



And



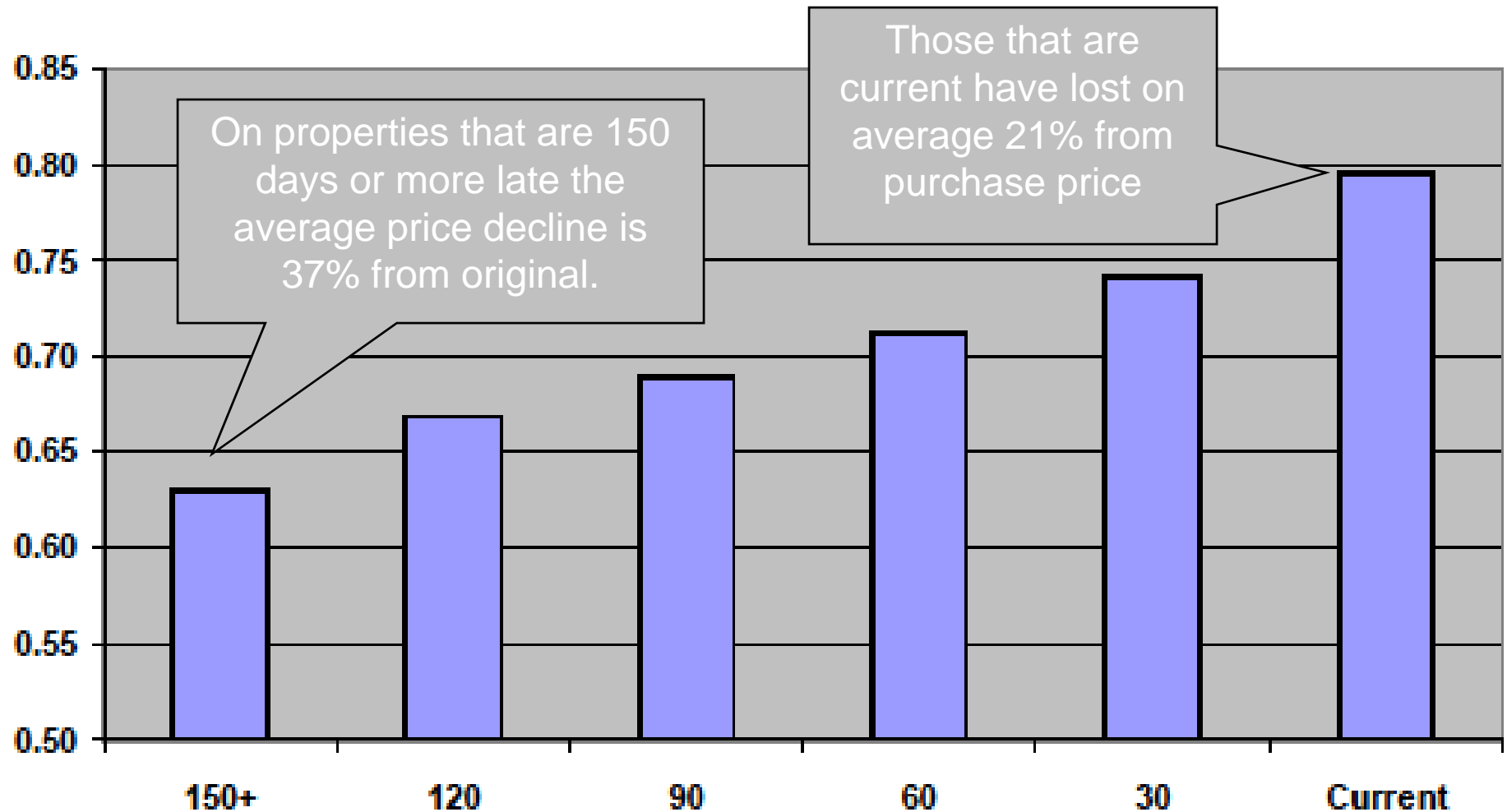
Current State of Housing and Mortgage Markets: From a Micro Market Metric Perspective

By Norm Miller Ph.D. Burnham-Moores
Center for Real Estate, University of San
Diego and Michael Sklarz Ph.D.
Co-Founders Collateral Analytics

Let's Start with the State of Securitized Mortgages, LTVs and Defaults

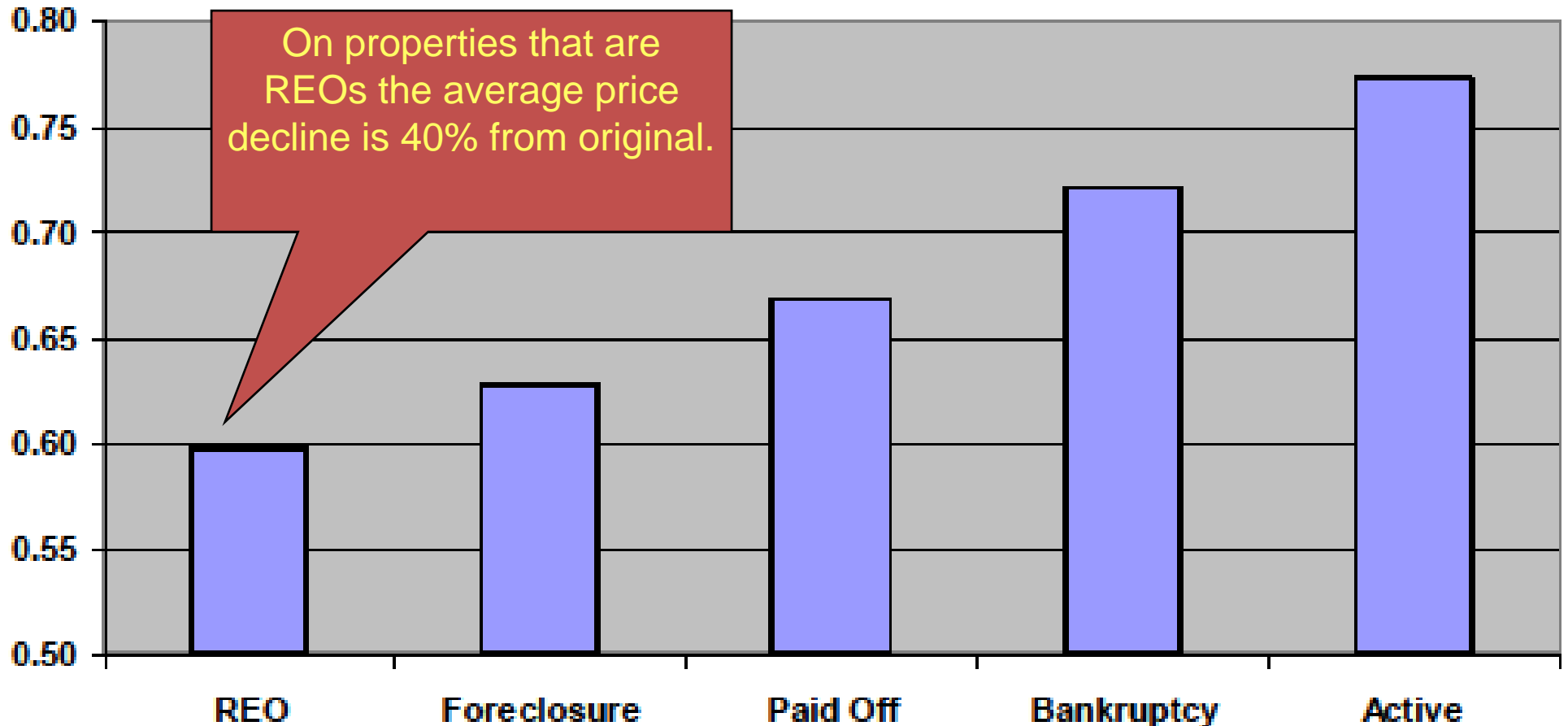
- Lewtan data
- Analysis by Collateral Analytics
- Over 10 million loans
- Some 5000 mortgage pools
- Prime, Alt A, and subprime, HELOCS, 2nds
- National portfolio with about 20% in CA

Average Lewtan 2009-06 Snapshot Zip Current To Original Home Price Ratio vs MBA Deliquent Status

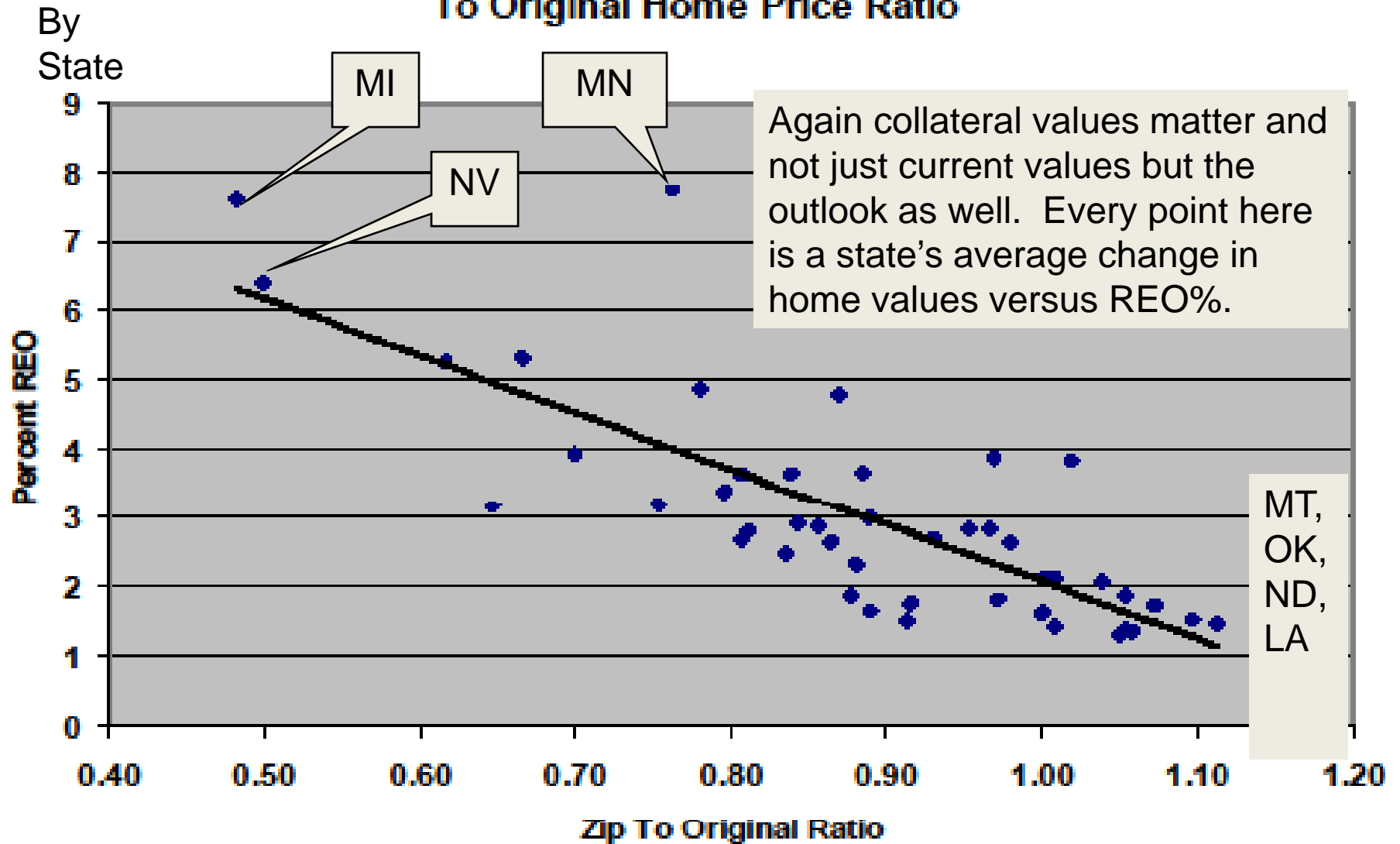


Note that at the zip code level we find a larger range of decline and consistent picture in terms of default, the more equity a borrower has lost the less likely to pay – collateral values matter much more now than in previous recessions.

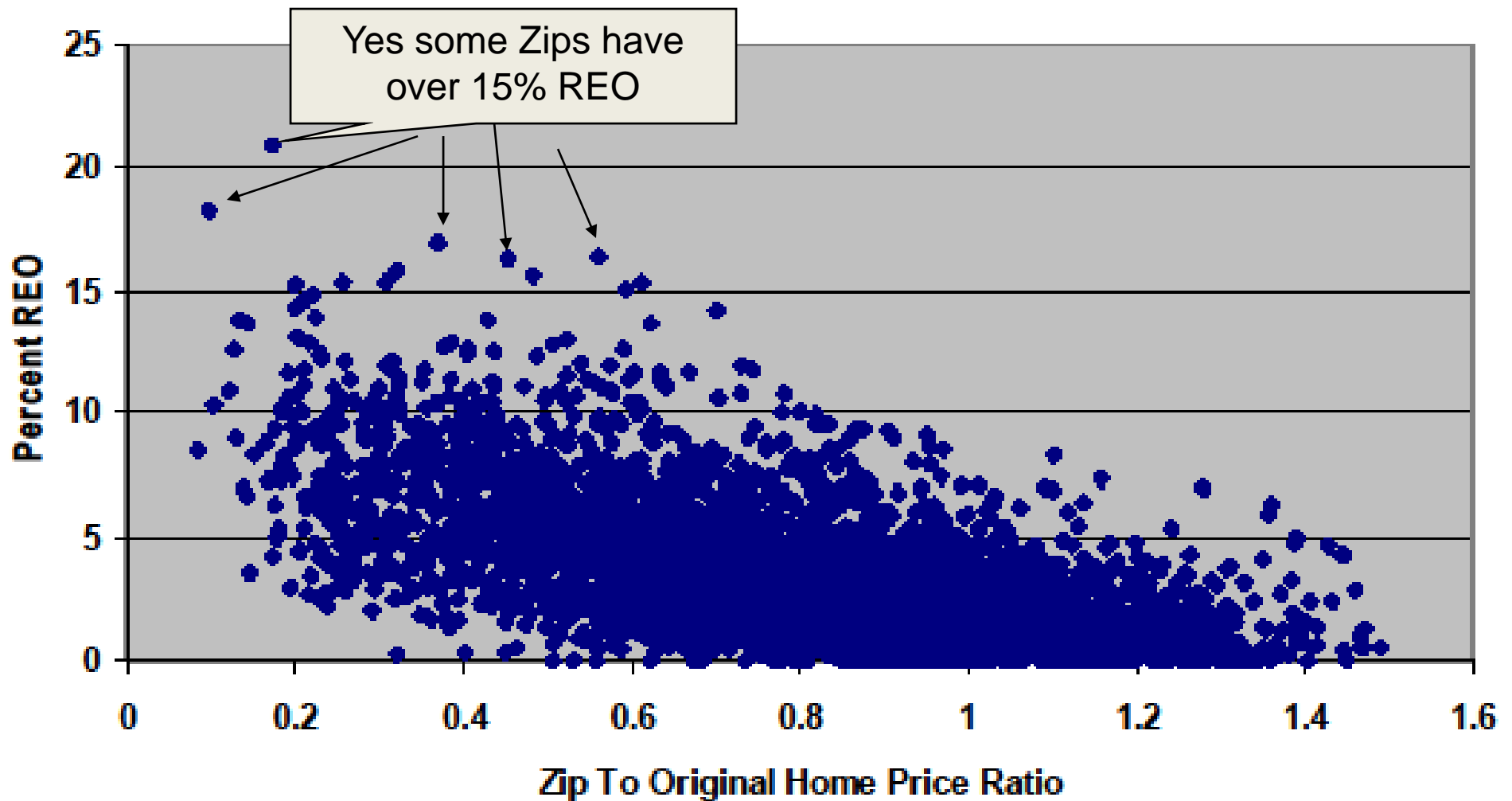
Average Lewtan 2009-06 Snapshot Zip Current to Original Home Price Ratio vs Loan Status



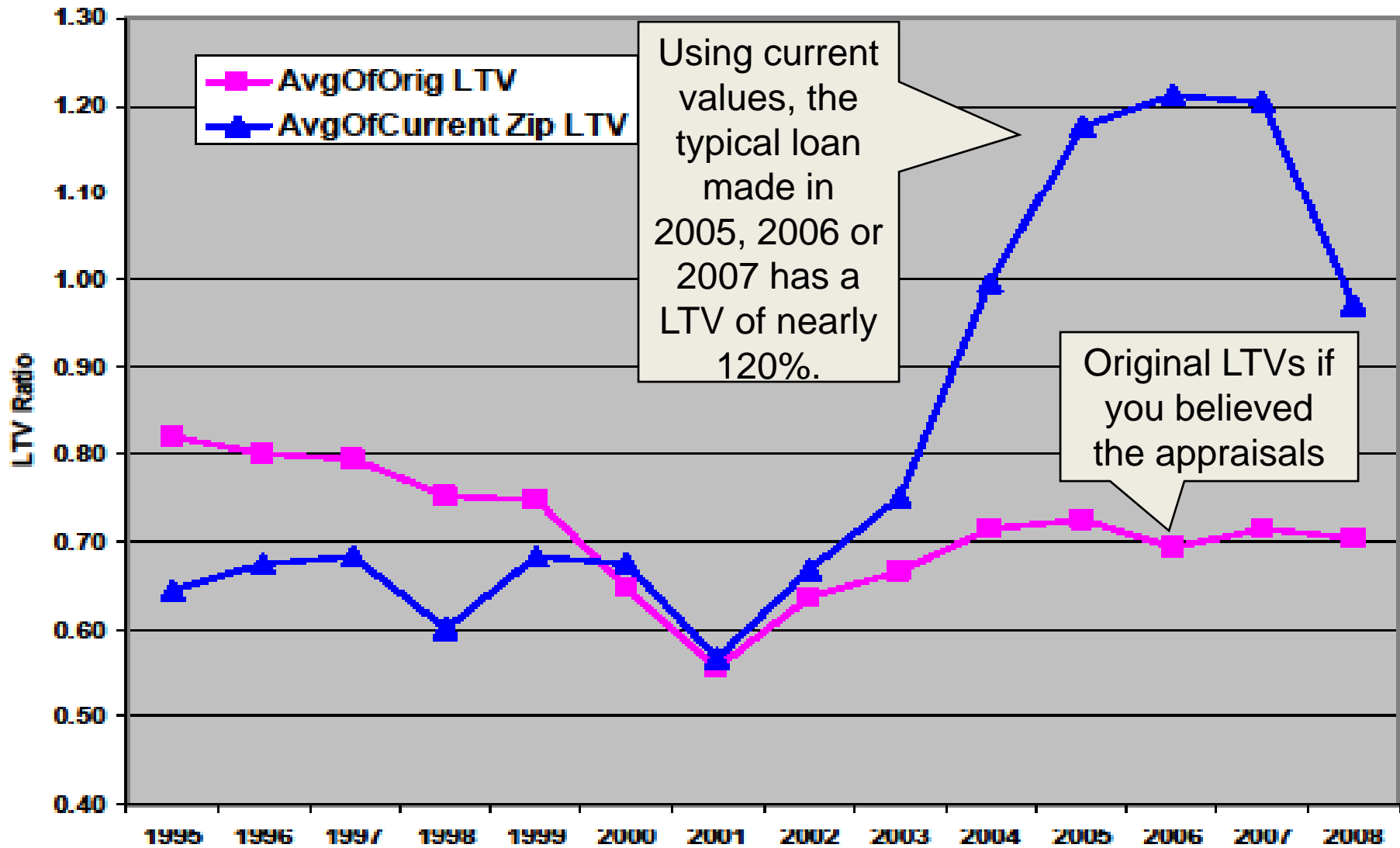
Lewtan 2009-06 Snapshot State REO % of Total vs. Zip Current To Original Home Price Ratio



Lewtan 2009-06 Snapshot Zip REO % of Total Loans vs. Zip Current To Original Home Price Ratio



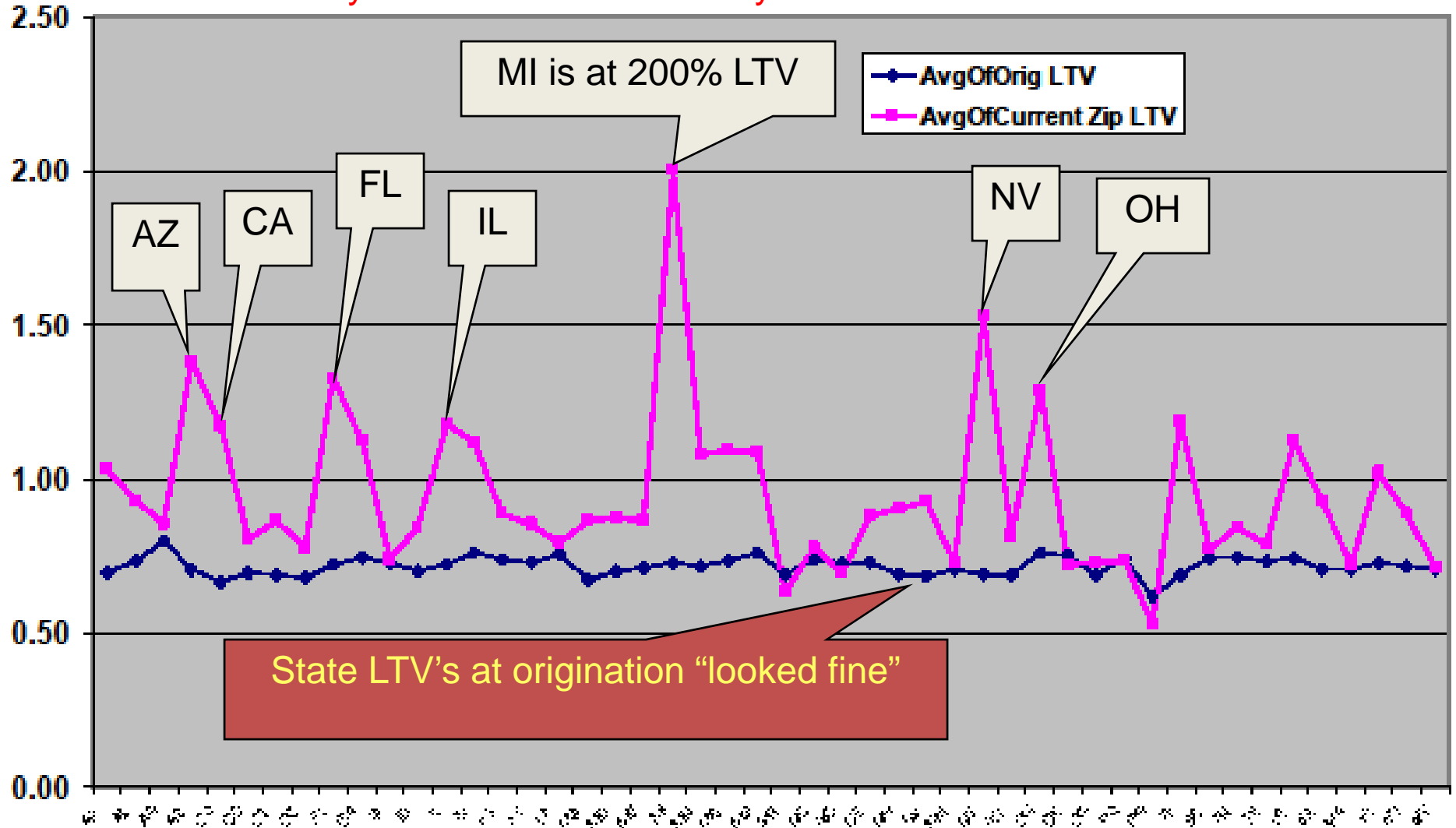
Average Original LTV and Current Zip LTV By Loan Year



Data: Lewtan Analysis: Collateral Analytics
Presented by Norm Miller, USD

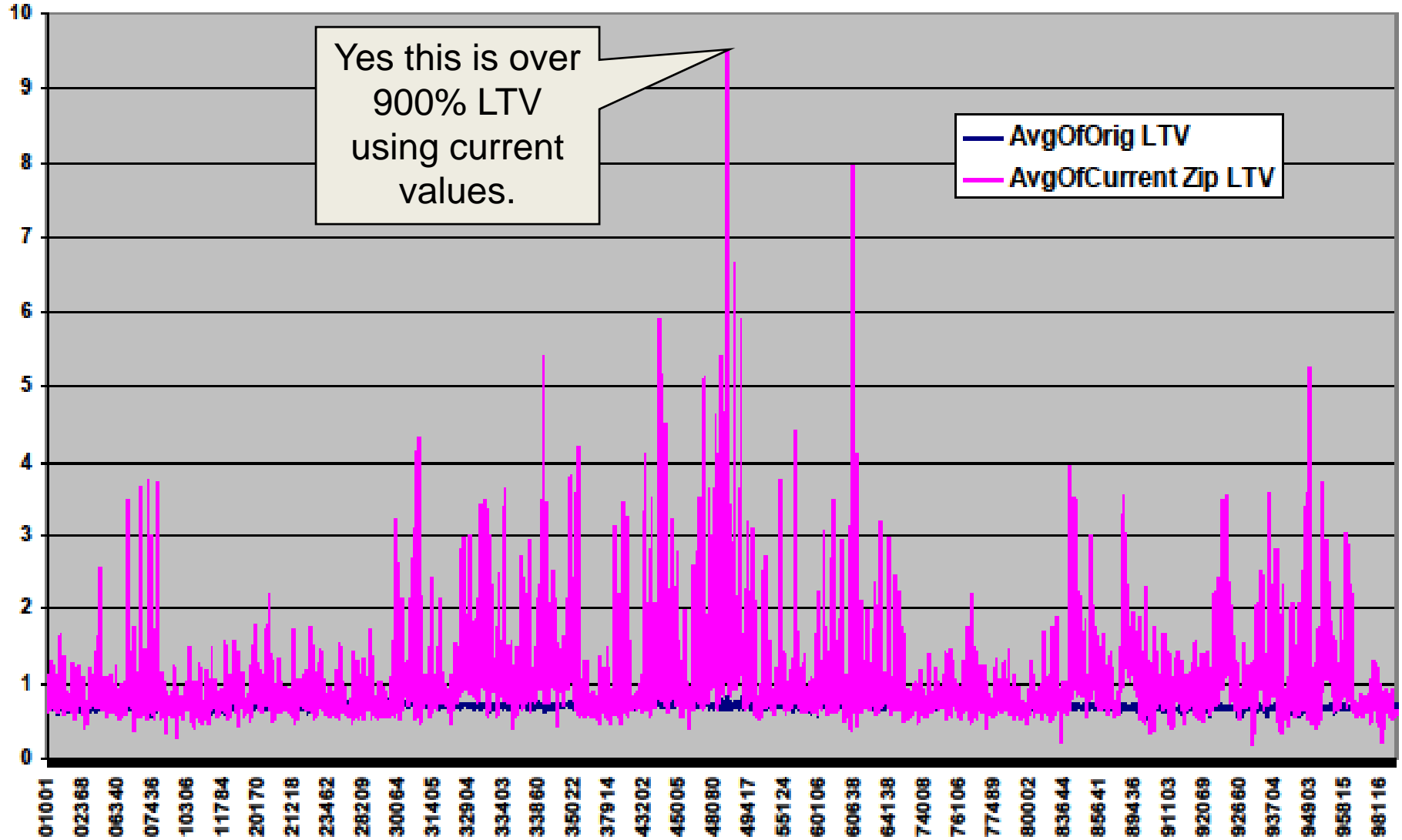
Original and Current Zip Time Adjusted LTVs By State

Anyone want to Loan Modify at <105% LTV?



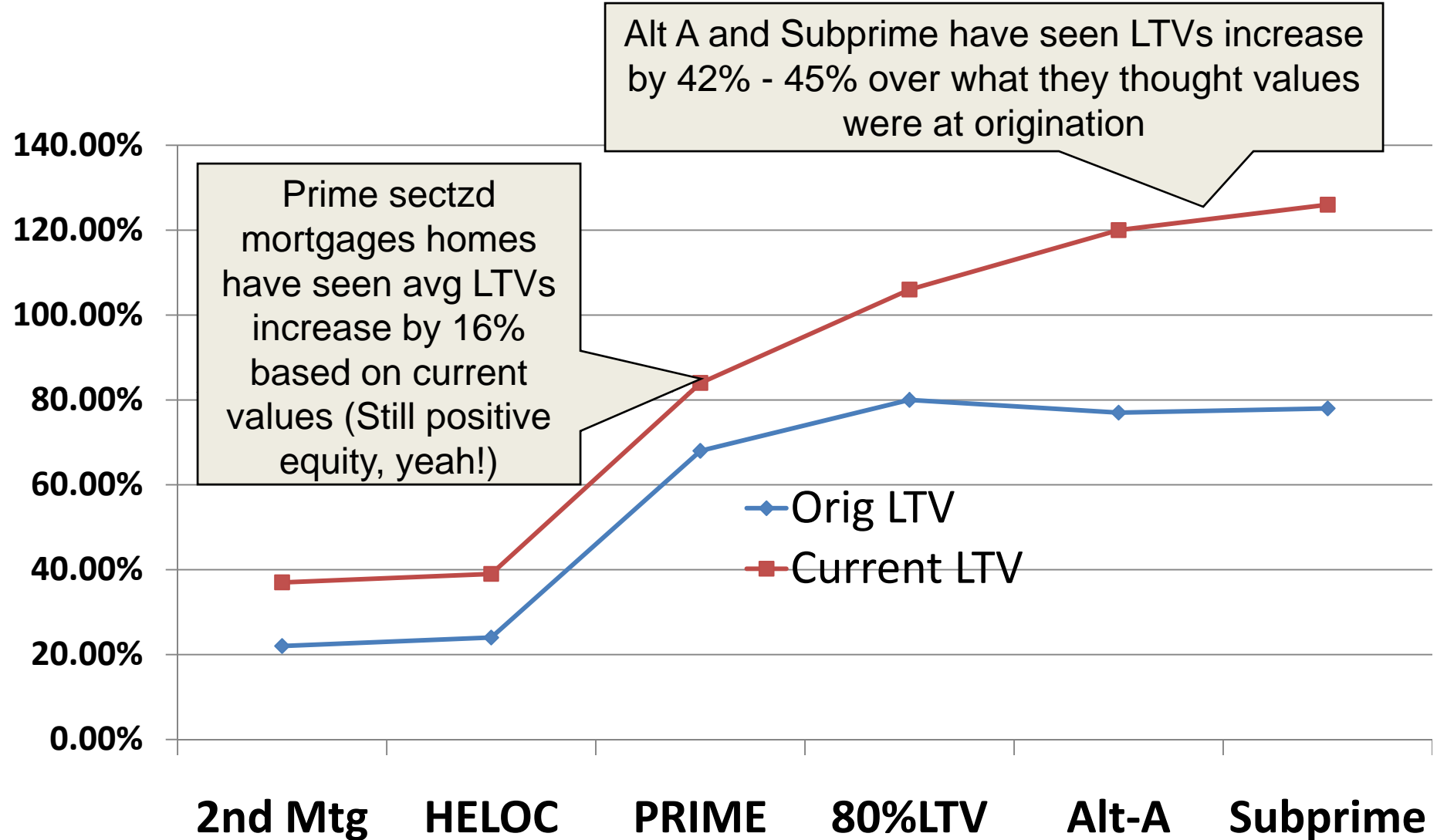
Scale is
to 1000%

Original LTV and Zip Time Adjusted LTV By Zip Code



Data: Lewtan Analysis: Collateral Analytics
Presented by Norm Miller, USD

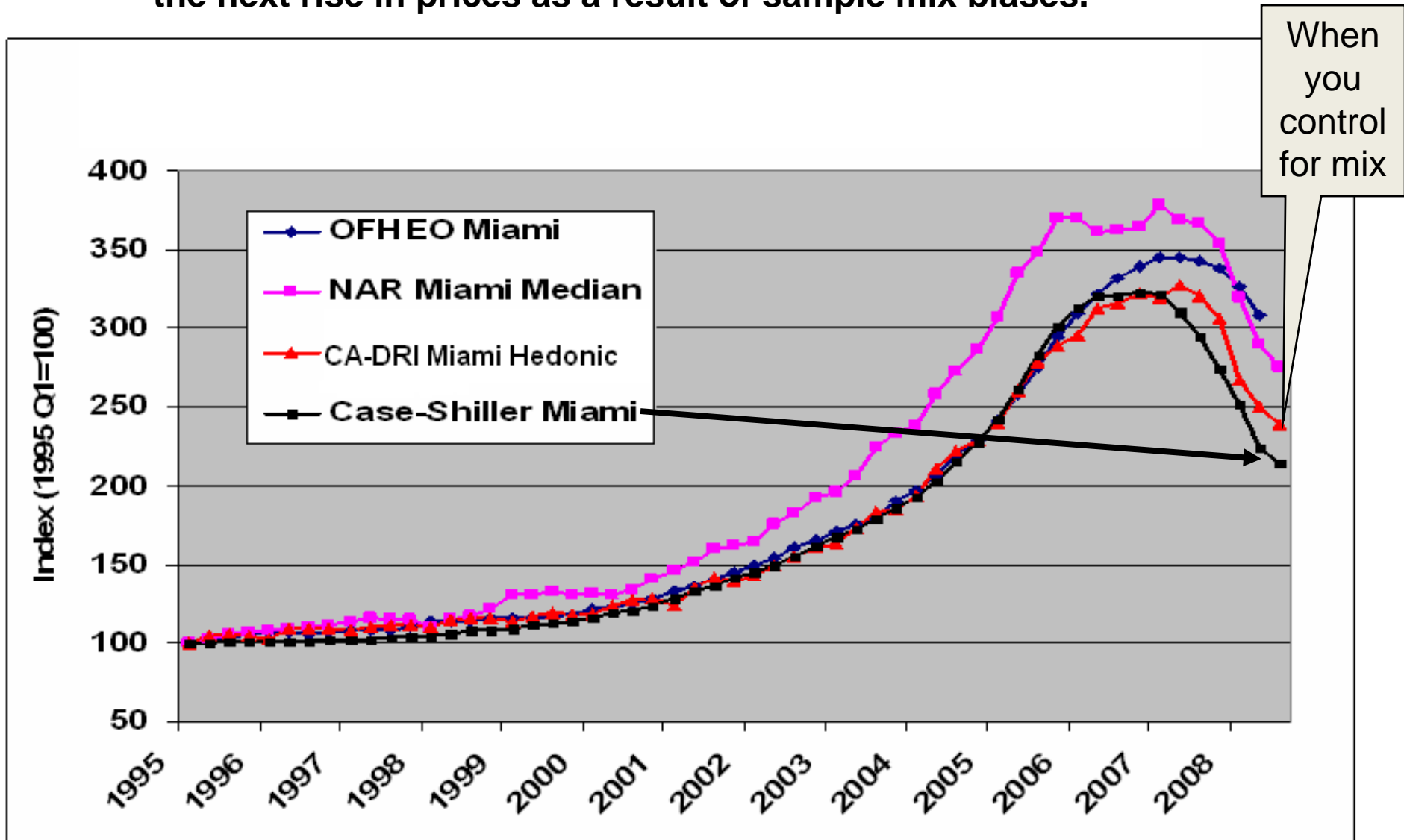
Current LTV versus stated Original LTV by Type of Loan



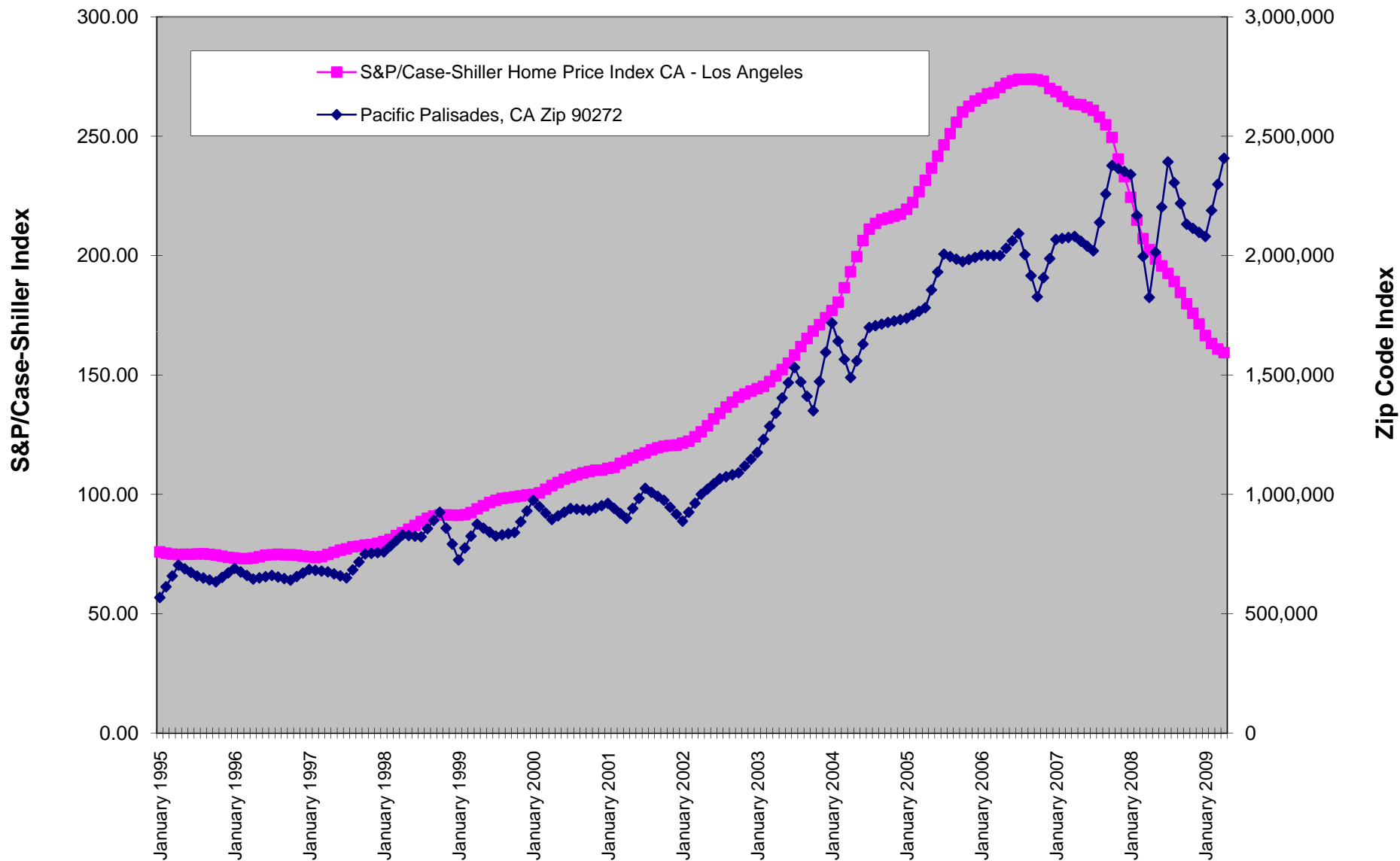
We need to do the analysis of value trends at the localized level:
CBSA level analysis is misleading especially with indices that do not distinguish the kind of sale transaction

Miami-Dade Single Family Home Price Indexes

Case Shiller will over state the decline and will also over state the next rise in prices as a result of sample mix biases.

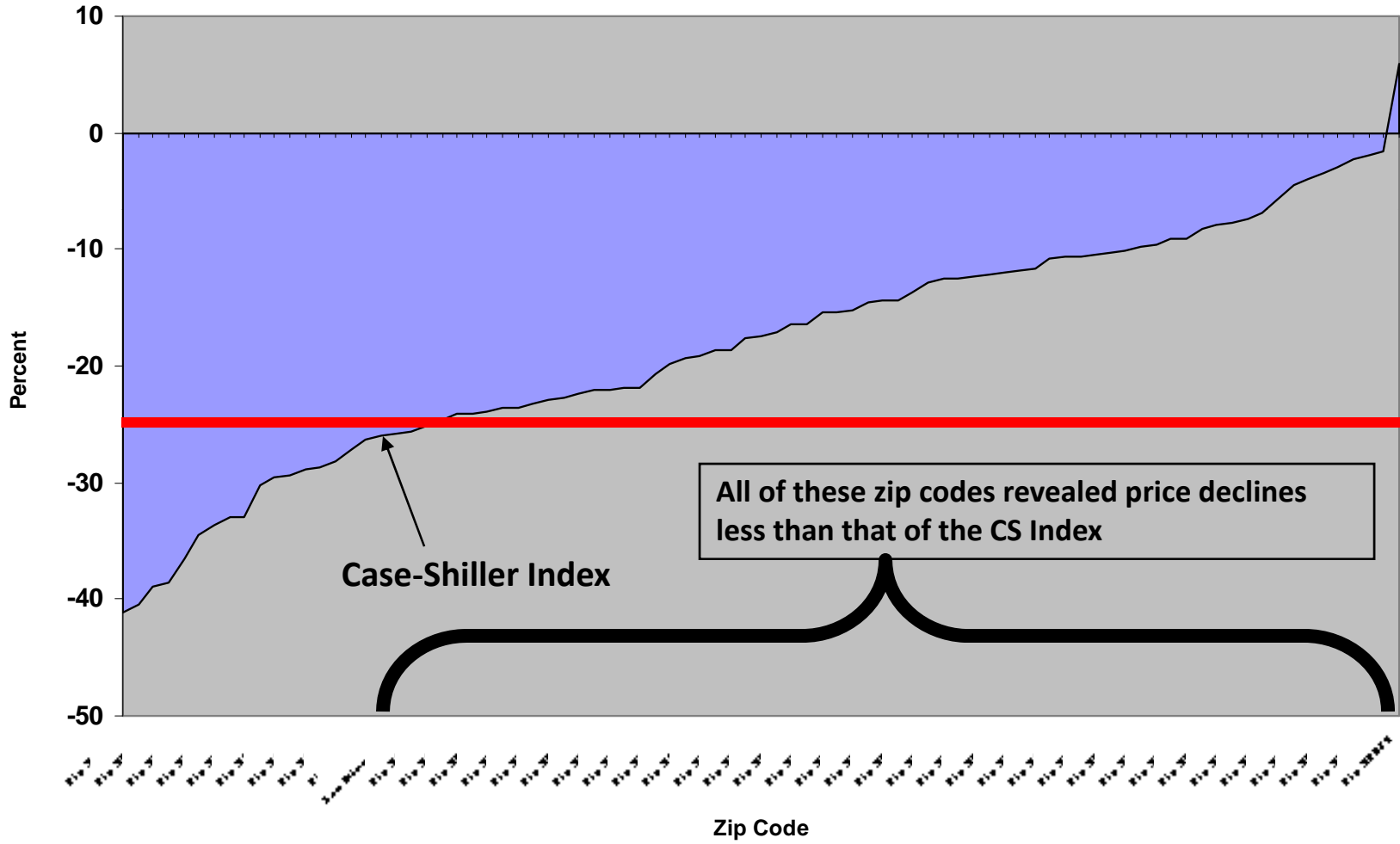


CA - Los Angeles S&P/Case-Shiller Home Price Index vs Zip Index for Pacific Palisades, CA Zip 90272



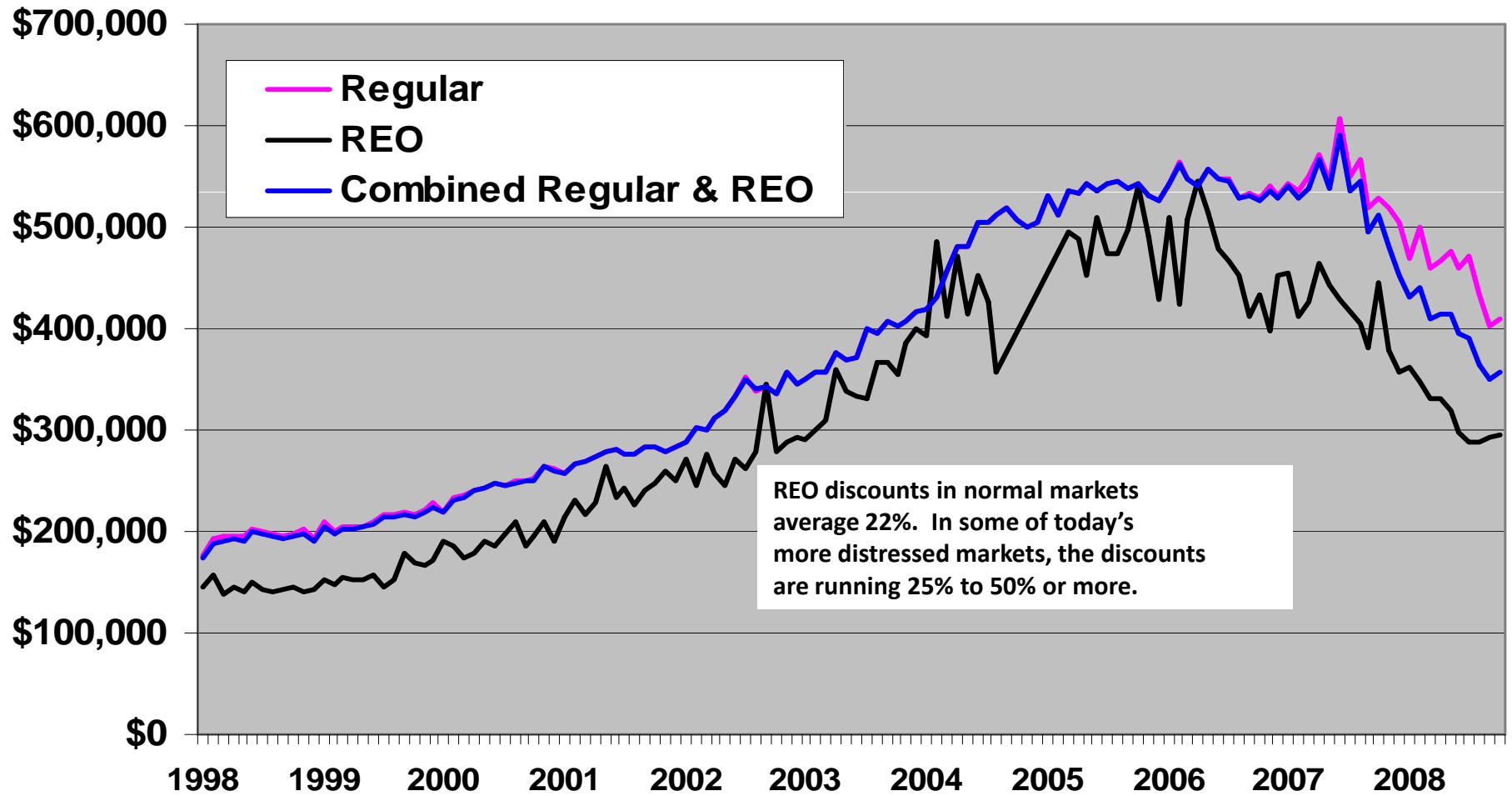
San Diego Single Family Zip Code Past Year Price Percent Change Distribution

San Diego Single Family Zip Code 2007Q3 to 2008Q3 Price Percent Change



In the current environment, REO sales prices need to be tracked separately from regular sales. Case-Shiller, OFHEO and NAR to not do this.

San Diego County Regular, REO and Regular with REO Single Family Prices for 3 Bedroom and 2 Bath Homes



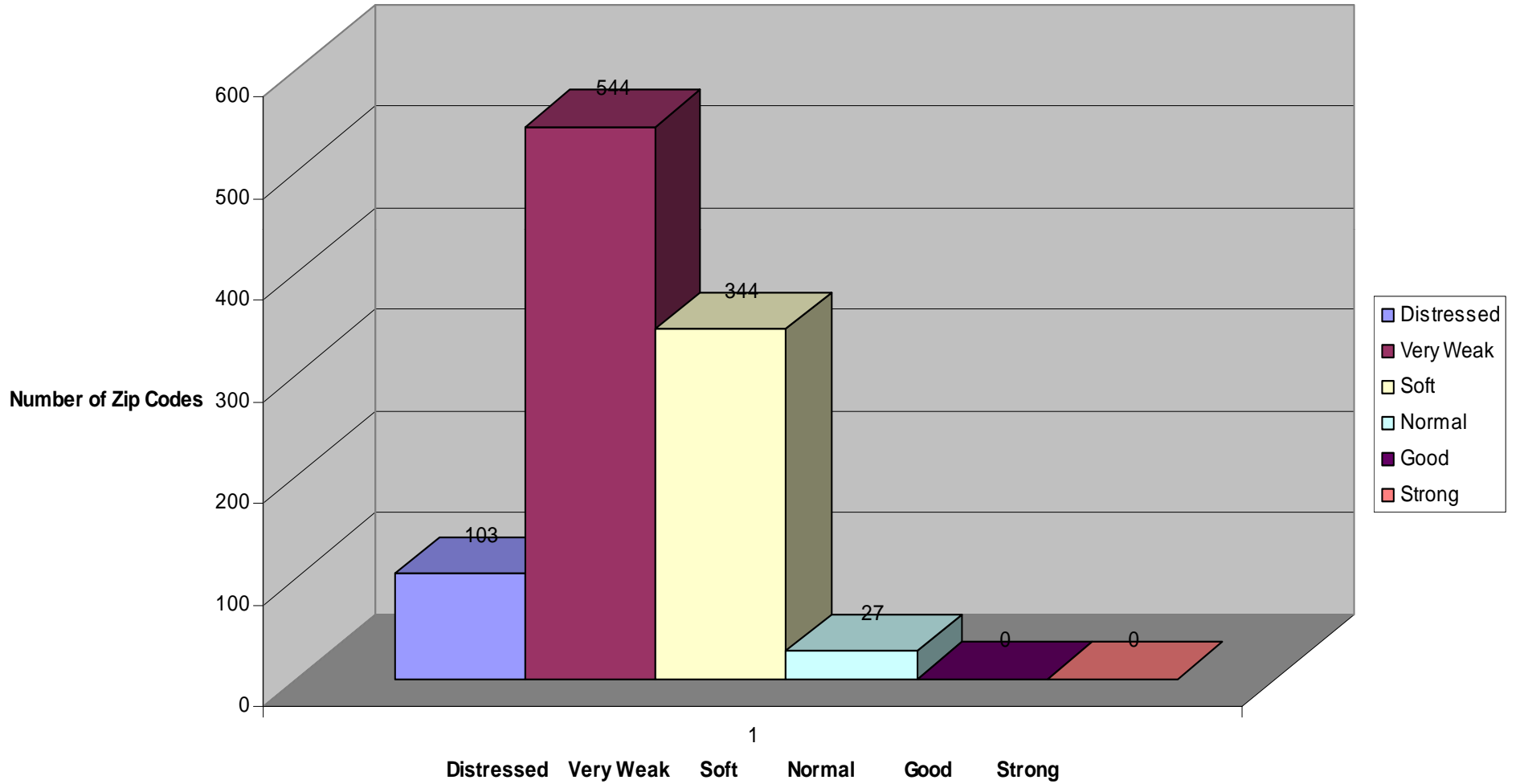
We can track market conditions by Zip code using several criteria, i.e.

- Foreclosures as a % of sales
- Months remaining inventory (MRI)
- Expired inventory that did not sell (shadow) and (Adj MRI)
- Volume and price trends

Market Condition Histograms By Zip
Code for Some Sample States Are
Shown Next

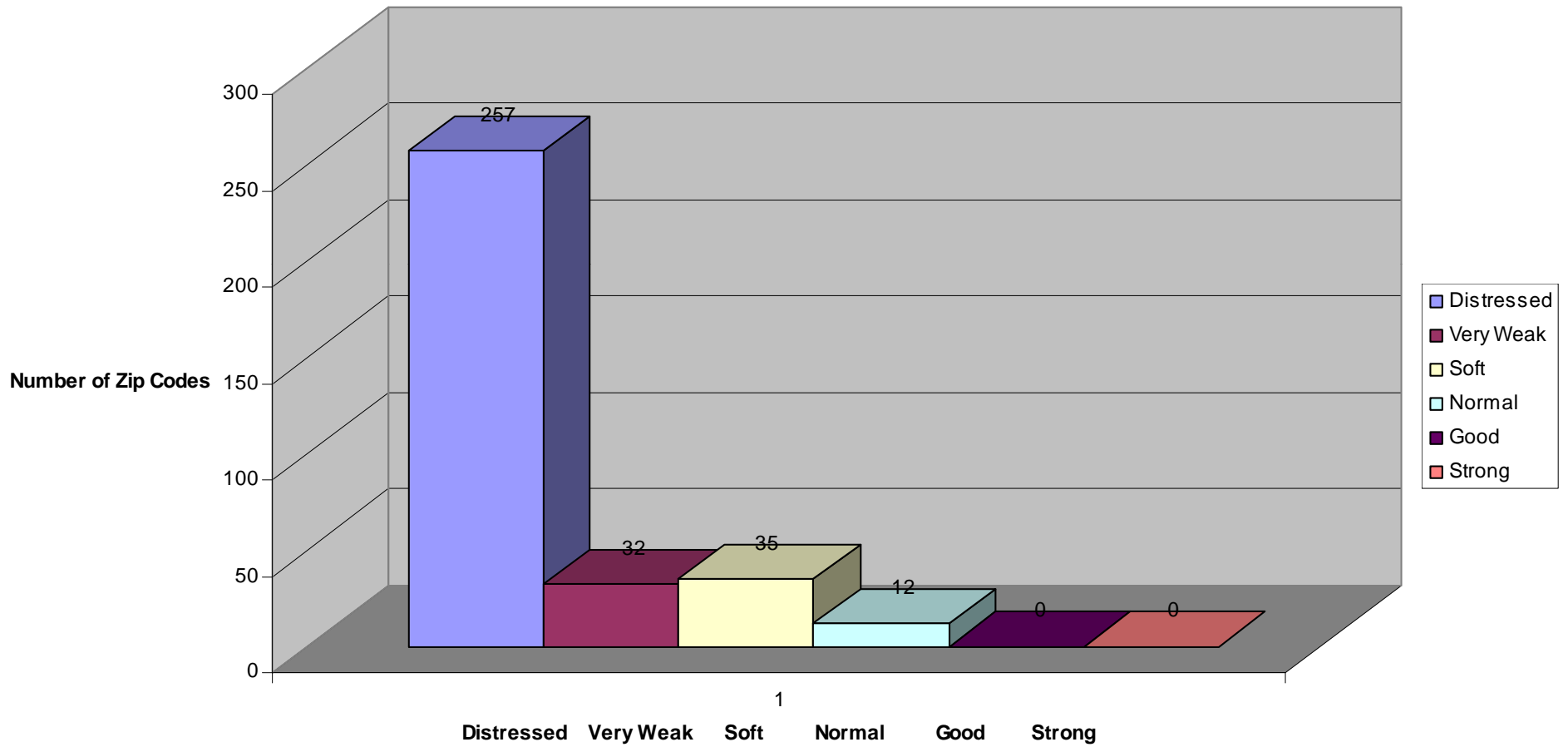
California

CA



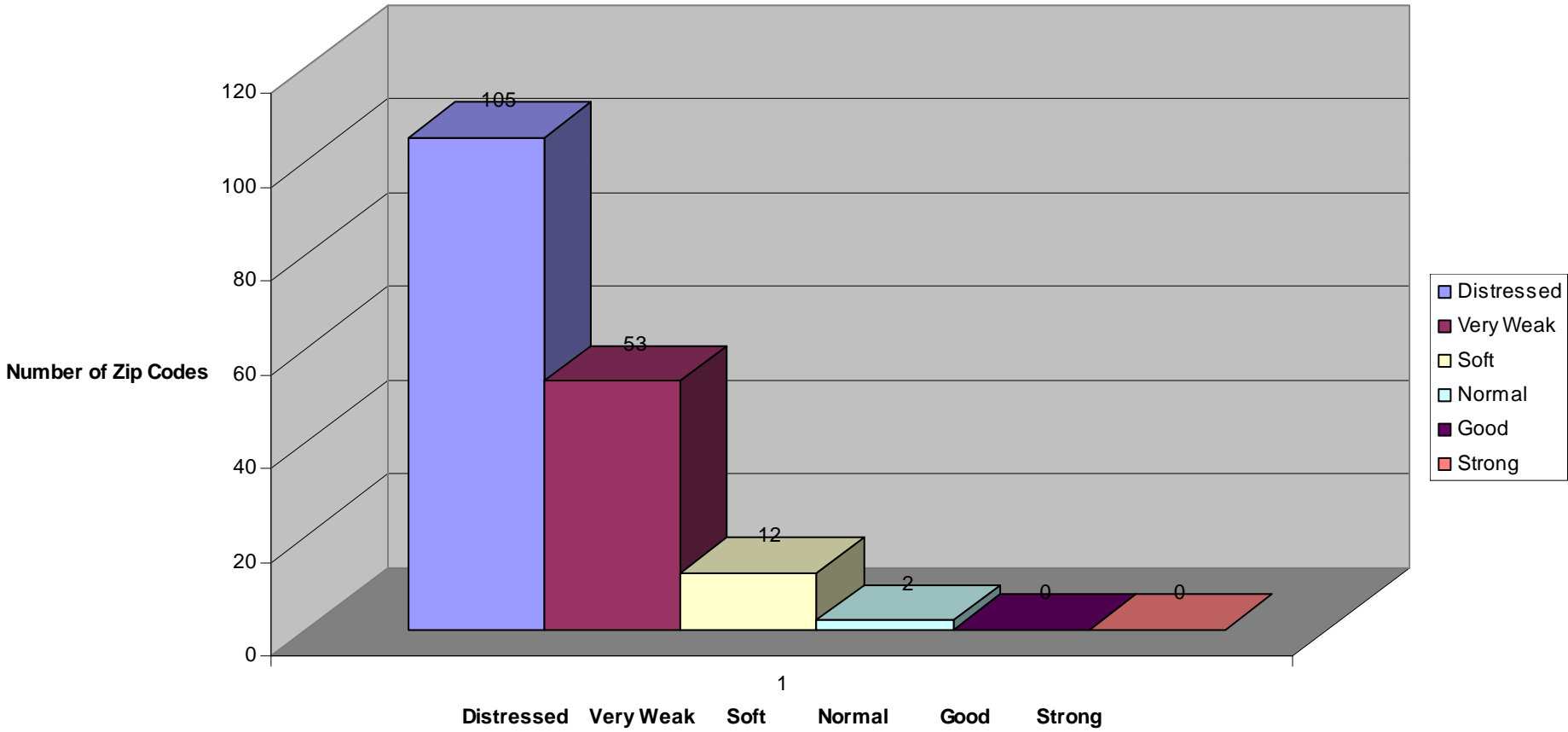
Illinois

IL



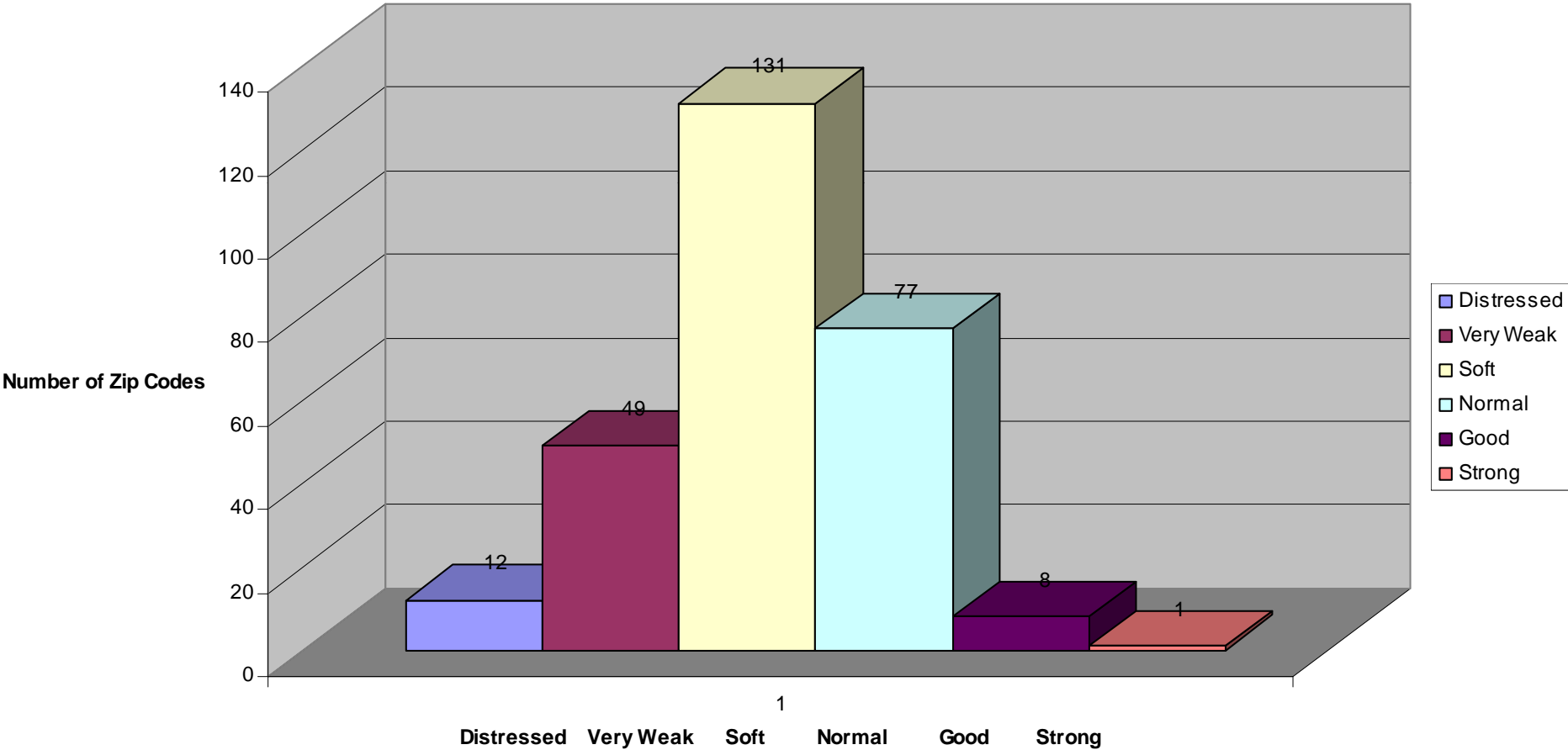
New Jersey

NJ



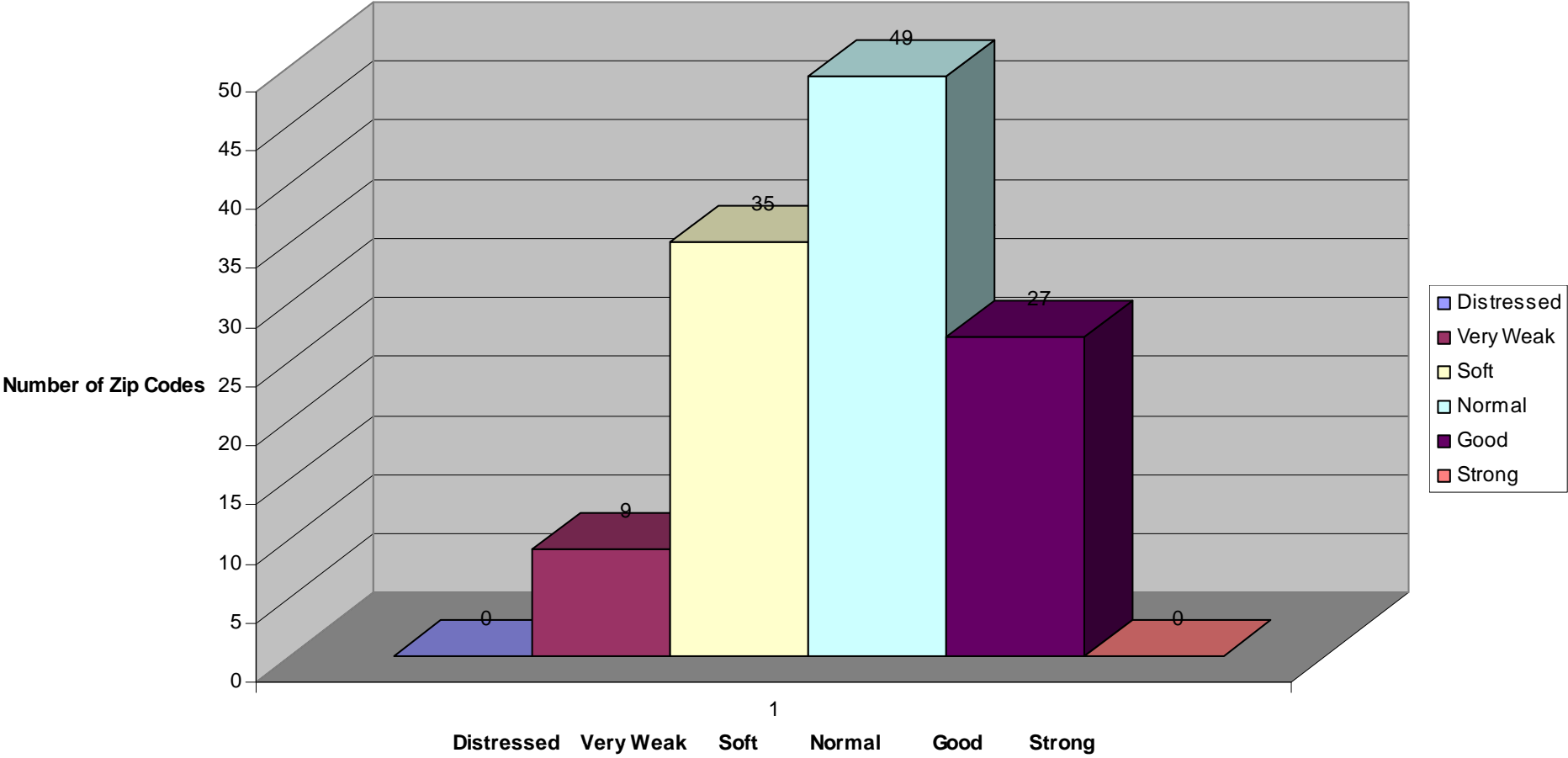
New York

NY



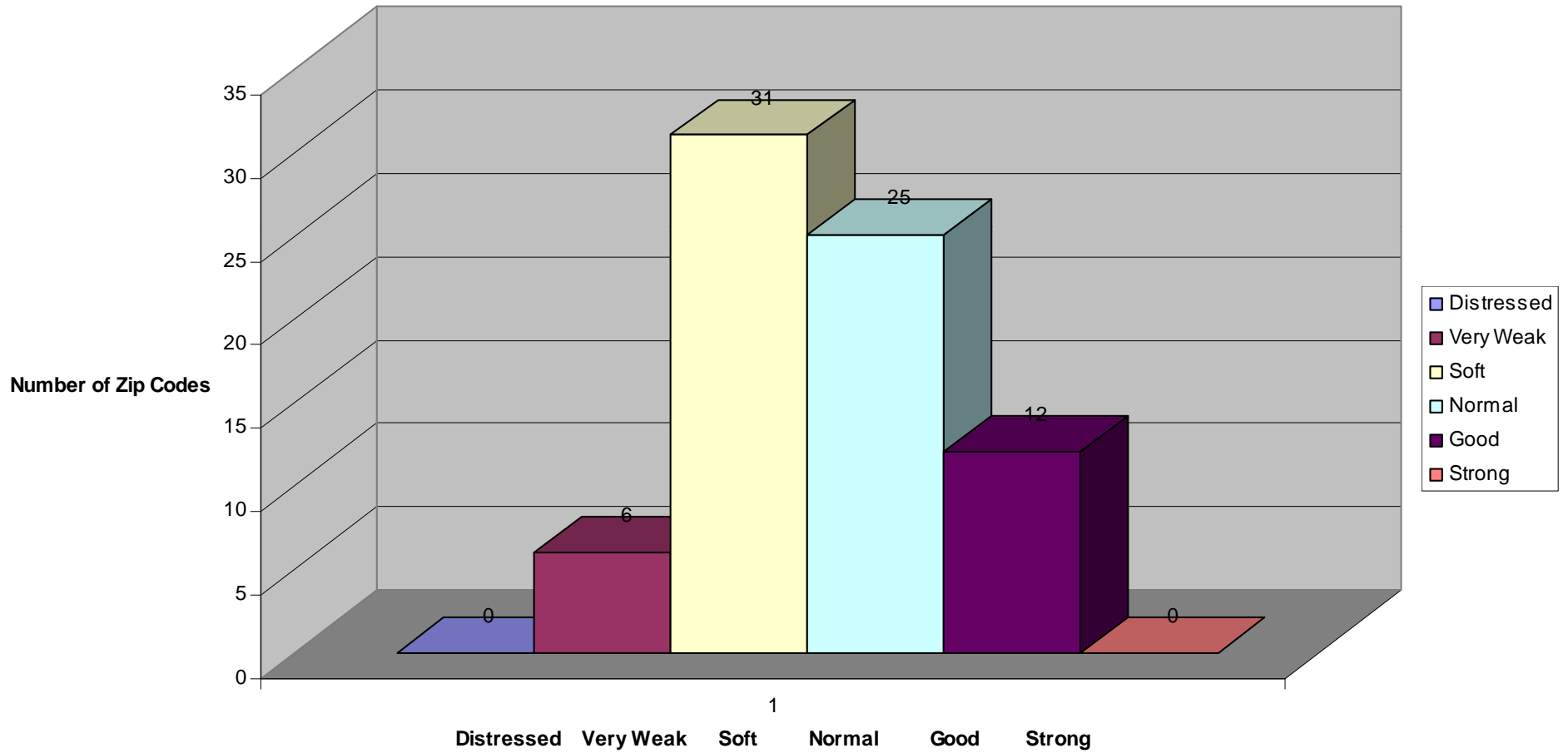
Oklahoma

OK



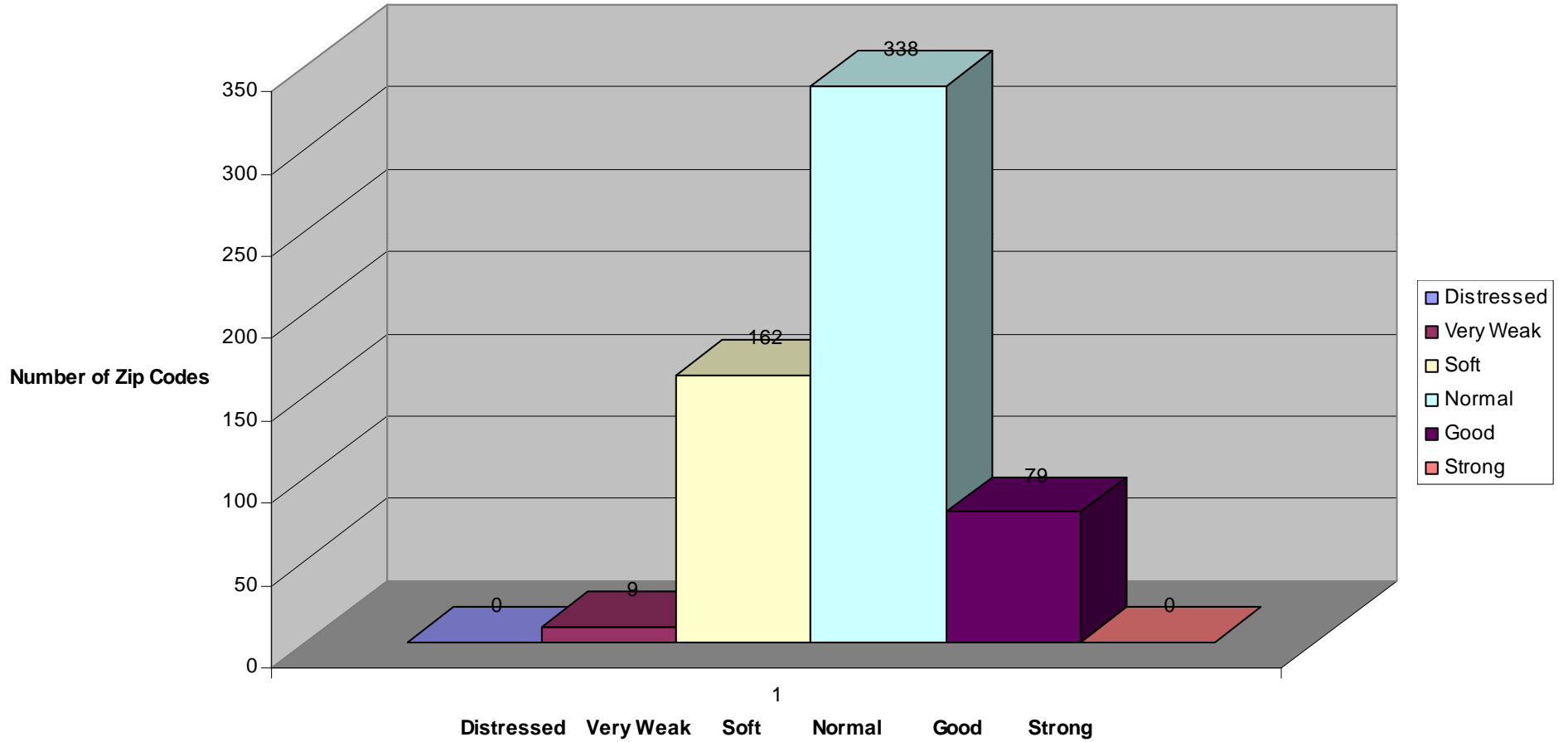
South Carolina

SC



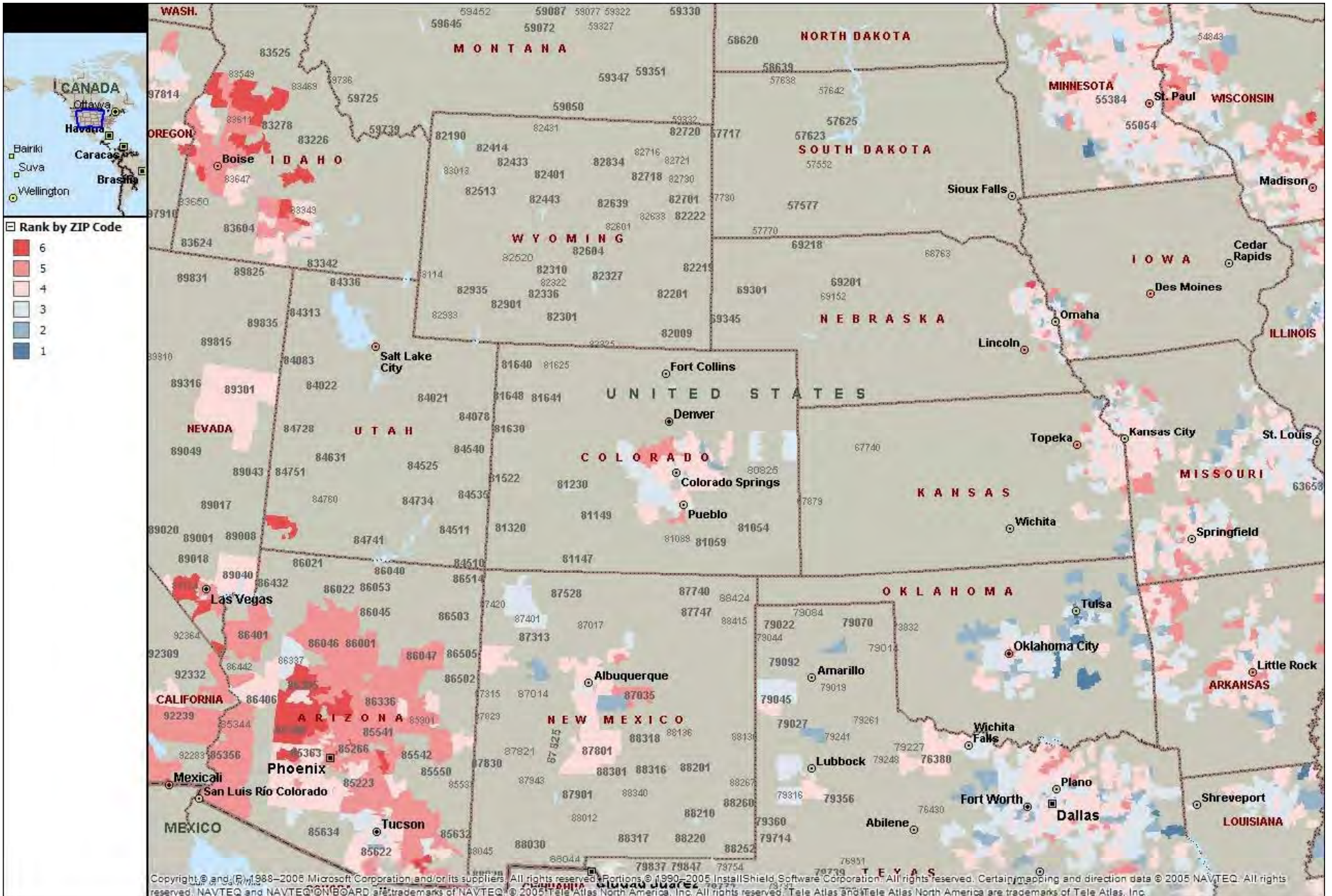
Texas

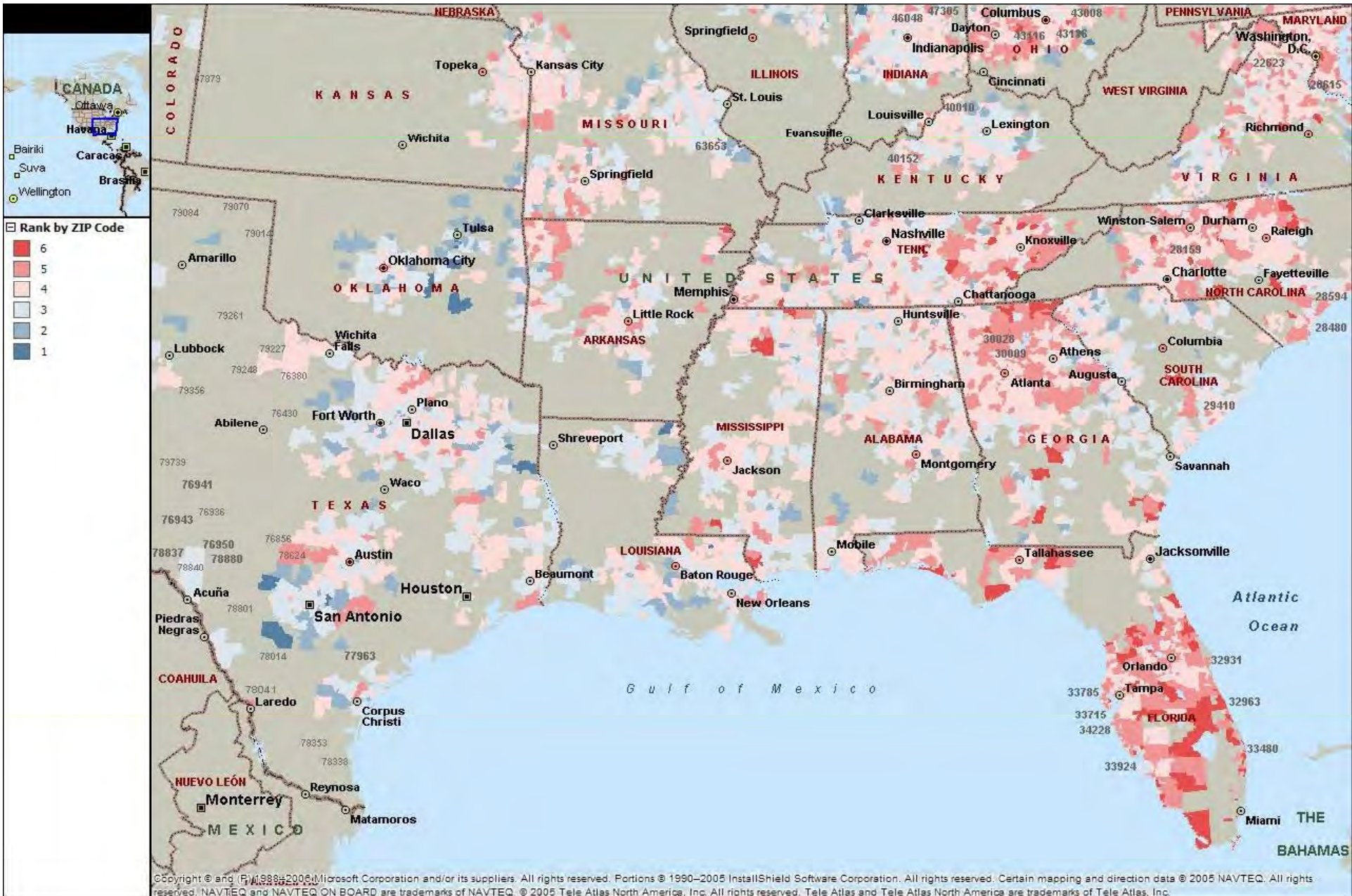
TX





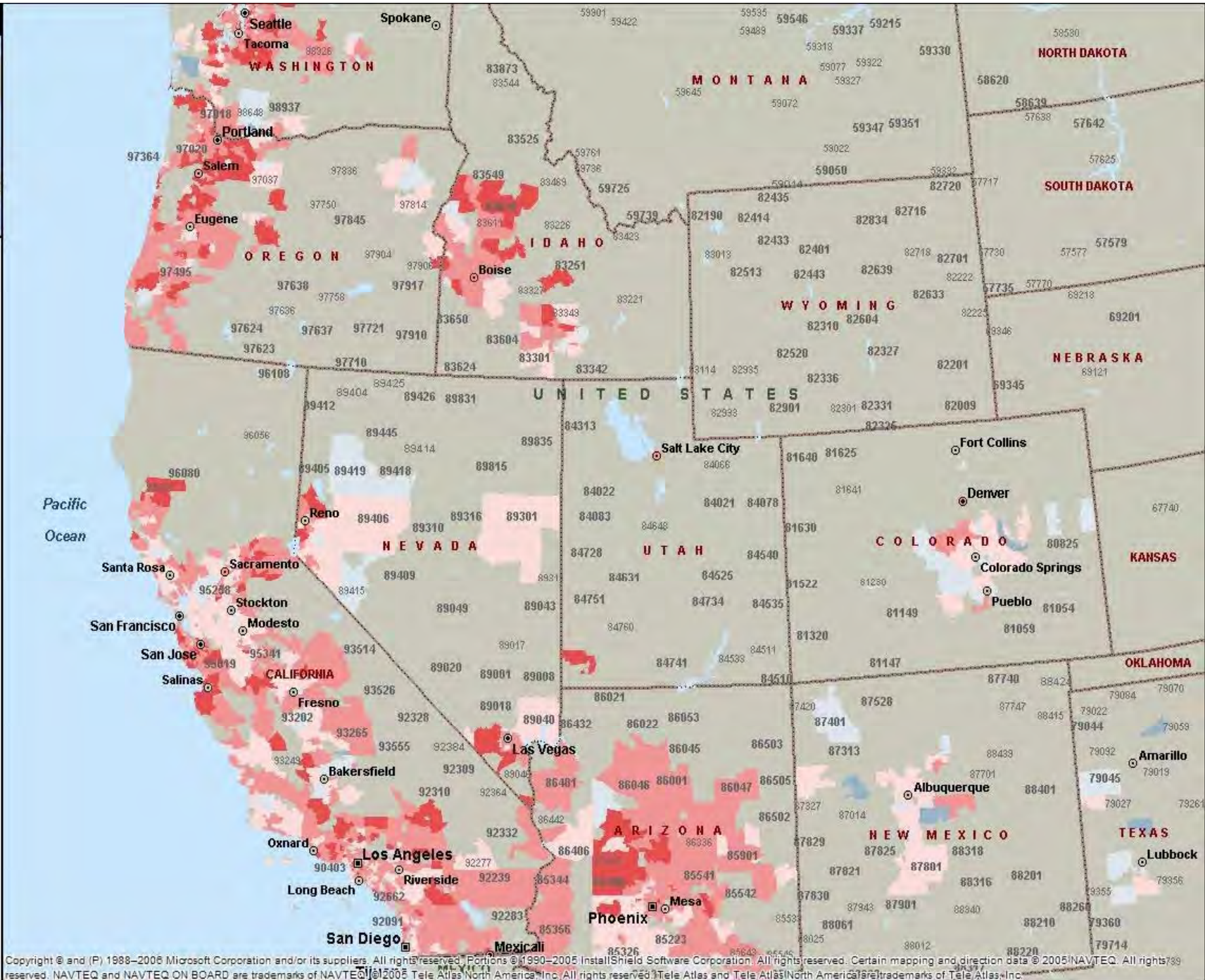
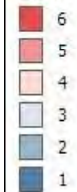
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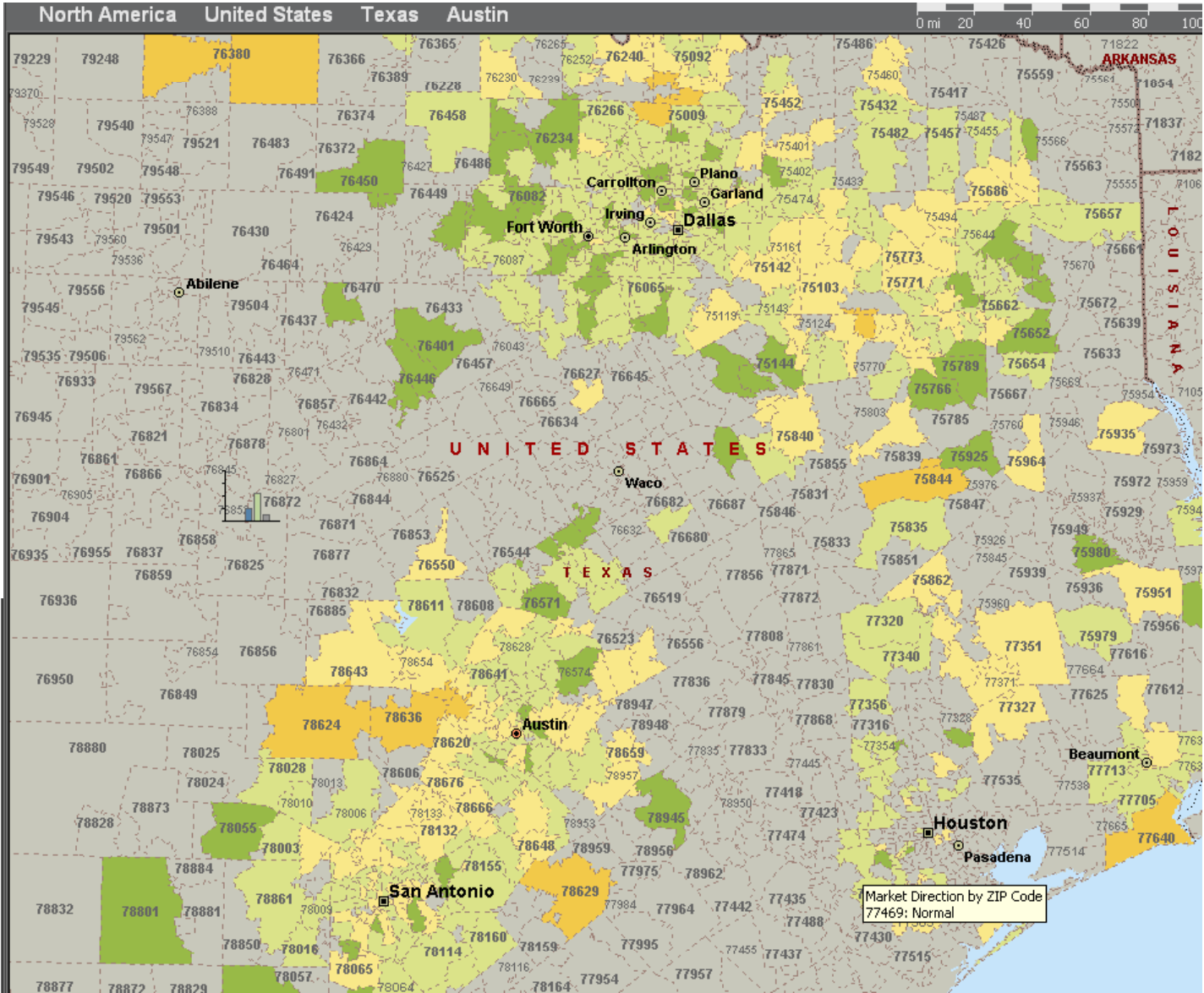






Rank by ZIP Code





Market Direction by ZIP Code

- Distressed
- Very Weak
- Soft
- Normal
- Good
- Strong

Market Direction by ZIP Code
77469: Normal

Let's slice MRI by Price Range

- We can also slice by size or property type or any number of attributes.

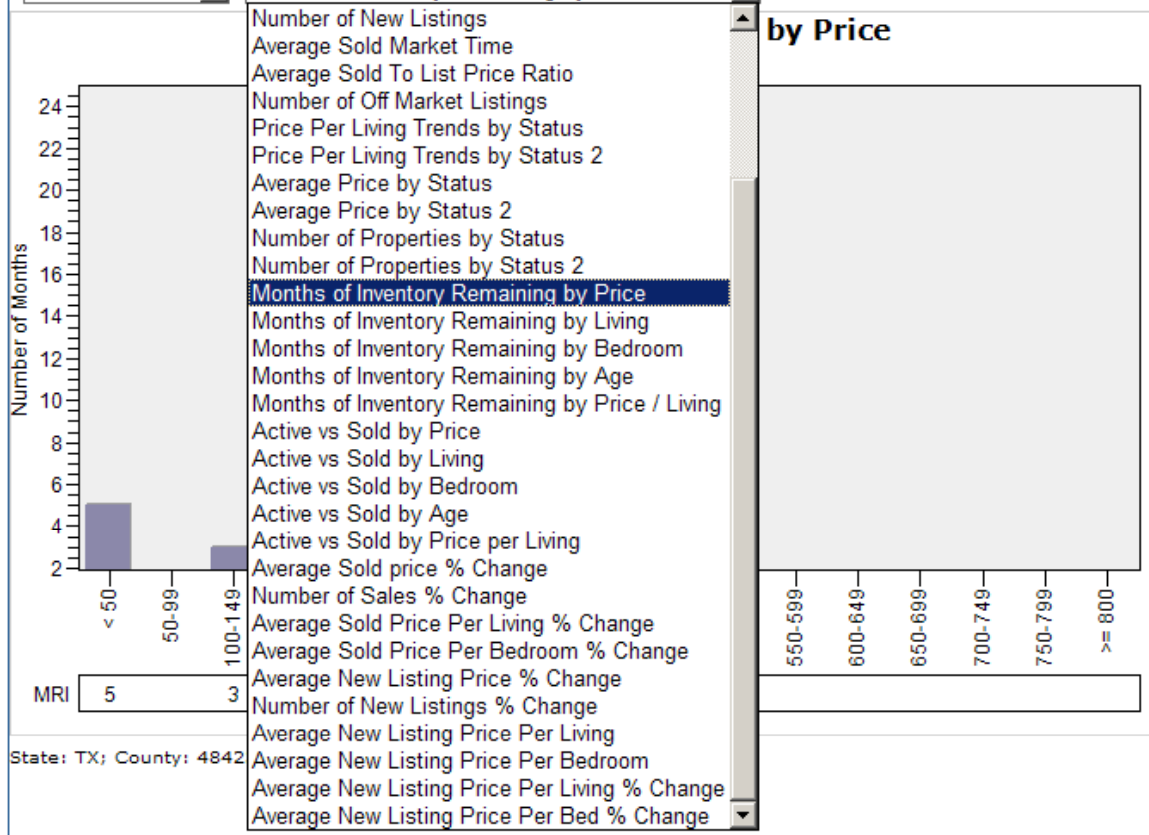
Collateral Intelligence Desktop Valuation Analytic Model

Query By City-Zip (Hide Details...)

City and State OR Zip: Sub Area:

Query By Address Proximity (Show Details...)

Data Source: Select Chart Type: [Download comps](#) [Download Data](#)



Define Query (optional)

	Minimum	Maximum
Living Area	<input type="text"/>	<input type="text"/>
Bedrooms	<input type="text"/>	<input type="text"/>
Bathrooms	<input type="text"/>	<input type="text"/>
Year Built	<input type="text"/>	<input type="text"/>
Land Area	<input type="text"/>	<input type="text"/>
Years Range	<input type="text" value="2005"/>	<input type="text" value="2009"/>
Data Increment	<input type="text" value="Month"/>	
Property Type	<input type="text" value="Single-Family"/>	

Total number of properties for the past 12 months : 47

[Clear Criteria](#)
[Re-Produce Chart](#)

City and State OR Zip

FORT WORTH, TX

Sub Area

Query By Address Proximity (Show Details...)

Data Source :

Local MKT Data

Select Chart Type :

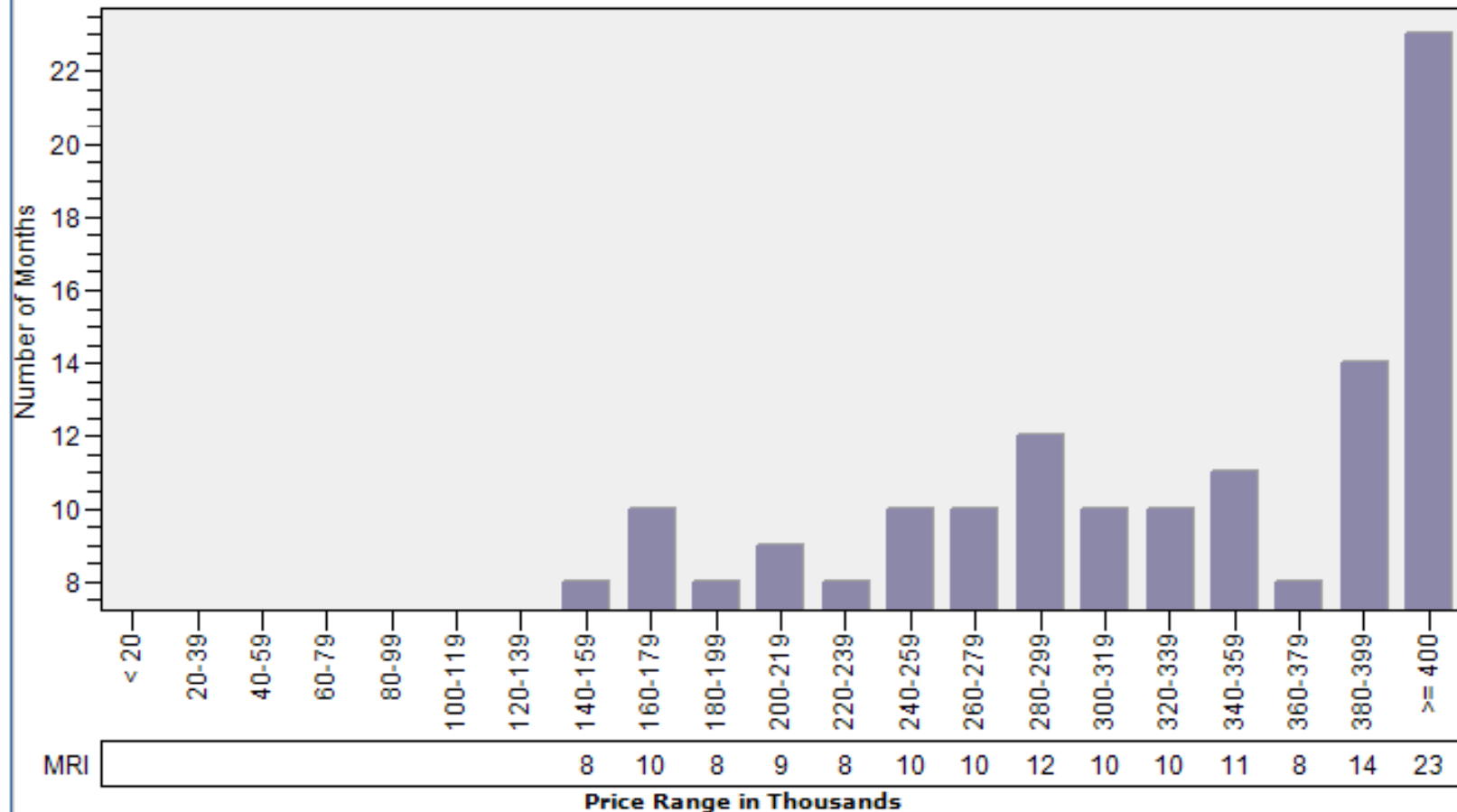
Months of Inventory Remaining by Price

[Download comps](#)

[Download Data](#)

Months of Inventory Remaining by Price

Single Family



State: TX; County: 48439; City: FORT WORTH

Collateral Intelligence Desktop Valuation Analytic Model

Query By City-Zip (Hide Details...)

City and State OR Zip

SAN DIEGO, CA

Sub Area

Query By Address Proximity (Show Details...)

Data Source :

Select Chart Type :

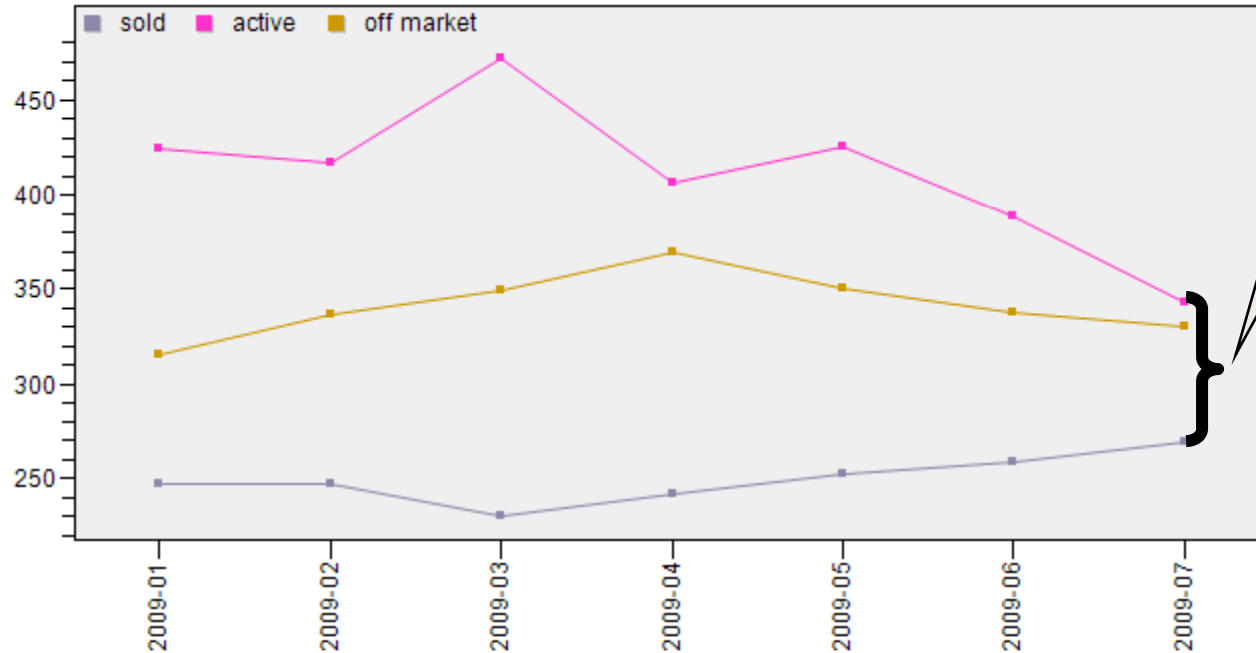
Local MKT Data

Price Per Living Trends by Status 2

Download comps

Download Data

Price Per Living Trends by Status 2
Single Family



sold	247	247	230	242	252	259	269
active	424	417	472	406	425	388	343
off market	316	337	349	369	350	338	330

State: CA; County: 06073; City: SAN DIEGO

The spread between asking prices and sold tends to be narrow in strong markets and wide in soft or declining markets. Here we see it improving but still wide.

Property (optional)

Minimum

Maximum

Area

Rooms

Bathrooms

Year Built

Land Area

Years Range

Data

Increment

Property Type

Total number of properties for the past 12 months : 10393

Clear Criteria

Re-Produce Chart

Collateral Intelligence Desktop Valuation Analytic Model

Query By City-Zip (Hide Details...)

City and State OR Zip

LAS VEGAS, NV

Sub Area

89101
89102
89103
89104
89105

Query By Address Proximity (Show Details...)

Data Source :

Select Chart Type :

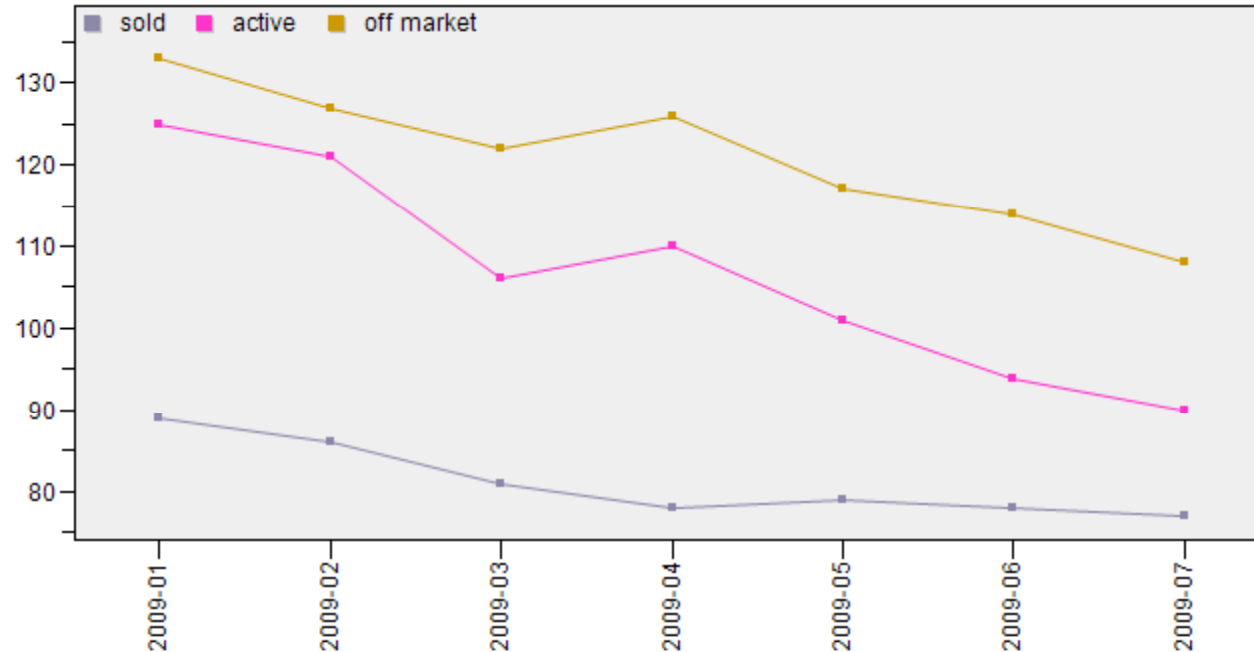
Local MKT Data

Price Per Living Trends by Status 2

Download comps

Download Data

Price Per Living Trends by Status 2
Single Family



sold	89	86	81	78	79	78	77
active	125	121	106	110	101	94	90
off market	133	127	122	126	117	114	108

State: NV; County: 32003; City: LAS VEGAS

Define Query (optional)

	Minimum	Maximum
Living Area	<input type="text"/>	<input type="text"/>
Bedrooms	<input type="text"/>	<input type="text"/>
Bathrooms	<input type="text"/>	<input type="text"/>
Year Built	<input type="text"/>	<input type="text"/>
Land Area	<input type="text"/>	<input type="text"/>
Years Range	2009	2009
Data	Month	
Increment	<input type="text"/>	
Property Type	Single-Family	

Total number of properties for the past 12 months : 55187

Clear Criteria

Re-Produce Chart

Collateral Intelligence Desktop Valuation Analytic Model

Query By City-Zip (Hide Details...)

City and State OR Zip

LAS VEGAS, NV

Sub Area

89101
89102
89103
89104
89105

Query By Address Proximity (Show Details...)

Data Source :

Select Chart Type :

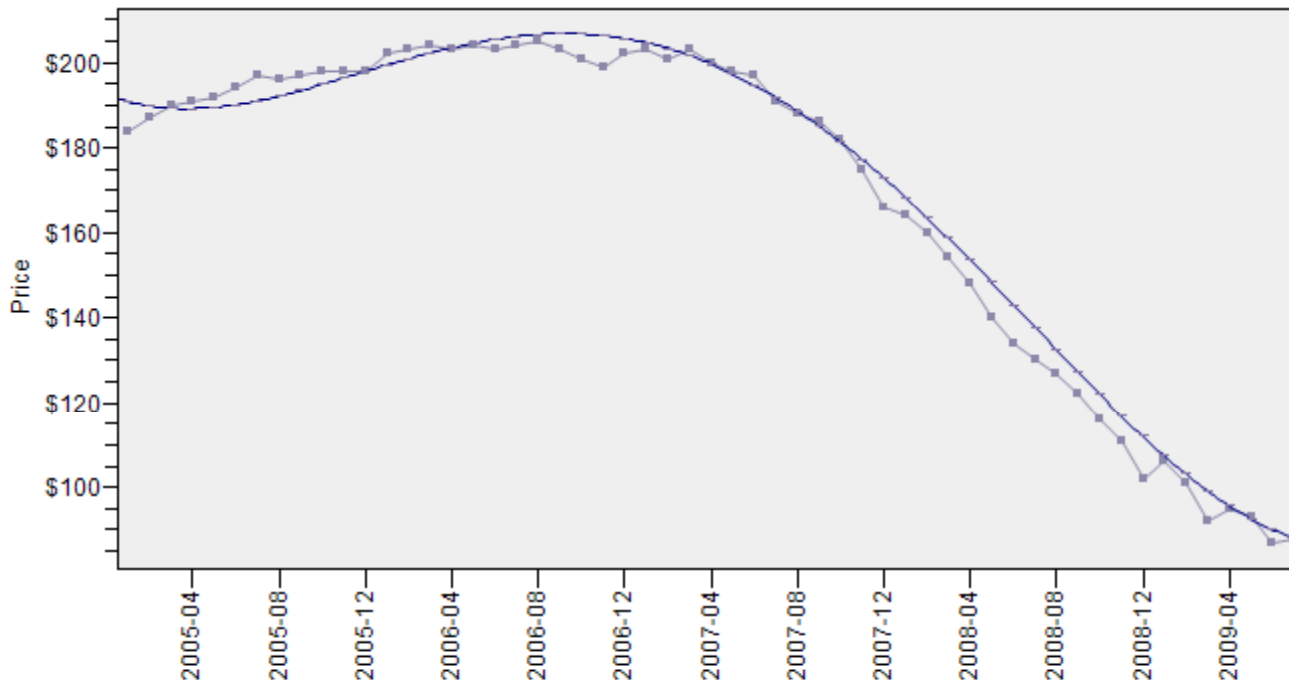
Local MKT Data

Average New Listing Price Per Living

Download comps

Download Data

Average New Listing Price Per Living
Single Family



price/living
best-fit

191	196	198	203	205	202	200	188	166	148	127	102	95
189	192	198	203	207	206	200	189	173	154	132	112	96

State: NV; County: 32003; City: LAS VEGAS

Define Query (optional)

Minimum

Maximum

Living Area

Bedrooms

Bathrooms

Year Built

Land Area

Years Range

2005

2009

Data

Month

Increment

Property Type

Single-Family

Total number of properties for the past 12 months : 39226

Clear Criteria

Re-Produce Chart

Collateral Intelligence Desktop Valuation Analytic Model

Query By City-Zip (Hide Details...)

City and State OR Zip

SAN ANTONIO, TX

Sub Area

78201
78202
78203
78204
78205

Query By Address Proximity (Show Details...)

Data Source :

Select Chart Type :

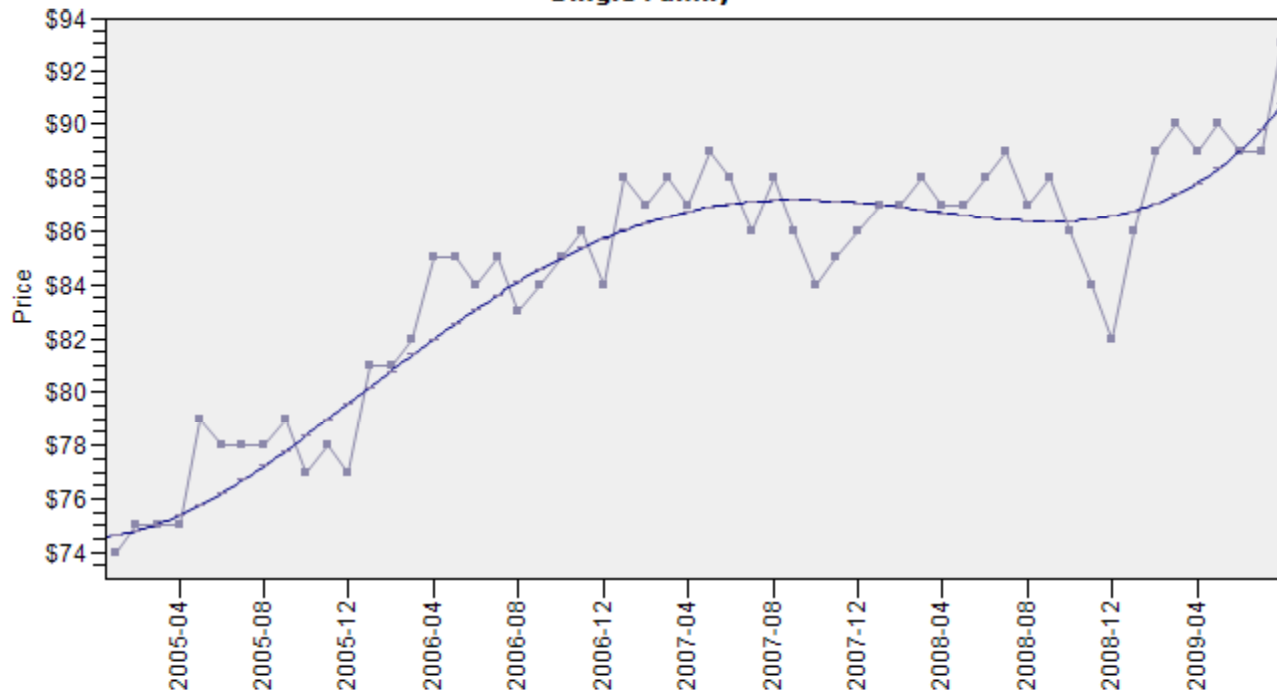
Local MKT Data

Average New Listing Price Per Living

Download comps

Download Data

Average New Listing Price Per Living
Single Family



price/living
best-fit

price/living	75	78	77	85	83	84	87	88	86	87	87	82	89
best-fit	75	77	80	82	84	86	87	87	87	87	86	87	88

State: TX; City: SAN ANTONIO

Define Query (optional)

	Minimum	Maximum
Living Area	<input type="text"/>	<input type="text"/>
Bedrooms	<input type="text"/>	<input type="text"/>
Bathrooms	<input type="text"/>	<input type="text"/>
Year Built	<input type="text"/>	<input type="text"/>
Land Area	<input type="text"/>	<input type="text"/>
Years Range	2005	2009
Data	Month	
Increment	<input type="text"/>	
Property Type	Single-Family	

Total number of properties for the past 12 months : 20012

Clear Criteria

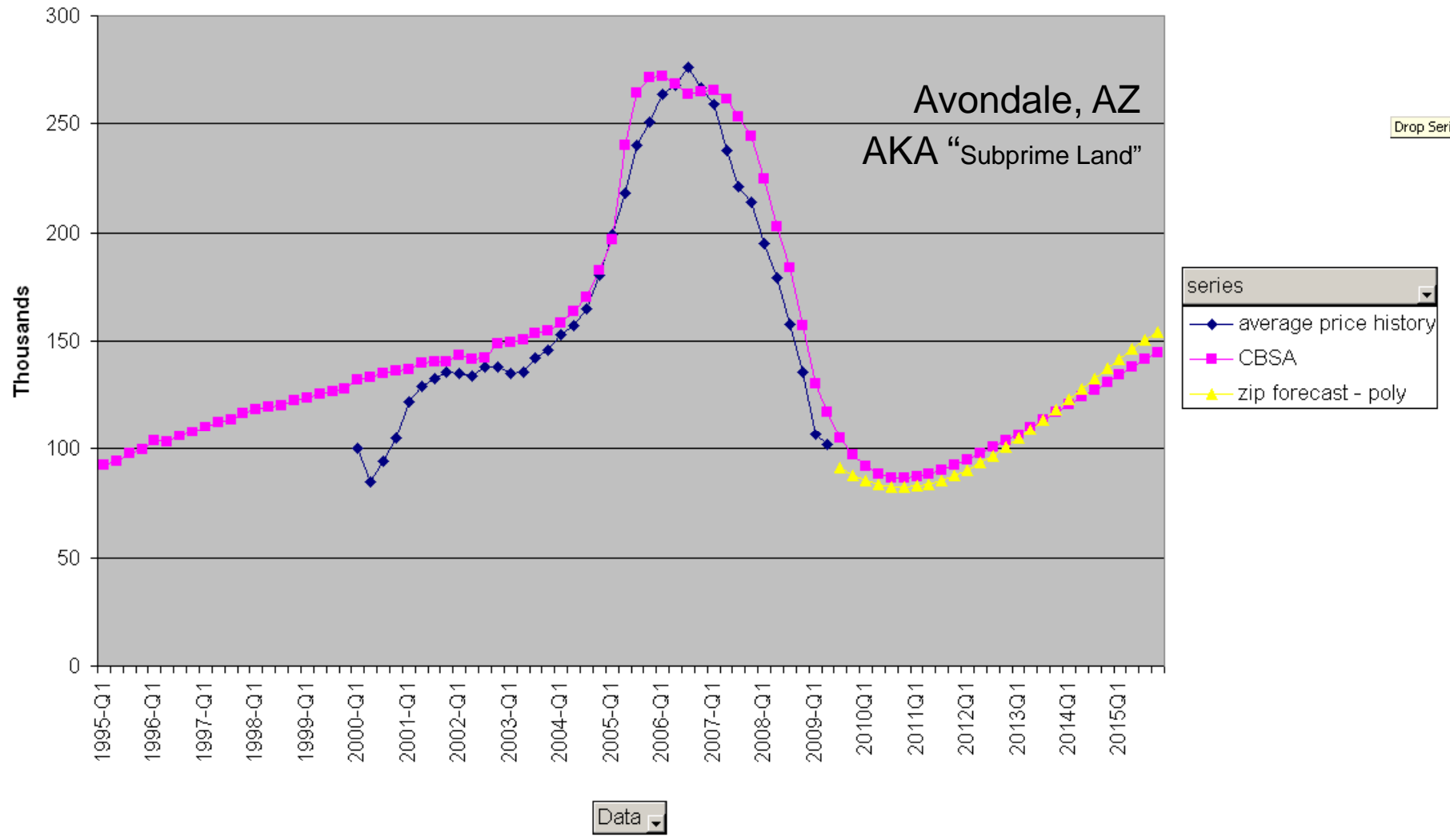
Re-Produce Chart

Some sample forecasts

ZIP 85323



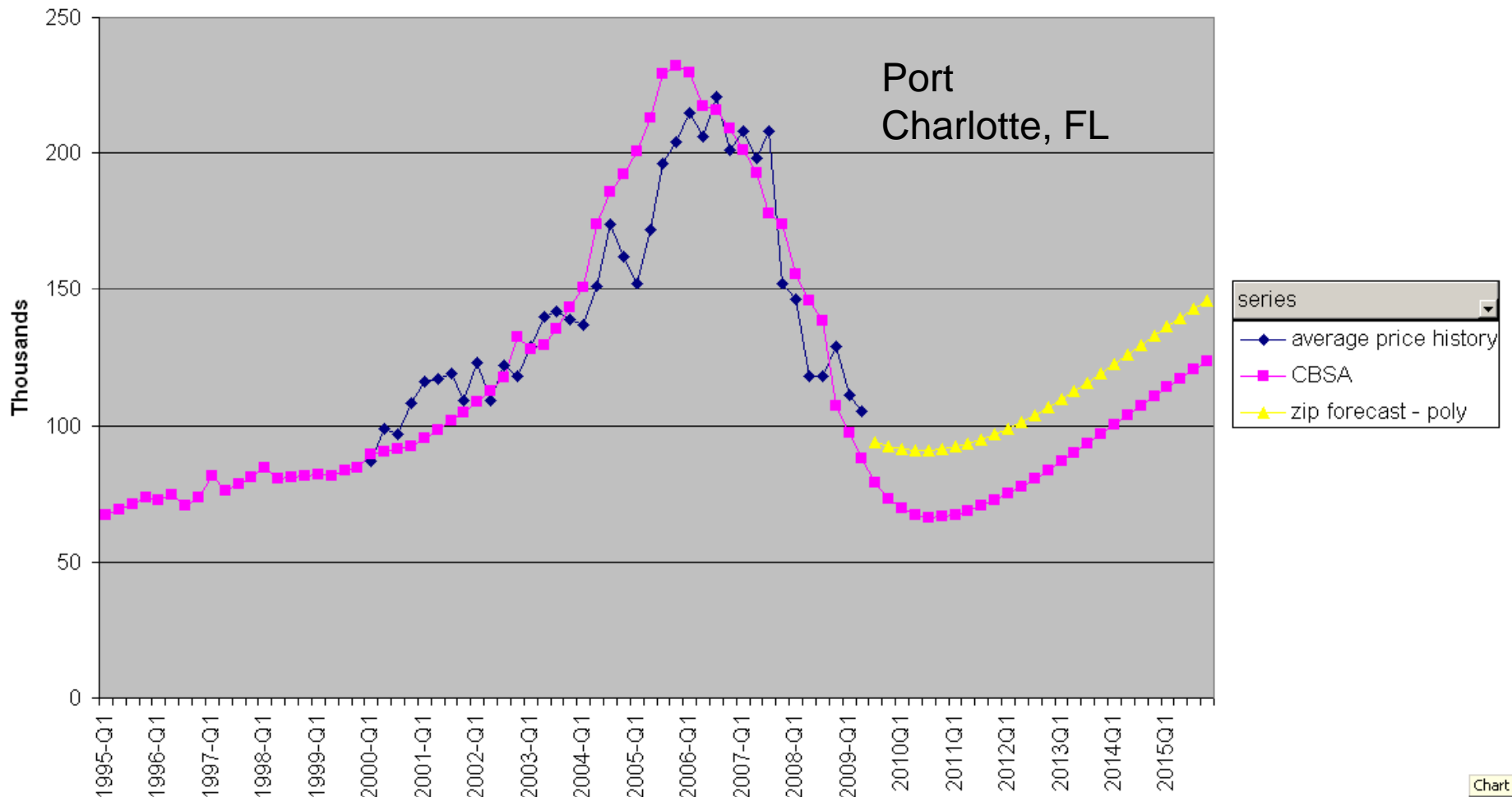
Zip Avg Price with Forecast



ZIP 33954



Zip Avg Price with Forecast



Data

Chart Area

Collateral Intelligence Desktop Valuation Analytic Model

Query By City-Zip (Hide Details...)

City and State OR Zip

Sub Area

Query By Address Proximity (Show Details...)

Data Source :

Select Chart Type :

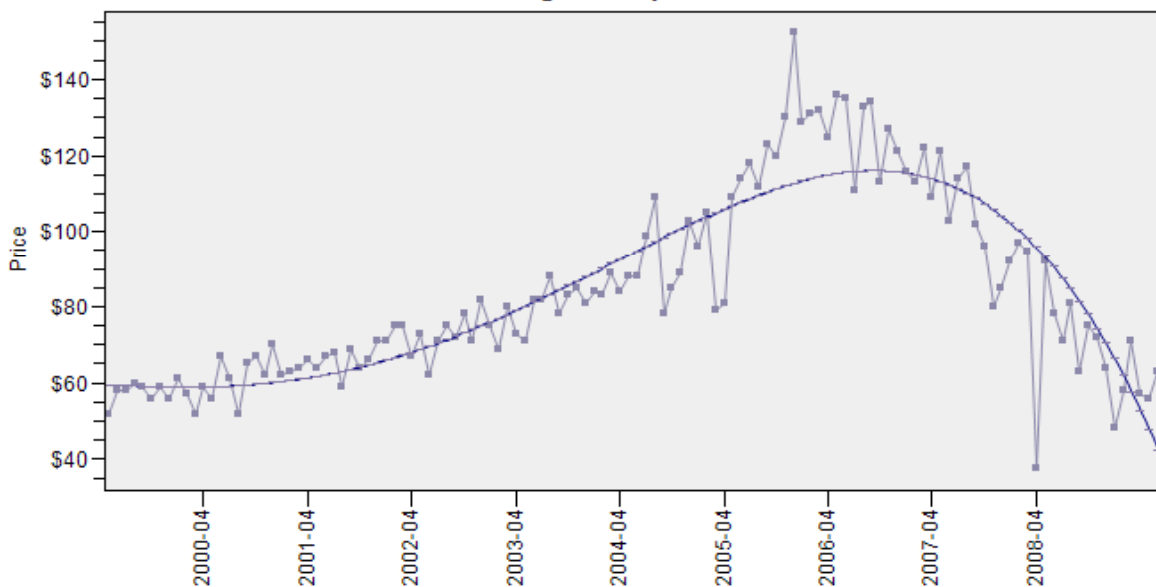
Public Records

Average Sold Price Per Living

Download comps

Download Data

Average Sold Price Per Living Single Family



	2000-04	2001-04	2002-04	2003-04	2004-04	2005-04	2006-04	2007-04	2008-04
price/living	59	66	67	73	84	81	125	109	38
best-fit	59	61	68	79	93	106	115	114	96

State: FL; County: 12015; City: PORT CHARLOTTE; Zip: 33954

Define Query (optional)

	Minimum	Maximum
Living Area	<input type="text"/>	<input type="text"/>
Bedrooms	<input type="text"/>	<input type="text"/>
Bathrooms	<input type="text"/>	<input type="text"/>
Year Built	<input type="text"/>	<input type="text"/>
Land Area	<input type="text"/>	<input type="text"/>
Years Range	1995	2009
Data Increment	Month	
Property Type	Single-Family	

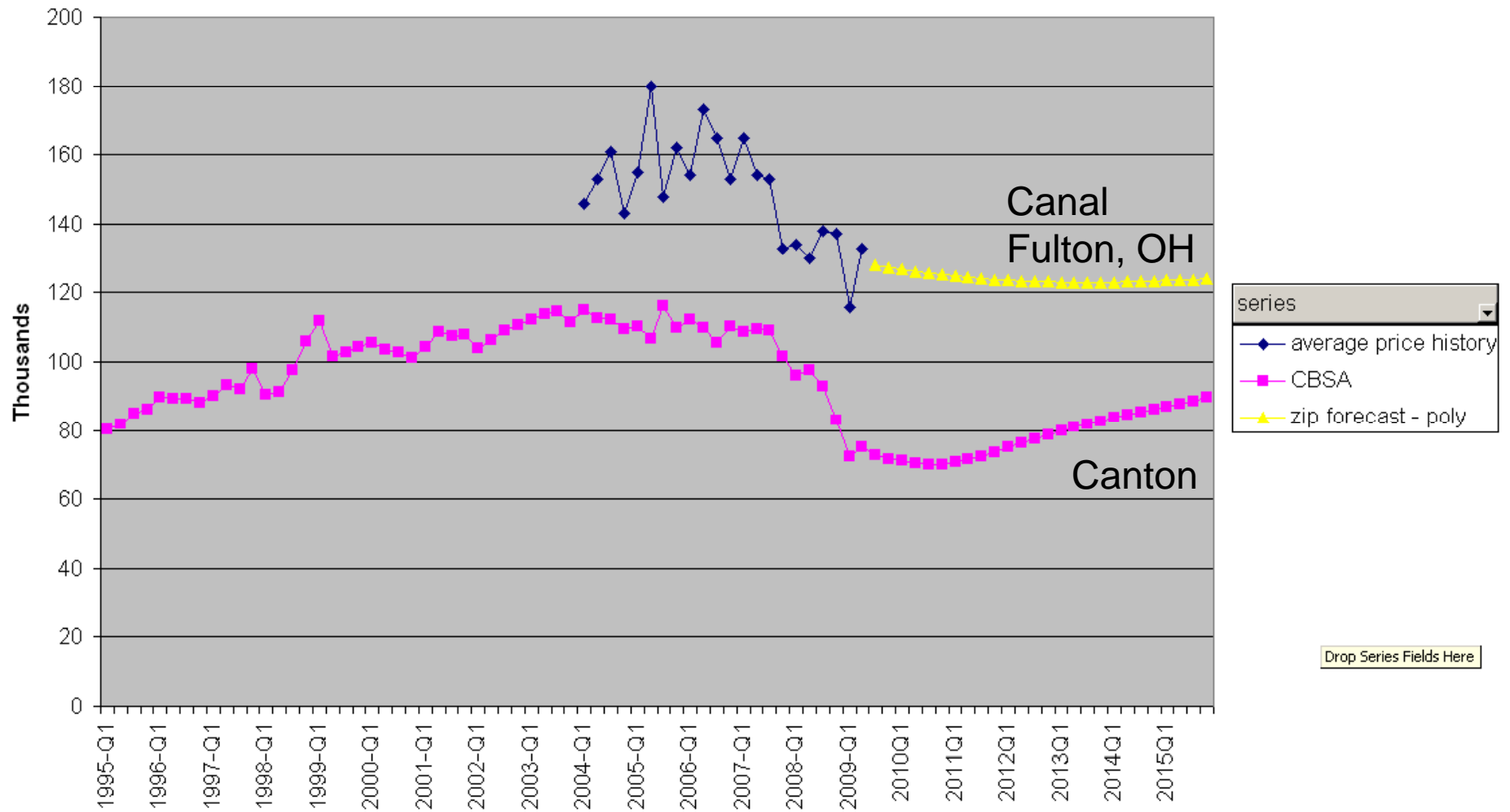
Total number of properties for the past 12 months : 137

Clear Criteria

Re-Produce Chart



Zip Avg Price with Forecast



series

- average price history
- CBSA
- zip forecast - poly

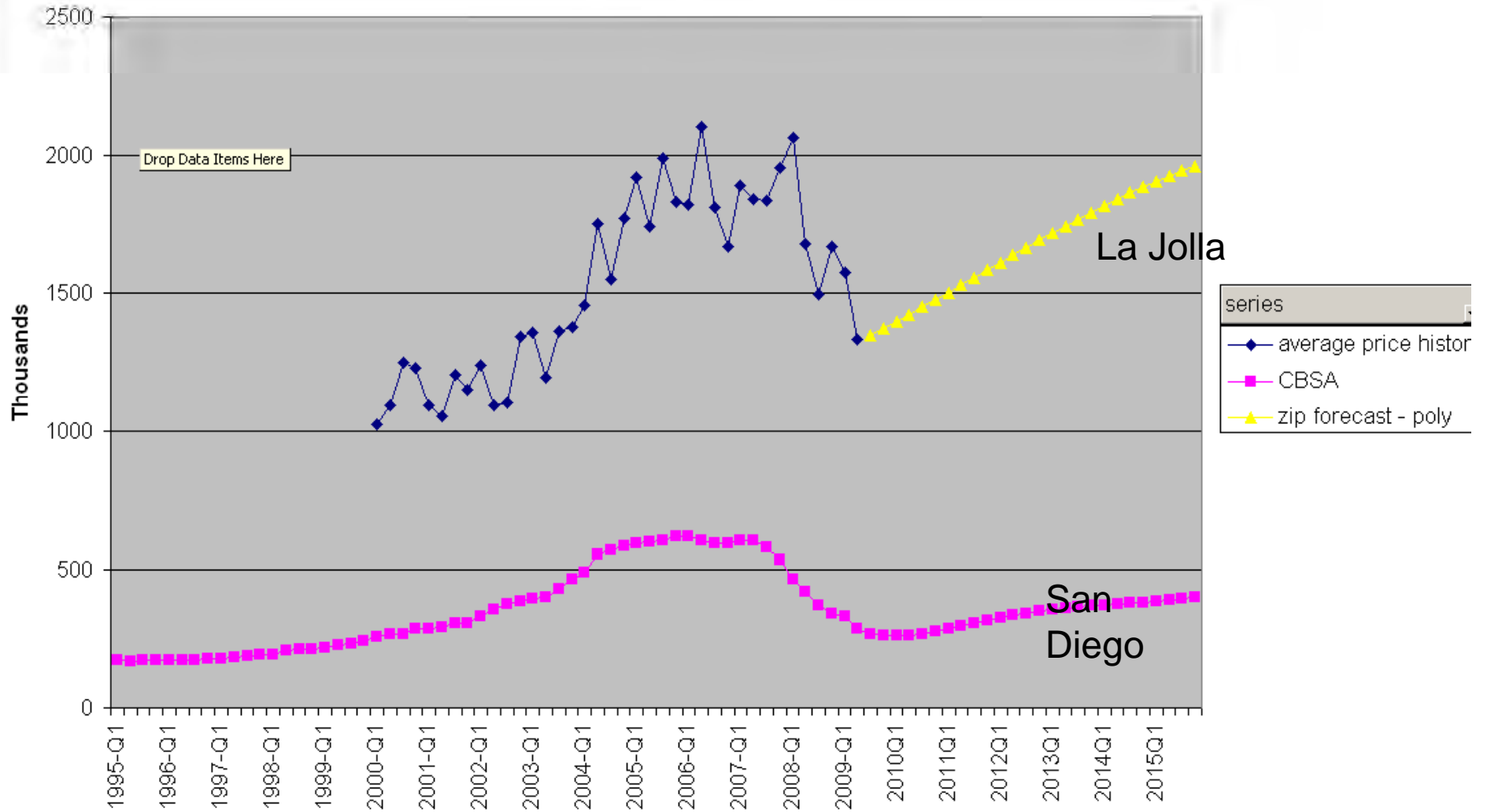
Drop Series Fields Here

Data

ZIP 92037



Zip Avg Price with Forecast



Data

Summary

- Foreclosures are highly concentrated by state, by county and by zip code
- Local market price changes are not well represented by the Case Shiller Index
- There are several methods to isolate contagion effects, REOs Versus Non-REOs and other indicators of the pricing gap.
- Distressed asset pricing depends on local market conditions.
- We can forecast price trends reasonably well for the next several quarters when using both technical (Broker based-MLS Type) and fundamental data.



Questions?

Or More Infor?

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Msklarz@collateralanalytics.com