

California's Housing Needs



California Department of Housing and Community Development



Identifying the Problems

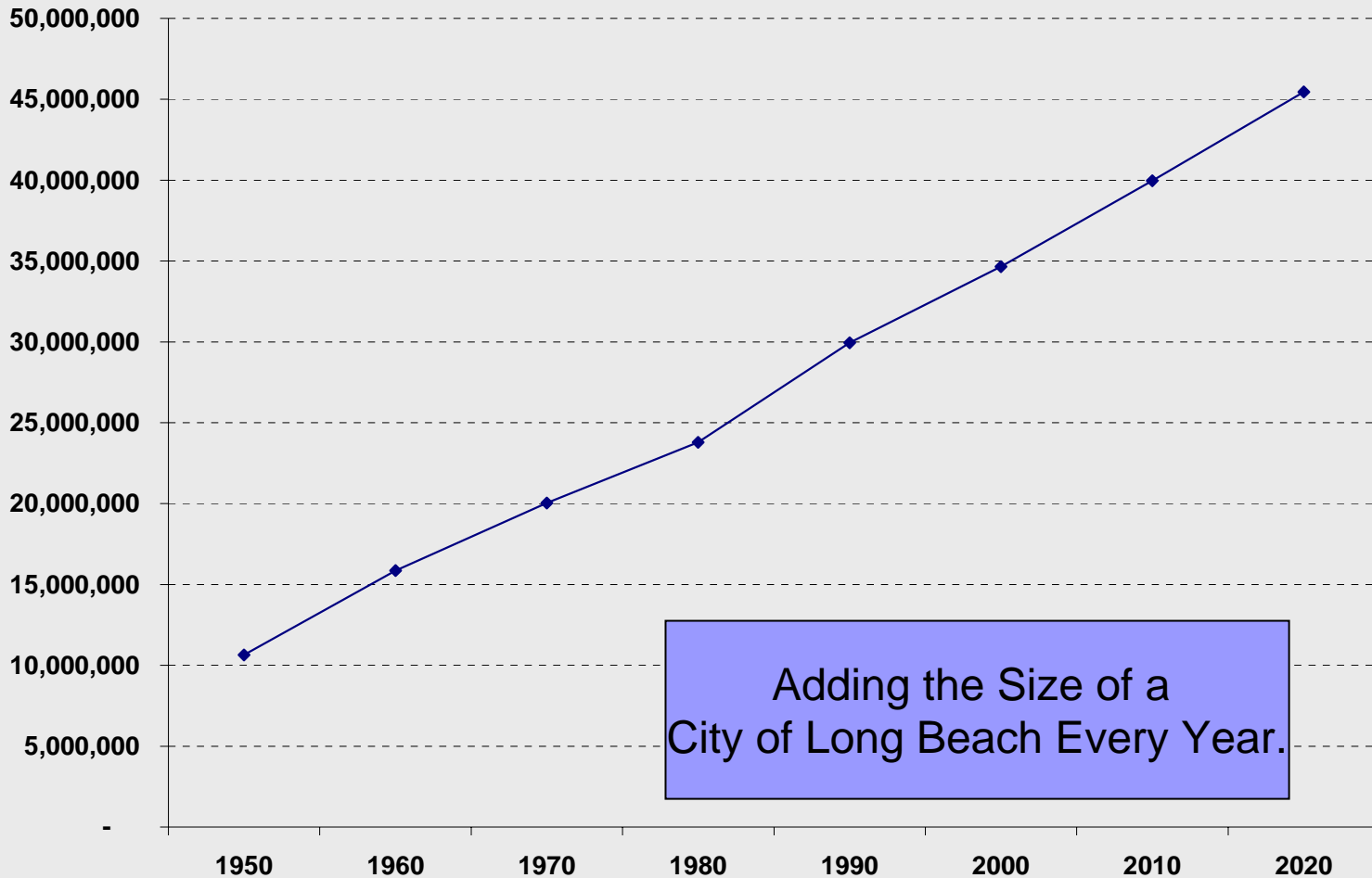


Housing Demand Influences

- **Strong Population Growth**
- **Changing Demographics**
- **Housing Supply Shortage**
- **Declining Affordability**
- **Job Growth**

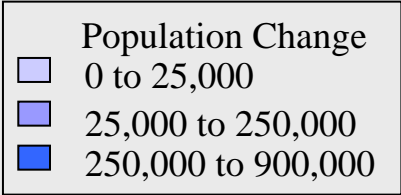
Strong Population Growth

California's Population Predictably Grows About 500,000 Per Year.



Strong Population Growth

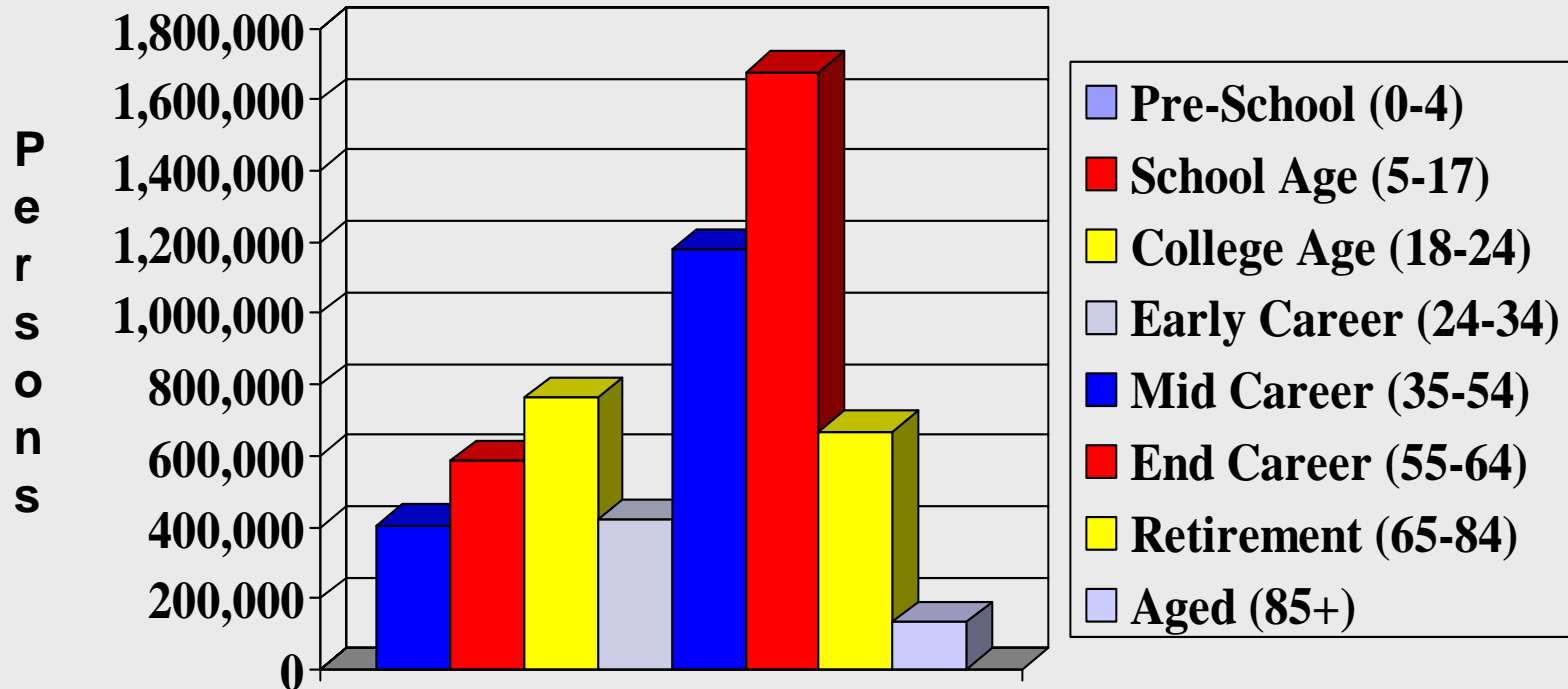
California Today: 37 million
California 2020: 44 million



Source: DOF Demographics Research Unit, 2003

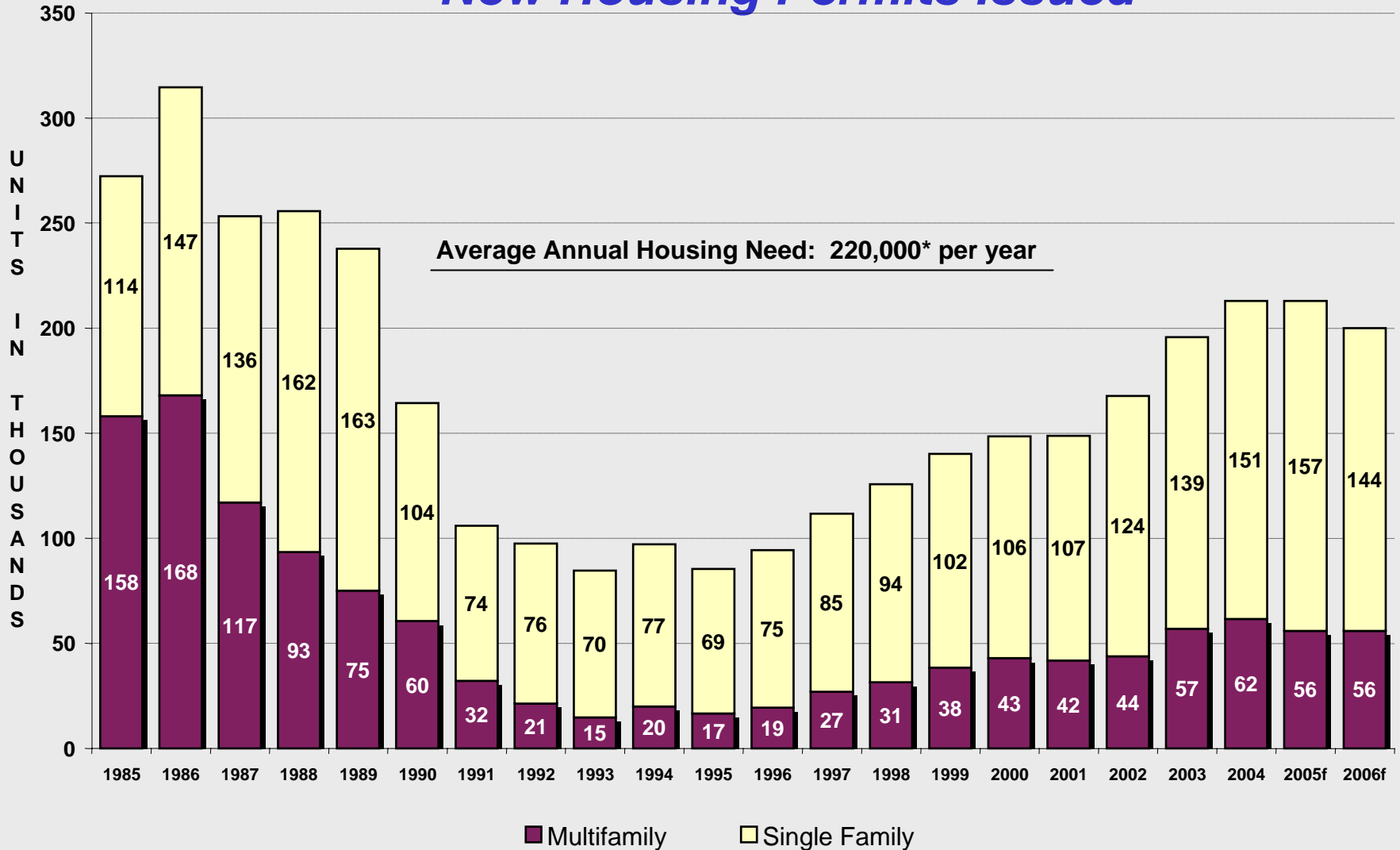
Changing Demographics

CALIFORNIA'S Projected Growth 2000 – 2010 by Age cohort



California Housing Supply

New Housing Permits Issued



SOURCES: CAR; Construction Industry Research Board, November 28, 2005; CA Statewide Housing Plan, Raising the Roof – (Need 1997-2020) Graphic representation by HCD.

Declining Affordability

Though housing prices have declined in some regions,
a home of their own remains out of reach for most California families



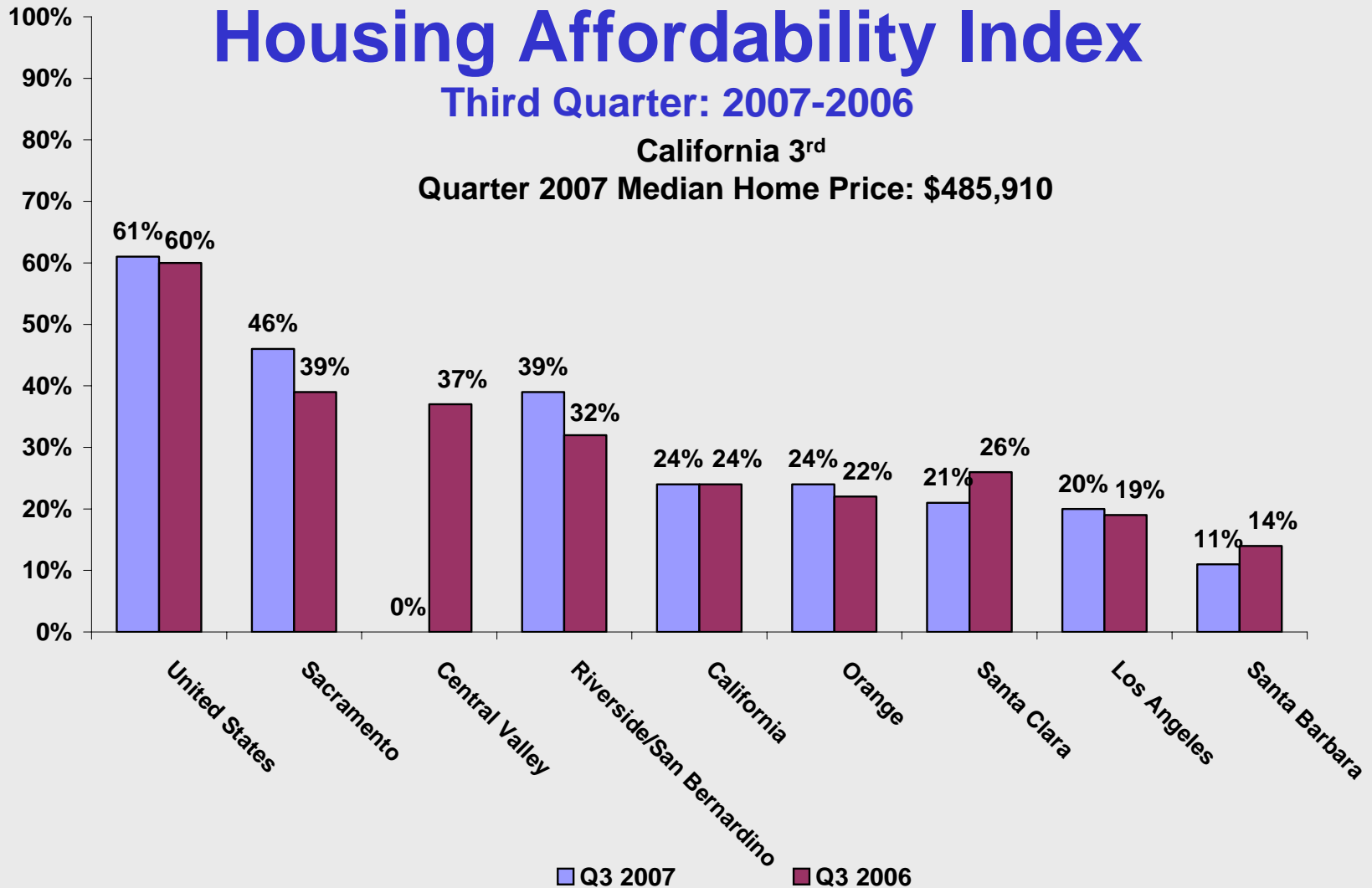
	Median Sales Prices:	
	<u>Nov. 07</u>	<u>Nov. 06</u>
California	\$488,640	\$554,500
<u>County/Region</u>		
No. California	\$354,600	\$394,150
Los Angeles	\$520,960	\$590,790
Orange County	\$661,580	\$699,299
San Diego	\$535,780	\$578,120
Riverside/ San Bernardino	\$344,140	\$401,450

First Time Home Buyers Housing Affordability Index

Third Quarter: 2007-2006

California 3rd

Quarter 2007 Median Home Price: \$485,910



Percentage of households that can afford to purchase an entry-level home in California.

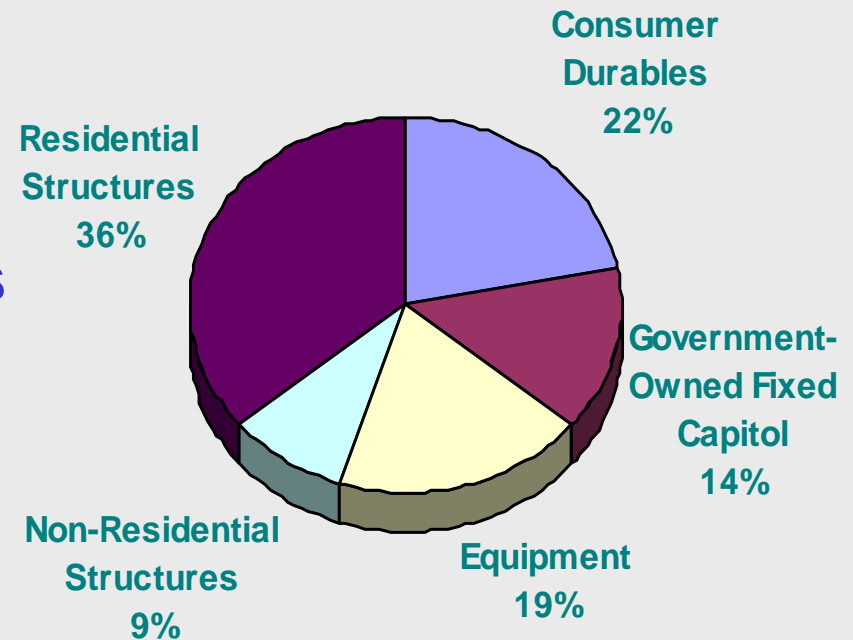
Why Housing is Important

Housing Industry Contribution to the California Economy

- Contributes \$273 billion per year to the economy.
- Generates 960,000 jobs.
- Accounts for approximately 11% of all economic activity in the state.
- Housing industry is the first largest industry group in the state, when all economic multipliers are considered.

Why Housing Is Important

- Housing wealth has a more immediate impact on consumer spending than stock wealth.
- About 6 in 10 homeowners have more home equity than stock wealth.
- Housing accounts for more than one-third of the nation's tangible assets.





California's Response

Addressing Our Supply Problem

Governor Schwarzenegger Addresses Housing:

- “We need affordable housing. A home of your own is part of the American Dream. I believe in such dreams.”
- “I want a California where people spend less time sitting on the freeway and more time in the homes that they own.”
- The State’s lack of housing supply has created inefficient land uses and forced housing development further from jobs and population centers.

When there is enough housing that is affordable...



Children have stable neighborhoods
and healthy environments.
When they thrive, their community thrives.