Homeownership in Oklahoma
TOOLS for a CHANGING MARKET

THE SIXTH ANNUAL OKLAHOMA HOMEBUYER EDUCATION CONFERENCE
Location: Moore Norman Technology Center, South Penn Campus, Oklahoma City • Date: November 6, 2008
By the Numbers: An Overview of Oklahoma’s Housing Market

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Key Points

- Oklahoma’s economy has grown rapidly in recent years, but has slowed recently.
- The state’s housing and banking sectors remain in better shape than in the nation.
- But the national situation bears watching, as do recent declines in oil and gas prices.
Oklahoma job growth has slowed but remains well above the national average.

Source: U.S. Bureau of Labor Statistics
Unlike in the nation, unemployment rates are down across the state since last year.

Unemployment Rates

Percent, not seasonally adjusted

Source: U.S. Bureau of Labor Statistics
But recent job growth has been minimal outside the energy sector.

Employment Growth by Industry
September 2008

Percent change year over year

Source: U.S. Bureau of Labor Statistics
Oil and gas prices have come down considerably in recent months.

Count of Active Drilling Rigs and Oil/Natural Gas Prices

Source: Baker-Hughes
Drilling activity continues at high levels, but has begun to cool in recent weeks.
Unemployment claims have also risen in recent weeks after lagging the nation.

Weekly Unemployment Insurance Claims

Percent change from a year ago

*Based on weekly average of first half of the month

Source: U.S. Bureau of Labor Statistics
In housing, permits have declined less in Oklahoma than in the nation.
And home sales have also fallen much less in Oklahoma.

Sales of Existing Homes

- Index, 2003 Q2=100
- Source: NAR, Residential Realtors

- U.S.
- OK
Inventories of unsold homes have edged up but remain well below the nation.
While U.S. home prices are now falling, Oklahoma prices are holding on.

Quality-Adjusted Home Price Growth

- US
- OK

Source: OFHEO
House price fundamentals were more in line in Oklahoma from 2000 to 2005

Annual Growth in Per Capita Incomes and Home Prices
2000 - 2005

Source: U.S. Bureau of Economic Analysis, OFHEO
Unlike in the nation, the number of foreclosures has changed little in recent years.

Source: Realty-Trac
The state’s foreclosure rate is also now lower than in the nation.

Foreclosure Rates in the U.S. vs. Oklahoma

Source: Mortgage Bankers Association
Loan delinquencies are rising at Oklahoma banks, but less than in the nation.
Bank capital levels were relatively solid heading into the recent economic slowdown.
Interbank lending spreads widened sharply in September but have since eased.
Nearly all banks are now tightening standards on all types of mortgage loans.

Source: FRB Senior Loan Officer Survey
Summary

- Oklahoma’s economy has outperformed the nation in recent years
- Recent declines in energy activity are likely to result in slower job growth
- Housing could therefore suffer in the state, though initial conditions are better than in the nation
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