

2015/2016 Land Market Update

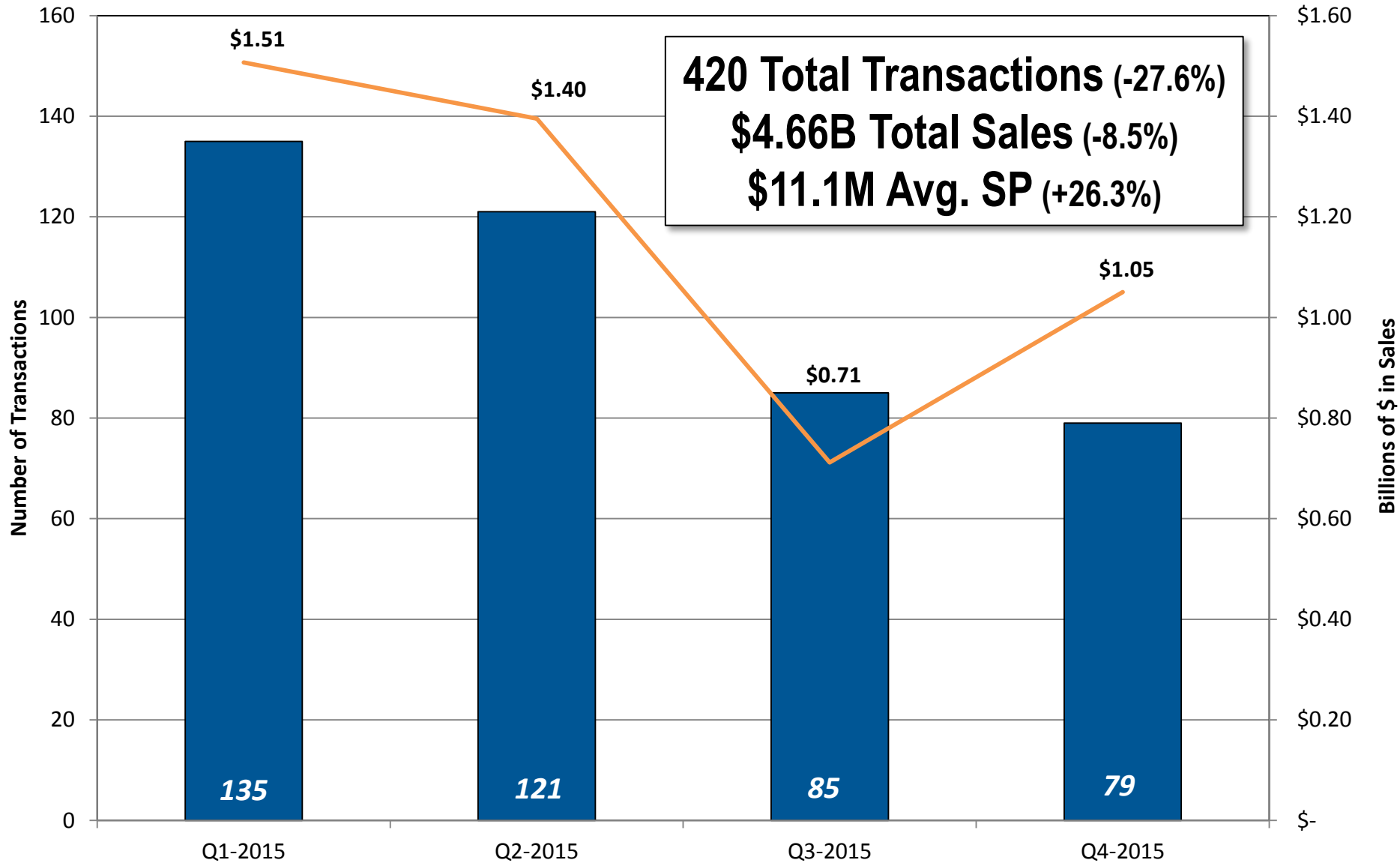
23rd Annual LA/OC Market Trends Seminar
Appraisal Institute – Southern California Chapter
Thursday, January 28, 2016 – 10:15 a.m.
Garden Grove, CA

Presenter:
Tom Reimers
President – CA Division
Land Advisors Organization



CALIFORNIA LAND SALES

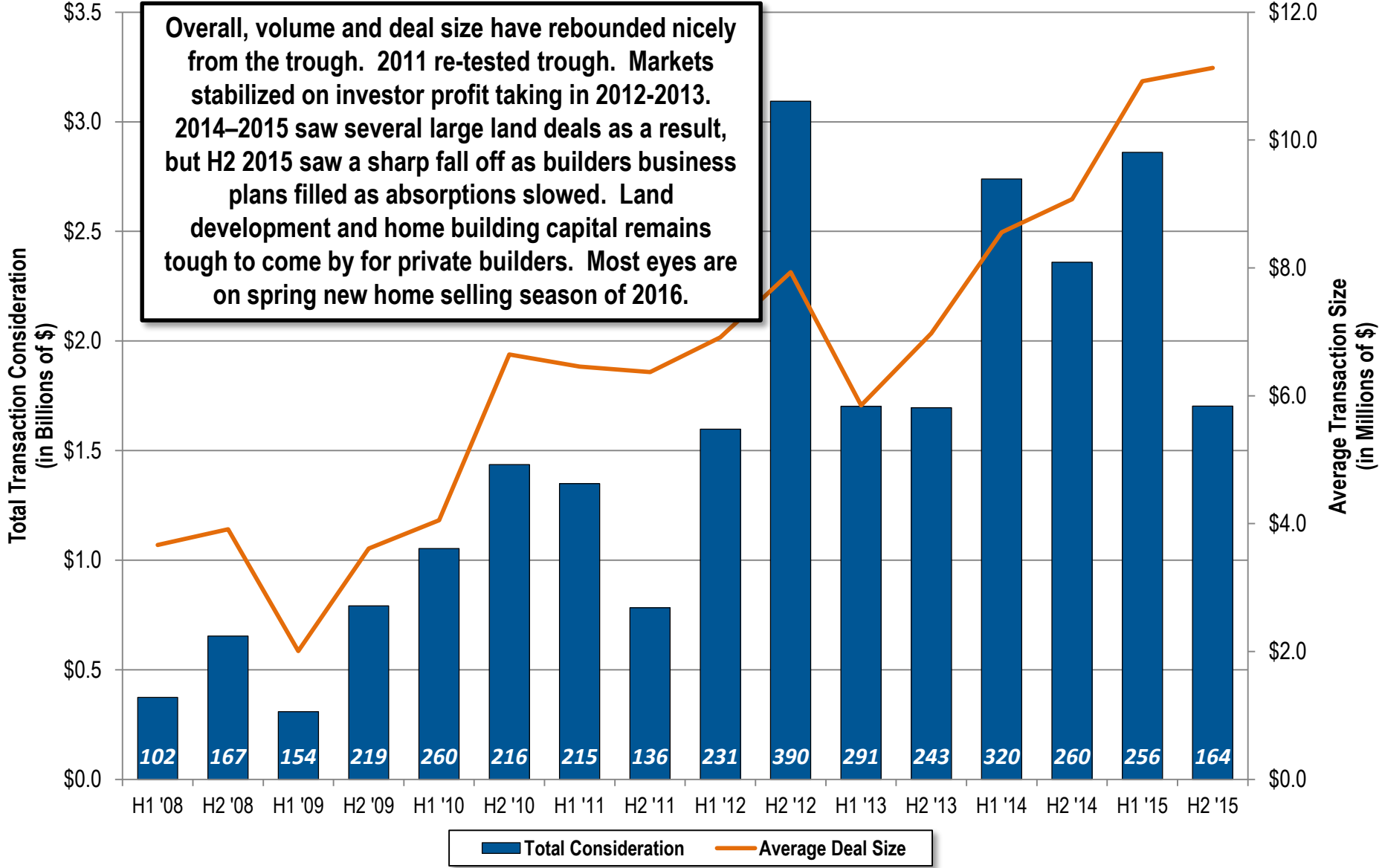
2015 Headline Numbers



CALIFORNIA LAND SALES

2015 in Perspective

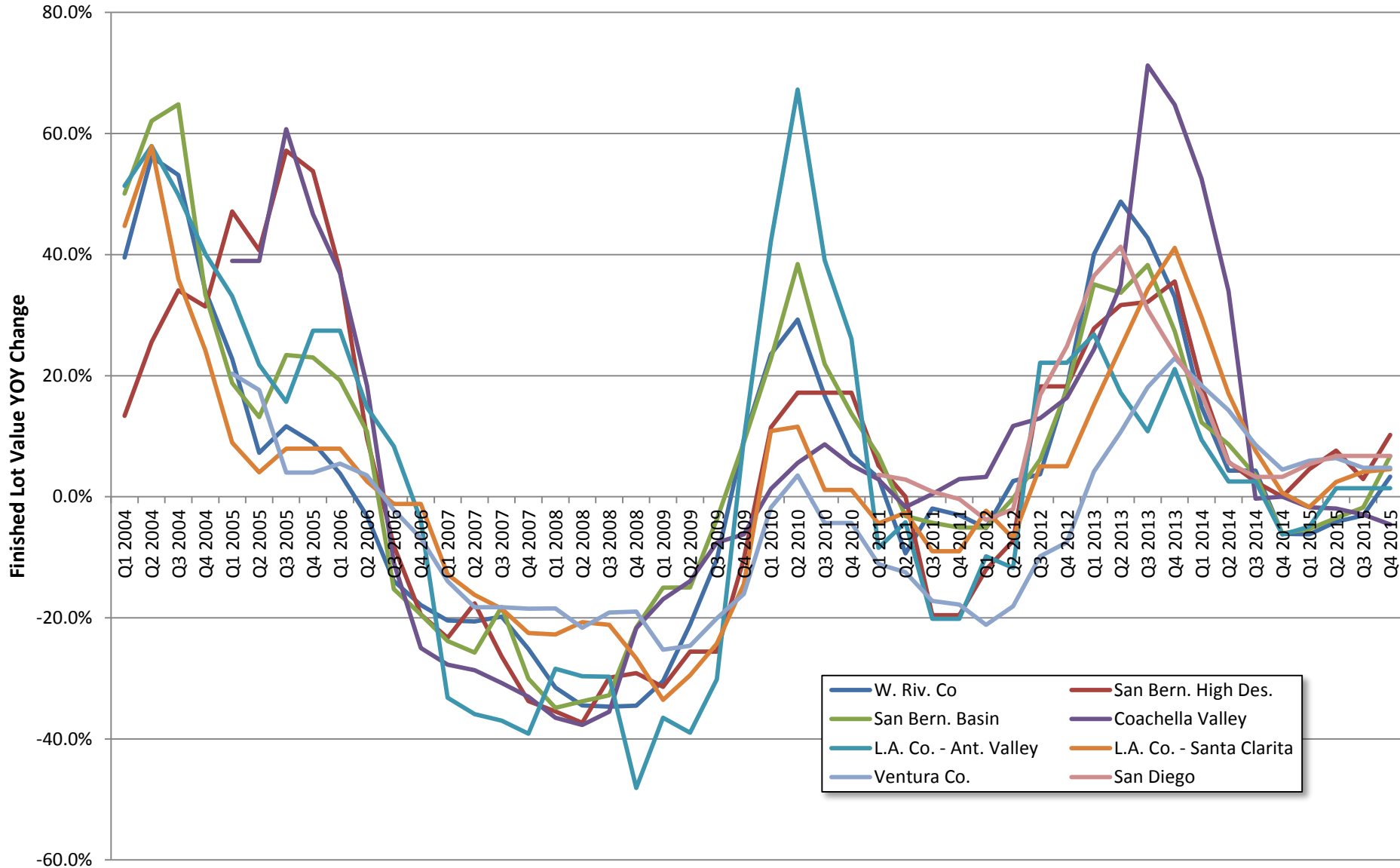
Overall, volume and deal size have rebounded nicely from the trough. 2011 re-tested trough. Markets stabilized on investor profit taking in 2012-2013. 2014-2015 saw several large land deals as a result, but H2 2015 saw a sharp fall off as builders business plans filled as absorptions slowed. Land development and home building capital remains tough to come by for private builders. Most eyes are on spring new home selling season of 2016.



Source: Land Advisors Organization research

S. CALIFORNIA LOT VALUES

2015 in Perspective



Source: Land Advisors Organization research

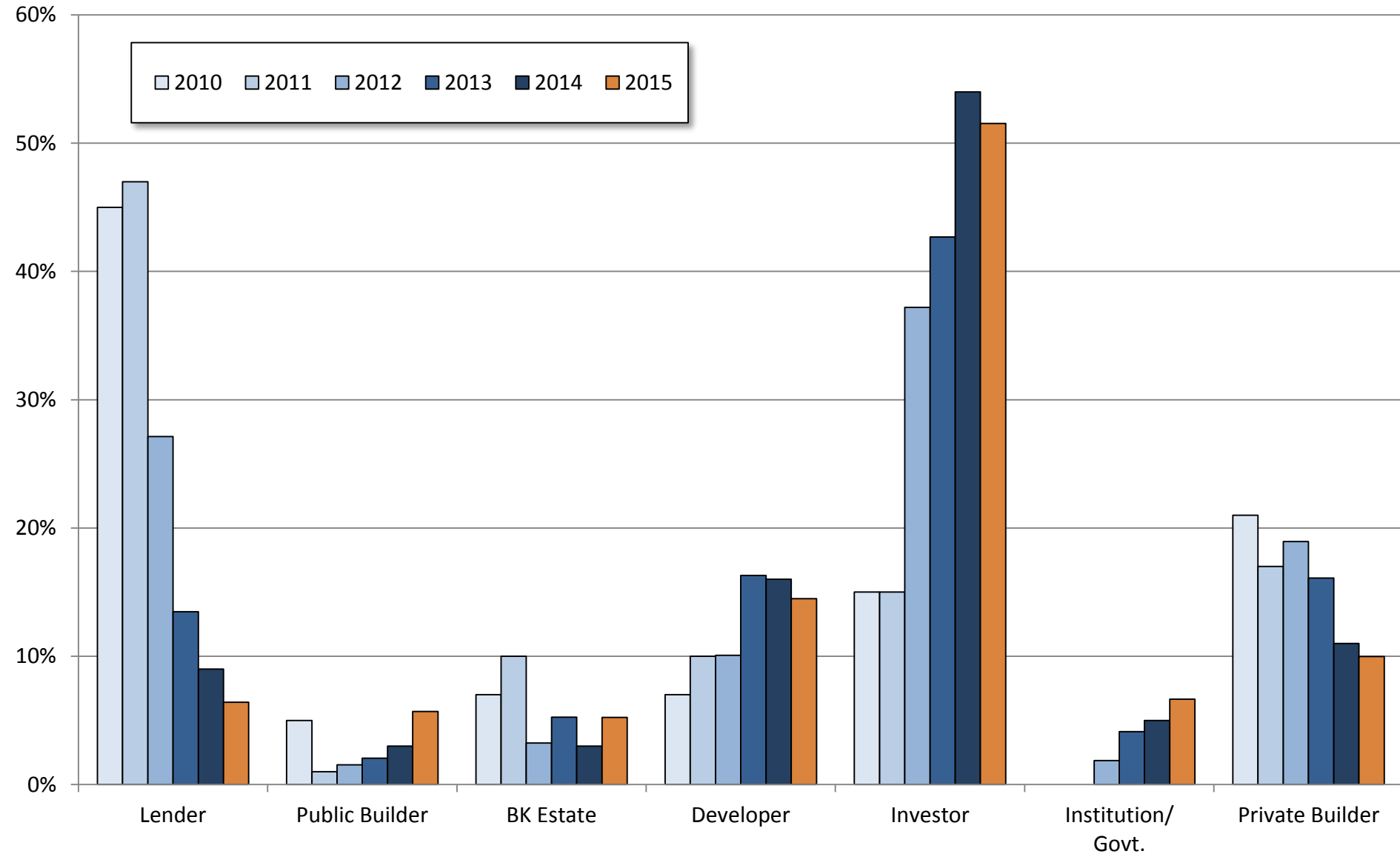
CALIFORNIA FINISHED LOT VALUE METRICS

Selected Regions – 2003 through 2015

AREA	Avg. Value	Peak	Trough	Peak->	Trough->	Current as % of Peak	Year-Over-Year Lot Value Change				
	Q4 '15			Trough	Trough		Current	Q4 '14	Q1 '15	Q2 '15	Q3 '15
NORTHERN CENTRAL VALLEY <i>(14 Markets)</i>	\$132,917	\$236,250	\$55,000	(76.8%)	113.4%	47.6%	13.3%	12.3%	10.8%	16.4%	14.7%
BAY AREA <i>(15 Markets)</i>	\$486,563	--	\$185,000	--	188.4%	--	12.6%	11.7%	13.1%	20.8%	16.7%
LOWER CENTRAL VALLEY <i>(10 Markets)</i>	\$71,000	\$115,000	\$44,850	(58.6%)	56.9%	67.0%	11.6%	0.0%	0.0%	0.0%	0.0%
VENTURA CO. <i>(8 Markets)</i>	\$235,625	\$544,000	\$189,000	(64.4%)	36.9%	48.5%	4.5%	6.0%	6.4%	4.8%	4.8%
LOS ANGELES – ANTELOPE VALLEY <i>(4 Markets)</i>	\$77,500	\$165,000	\$45,000	(72.7%)	71.5%	46.7%	(6.2%)	(4.9%)	1.4%	1.4%	1.4%
LOS ANGELES – SANTA CLARITA <i>(4 Markets)</i>	\$243,750	\$313,750	\$130,000	(57.7%)	73.8%	72.9%	0.6%	(1.7%)	2.4%	4.1%	4.5%
SAN BERNARDINO – HIGH DESERT <i>(4 Markets)</i>	\$72,250	\$128,750	\$41,250	(68.0%)	75.6%	56.1%	0.0%	4.6%	7.6%	2.9%	10.2%
SAN BERNARDINO – BASIN <i>(11 Markets)</i>	\$208,182	\$282,727	\$111,932	(60.5%)	82.1%	71.6%	(6.0%)	(5.3%)	(3.5%)	(1.8%)	6.7%
RIVERSIDE – WESTERN <i>(17 Markets)</i>	\$140,250	\$206,553	\$72,395	(65.2%)	92.2%	66.3%	(6.1%)	(6.2%)	(4.1%)	(3.1%)	3.3%
RIVERSIDE – COACHELLA <i>(12 Markets)</i>	\$168,000	\$217,917	\$81,708	(64.7%)	105.9%	71.9%	0.0%	(1.8%)	(2.0%)	(2.9%)	(4.6%)
SAN DIEGO <i>(9 Markets)</i>	\$422,778	--	--	--	--	--	3.2%	5.8%	6.9%	8.4%	9.1%
CALIFORNIA STATEWIDE <i>(107 Markets)</i>	\$223,655	\$257,930	\$104,746	(63.4%)	89.8%	64.1%	3.2%	3.8%	4.9%	6.3%	7.0%

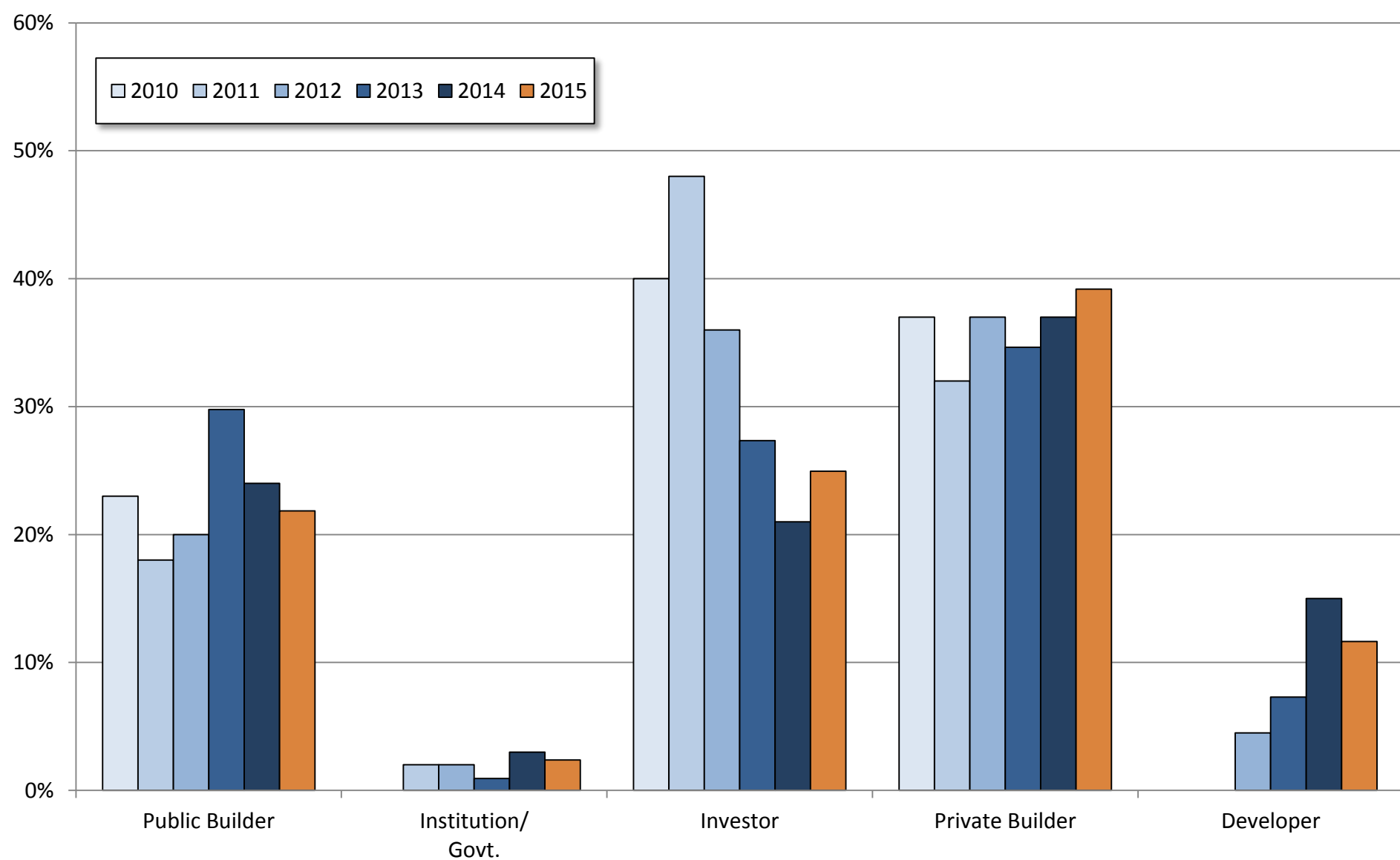
CALIFORNIA LAND SALES

By Seller Profile



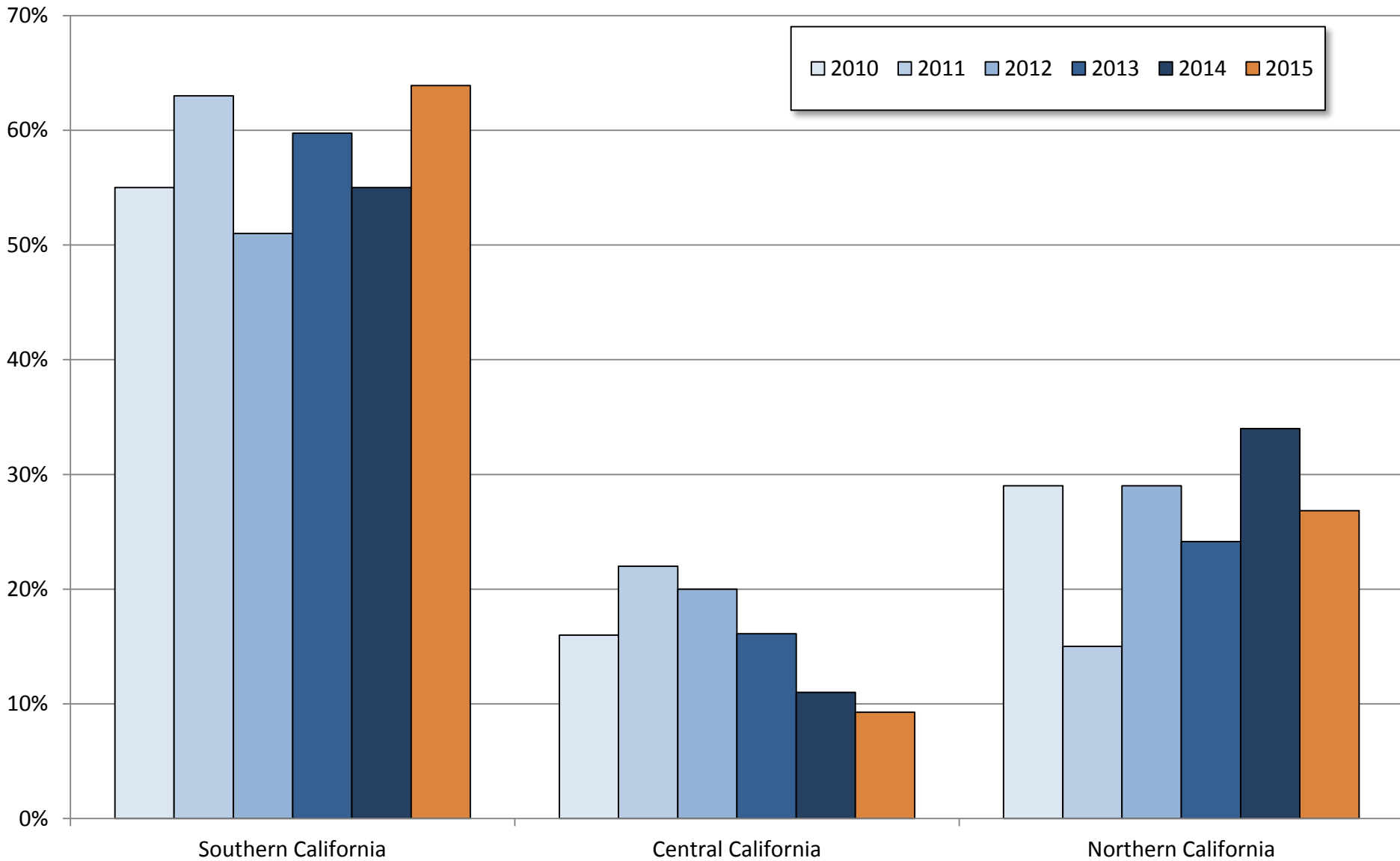
CALIFORNIA LAND SALES

By Buyer Profile



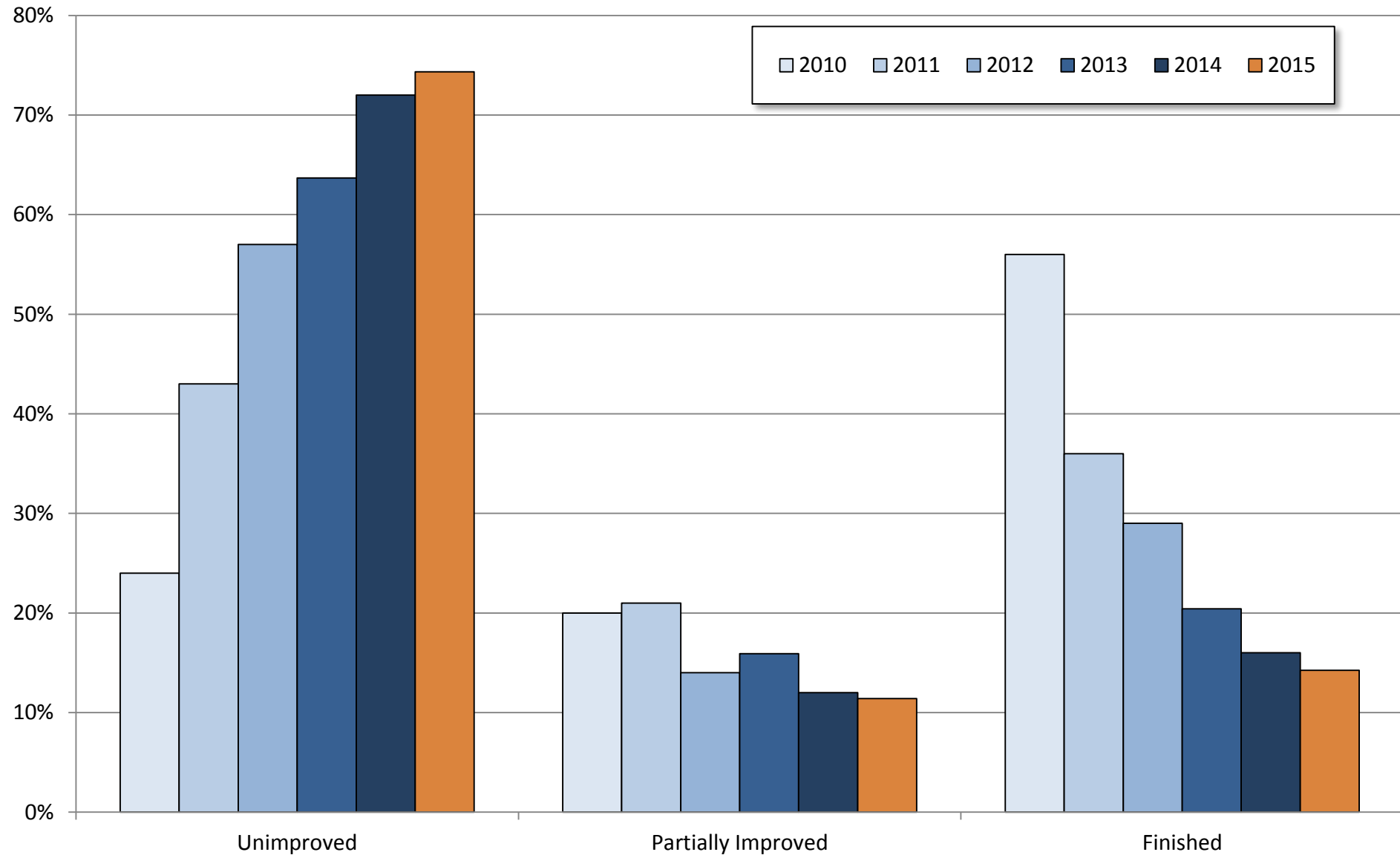
CALIFORNIA LAND SALES

By Region



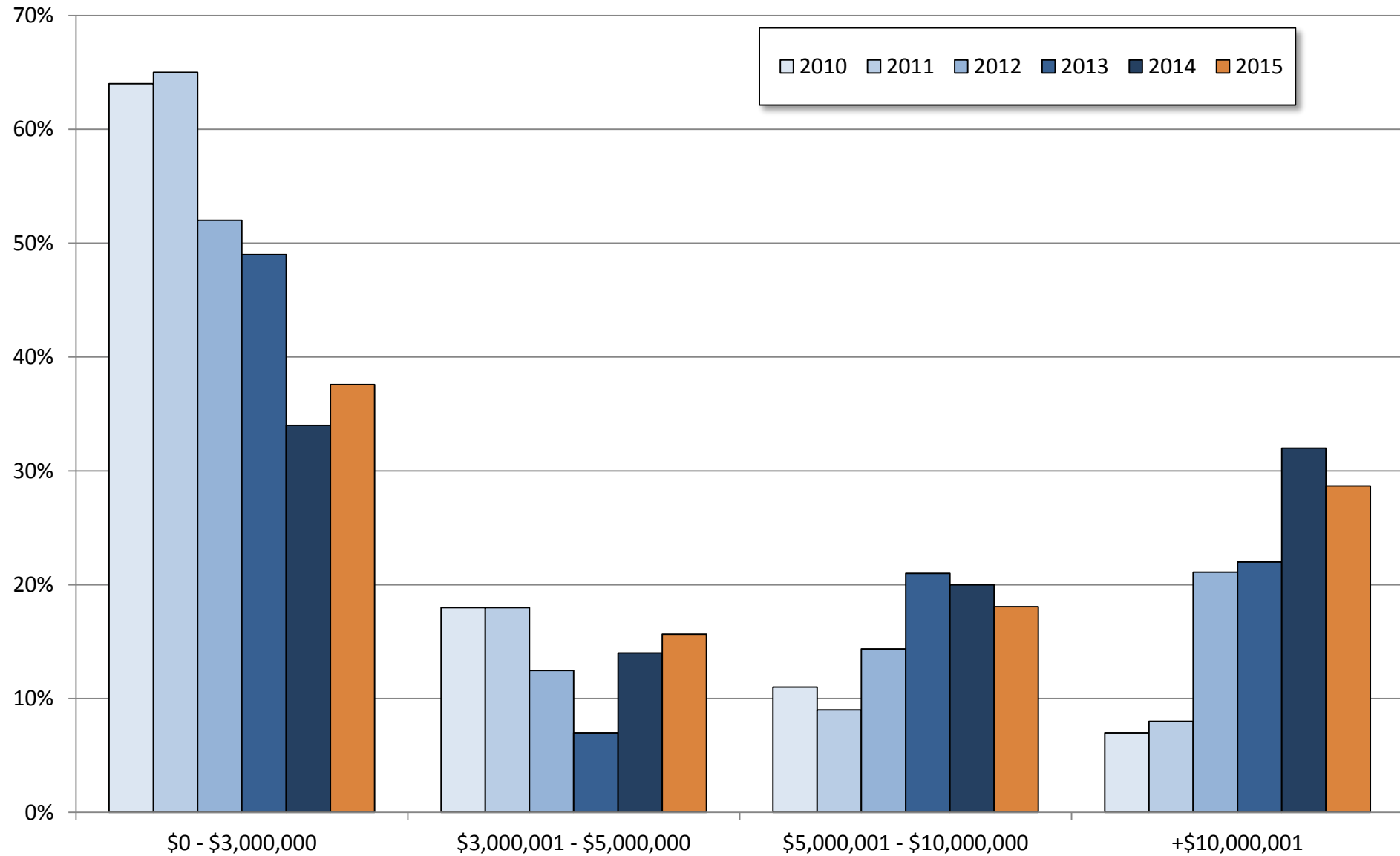
CALIFORNIA LAND SALES

By Site Condition



CALIFORNIA LAND SALES

By Transaction Size



CALIFORNIA BUILDING PERMITS

Region	2015 Annualized @ 12/1/2015	Current % of Total	Peak	Current % of Peak	Trough	Current % of Trough
Bay Area	18,002	20.1%	35,855	50.2%	5,161	348.8%
Central Coast	2,258	2.5%	7,481	30.2%	814	277.4%
Central Valley	7,101	7.9%	39,897	17.8%	4,119	172.4%
Northern California	2,464	2.8%	6,866	35.9%	457	539.2%
Sacramento Region	6,286	7.0%	23,236	27.1%	2,055	305.9%
Southern California	53,255	59.6%	117,541	45.3%	16,441	323.9%
Totals/Averages	89,366	100.0%	230,876	38.7%	29,047	307.7%

PERMIT SCENARIOS THRU 2020

Southern California – Single-Family & Multi-Family Combined

POPULATION GROWTH OF 1,500,000

487,013 New Households
220,234 Units Built 2009-2015
266,779 Remainder 2016-2020

53,355

Average Permits Needed Per Year

(2013 = 35,563)
(2014 = 44,277)
(2015 = 53,084)

POPULATION GROWTH OF 2,000,000

649,351 New Households
220,234 Units Built 2009-2015
429,117 Remainder 2016-2020

85,823

Average Permits Needed Per Year

(2013 = 35,563)
(2014 = 44,277)
(2015 = 53,084)

POPULATION GROWTH OF 2,500,000

811,688 New Households
220,234 Units Built 2009-2015
591,454 Remainder 2016-2020

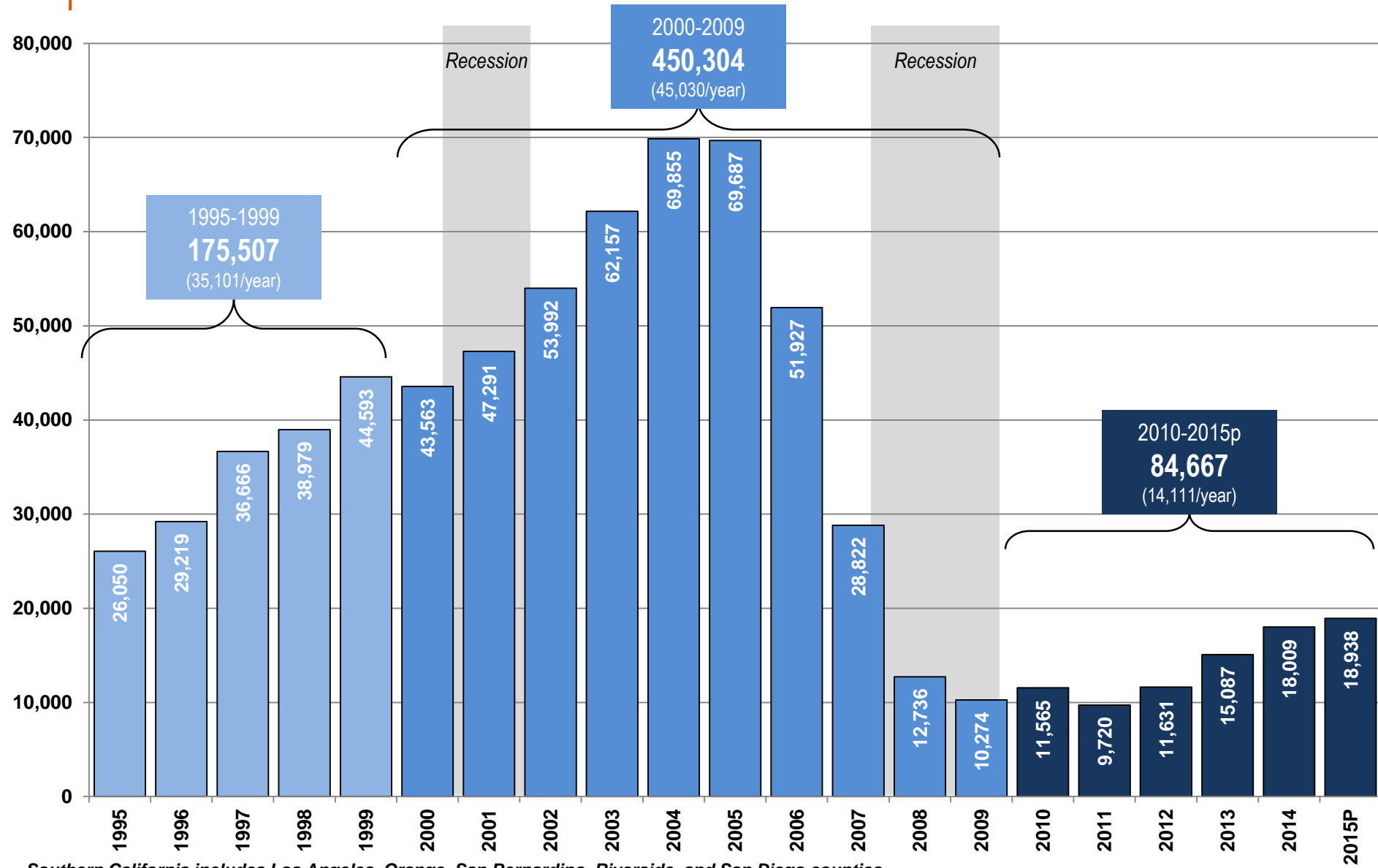
118,290

Average Permits Needed Per Year

(2013 = 35,563)
(2014 = 44,277)
(2015 = 53,084)

Source: SCAG, SANDAG, Land Advisors Organization research

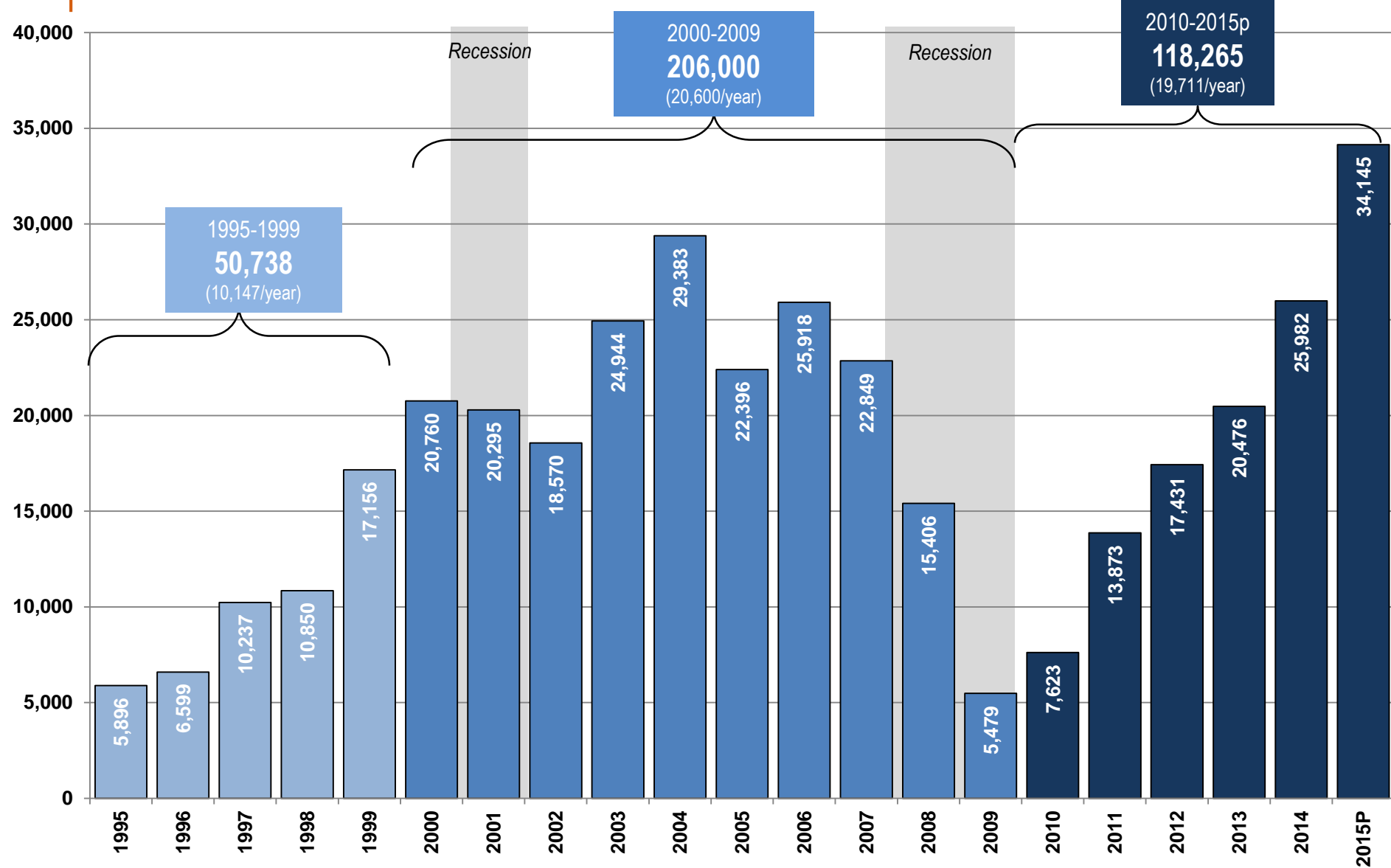
S. CALIFORNIA SINGLE-FAMILY PERMITS



Southern California includes Los Angeles, Orange, San Bernardino, Riverside, and San Diego counties

Source: U.S. Census, Land Advisors Organization research, through November 2015

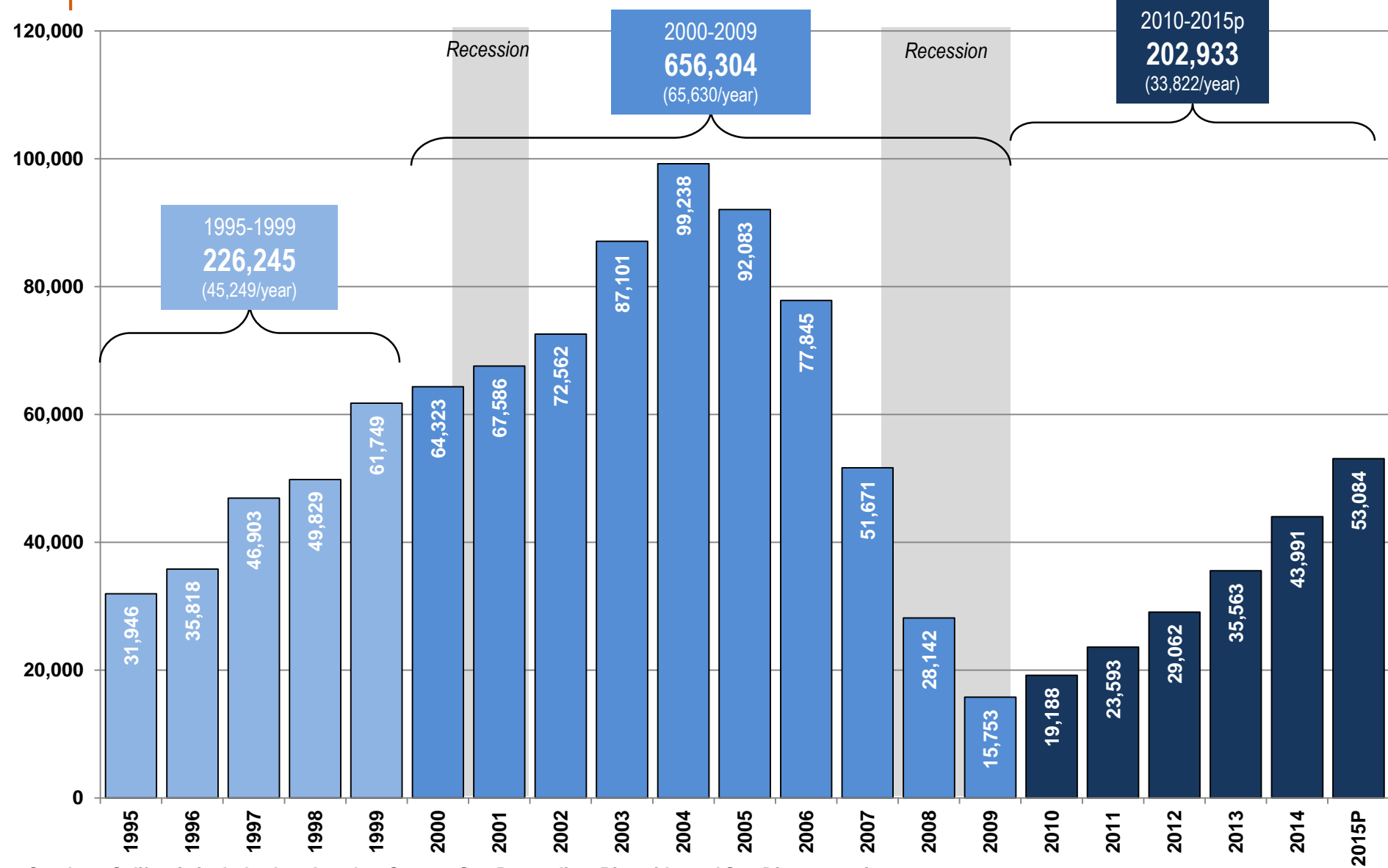
S. CALIFORNIA MULTI-FAMILY PERMITS



Southern California includes Los Angeles, Orange, San Bernardino, Riverside, and San Diego counties

Source: U.S. Census, Land Advisors Organization research, through November 2015

S. CALIFORNIA TOTAL BUILDING PERMITS



Southern California includes Los Angeles, Orange, San Bernardino, Riverside, and San Diego counties

Source: U.S. Census, Land Advisors Organization research, through November 2015 but annualized

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Thank you for the opportunity to present today!

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