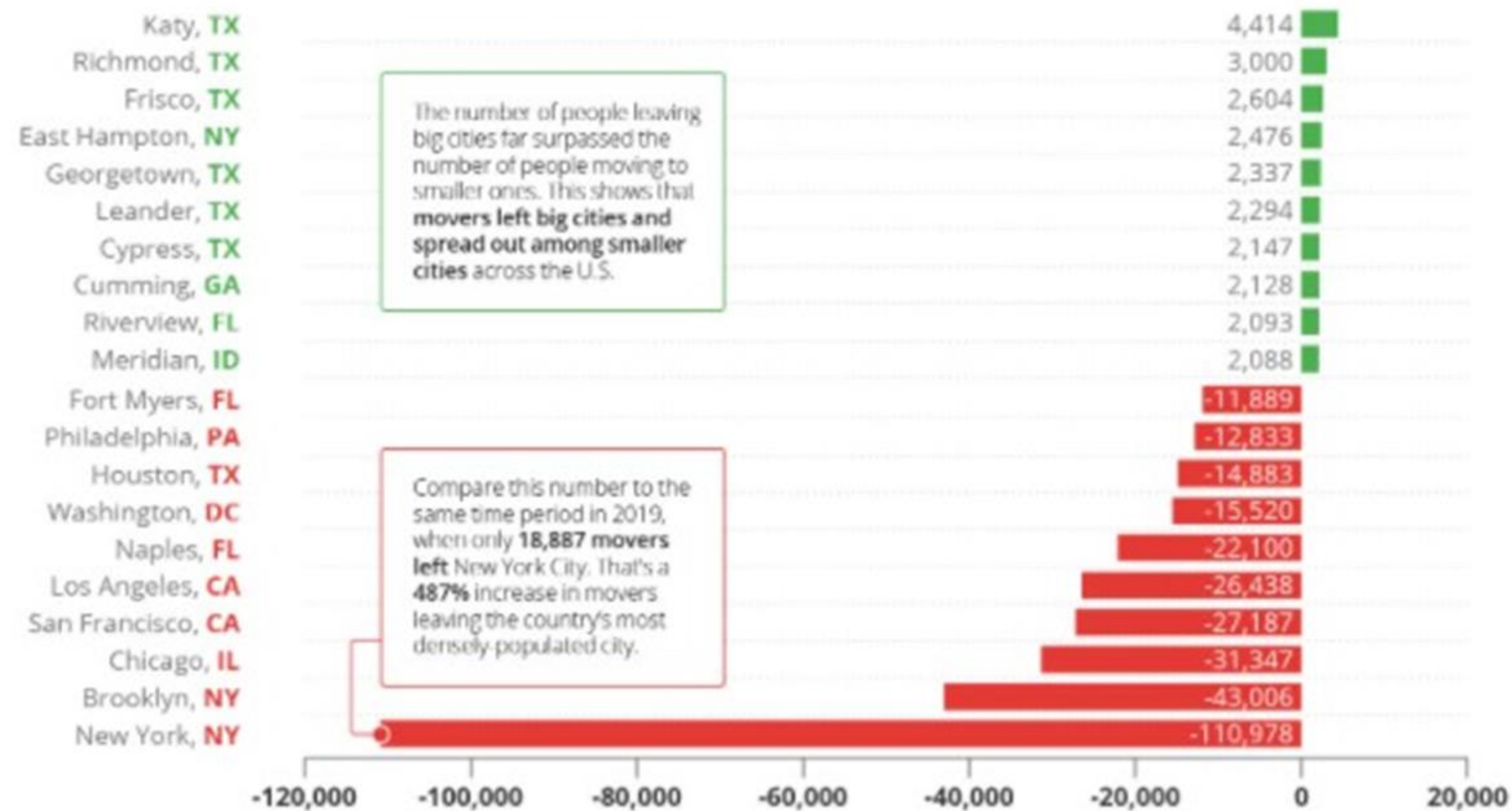
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## CITIES THAT GAINED AND LOST THE MOST MOVERS DURING THE CORONAVIRUS

Data shows that people moved from densely populated urban areas — like Manhattan, Brooklyn, and Chicago. Less populated cities, six of which were in Texas, gained the most movers.



\*Data pulled from total USPS change-of-address requests filed between February 1, 2020 and July 31, 2020. To calculate the data, we took the total number of moves to each city and subtracted the total number of moves from it.



© MYMOVE 2020





Which state is the highest proportion of migrants into each state in the US, by State?



# From San Francisco to .....ANYWHERE! (“De-locating”)

*Savings calculation based on average rent for mid-rise apartment assuming 20% of income goes to rent.*

**SOUTH – TAKE YOUR PICK!!!**

**“POPULOUS BUT AFFORDABLE”**

**WEST**

**NORTHEAST**

**MIDWEST**

Cost of living adjustments to salary?



Denver (+22% savings)  
Phoenix (+26% savings)  
Portland (+24% savings)  
Honolulu (+20% savings)



Philadelphia (+23% savings)



Chicago (+18% savings)  
Indianapolis (+29% savings)  
Minneapolis (+22% savings)  
Milwaukee (+28% savings)  
Kansas City (+34% savings)



Nashville (+21% savings)  
Austin (+21% savings)  
Dallas (+28% savings)  
Houston (+26% savings)  
Atlanta (+27% savings)



# Peter Dennehy of Newland Communities

Dec. 10, 2020

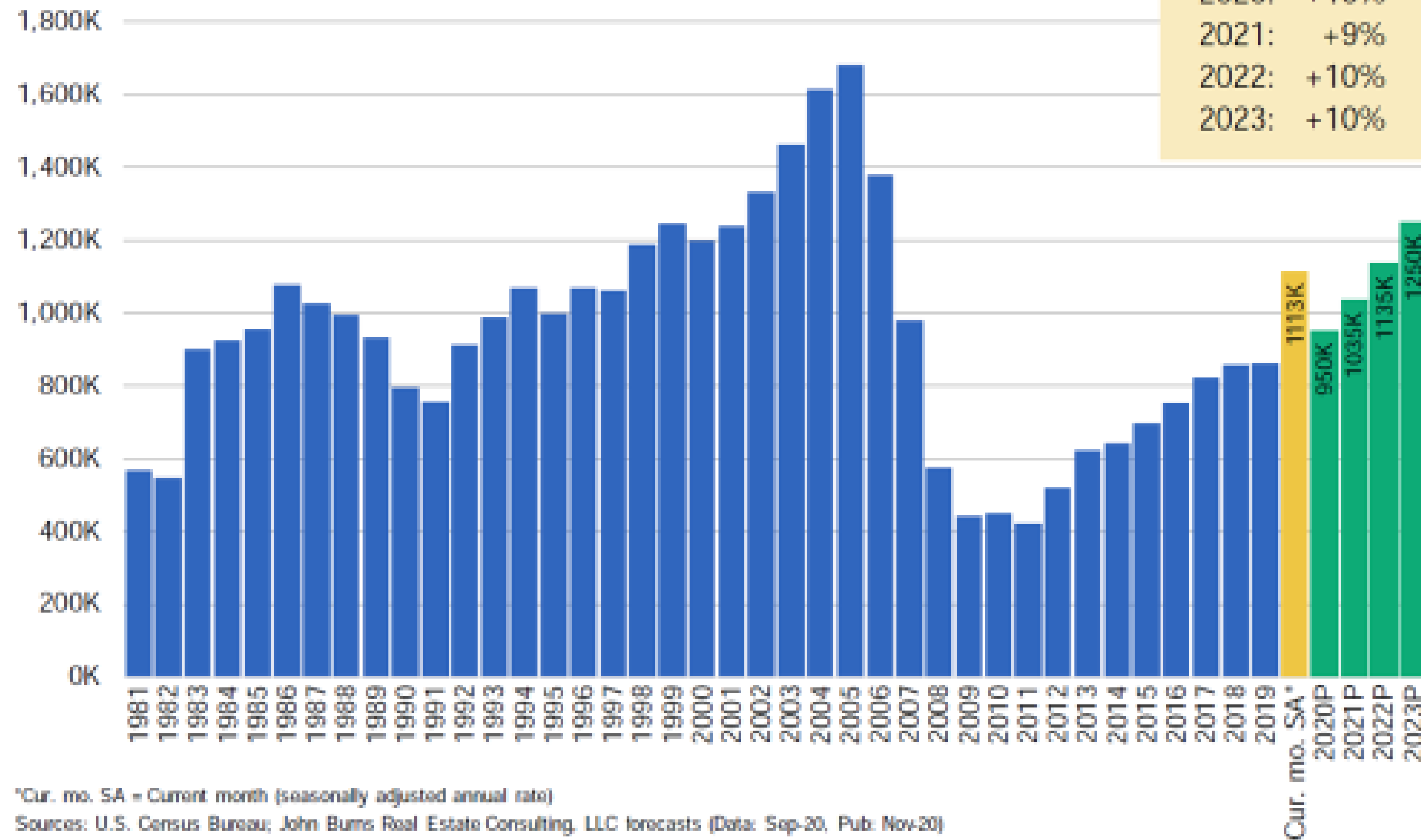
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# US National Single-Family Housing Permits

We forecast single-family permits will continue to rise through 2023.

## US Single-Family Residential Permits



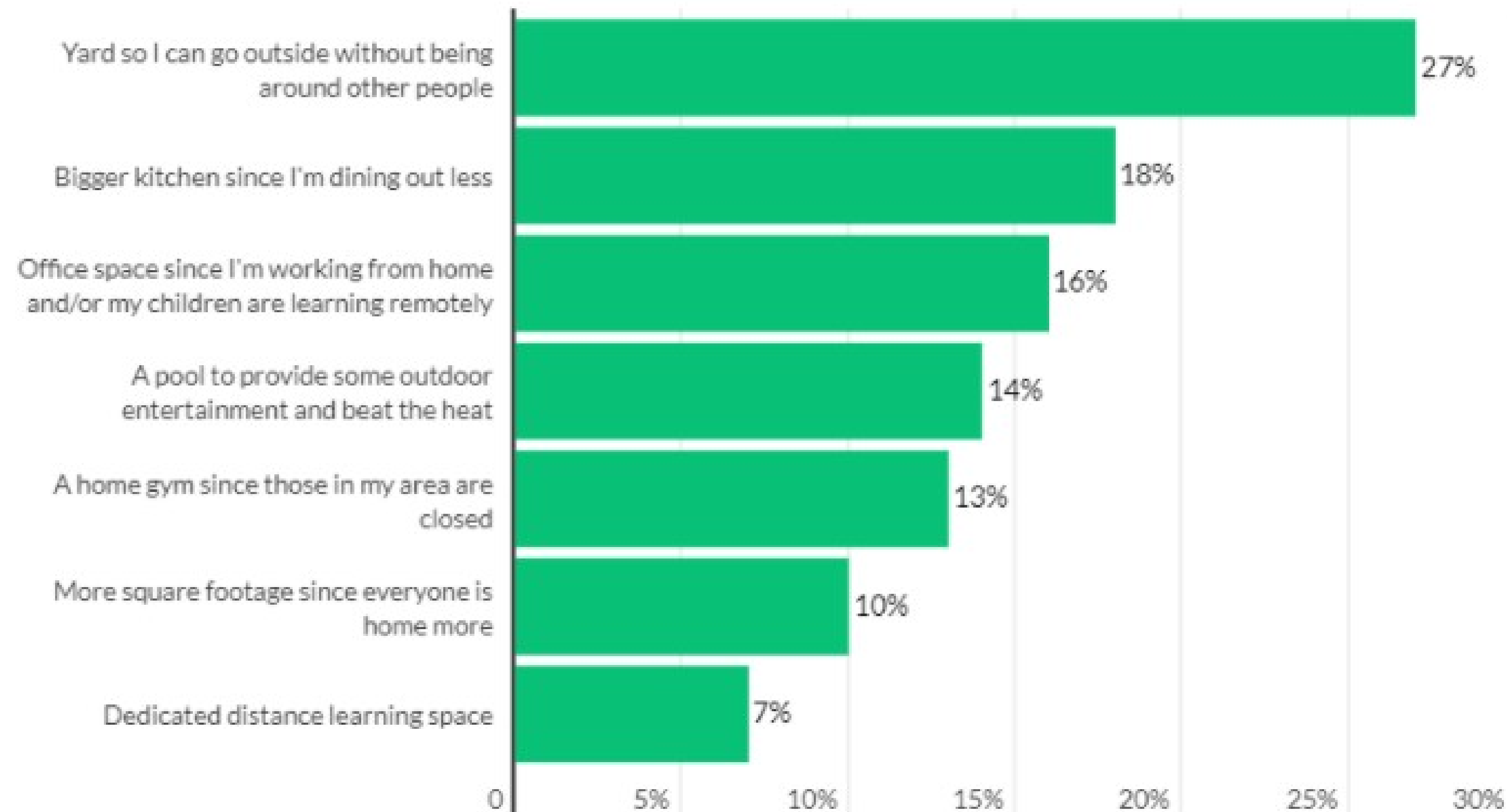
Has a lack of existing inventory spurred new housing development?



# Recent Survey of Features Desired in New Homes or Apartments

## What do buyers and renters want?

Home features/amenities on consumers' wish lists because of the pandemic



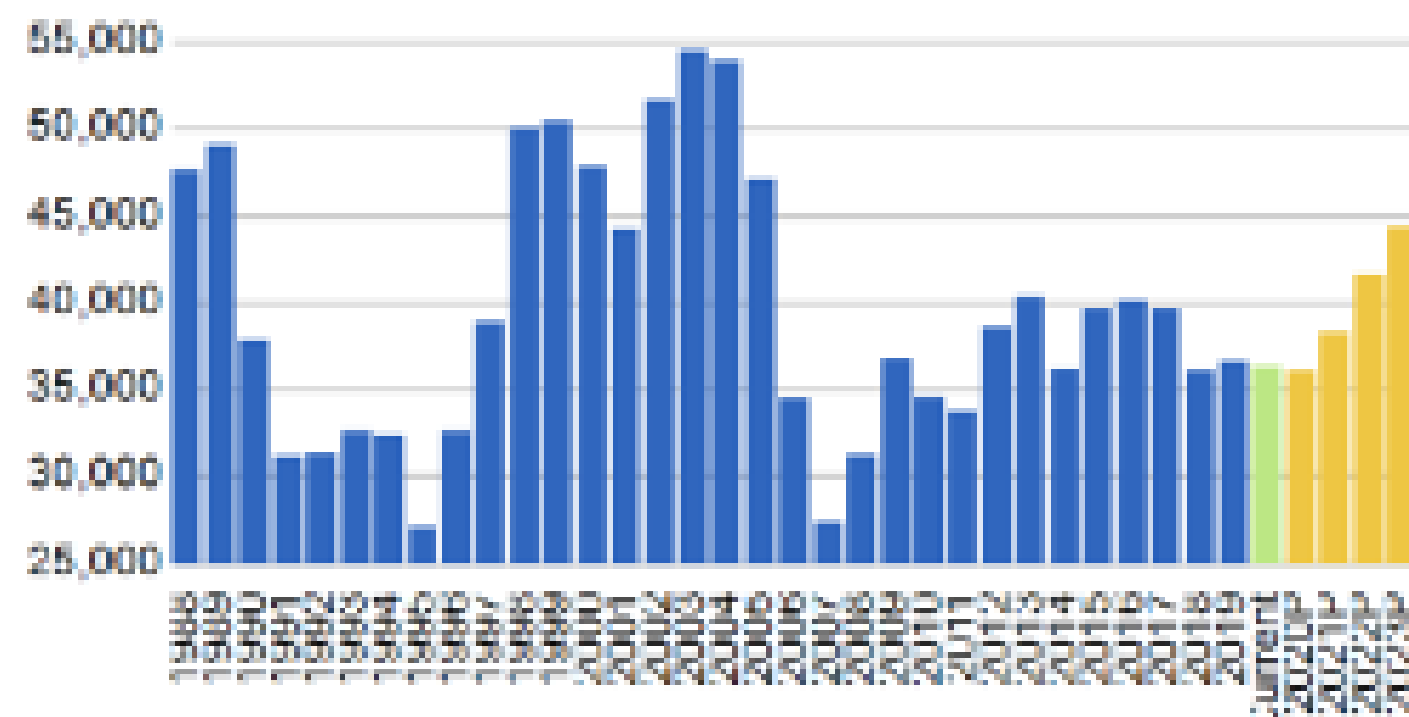
Source: LendingTree survey of 2,032 Americans conducted Sept. 4-11, 2020. Respondents could select multiple answers if applicable.

**Bigger Yards**  
**Bigger Kitchens**  
**Home Office Space**  
**Pool**  
**Home Gym**  
**More Space**  
**Dedicated Learning Space**

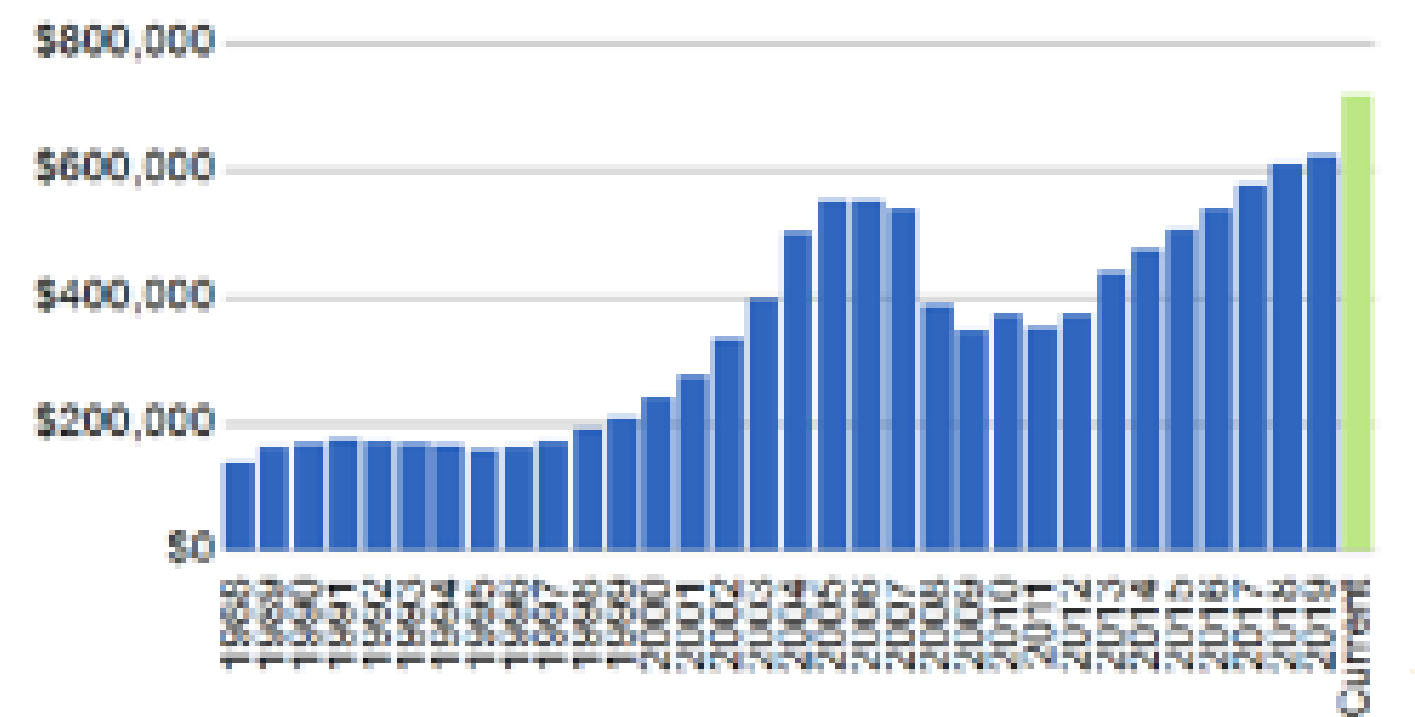
## EXISTING HOME SALES & PRICE

	2017	2018	2019	1 Year Ago	Current	2020P	2021P	2022P	2023P
<b>EXISTING HOMES</b>									
Home Value Appreciation Dec. to Dec. (BHVI)	8.3%	1.6%	4.8%	3.0%	11.3%	10.0%	8.0%	6.0%	5.0%
Existing Median Home Price (34)	\$577,300	\$610,800	\$622,500	\$615,000	\$715,000	0	n/a	n/a	n/a
Existing Median Price Apprec. (34)	7.3%	5.8%	1.9%	(0.6%)	16.3%	0	n/a	n/a	n/a
Existing Home Sale Closings Volume (34)	39,595	36,070	36,596	35,696	36,248	36,100	38,200	41,600	44,400
YOY Growth %	(1%)	(9%)	1%	(5%)	2%	(1%)	6%	9%	7%
Existing Home Listings (Dec.)	5,653	7,296	5,327	7,334	4,675	0	0	0	0
YOY Growth %	(13%)	29%	(27%)	(15%)	(36%)	0	0	0	0
Est. Months of Supply (Dec.)	1.7	2.4	1.7	2.5	1.5	0	0	0	0
YOY Growth	(0.2)	0.7	(0.7)	(0.3)	(1.0)	0	0	0	0

ANNUAL EXISTING HOME SALES CLOSINGS



ANNUAL MEDIAN EXISTING HOME PRICE

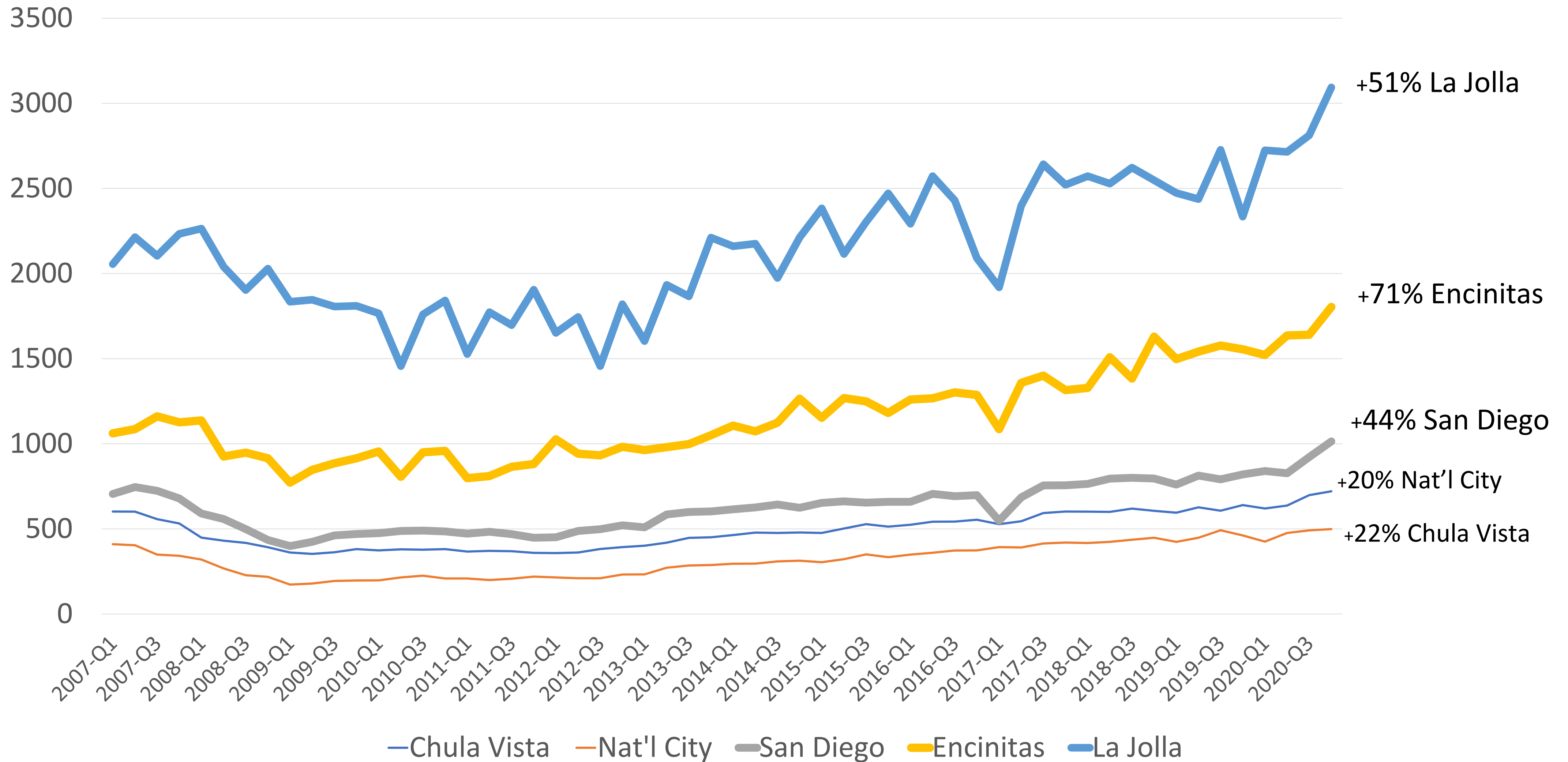


Source: Appreciation - JBRBC; Median Price - Sales Closings Volume - CoreLogic; Projections - John Burns Real Estate Consulting, LLC Forecasts

San Diego has seen strong median price increases. Months remaining inventory is under 2.5 months overall.



## San Diego Sample Neighborhoods SF Existing Home Price Trends Since Q1 of 2007 thru Q2 of 2020 Price in (000)s



# Community Count Growth and Top Builders

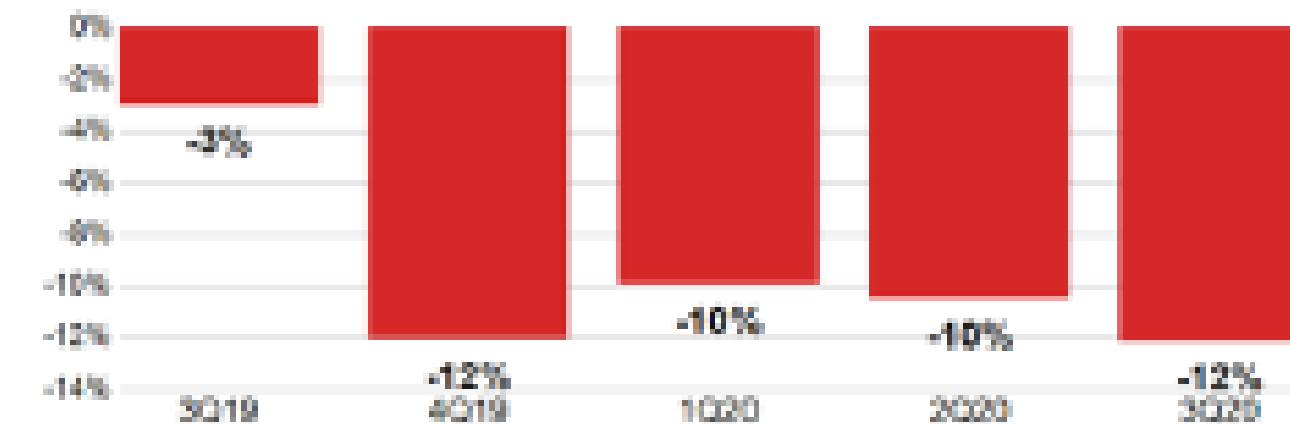
San Diego, CA  
November 2020

Rank	Builder	No. of Communities	QOQ Change	YOY Change
1	Lennar Homes	16	-20%	0%
2	Pardee Homes (TRI Pointe Group)	9	0%	-18%
3	Comerstone Communities	7	0%	-13%
4	California West Communities	6	0%	200%
5	Shea Homes	6	-14%	-45%
6	Kire Builders	5	150%	150%
7	Pacific Coast Communities	5	0%	25%
8	KB Home	4	-20%	-43%
9	Beazer Homes	3	0%	-25%
10	D.R. Horton	3	-50%	-63%
11	Baldwin & Sons	2	0%	0%
12	Brookfield Homes	2	-60%	-67%
13	D.P. Homes	2	0%	0%
14	Davidson Communities	2	0%	100%
15	Meritage Homes	2	100%	n/a
16	Toll Brothers	2	0%	0%
17	BCA Development	1	0%	0%
18	City Ventures	1	0%	0%
19	Fleming Communities	1	0%	0%
20	Jackson Pendo Development	1	0%	0%
<b>Total for market area*</b>		<b>87*</b>	<b>-7%</b>	<b>-12%</b>

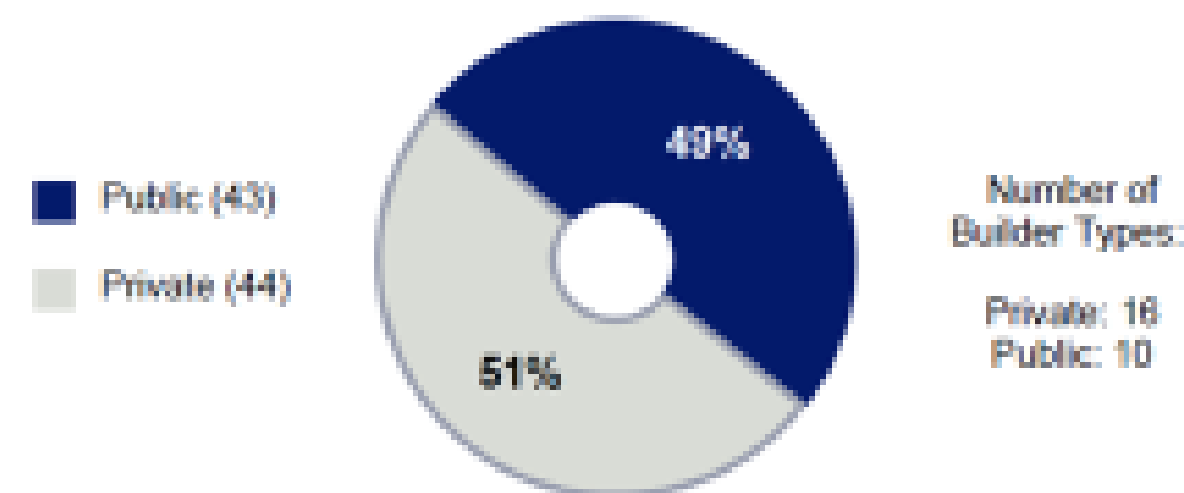
Community count data as of: Oct-20

Number of Active New Home Communities					
	1Q20	2Q20	3Q20	QOQ %	YOY %
San Diego, CA	91	94	87	-7%	-12%

Community Count YOY Growth %



Community Count Mix by Builder Type



For a link to an interactive map of community locations, please e-mail [info@realestateconsulting.com](mailto:info@realestateconsulting.com).

\* This list does not include all builders in this market, only the top builders with a web presence that could be identified. For a full list of builders for which we have data in this market, please contact Steve Dutra or Erik Franks at [info@realestateconsulting.com](mailto:info@realestateconsulting.com).

Question:

Newland is not on this list.

We have our suspicions why not, but please tell us briefly why not?

Maybe give us an example comparing developing in TX versus CA.

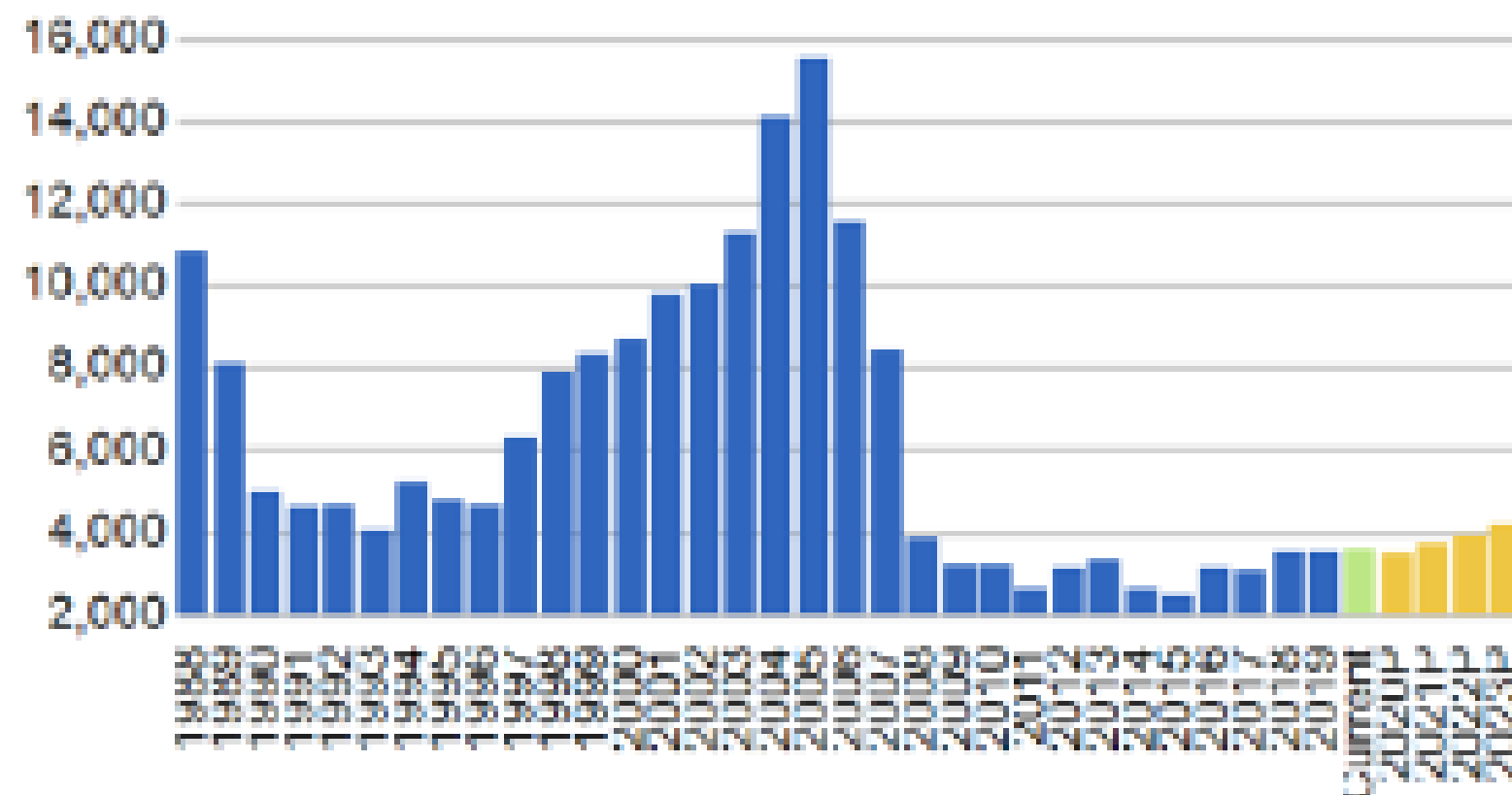


## NEW HOME SALES & PRICE

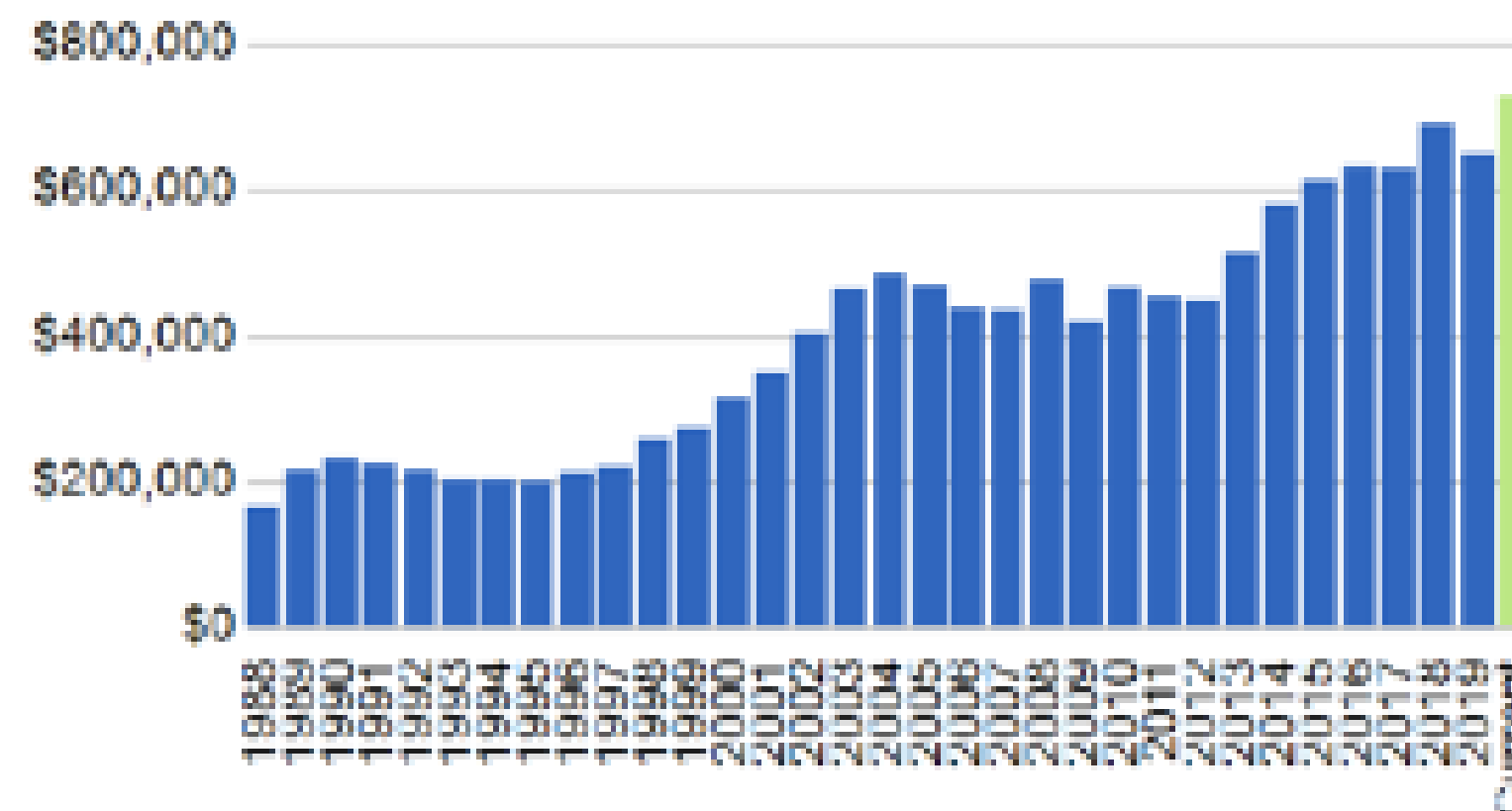
	2017	2018	2019	1 Year Ago	Current	2020P	2021P	2022P	2023P
<b>NEW HOMES</b>									
New Home Median Price (34)	\$629,200	\$691,100	\$651,000	\$621,500	\$728,000	n/a	n/a	n/a	n/a
New Home Med. Price Apprec (a)	(0.3%)	9.8%	(5.8%)	(12.1%)	17.1%	-	-	-	-
Net New Home Apprec. Forecast Dec.-Dec. (a)	-	-	-	-	-	10.0%	9.0%	6.0%	5.0%
New Home Sale Closings (34)	3,087	3,542	3,547	3,241	3,580	3,500	3,700	3,900	4,200
YOY Growth %	(1%)	15%	0%	(14%)	10%	(1%)	6%	5%	8%

San Diego new home average prices were decreasing until recently with a big jump.

ANNUAL NEW HOME SALES CLOSINGS



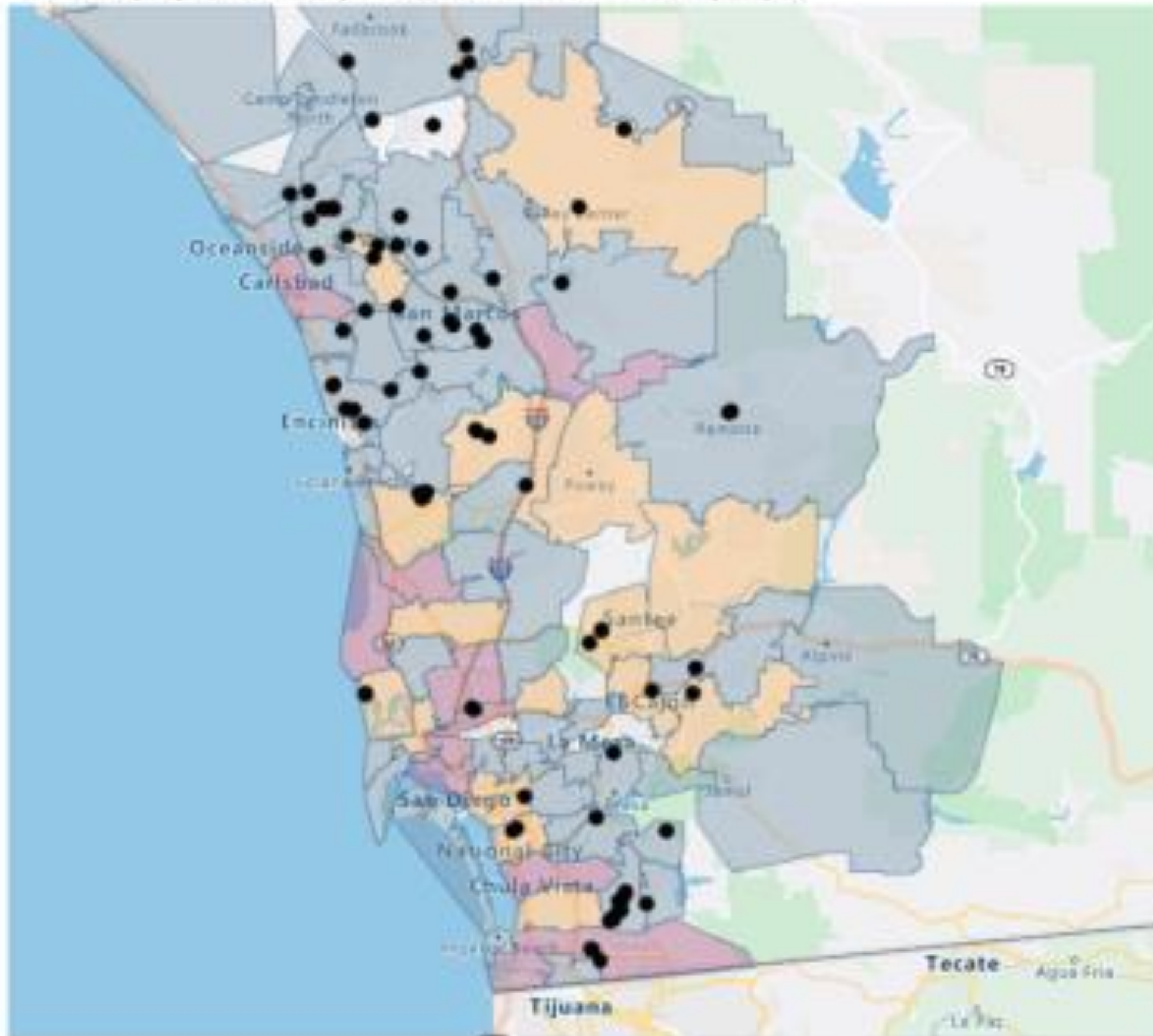
ANNUAL MEDIAN NEW HOME PRICE



# New Home Supply Proximity to Major Employment Centers

San Diego, CA  
November 2020

Total employees in companies with more than 100 people



# of Employees  
by zipcode

1,000 to 4,999

5,000 to 9,999

> 10,000

● New Home Project  
(October 2020)

Source: InfoUSA,  
JBREC estimates

Employment data as of  
March 2019.

Is new development happening where it is needed in the market or where it can be entitled in the locations of least resistance?

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**Questions for all panelists: and send in your question via the chat box and we will try and get to a few of them**

**Attendee questions.....**

# Thank you for joining us



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# Appendix Slides: Resources for the Inquisitive Mind





# Where to find more information from Dr. Frank Nothaft and CoreLogic

Look for regular updates to our housing forecast, commentary and data at

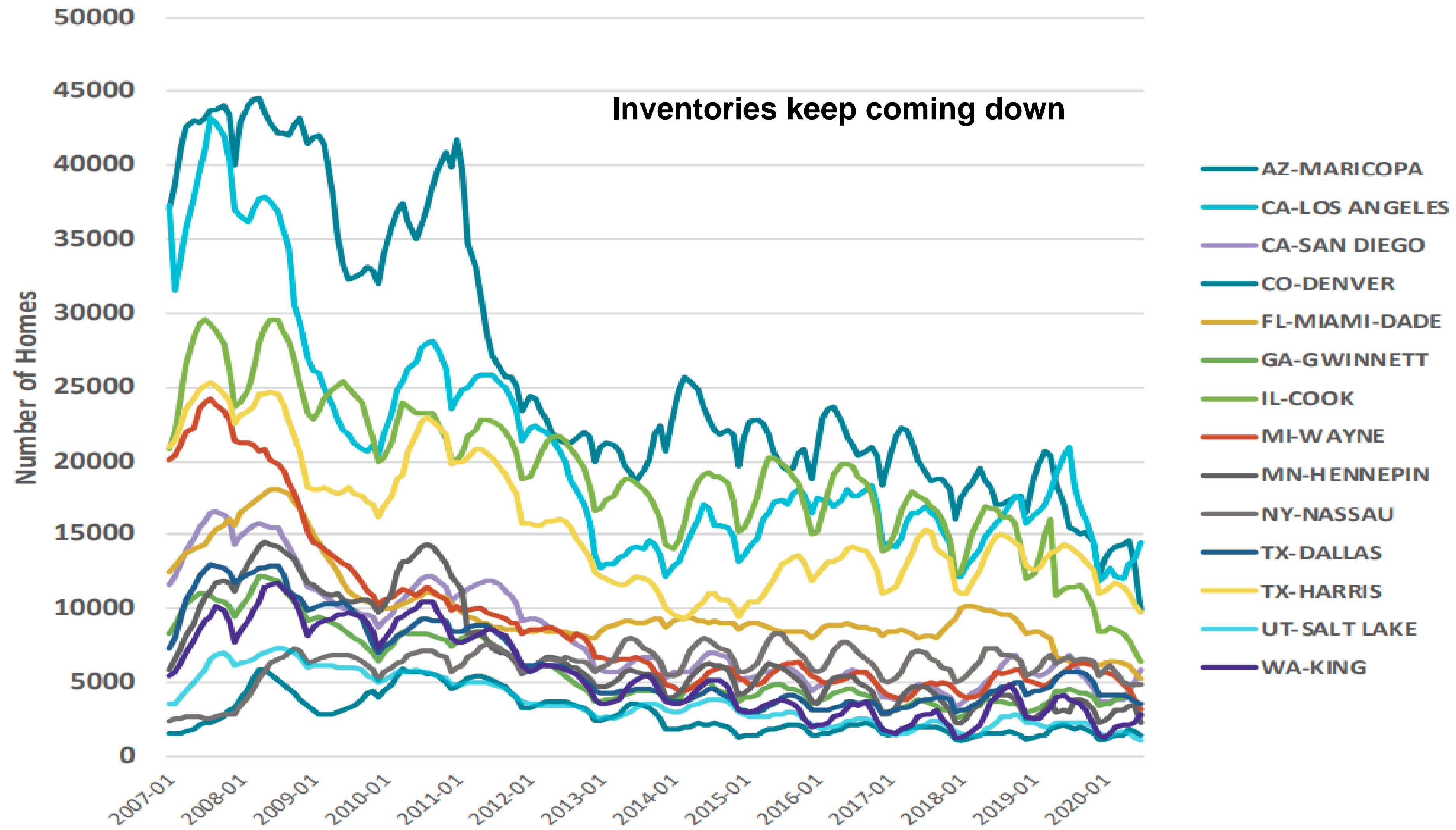
<http://www.corelogic.com/blog>

@CoreLogicInc

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# Single Family Number of Active Listings

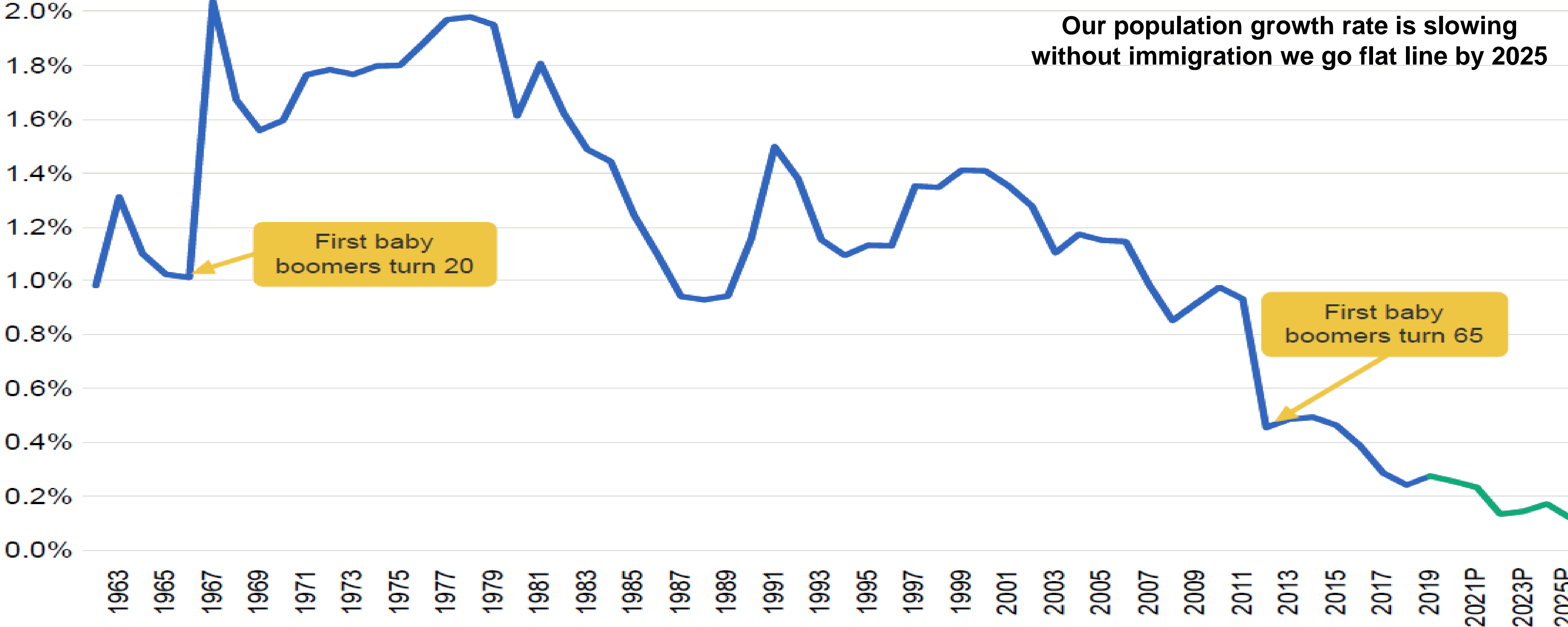




# Population Growth for 20–64-Year-Olds

When baby boomers entered the labor force, they increased the population growth rate of 20–64-year-olds. As they retire, the population of working age Americans falls. Scarcity of workers will likely suppress overall job growth.

## Annual Growth of 20–64-Year-Old Population

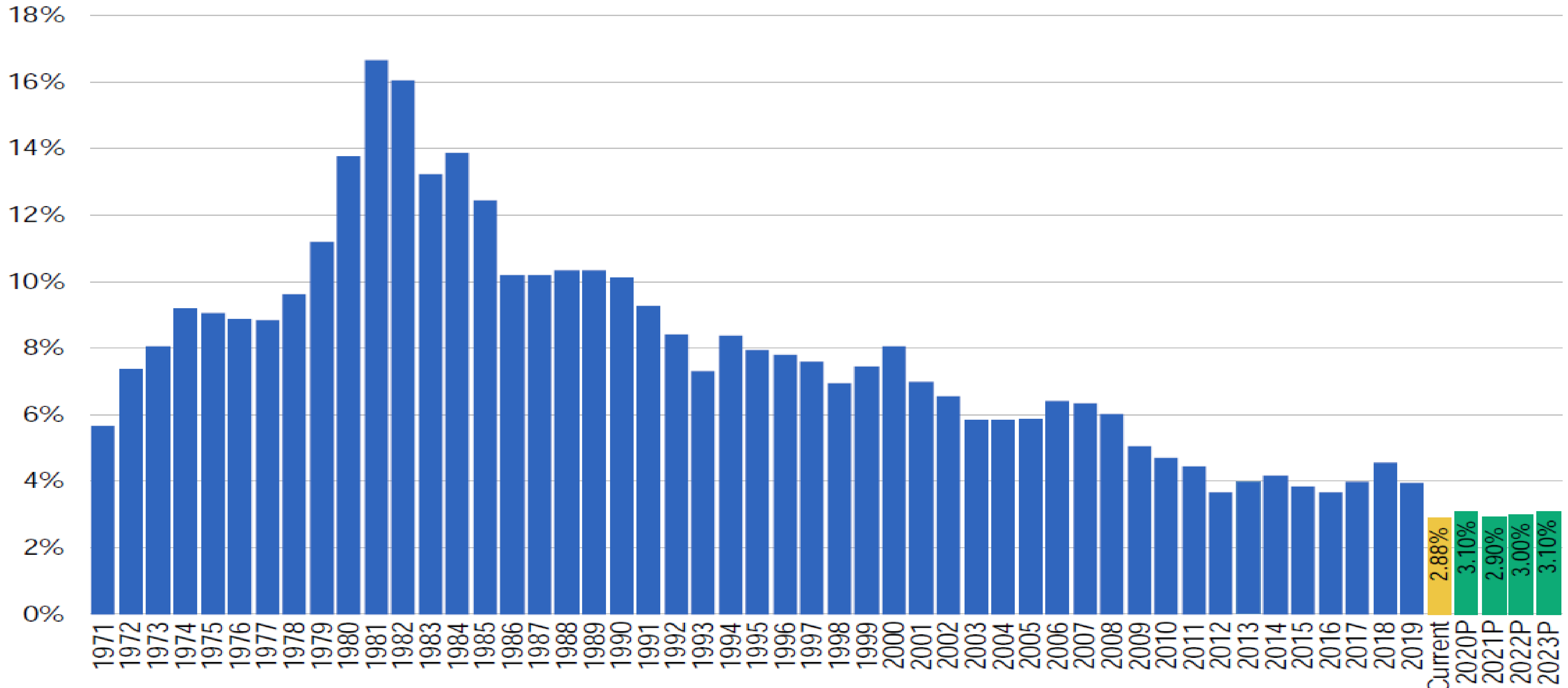


Sources: U.S. Census Bureau intercensal population estimates; JBREC adjustment of Census Dec. 2018 population projections

# Mortgage Rates

We expect mortgage rates to remain historically low through 2023.

## 30-Year Fixed Mortgage Rates



Sources: Freddie Mac; John Burns Real Estate Consulting, LLC forecasts (Data: Oct-20, Pub: Nov-20)



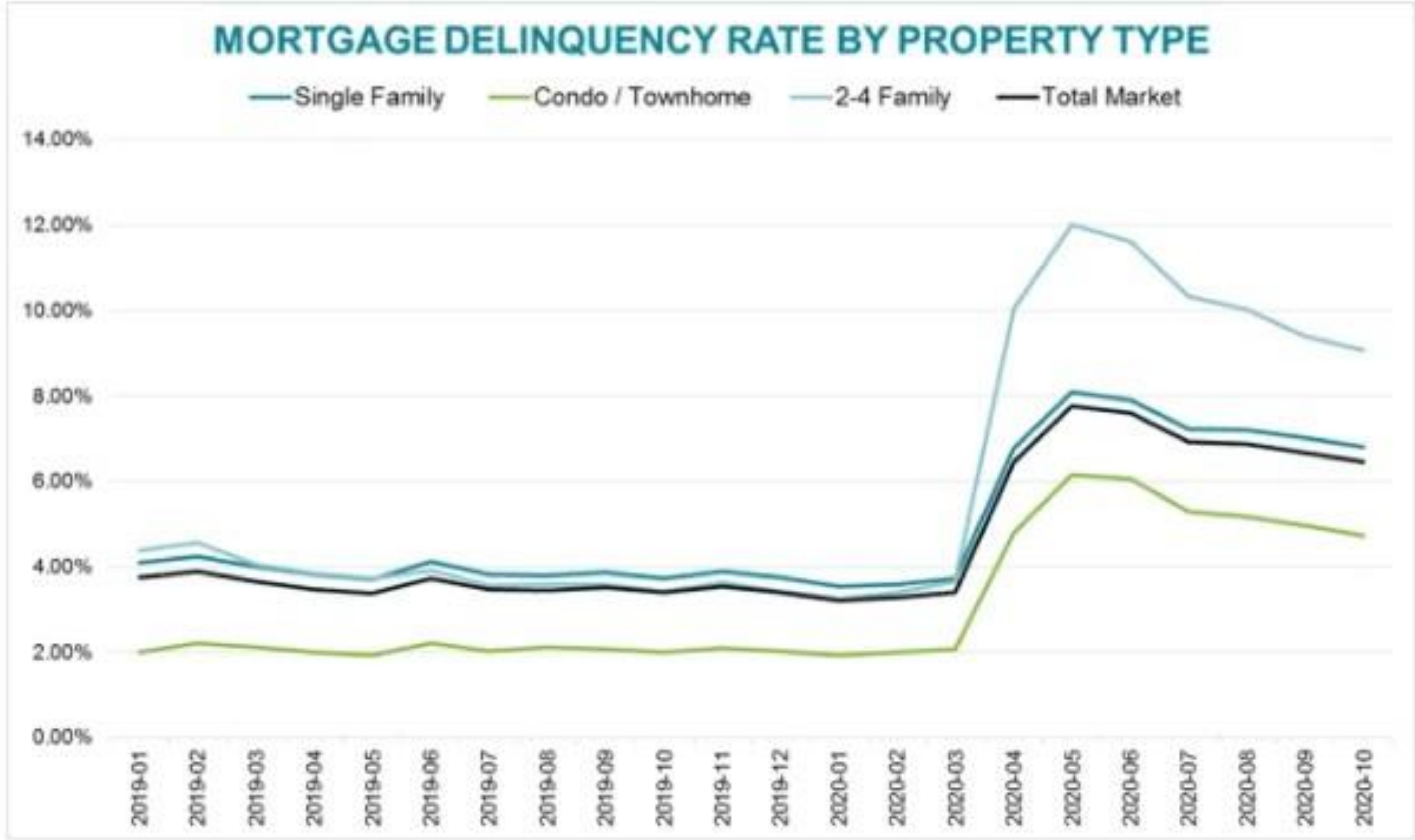
This helps explain why we see 7% plus appreciation rates right now.

# Affordable House Calculation

	2019	2020	2021	
Total Monthly Housing Expense	\$2,750	\$2,750	\$2,750	Should be 25% to 33% of HHLD Income
Acceptable Loan to Value Ratio:	80.0%	80.0%	80.0%	
Federal Income Tax Rate:	24.0%	24.0%	24.0%	
Mortgage Rates	4.46%	3.62%	2.70%	Jan of 2019 4.46% ave rate then 3.62 in Jan of 2020 and now 2.70
Term in Months:	360	360	360	30 year mortgage
Annual Property Insurance Costs:	\$1,950	\$1,950	\$1,950	
Other Assessment, Main. & Repair Costs:	\$7,200	\$7,200	\$7,200	HOA fees as well may apply
Annual Property Tax Costs:	\$5,000	\$5,000	\$5,000	
Minimum Affordable Home Price =	<b>\$502,331</b>	<b>\$543,906</b>	<b>\$593,103</b>	

+ 8% on prior yr      +9% on prior yr

# From Black Knight: Note Mortgage Default Rates



# Legislation 2020

- AB 68 ADUs has resulted in many new units, not enough to solve the housing shortage but it has helped a little.
- New min wage laws increase to \$12 for co's with less than 26 employees and \$13 for larger firms. Phasing towards \$15 om 2023 for all workplaces.
- Moms 4 Housing bill (SB 1079) allows non profits to buy foreclosures before large inst investors.
- AB 3308 allows school districts to build affordable housing on district owned land.
- AB 725 all cities will need to zone at least 25% of their housing for middle income housing. And allow at least 4 parcels per acre.
- SB 35 helps speed up reviews when changes to plans occurs.
- SB 288 seeks to eliminate the need for CEQA for infrastructure like bike paths and rapid transit.
- SB 288 allows more density near transit.



# California Eviction Moratorium Could be Extended Until 2022

December 8, 2020

Order Reprints...

Set against the alarming backdrop of rising COVID-19 cases and a new set of California stay-at-home orders, an extension of the state's eviction protections is also being proposed. Assemblymember David Chiu introduced two bills on Monday designed to keep renters in homes if they face continued hardships due to the coronavirus pandemic.

These new policies will extend eviction protections for renters impacted by COVID-19 through December 31, 2021, and work towards creating a framework for a rental assistance program.

California renters are protected from eviction to varying degrees under layers of federal, state, and local policies, but both state and federal protections are set to expire in the coming months. The eviction protections extension bill is AB 15. Protection already exists under AB 3088 until Feb. 1, 2021, but legislators believe additional relief is warranted in an effort to stem a potential overwhelming wave of evictions and newly unhoused people, leading to devastating public health impacts.

Legislators say even if eviction protections are extended, tenants will nevertheless be saddled with overwhelming debt, and landlords will continue to face financial strain due to the loss of rental income. This mountain of debt could have serious long-term economic consequences that need to be addressed in addition to keeping Californians safe in their homes. Chiu says a long-term solution to this problem is a government-funded, rental relief program.

Recognizing this need, a second bill introduced by Assemblymember Chiu on Monday, AB 16, aims to provide an eventual framework for how rental assistance would be dispersed in California. This rental relief bill is still in the early stages of development. Details will be worked out as it becomes clear whether funding for this purpose will come from the federal government.

California Apartment Association's Debra Carlton says of the proposed legislation, "A more gradual extension — perhaps quarter by quarter — would be more appropriate, given the fact that a vaccine is on the way. Extending the current sunset date by 60 to 90 days is a better approach and will also give us more time to work out more details for legislation."

## Legislation Proposed Scary for Landlords

Source:  
[Connect.media/california](https://connect.media/california)



# More possible MF Legislation Source: Connect Media CA

## Key California Housing Legislation Reintroduced for MF Upzones

[Order Reprints...](#)

December 9, 2020

California Senator Scott Wiener (D-San Francisco) and Assembly member Robert Rivas (D-Hollister), co-introduced legislation, which would allow local governments to upzone neighborhoods to 10-unit apartment buildings in an expedited process, as long as the upzoned areas are not sprawl. By allowing cities to increase density in a sensible way, SB 10 promises to help ease California's housing affordability crisis and climate crisis, spurred by a statewide shortage of 3.5 million homes.

Senator Wiener says, "SB 10 provides cities with a powerful, fast, and effective tool to allow light-touch density exactly where it should be: near jobs, near public transportation, and in existing urbanized areas. SB 10 will help move California away from a sprawl-based housing policy and toward a more sustainable, equitable, and effective housing policy."

The bill allows cities to upzone areas that are close to job centers and/or transit and areas that are in existing urbanized locations, thus reducing vehicle usage and long commutes. By allowing cities to choose to zone for up to 10 units per parcel, SB 10 will make it possible for cities to build significantly more housing in a way that makes sense within their local context.

An earlier version of this bill was introduced in 2020 and passed the Senate and the Assembly Local Government Committee. It was killed in the Assembly Appropriations Committee.

## **Good News**

**Prop 15 rejected keeping property taxes lower than otherwise on commercial real estate**

**Prop 19 passed giving more flexibility to maintain property tax base and move for those over 55 but taking away the inheritance of the property tax base if not occupied by the inheriting relative.**

**Prop 21 rejected new rent controls**





# Speculative Design Ideas

- Touchless Technology Features
  - Automatic Doors
  - Cellphone Controlled Keyless Entry
  - Voice Activated Elevators?
- Friendly Signage
- Handwashing Stations
- Reducing Flat Surfaces where Germs Reside
- Ventilation Systems
- Open Spaces that Encourage People to Spread Out
- More Spacious Seating Layouts





# Home Office "Cubbies"

Estimate approximately 45 to 50  
square feet to designate



# Personal Workout Space/Home Gyms

Need approximately 3x6' for  
Peloton bike





# Private Workout Suites in Clubhouse





# Personal Workout Space





# Personal Office Suites to Reserve

