

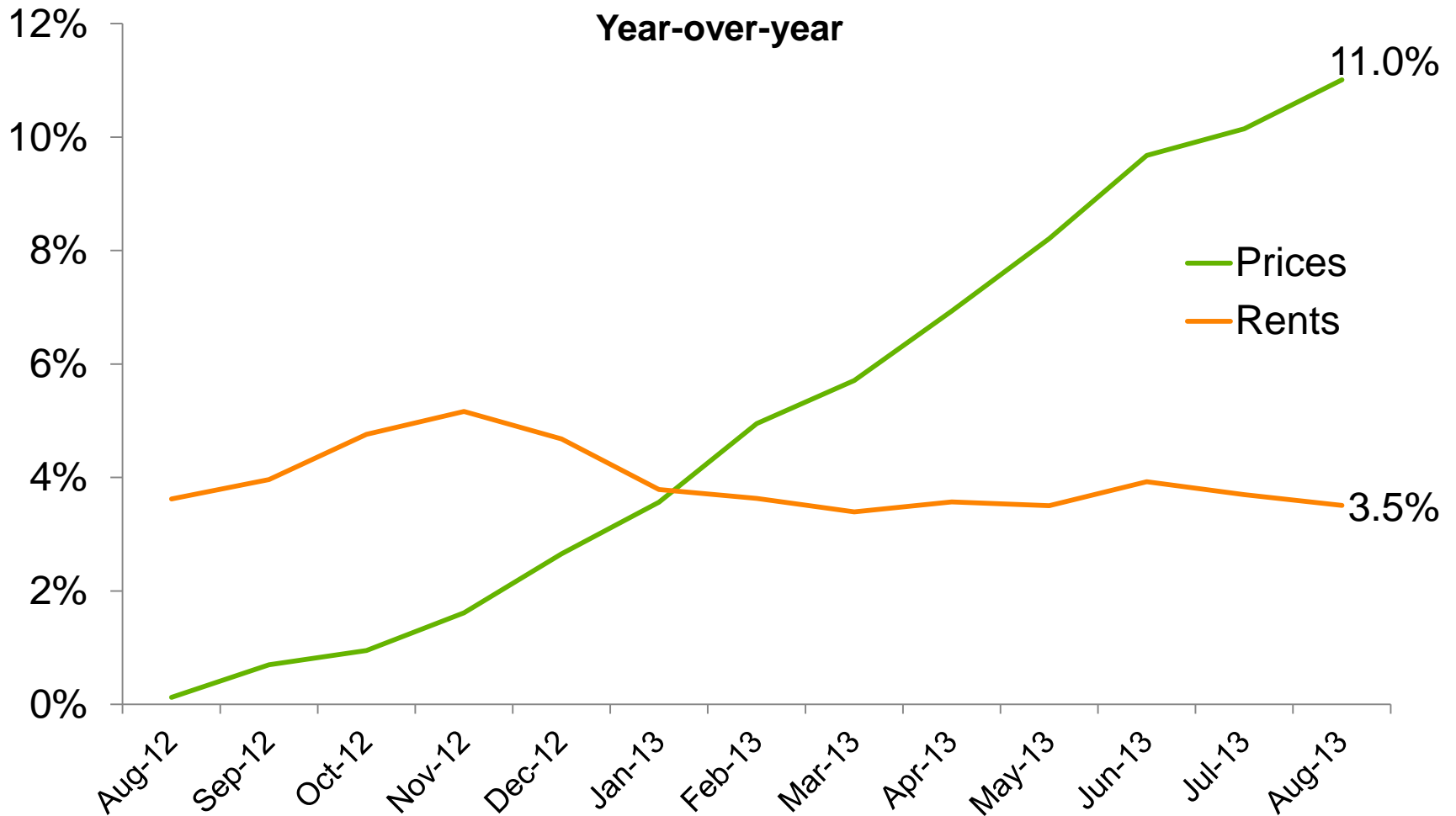
# The Housing Recovery: San Francisco and Beyond

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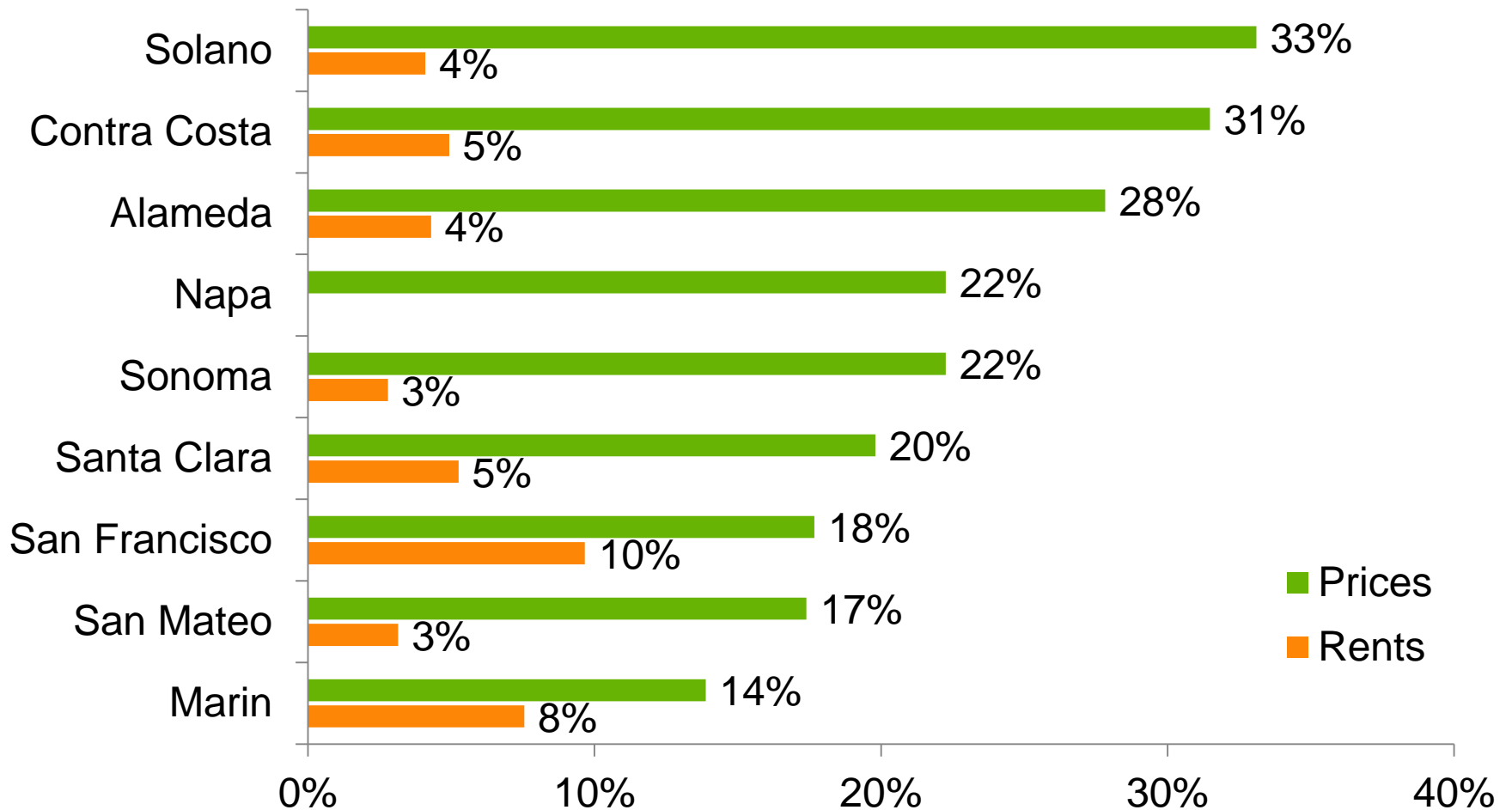


# Price gains outpacing rents nationally



# Bay Area counties: prices and rents

Year-over-year, August 2013



# Even in SF, buying still cheaper than renting

What mortgage rate can you get  
on a 30-year fixed-rate loan?

3.5%

4.8%

6.0%

If you itemize your tax deduction,  
what is your income tax bracket?

Do not itemize

15%

25%

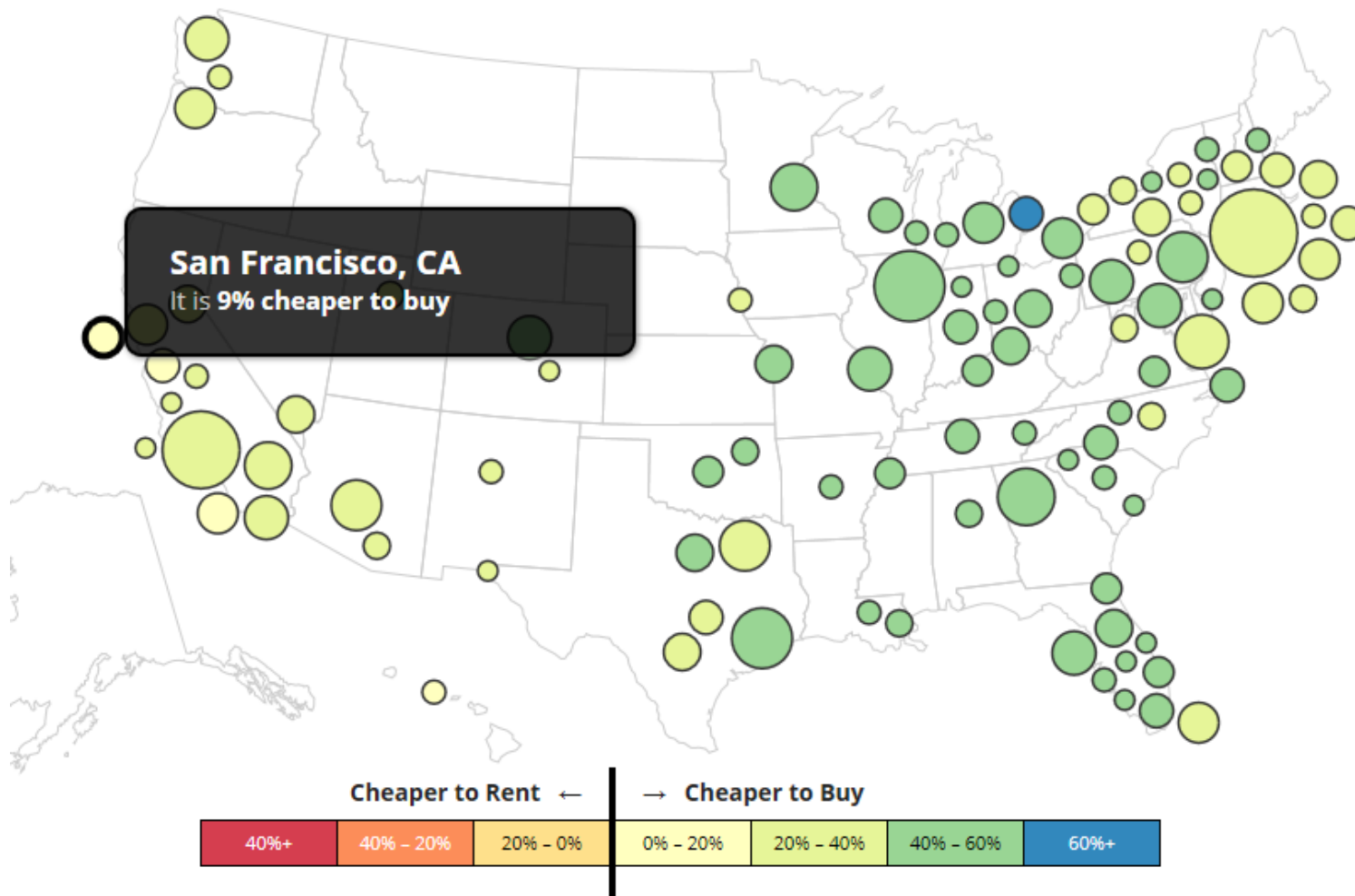
35%

How many years will you stay  
in your next home?

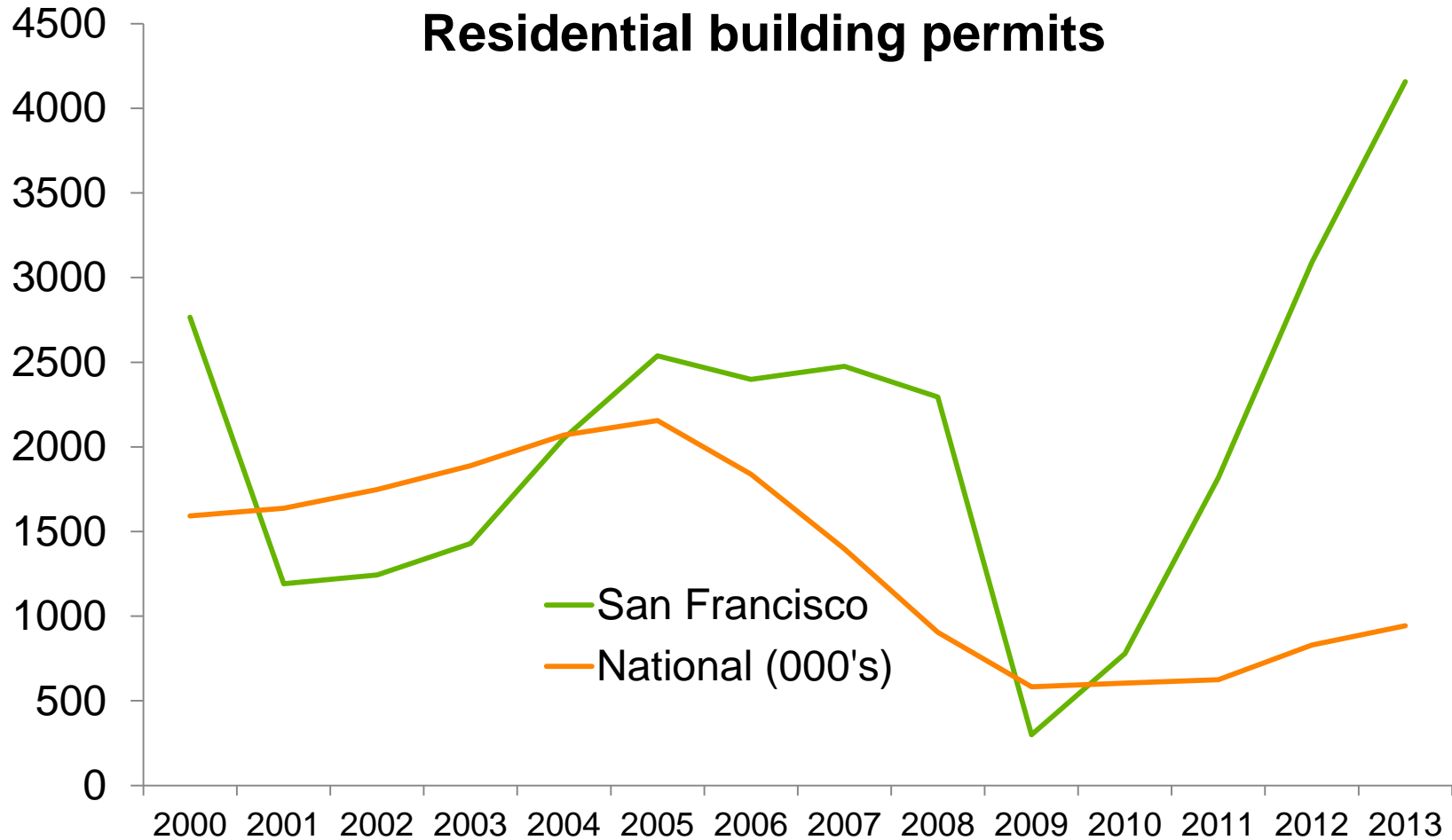
3 years

5 years

7 years



# The San Francisco building boom



Source: Census; 2013 through Aug, annualized

# Affordability in San Francisco

- If God didn't want San Francisco to be expensive ...
- Regulations aggravate inherent challenges
- Affordability is about competitiveness as well as equity

# What I worry about -- nationally

## Not-worries

- Housing bubble forming
- Rising rates derailing recovery
- Investors hurting the market
- People giving up on homeownership

## Worries

- Construction fundamentals weak
- Mortgage credit tight
- Housing policy uncertain

Thank you!