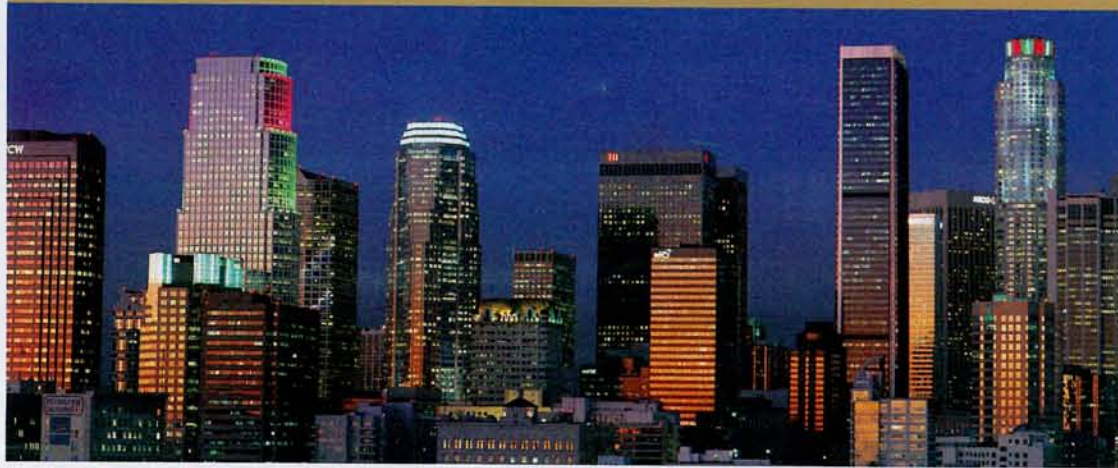


SPOTLIGHT

By Kirsten Terry

LOS ANGELES



Those who've gained the most often have the most to lose. Nowhere is that more clear than Los Angeles' housing market.

The price of the average L.A. home appreciated by more than 140 percent between 2000 and 2007, the nation's largest gain in that time.

Echoing their rise, however, home values in the city dropped more than in any other U.S. market between 2006 and '07.

Although prices are making their way back to earth, market stability might be a ways off. L.A. remains the least-affordable housing market in an English-speaking country, according to research firm Demographia. L.A.

County also has seen a striking slide in home sales — a decrease of about 50 percent between January '07 and '08.

At the end of 2007, lender apprehension toward jumbo loans also hurt selling chances for the city's mid-range homes, which are priced similarly to high-end properties in other markets. A bill passed in February, however, temporarily increased the conforming limit for loans purchased by Fannie Mae and Freddie Mac (*More: From the Editor, Page 12*) and could aid this Southern California market in coming months.

What the Locals Say



"With the reduced land sales we're seeing, we're going to see reduced housing prices. Ultimately, the homes that get built on those lots are going to be more affordable. There's a trend today that the square-footage of houses are coming down, as well."

— Aman Lal, broker associate, The Hoffman Co.

Vitals

- ▲ **Population: 3.85 million**
 - Population in 2000: 3.69 million
 - Rank (U.S.): 2nd-largest
 - Metropolitan-area population: 13 million
 - Metropolitan-area rank: 2nd-largest
- ▼ **Average commute: 29.2 minutes**
 - Average commute in 2000: 29.6 minutes
 - U.S.: 25 minutes
- ▲ **Median household income: \$44,445**
 - Median household income in 2000: \$36,687
 - U.S.: \$48,451
- ▲ **Median age: 33.4 years**
 - Median age in 2000: 31.6 years
 - U.S.: 36.4 years
- ▲ **Inflation (Consumer Price Index): 3.9 percent**
 - Inflation (January 2007): 3.2 percent
 - U.S.: 0.4 percent
- ▲ **Unemployment: 5.6 percent**
 - Unemployment in December 2006: 4.5 percent
 - U.S.: 4.7 percent

Industry

- **Licensing:** Brokers are regulated by either the California Department of Corporations, under the California Finance Lenders Law, or the California Department of Real Estate (DRE).
 - The Department of Corporations says brokers can negotiate loans in connection with loans made by a licensed lender but cannot negotiate, broker or make any direct loans to banks.
 - Through the DRE, a person with a real estate license can broker loans.

Market

- ▲ **National foreclosure-volume rank (state): 1st (out of 51)**
 - Rank in 2006: 2nd
- ▲ **Foreclosure volume (state): 53,292**
 - Foreclosure volume in December 2006: 12,623
- ▼ **Median Los Angeles County home price: \$458,000**
 - Median home price in January 2007: \$520,000
 - U.S.: \$222,000
- ▲ **Median monthly housing costs: \$2,313**
 - Median monthly housing costs in 2000: \$1,598
 - U.S.: \$1,295
- ▲ **Housing inventory: 22,165**
 - Housing inventory (January 2007): 16,155
- ▼ **Homeowner-vacancy rate: 1.4 percent**
 - Vacancy rate in 2000: 1.8 percent
 - U.S.: 2.7 percent
- ▼ **Total home sales: 3,379**
 - Total home sales (January 2007): 6,805
- ▼ **Single-family-residential building permits (December): 123**
 - Permits in December 2006: 159
- ▲ **Housing units (including one-unit, two or more units, and mobile homes): 1.36 million**
 - Housing in 2000: 1.34 million

Résumé

- **Demographics:** 73.9 percent white, 12.4 percent black, 4.4 percent Asian; 14.8 percent identify as Hispanic or Latino
- **Top private employers in area:** Kaiser Permanente, Northrop Grumman Corp., The Boeing Co., Kroger Co., Vons
- Largest U.S. manufacturing center