

Measuring the Size of the Small Multifamily Market: A Critical Step in the Establishment of Lending Goals for the GSEs

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1 Introduction

A topic in discussions of housing finance policy for many years has been whether the market for mortgages to small multifamily properties is adequately served by our current mix of markets and regulatory provisions, where small refers to properties with 5-49 units and typically has a mortgage between \$1 and \$5 million. At issue was whether to encourage greater participation in the small multifamily market by Freddie Mac and Fannie Mae. The issue continues to be discussed. For example, the Housing and Economic Recovery Act of 2008 (HERA) requires that the GSEs must report on their small multifamily business and that FHFA may, but is not required to, establish “additional requirements” for these loans.

The motivation for such attention on the market for small multifamily mortgages rests on two key assumptions. First, the benefits of securitization have not reached into this segment of the mortgage market nearly to the extent that it has for single family mortgages and larger multifamily properties. The Millennium Housing Commission of 2001, for example, said that “Financing for small multifamily properties ... however, is one of the most significant gaps in the mortgage industry.” Though the current economic crisis is leading many of us to rethink the nature and extent of the benefits of securitization in its recent form, it seems that the GSEs and the CMBS market, until 2007, were very successful in providing mortgage credit to large multifamily properties but not nearly as prominent in the market for small MF properties. Second, many of the tenants in small multifamily properties are believed to be low and moderate income households who are natural and traditional targets of federal housing policies. For example, Bradley, Cutts, and Follain (2000) estimate that small- and medium sized properties have higher concentrations (73 and 75% respectively) of low and moderate-income tenants than larger multifamily properties. As such, improvements in the financing of small multifamily properties may generate benefits to the many low and moderate income households who live in them.

One obstacle to the extension of securitization to small multifamily mortgages has been the higher relative cost of underwriting these properties, which are often more heterogeneous than large properties and seemed to offer relatively little opportunity to attain the economies of scale in the underwriting process obtained for single family properties. As a result and as discussed by Bradley et al (2000), Follain and Szymanoski (1995), and others, CMBS issuers and the GSEs have tended to focus upon relatively large properties. Providing incentives in the form of specific housing goals to the GSEs for small multifamily lending volumes were seen as ways to generate innovations to help foster a stronger secondary market for these small multifamily mortgages. For example, these innovations might include the development of new data bases and underwriting systems that build upon some of the developments of automated underwriting and automated valuation models so prominent in the single family market.

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Another obstacle to the establishment of affordable lending goals for the GSEs and for the new Duties to Serve in HERA is the core topic of this paper. That is, these policy efforts are greatly hampered by the difficulty of assessing the size of the market for associated with any particular goal since the GSE goals are stated as percentages of an estimate of the total size of the mortgage market for a particular goal.¹ For example, the 2009 goal for each Enterprise's purchases of mortgages on housing for low- and moderate-income families would be 51 percent of the total number of dwelling units financed by that Enterprise's mortgage purchases. 51 percent is meant to be an estimate of the share of the larger and conventional market serving these households. Absent precise and current estimates of the size of the market, it is difficult to hold the GSEs or any one else accountable to increase lending in this sector with the current specification of the goals. These measurement difficulties have been discussed in a number of papers, including Bradley et al, Bogdon and Follain (1996), and Crews, Dunsky, and Follain (1997).

In 2007, we had had the opportunity to do a study of the size of the market for small multifamily properties for Freddie Mac. The current paper reports on the results of this research, which consisted of two major components. The first utilized the 2001 RFS and the 2001 and 2005 AHS to measure the amount and composition of multifamily mortgage debt. Though we generated what we consider to be a plausible and defensible process to generate an estimate of the size of the small multifamily market as of mid-2005, the analysis revealed concerns about the accuracy of the 2001 RFS. Also, some of the assumptions used to update the 2001 RFS are difficult to test.

The second and a particularly innovative component utilized public records data to examine details about small multifamily mortgages not available from the two national surveys. We attempted to demonstrate this view by examining public records data in four large markets – Cook County in Chicago, Los Angeles County, Dade County in Miami, and New York City. We believe that these public records data offer some unique insights about the existing and varied sources of financing for small multifamily properties and, in particular, highlight the substantial variations in the size of the small multifamily mortgages among local housing markets. The potential value of public records as a source of information about this market seems particularly great looking forward since there were problems with the accuracy of the 2001 RFS and because it appears unlikely that there will be a 2011 RFS.

The remainder of the paper consists of four sections. The next section offers a brief survey of recent literature on the 2001 RFS. The third section offers estimates of the size of the market for small multifamily mortgages as of mid-1005 for the nation and some larger regions using the 2001 RFS and the 2001 and 2005 AHS. The fourth section focuses on some of the main results of our study of public records data. The final section

¹ FHFA released a recent report on proposed goals for 2009, which can be accessed at: <http://www.fhfa.gov/webfiles/2138/2009EntHsgGoalsMission42809F.pdf>.

offers a brief summary and some thoughts about how research on this topic might proceed. The accompanying tables and graphs are contained in the Appendix.

2 Report on Recent Literature about the 2001 RFS

We uncovered little published work regarding the 2001 RFS. This was surprising at first. However, we have since discovered that there were problems with the initial release of the data. The HUD web site devoted to the RFS contained discussions and remedies for these errors until late 2005. The HUD Reports about the RFS were finalized only in October 2006.²

We have had an opportunity to review these two reports. We highlight four aspects of these results. First, and as noted above, our tabulations of the aggregate amount of mortgage debt for small multifamily properties are quite close to the calculations provided in the HUD Reports. Given the incidence of outliers and the complexity of the data set, we find this comforting.

Second, these two reports sought to replicate many of the key results of an earlier study of the 1991 RFS by Segal (2003) about small multifamily property financing. We simply summarize three key findings of these new reports, which include specific references to Segal's earlier report.

- “Segal had found that rental properties with between 5 and 49 units were less likely to have mortgages in 1991 than larger rental properties. We find that the same is true in 2001 and that the impact of being a smaller property was, if anything, somewhat larger in 2001.”
- “Like Segal, we next examine whether smaller properties are more likely to rely on relational financing—that is, borrowing from institutions, such as commercial banks and savings and loan associations that can use information about the borrower obtained through other financial transactions to better assess the risk of the loan. As in 1991, smaller properties are more likely to use relational financing after controlling for other influences, but we observe that the differential between smaller and larger properties has declined by about half over the decade.”
- “Finally, we look at the prevalence of adjustable-rate financing controlling for other factors and find, like Segal, that smaller properties use adjustable-rate financing more frequently.”

In summary, the authors of the HUD Reports (Fred Eggers and John Goodman) conclude that mortgage market segmentation between small and large properties changed little between 1991 and 2001.

² “Characteristics of Housing Finance in 2001: An Analysis of Data from the 2001 Residential Finance Survey”. Contract No.: C-CHI-00839 Project No.: C-011.017, Econometrica, Inc., October 2006; and, “Issues in Housing Finance: An Analysis of Data from the 2001 Residential Finance Survey”, Contract No.: C-CHI-00839, Project No.: C-011.017, Econometrica, Inc, October 2006. Fred Eggers and John Goodman were the primary authors of these reports.

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Third, the new reports by Eggers and Goodman also investigate the information in the 2001 RFS regarding such values as the DCR, the LTV, and other information about the mortgages on multifamily properties. Much of their work is similar to the Bogdon and Follain (1996) paper in which they seek to identify properties with relatively low DCRs and relatively high LTVs. This combination is associated with relatively risky mortgages. They also sought to exploit information only found in the 2001 RFS about delinquencies and foreclosure.³ Unfortunately, the authors of the HUD Reports highlight a number of concerns regarding this information. The fundamental problem appears to be a higher than anticipated non-response rate to many of these questions. “Over one-half (55 percent) of all lender questionnaires were non-responses, and non-responses were highest (63 percent) among lenders to rental properties.” As they conclude, “Particularly troubling is the high level of non-response to the lender survey.” Given this conclusion and our review of their results, we have opted not to pursue at this time further examination of the DCRs, capitalization rates, and LTVs obtained from the 2001 RFS.⁴

Fourth, the HUD Reports identify an important and challenging aspect of the 2001 RFS. That is, it utilizes “top coded” values for certain numeric variables. All properties with values above a certain threshold (usually about the 95th percentile of responses) are assigned the mean value of all observations above that threshold. For example, all first mortgage balances of more than \$43,868,000 on rental properties (85 sample observations) appear in the data files with values of \$68,076,000. This is the weighted average reported balance for all loans above the \$43,868,000 threshold. This top coding procedure is “mean preserving” in that the sample averages calculated with top coded observations generate the same estimated means as if the actual values for those observations were in the data files.⁵ Nonetheless, we find this a caveat worth noting.

³ Jim Follain served on a panel of experts to help improve the 2001 RFS. One key recommendation was to incorporate more information about mortgage performance, which the Census did incorporate.

⁴ See Table 31, Appendix D, of U.S. Census Bureau [2005].)

⁵ Although the RFS does provide measures of both sampling and non-sampling errors, the complexity of the RFS design makes it quite difficult to generate precise estimates of the reliability of the mean estimates. Hence, we do not incorporate these types of reliability measures into our analysis.

3 Estimating the Size of the National Market as of 2005

Our estimates of the size of the national market for small multifamily mortgages rely upon several sources of data – the 2001 RFS, the 2001 and 2005 AHS, and the 2001 and 2005 Flow of Funds data from the Federal Reserve Board – and several key assumptions about how these data sources relate to one another for our purposes. The final estimate is just under \$200 billion as of mid-2005, which is about 30 percent of our estimate of the total amount of multifamily mortgage debt as of that time. These estimates are provided in column h of Table 3.1. The columns to the left provide information about the various steps we took to generate our final estimates. We think it is helpful to discuss the various steps taken to produce these estimates in order to highlight the critical assumptions needed to produce them and some concerns about the 2001 RFS

3.1 Analysis of the 2001 RFS

The overall process began with a close examination of the 2001 RFS. This involved comparisons to the 1991 RFS, the generation of a variety of indicators of the characteristics of multifamily mortgage debt, and comparisons to some other potential benchmarks for the year 2001. We find that the 2001 RFS does indeed provide some helpful information; however, our review also raised several concerns about the 2001 RFS and the accuracy of the information it provides about multifamily mortgage debt. We highlight some of the results of this analysis.

3.1.1 Variations by Weighting Measures and the Inclusion of Outliers

A key part of any analysis of the 2001 RFS involves the use of the property weights and the treatment of records with seemingly unrealistic values, i.e. outliers. We highlight some of these challenges in Table 3.2, which is divided into three panels.

The top panel presents weighted averages of a number of property characteristics. Condominiums and mobile homes are excluded in this table and throughout our analysis, the original Bogdon and Follain analysis, and the HUD Reports; however, no other restrictions are imposed. The second panel excludes a number of properties with highly suspect values. For example, those with loan to value (LTV) ratios in excess of two are excluded because it suggests something is almost surely wrong with either the value estimate or the estimate of the outstanding mortgage amount.⁶ The unweighted estimates are presented in the third panel of the table. This panel highlights the critical role of these weights in any analysis of multifamily properties with the RFS. This is especially important to keep in mind in any analysis of small multifamily properties where the average weight can vary from about 2 to more than 2000.

⁶ Other exclusions are generated by annual appreciation rates greater than 25%; current value per unit less than \$5,000; current value per unit greater than \$500,000; purchase price greater than \$500,000 per unit; more than 1,000 units in one property; current LTV ratio is greater than 2; current rent-to-value ratio is greater than 1; and, the ratio of annual rental receipts to property value exceeds 1.

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To highlight these distinctions, consider, for example, the estimates of the average market value of multifamily properties in Table 3.2. The weighted average property value for all multifamily properties is \$1.496 million and is based upon a weighted number of properties of 504,838. The unweighted estimates are \$9.4 million and 18,442, respectively. The point is that RFS estimates of aggregate values are highly dependent upon a relatively small number of properties and the estimates of the weight variables. Even incorporating these weight variables reveals a wide variation in the distribution of property values. Note, for example, the standard deviation based upon the weighted values is more than 3 times larger than the mean, which suggests a highly dispersed distribution. In fact, the sample we use to estimate these values already includes some screening on our part for outlier values. To see this, note the estimates in the top panel, which incorporates none of the restrictions we note in footnote 1 and use in the bottom two panels of Table 3.2. Clearly, the distribution of certain variables is highly dispersed. We will say more about the causes and nature of this dispersion, but we can already see a potential limitation in the RFS when we begin to drill down to smaller and smaller categories.

Table 3.3 addresses the important distinction between number of units and number of properties. This is done by introducing a new weight variable, which is the product of the original census weight and the number of units in the property. As we show below, this different weighting scheme can sometimes generate different pictures of the market for small multifamily properties. Also, this weighting scheme becomes a critical part of our ability to compare the RFS to the American Housing Survey (AHS).

There is a significant discrepancy between the average numbers of units between the two classes of multifamily properties. The average number of units in a small multifamily property is about 13 units. The average among the large multifamily properties is close to 150 units. The average time since property acquisition remains relatively constant among the categories and regardless of the weighting scheme. The geographic distribution of units and properties also seems relatively stable with regard to weighting schemes.

The major differences introduced by the weighting schemes seem to be these. First, a distribution based upon the number of units seems to reveal a younger stock of housing. For example, 40 percent of the rental units in small multifamily properties were built since 1970 using the weighting scheme based solely upon the property weights. When applying the weighting scheme to the number of units, that number increases to 46 percent. A similar pattern is found among large multifamily properties.

Government Assistance. Another interesting difference pertains to the prevalence of various types of assistance. Though small multifamily properties tend to receive a disproportionate share of assistance, the disparity is less pronounced with the units weighting scheme. For example, the fraction of units in small multifamily properties receiving Section 8 subsidies is 14 percent versus about 19 percent of units in large multifamily properties. The ratio suggested by a property weighting scheme shows the disparity to be much larger (22 to 11 percent). This is important because it suggests that the small multifamily properties are a key ingredient in the delivery of housing assistance to the poor.

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Ownership Structure. These results highlight another important but not surprising distinction between small and large multifamily properties. That is, small multifamily properties tend to be owned by individuals whereas partnerships and corporations tend to be the largest owners of large multifamily properties. Individual ownership for small multifamily properties stands at 61 percent, while 70 percent of large multifamily properties are owned by partnerships or corporations. The mix is sensitive to the weighting scheme — partnerships prove to be relatively more important among small multifamily properties. This probably suggests that partnerships are more important among the larger properties within the small property category. So even among the small multifamily category, there are likely important differences.

3.1.2 AHS and RFS Comparison by Geographic and Property Characteristics

The second reason to incorporate a units weighting scheme is to make comparisons to the AHS. The AHS is the principal source of information regarding the housing stock and its tenants in the United States. It is conducted every other year at the national level. The AHS is based upon a sample of housing units whereas the RFS, as noted above, is based upon a sample of properties. Both generate estimates of the number of housing units in the United States; however, only the RFS provides estimates of the number of properties and information about the property itself and the owner. The AHS provides information about the number of units within the structure, but, as we will see, the size of the structure and the size of the property are often quite different. Nonetheless, any attempt to update the 2001 RFS information to 2005 will benefit from a careful look at the AHS and the RFS in 2001 since the AHS is done every two years. In addition, the AHS contains a wealth of valuable information about the tenants, e.g., income, and the rents they pay. Table 3.4 displays a comparison of AHS structures to the RFS properties and units. Table 3.4 also includes estimated levels of outstanding debt based on the RFS. We describe several points of interest based on Table 3.4.

Size of the Multifamily Market Discrepancies. The RFS indicates the size of the multifamily market is 16.7 million units. This is 16 percent more rental housing units in multifamily properties than the AHS (16.7 versus 14.4 million units). This raises a flag regarding the complexity of estimating market size with only the RFS. The AHS is based upon a sample of housing units drawn from the universe of the 2000 Census. The number of units in the RFS is based upon information provided by the owner or manager of the property. The RFS is closer to the actual count of units in structures with 5+ units computed in the 2000 Census, which was just fewer than 16 million units. The residential debt amounts at the bottom right are used to populate the first column of our summary Table 3.1.

3.2 Converting the 2001 RFS Estimates into a 2005 Estimate

Given these assumptions and calculations, we then rely upon three additional steps to generate our 2005 estimates. Each is described in turn.

Step 1: Update the total RFS estimate to conform to the 2002 Flow of Funds. Other work done by us and others led us to conclude that the Federal Reserve Bank's (FRB's) Flow

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of Funds estimate of total MF mortgage debt exceeded the estimate from the RFS by 24.43 percent. We conducted additional analysis of the components of the debt by lender type to see whether this might help identify the source and extent of the discrepancy. We, as did the report to HUD on the 2001 RFS, found a significant pattern – the response rate by lenders who were asked to participate in the survey was quite low. As a result, the estimates from the RFS seem most likely to be in error.⁷ Since we have no information about the distribution of the error among the three categories, we simply adjust each 2001 estimate upward by 24.3 percent.

Step 2: Increase the number of housing units in each category by 2005 AHS estimates. The AHS provides information about the number of housing units within the *structure* in which a housing unit is located whereas the RFS provides information about the number of housing units with the *property* in which a housing unit is located. Of course, we know that many MF properties consist of multiple structures, but there are no nationally based estimates of the number of small MF properties in 2005. As a result, we, in essence, assume that the ratio of the number of housing units to the number of properties in each category remains the same during our time period.

The national AHS is conducted every two years. It provides estimates of the total number of housing units in MF structures. Column “e” of Table 3.1 contains AHS estimates of the growth rates in the number of units by the structure categories. Applying these growth rates to the 2001 estimates from column “c” generates the initial 2005 estimate of outstanding debt, which is displayed in column “f.” The AHS is conducted during the middle-months of the year (late April to mid-September); hence, we view our estimates as being relevant to the middle of 2005.

Step 3: Apply an additional increment based upon 2005 FRB Flow of Funds. The total amount of mortgage debt per unit may have also changed since 2001 for two reasons. First, property or unit values likely increased; second, loan to value ratios may have changed. We have no direct information on either component or how they may have varied between small and large MF properties. Hence, we utilize the 2005 FRB Flow of Funds estimates to account for these other changes and apply the growth rates in the FRB estimates equally to both small and large MF properties. Total MF mortgage debt grew by 26.09 percent according to the FRB between 2001 and 2005. Applying this growth rate generates our final 2005 estimate of outstanding debt, which is displayed in column “h.”

3.3 Geographic Distribution of Multifamily Debt

The RFS provides limited information about the locations of the properties included in the survey. As reported earlier, the geographic identifiers include census region, whether it is in a metropolitan area (MSA), and, if so, whether it is in the central city of the MSA. We apply the same process used to generate our estimates of total mortgage debt to

⁷ We contacted FRB economists regarding the discrepancy. They are aware of it and plan steps later in 2007 to investigate it, but can offer no definitive assessment of it at this time.

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provide 2005 estimates of small MF mortgage debt by these geographic areas with one exception. The Regional tables incorporate a regional growth factor based on the regional unit growth rates from the 2001 and 2005 AHS. The results are contained in

Regional growth rates in the number of housing units from the AHS are summarized in Table 3-5. The distributions of the debt by region and MSA are contained in Tables 3.6 (Small MF) and 3.7 (Large MF). Note three areas in with relatively large shares of small MF debt are apparent. The city portions of New York State represent more than 8 percent of total UPB. Clearly, New York City is a major location of such properties. Hence, our focus upon public records data in New York City seems warranted. MSAs in California are other places with large concentrations of small MF properties. Los Angeles County will be one of the places we focus upon in our upcoming analysis of public records data. Cities in Illinois also have relatively large concentrations of small MF properties.

3.4 Summary Observations about the Estimates

We employ what we consider to be a plausible process to estimate the size of the small multifamily mortgage market in mid-2005. However, there are several reasons to be skeptical. Most notably, the 2001 RFS has known errors, especially relative to the FRB's Flow of Funds estimates, and the assumptions used to make the connection to the 2005 AHS are untested. More importantly, perhaps, the process yields very few insights about the variations in the size and composition of these mortgages among large urban markets, where much of this housing is located. To do this a more granular, current, and comprehensive count of multifamily properties would be preferred. One possible and largely untested source of information about these mortgages is the public records data.

4 An Exploration of the Potential of Public Records Data

We reviewed several potential data sources for the targeted market analysis. One candidate for detailed market-specific data is REIS, which is a well-known and valuable source of information about the market for MF properties. However, it, too, is not well-suited to address the specific questions of this study. First, it is based upon property sale transactions and, hence, unable to measure the overall size of the stock. Second, it contains very little information about the mortgages underlying the transactions. Third, its coverage of the small MF market is thin. To clearly illustrate the thin coverage of the small MF market by REIS, the minimum number of units included in the MF inventory for Chicago (Cook County), Los Angeles, Miami (Miami-Dade County), and New York City are 49, 21, 45, and 50 units, respectively.

Two other candidates are the Home Mortgage Disclosure Act (HMDA) data and Commercial Mortgage Backed Security (CMBS) data. Both suffer from the same basic problems. They are based upon a specific subset of transactions linked to mortgage originations. Furthermore, the CMBS coverage of small MF mortgages is also thin. HMDA does have substantial information about small balance mortgages, but is limited to loans originated by certain financial institutions and is typically published with a lag of at least 15 months. Neither HMDA nor CMBS captures what appears to be a major source of lending in this market — seller financing.

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The source we focus upon — public records data — seems to offer the traits we seek. These include the entire universe of properties, and information about the number of units in the properties is expected to be substantial. The full universe of sales transactions is available and these data should provide rich information about the lender, the size of the loan, and, sometimes, mortgage terms. Though these data are widely used to study the single-family market, they are much less utilized to study the MF market. Also, the specific contents of these data vary among the myriad of local governments that collect and report them; hence, we anticipate different challenges to arise for each major metropolitan area investigated

Our final report to Freddie Mac focused upon the four markets that were chosen in consultation with Freddie, our discussions with data providers LPS (formerly IDM) and Real Info⁸, and our sense that these were markets with substantial numbers of small MF properties. These included Cook County from Chicago, Los Angeles County, Dade County of Miami, and New York City.

Our analysis asked a number of questions and highlighted a wide variety of patterns in these markets for small multifamily mortgages. The final report included in-depth analyses of each of these questions for each of the four counties. It included 50 tables and graphs. For the sake of brevity and to highlight what we consider to be the great potential of public records data for this type of analysis, we limit our discussion in this paper to just a few questions and only for the case of Los Angeles County.

4.1 Selective Results for Los Angeles County

Los Angeles is a large and important market but it is also one in which public records data for the fields we sought were more complete and seem to match well some of the benchmarks we examined. As such, we offer this as a prototype of what a thorough report on a particular market can be.

Question #1: What is the size of the market for small MF market in terms of the number of properties and how does this compare to the number of large MF properties? Our review of the data for Los Angeles results in a data set with 67,613 properties that fit our definition of MF (See Table 4.1). Almost 65,000 of these (96 percent) are small MF properties. Because of the availability of address information, it is possible to show these distributions of these properties among many kinds of areas within the county. We could use ZIP code, ZIP +4, longitude and latitude, and city, which is what we chose to do for this report. We display the 16 cities with the largest number of MF properties, and group the rest as “other”. Over one third of the small MF properties are in the city of Los Angeles, but other cities with significant numbers include Santa Monica, Pasadena, Long Beach, and Glendale.

Question #2: What is the size of the small MF market in terms of the number of housing units within small MF properties and how does this compare to the number of units within large MF properties? Our estimates of the total number of housing units in Los

⁸ See these sites for information about these firms: <http://www.lpsvcs.com/NewsRoom/IndustryData/Pages/default.aspx> and <http://www.real-info.com/index.asp?RISID=1f8b6ce268a9da18ee544317c97c83e9>

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Angeles County using public records data is just more than 1 million (See Table 4.2). The distribution of these units also mirrors quite closely the distribution of small MF properties. The simple correlation between the two distributions is 99 percent.

A challenge in this work involves determining whether these two estimates of the number of total properties and total number of housing units are reasonable. The underlying problems are that the public records data can, in principle, include more or less than the complete total depending upon the accuracy of the definitions used to extract public records and the lack of a definitive and comparable benchmark. This latter problem is, of course, why we are doing this exercise. There is no benchmark for the total number of properties, to our knowledge; however, we believe a reasonable benchmark for the total number of units is possible to obtain through the results of survey data. We utilize the 2005 American Community Survey (ACS) for this purpose.⁹ The 2005 ACS generates an estimate of 0.95 million renter-occupied housing units in structures with 5 or more units. This is probably on the low side since some of the renter-occupied housing units in structures with less than 4 units may be in properties with 5 or more units. In any event, we view this as largely consistent with the public records based estimate and suspect that with more time and effort we could probably draw a larger sample of records from the Los Angeles data to come even closer.¹⁰

Question #3: What is the distribution of small MF properties and units among the number of buildings within a property? As noted in our previous analysis of the RFS and AHS, these two data sets focus upon two related but not identical definitions of MF. The AHS, like most surveys, focuses upon the number of housing units in the structure or building in which the unit is located. The RFS is the only national survey that focuses upon the property. The public records data have the potential to make this connection more clear. Table 4.3 provides some insights for this particular market. In particular, it shows that there are, on average, 1.41 buildings per property, 8.07 units per building, and 11.39 units per property for small MF.

Question #4: What are the total values of property sales and the average price per housing unit based upon 2006 property sales transactions in the small MF market and their values relative to the large MF market? A subset of the public records we obtained refers to sales transactions in 2006. These provide estimates of several key measures of the market for small MF properties. In particular, 1,960 sales of small MF properties were recorded in 2006, which represents about 3 percent of total small MF properties (See Table 4.4). This strikes us as on the low side of what we expected. The comparable numbers for the large MF market are 26 property sales and 1 percent of the large MF stock, which seems even more at odds with our expectations.

⁹ The specific table we utilize is available at: http://factfinder.census.gov/servlet/STTable?_bm=y&-context=st&-qr_name=ACS_2005_EST_G00_S2504&-ds_name=ACS_2005_EST_G00_&-tree_id=305&-redoLog=true&-_caller=geoselect&-geo_id=31000US31100&-format=&-_lang=en

¹⁰ We have considered ways to make this adjustment but believe that any such remedies ought to incorporate the insights of LPS staff.

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Sales of all MF properties according to the public records data were about \$3.2 billion, but almost all of this pertained to small MF properties. The average price per housing unit was \$137,136, but these data indicate quite a distinction between the average price per unit for small properties (\$145,099) and large (\$66,927). We find this surprising and in contrast to the view that small MF properties are more “goal rich.” This led us to examine the distribution of these sales prices. Some of the wide range of outcomes is apparent in Table 4.4. We find that the smaller properties include a substantial number with well above average values: the 90th percentile value is \$256,000 and the standard deviation is \$116,000. The comparable values for large properties are \$165,000 and \$53,000. Because of these outliers and the likely undercount of large property transactions, we are reluctant to conclude that small properties have substantially higher prices per unit. Additional study of this issue is warranted.

Question #5: What are the total amounts of mortgage debt and the average debt per housing unit based upon 2006 property sales transaction in the small MF market and their values relative to the large MF market? The aggregate amount of mortgage debt originated as part of these property sales was about \$1.57 billion; \$1.49 billion was associated with small MF properties (See Table 4.5). The average loan size for the small properties was \$761,000 and \$3.18 million for large properties. We can combine this information with the property values to generate estimates of LTVs. We find the average LTV at origination is 65 percent for small properties and 78 percent for large properties.

Question #6: What are the estimated value of the entire stock of small MF properties and its value relative to the large MF market? We use the average price per unit values and the counts of the entire stock of MF properties to estimate the value of this portion of the housing stock. Our estimate of the value of the small MF housing stock is \$110 billion (See Table 4.6). The large property stock is valued at \$16.5 billion, which, again, is almost surely too low for the reasons noted above. It is also interesting to note the variations among cities. The city of Los Angeles has small MF properties valued at about \$37 billion. Beverly Hills has some small MF properties worth about \$2.5 billion in aggregate, but, probably not surprising, no large properties. Santa Monica has about \$5.5 billion worth of small MF housing near this lovely beach area!

4.2 Using Public Records to Identify Specific Submarkets

A conclusion of our analysis of public records is the relative importance of local sources of funds for the financing of small MF properties. One benefit of the public records, which was mentioned briefly in a previous section, is the availability of latitude and longitude coordinates for many of the properties. The ability to identify the exact location of the properties makes it possible to identify specific submarkets where small MF properties are prevalent.

We provide a brief example of how this data can be used when combined with commercially available mapping software, which can plot the locations of the small MF properties based on the latitude and longitude. Figure 4.1 displays a map of Los Angeles County, including major roads, with all of the small MF properties indicated by a red dot. It is clear that the small MF properties are concentrated in specific parts of Los Angeles County, and are non-existent in other parts.

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We believe the real value of this type of analysis involves the identification of specific submarkets such as the one displayed in Figure 4.2. The bulk of Figure 4.2 displays census tract 5329 in Los Angeles County, which is a subset of Figure 2. Census tract 5329 is bound by 62nd Street to the North, Florence Avenue to the South, Central Avenue to the West and Compton Avenue to the East. The blue lines mark the boundaries of the census tract. The red dots in and around the census tract indicate a small MF property, and the size of the dot indicates the number of units at the property. The smallest red dot indicates a five unit property, and the largest indicates a 49 unit property. This same type of figure could be created for any of the data included in Figure 4.1, and submarkets can be created based on many different criteria. Figure 4.2 is based on census tracts, but it could just as easily be created using ZIP Codes, city boundaries, etc. Once a submarket methodology is developed, queries can be written to identify the submarkets that include the highest concentration of a particular type of property or total unit count. An example of this analysis is displayed in Figure 4.3. Figure 4.3 is a color-coded version of the Los Angeles County map based on the number of small MF units in each census tract. The blue shaded census tracts identify the lowest number of total unit counts, and the yellow shaded tracts have the highest relative number of units. In addition, once the targeted submarkets are identified, metrics such as population, income, demographics, etc. can be added for additional insight into a particular submarket.

4.3 Some Qualitative Judgments about the Potential Value of Public Records Data for the Study of the Small Multifamily Mortgage Market

What follows are some rather qualitative judgments about the quality of the information provided by the public records for Los Angeles County and the other three large counties that we examined regarding the size of the small MF market. In our opinion, the data and the exercise conform to our expectations: public records provide information not elsewhere available about the size of the small MF market in terms of properties and housing units and their location. The estimates of the size of the market in terms of rental housing units are generally consistent with the benchmarks, but may be on the low side. However, our sense is that the selection of the appropriate public records data can be improved with more input from the data providers LPS and Real Info. We also believe the relative accuracy of the public records may be higher for smaller MF properties, especially if improvements can be made in the way structures with one to four units are combined into MF properties. The exercise also highlights the types of variations and location specific definitions involved in this type of analysis. In any event, these are really the only data sources of detailed information available for most places. The frequency of the information based upon public records data are unmatched by any national survey.

The information about mortgages is mixed. On the positive side, the identification of the lenders seems most valuable. Though we did not report these particular findings in this paper, the analysis of public records data confirms the wide variation in the source of such lending and the importance of seller financing. Information about mortgage terms is less available. Perhaps ways can be developed to merge these with HMDA data to obtain more information about loan amounts.

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The results regarding the value of the stock of MF housing are also mixed. Reliable estimates of the value of the entire stock are not readily available, however, our sense is that additional statistical analysis or reliance upon recent sales data in REIS data could improve these estimates. A particularly interesting approach we touch upon briefly in our longer report is the ability to estimate the values of very small MF properties (5 to 9 units) using statistical techniques. We think this has great potential. Recent sales information data are rich, but vary among market and market segment.

5 Conclusions and Suggestions

Our estimate of the size of the market for mortgage debt outstanding for small multifamily properties as of mid-2005 is just under \$200 billion (Table 3.1) This represents about 29 percent of total debt on all multifamily properties. This amount is substantially higher than the estimate provided by the 2001 RFS, which was around \$117 billion.

Though the process we used to generate these estimates seems defensible and we do not know of a superior way with these data, it also identified some concerns with the 2001 RFS. In particular, the mismatch with the estimates of the size of the multifamily mortgage from the Fed's Flow of Funds data is a concern. This situation and the likely precision of these estimates contrasts greatly with the situation in which the goals were first imagined. At that time, several additional data sources were available (POMS, AHS, and Survey of Mortgage Lending) and confidence in the 1991 Residential Finance Survey seemed much more justified.

Looking forward, the situation does not like it will get much better soon since the 2010 RFS seems unlikely to be completed. Absent appropriate data with which to measure the size of the market for small multifamily mortgages or, for that matter, the entire multifamily market, the case for the existing format of the GSE affordable goals, especially one designed for small MF mortgages, is greatly weakened.

As such, there seems to be two great needs in order to define and apply an affordable lending goal to the GSEs related to small multifamily lending. First, more investment in data is needed to measure the sizes of the markets for the various goals. Second, and perhaps in addition, the goals can be restated so they are focus on other more readily measurable outcomes other as a percent of the difficult to measure total size of a market. Here are some suggestions that occur to us worth consideration.

First, we had hoped to see an improved 2010 RFS; however, our impression is that the prospects for a fully funded 2010 RFS at this time are dim. We did note recently that funds have been requested in the new 2010 budget request for HUD for a Multifamily Residential Finance Survey. Though we do not know the details, this seems like a promising idea. If so, perhaps special efforts can be made to link the RFS to the AHS or the ACS so that more information is obtained about the tenants and the housing units themselves. Alternatively, perhaps the AHS can be expanded to include some of the information about properties formerly limited to the RFS. Pulling larger samples in fewer

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metropolitan areas seems prudent owing to the variability in the small multifamily market among metropolitan and rural areas. Some coding to permit better matching with HMDA would be helpful as well.

Second, we would encourage additional study of the market for small multifamily mortgage debt using public records data. We believe the work that we have done demonstrates the potential for ongoing measures of the size of the market using that do not rely upon decennial survey data. They also offer a level of granularity not possible in surveys designed to generate estimates of the national surveys. The effort we have in mind might focus on the larger urban markets where small multifamily housing is more prominent. Perhaps some potentially representative rural areas might be included. The resulting data set might be also be supplemented with HMDA data as well. Efforts to match these data with rental and vacancy information from other HUD surveys or other sources would be especially helpful as well. This information could readily be used to incorporate the latest information about the status of the existing mortgages; for example, those in the foreclosure process could be readily identified. With this information Statistical indexes of property values for very small multifamily properties might also be developed with these data. Perhaps enough information would be available to provide insights about the performance of these mortgages as has been done with single family mortgages.¹¹ Some partnering with private firms and local governments might help move this process along.

Along with this new data source might come an adjustment in the affordable housing goals for multifamily mortgages. For example, they could become more focused on GSE lending in the large urban markets where accurate estimates of market size are available. Innovations developed in these markets could then be transferred to other markets where precise market size estimates are not available. Presumably, if the GSEs can develop a superior process, the process can be applied in a wide variety of markets where data to estimate market size are not readily available. What we have in mind seems to fit the language in HERA 2008 that calls for a study of the small multifamily market could perhaps take this direction.

¹¹ We have in mind the great work done at the Federal Reserve Bank of Boston by Paul Willen and his colleagues, e.g. <http://www.bos.frb.org/economic/ppdp/2008/ppdp0806.htm>.

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Appendix: Supporting Data Tables

All tables referenced in the document are provided in the Appendix.

Table 3.1 Summary Estimates of the Amount of Multifamily Debt by Property or Structure Size and Their Building Blocks

	a	b	c	d	e	f	g	h	i	j
Property or Structure Size	2001 RFS Outstanding Debt	Flow of Funds 2001 Inflation Factor	2001 Flow of Funds Outstanding Debt	Percent of Outstanding Debt 2001	Unit Growth Inflation Factor	Initial 2005 Estimated Outstanding Debt	Flow of Funds 2005 Inflation Factor	Final 2005 Estimated Debt Outstanding	Percent of Outstanding Estimated Debt 2005	Change in Percent of Outstanding Debt
5 to 49 units	\$116,597,611,462	24.43%	\$ 145,076,834,190	32.08%	8.39%	\$ 157,250,464,048	26.09%	\$ 198,276,021,990	29.15%	-2.93%
5 to 9 units	\$33,986,985,233	24.43%	\$ 42,288,381,035	9.35%	0.71%	\$ 42,588,049,656	26.09%	\$ 53,698,977,115	7.90%	-1.46%
10 to 49 units	\$82,610,626,229	24.43%	\$ 102,788,453,155	22.73%	11.55%	\$ 114,662,414,391	26.09%	\$ 144,577,044,875	21.26%	-1.47%
50 or more units	\$246,889,791,819	24.43%	\$ 307,193,165,810	67.92%	24.41%	\$ 382,168,786,191	26.09%	\$ 481,873,978,010	70.85%	2.93%
Total	\$363,487,403,281		\$ 452,270,000,000	100.00%		\$ 539,419,250,239		\$ 680,150,000,000	100.00%	0.00%

Table 3.2: Descriptive Statistics of Multifamily Properties from 2001 RFS

Characteristic	All Multifamily Properties with 5+ Units			Small Multifamily Properties with 5 - 49 Units			Large Multifamily Properties with 50+ Units		
	Count	Mean	Standard Deviation	Count	Mean	Standard Deviation	Count	Mean	Standard Deviation
Weighted data									
Current value	535,959	1,585,442	4,701,677	471,746	807,978	1,454,031	64,213	7,297,151	11,485,332
Current value per unit	535,959	63,815	91,442	471,746	65,741	95,187	64,213	49,664	54,768
Average monthly rent per unit	535,959	885	7,918	471,746	917	8,432	64,213	647	897
Potential monthly rent per unit	303,740	1,032	7,071	255,770	1,092	7,692	47,970	711	996
Annual rental receipts	535,959	267,101	1,726,912	471,746	139,525	1,433,198	64,213	1,204,349	2,967,017
Annual residential rental receipts	535,959	263,470	1,715,689	471,746	137,555	1,433,047	64,213	1,188,510	2,917,145
Annual expenses	525,357	118,170	458,989	462,188	52,613	211,699	63,169	597,831	1,078,273
Annual P&I on all mortgages	326,003	141,276	416,118	274,084	81,326	272,248	51,919	457,758	759,503
Annual losses due to vacancies	334,044	19,660	130,209	321,555	8,175	38,761	50,572	92,679	330,203
Average annual appreciation	372,127	0.03	0.15	280,547	0.03	0.16	53,497	0.03	0.11
Vacancy loss to value	303,740	2.56	808	255,770	0.02	0.07	47,970	16.11	2.032
Expenses to value	516,502	22.3	4,696	453,922	0.10	0.44	62,580	183.3	13,491
Weighted data with outliers excluded									
Current value	504,838	1,496,447	4,108,668	444,061	724,275	1,037,449	60,777	7,138,246	9,806,769
Current value per unit	504,838	56,035	55,001	444,061	57,042	56,757	60,777	48,677	39,119
Average monthly rent per unit	504,838	882	8,151	444,061	913	8,684	60,777	654	895
Potential monthly rent per unit	289,816	1,041	7,230	243,898	1,103	7,868	45,918	712	992
Annual rental receipts	504,838	264,798	1,680,258	444,061	139,877	1,475,560	60,777	1,177,521	2,568,299
Annual residential rental receipts	504,838	261,231	1,672,025	444,061	137,875	1,475,407	60,777	1,162,524	2,528,589
Annual expenses	497,032	114,319	409,473	437,135	49,516	170,978	59,897	587,259	961,080
Annual P&I on all mortgages	306,850	139,640	411,206	257,417	78,889	274,340	49,433	455,992	733,758
Annual losses due to vacancies	353,832	19,581	125,653	305,583	8,278	39,523	48,249	91,164	316,166
Average annual appreciation	314,833	0.02	0.08	263,961	0.02	0.08	50,872	0.02	0.06
Vacancy loss to value	289,816	0.02	0.07	243,898	0.02	0.07	45,918	0.02	0.04
Expenses to value	489,658	0.09	0.33	430,240	0.09	0.35	59,418	0.11	0.12
Unweighted data									
Current value	18,442	9,483,361	13,887,090	3,149	1,227,669	1,493,089	15,293	11,183,300	14,669,019
Current value per unit	18,442	53,074	45,109	3,149	56,273	55,527	15,293	52,415	42,622
Average monthly rent per unit	18,442	765	3,823	3,149	930	8,910	15,293	730	1,128
Potential monthly rent per unit	13,730	836	3,247	1,980	1,042	7,992	11,750	801	1,247
Annual rental receipts	18,442	1,641,934	4,077,636	3,149	205,315	1,549,314	15,293	1,937,750	4,363,989
Annual residential rental receipts	18,442	1,617,708	4,013,412	3,149	202,420	1,548,985	15,293	1,909,131	4,293,375
Annual expenses	18,202	795,866	1,404,055	3,091	86,126	190,673	15,111	941,046	1,497,694
Annual P&I on all mortgages	14,238	602,572	966,704	2,026	98,131	214,208	12,212	686,260	1,016,236
Annual losses due to vacancies	14,649	124,615	428,864	2,295	11,392	41,485	12,354	145,648	463,629
Average annual appreciation	14,689	0.02	0.06	2,066	0.02	0.06	12,623	0.02	0.06
Vacancy loss to value	13,730	0.02	0.05	1,980	0.02	0.05	11,750	0.02	0.05
Expenses to value	18,024	0.11	0.19	3,048	0.10	0.33	14,976	0.11	0.15

Table 3.3: Selected Statistics from the 2001 RFS

Characteristic	All Multifamily Properties with 5+ Units		Small Multifamily Properties with 5 - 49 Units		Large Multifamily Properties with 50+ Units	
	Properties	Units	Properties	Units	Properties	Units
Mean years since acquisition	14.62	13.87	14.73	14.59	13.88	13.45
Mean number of housing units	30.75	-	12.97	-	148.95	-
Distribution by property age						
Built since 1990	12.57%	17.18%	11.80%	13.46%	17.72%	19.33%
Built 1980-89	13.54%	21.18%	11.99%	14.25%	23.85%	25.19%
Built 1970-79	18.46%	26.07%	16.83%	18.38%	29.33%	30.53%
Built 1960-69	17.18%	16.05%	17.55%	18.55%	14.72%	14.60%
Built 1950-59	8.73%	5.16%	9.40%	7.83%	4.31%	3.61%
Built before 1950	29.52%	14.36%	32.44%	27.54%	10.07%	6.74%
Distribution by assistance received						
Below-market loan	3.74%	7.09%	3.03%	4.88%	8.47%	8.37%
Section 8 subsidy	12.42%	17.17%	10.91%	14.16%	22.43%	18.91%
Government grant	0.75%	1.02%	0.64%	0.95%	1.50%	1.06%
Property tax relief	2.11%	4.01%	1.60%	2.25%	5.50%	5.03%
Federal income tax credit	1.90%	3.60%	1.48%	2.78%	4.68%	4.08%
Accelerated depreciation	0.40%	0.71%	0.30%	0.54%	1.08%	0.82%
Distribution by state (%)						
California	20.58%	14.89%	21.77%	21.76%	12.69%	10.92%
Florida	3.74%	5.89%	3.46%	3.45%	5.59%	7.30%
Illinois	5.62%	3.12%	6.16%	4.90%	2.04%	2.10%
Massachusetts	2.63%	2.03%	2.77%	2.56%	1.72%	1.72%
Michigan	2.66%	2.96%	2.64%	2.53%	2.81%	3.21%
New Jersey	2.37%	2.78%	2.30%	2.76%	2.81%	2.79%
New York	10.44%	10.24%	10.28%	11.07%	11.46%	9.76%
Ohio	4.14%	5.66%	3.70%	3.86%	7.09%	6.69%
Pennsylvania	4.47%	3.63%	4.61%	3.82%	3.56%	3.52%
Texas	3.58%	9.23%	2.64%	3.31%	9.86%	12.65%
Virginia	1.76%	2.56%	1.64%	1.51%	2.60%	3.18%
Washington	2.69%	2.60%	2.65%	2.90%	2.99%	2.43%
Twelve-state subtotal	64.68%	65.59%	64.62%	64.43%	65.22%	66.27%
Distribution by property size						
5 to 9 units	48.28%	10.27%	44.46%	72.00%	0.00%	0.00%
10 to 49 units	38.65%	26.40%	55.54%	28.00%	0.00%	0.00%
50 or more units	13.07%	63.34%	0.00%	0.00%	100.00%	100.00%
Distribution by ownership type						
Individual	54.95%	24.41%	61.24%	50.54%	13.12%	9.28%
Partnership	23.61%	41.48%	19.90%	25.72%	48.29%	50.60%
Nonprofit	3.03%	4.93%	2.45%	3.42%	6.87%	5.80%
Corporation	12.39%	17.99%	11.18%	14.12%	20.41%	20.24%
Other	6.02%	11.19%	5.23%	6.21%	11.31%	14.08%

Table 3.4: A Comparison of the 2001 RFS versus the 2001 AHS

Characteristic	AHS Structures		RFS Properties and Units			RFS Debt Outstanding	
	Private Ownership	Distribution %	Properties	Estimated Units	Distribution %	Estimated Debt	Distribution %
Total Properties	14,412,307	100.0%	544,620	16,745,620	100.0%	\$363,487,403,281	100.0%
By Region							
Northeast	3,174,330	22.0%	126,923	3,489,470	23.3%	\$73,839,970,940	20.3%
Midwest	2,976,664	20.7%	132,222	3,456,437	24.3%	\$78,062,300,466	21.5%
South	4,513,244	31.3%	117,754	5,458,823	21.6%	\$101,871,352,636	28.0%
West	3,748,070	26.0%	167,721	4,340,891	30.8%	\$109,713,779,239	30.2%
By MSA Location							
In MSA Central city	7,686,538	53.3%	268,629	8,492,928	49.3%	\$176,515,745,717	48.6%
In MSA, not in Central city	5,596,970	38.8%	201,233	6,903,115	36.9%	\$163,611,226,038	45.0%
Outside MSA	1,128,799	7.8%	74,758	1,349,578	13.7%	\$23,360,431,526	6.4%
By property or structure size							
5 to 9 units	4,535,364	31.5%	262,924	1,719,203	48.3%	\$33,986,985,233	9.4%
10 to 49 units	7,205,456	50.0%	210,489	4,420,118	38.6%	\$82,610,626,229	22.7%
50 or more units	2,671,487	18.5%	71,207	10,606,299	13.1%	\$246,889,791,819	67.9%

Table 3.5: Growth of Multifamily Housing Units by Structure Type and Region

Region	Structure Type	Unit Counts			Growth Rates		
		2001	2003	2005	2001 - 2003	2003 - 2005	2001 - 2005
Midwest							
	5 to 49 Units	2,446,247	2,414,647	2,543,134	-1.29%	5.32%	3.96%
	5 to 9 Units	1,023,124	1,011,824	983,279	-1.10%	-2.82%	-3.89%
	10 to 49	1,423,123	1,402,823	1,559,855	-1.43%	11.19%	9.61%
	50+ Units	530,416	508,771	651,130	-4.08%	27.98%	22.76%
Northeast							
	5 to 49 Units	2,271,912	2,391,039	2,410,079	5.24%	0.80%	6.08%
	5 to 9 Units	829,865	898,413	841,321	8.26%	-6.35%	1.38%
	10 to 49	1,442,047	1,492,626	1,568,758	3.51%	5.10%	8.79%
	50+ Units	902,417	985,517	1,076,260	9.21%	9.21%	19.26%
South							
	5 to 49 Units	3,954,020	4,149,557	4,413,489	4.95%	6.36%	11.62%
	5 to 9 Units	1,549,687	1,653,610	1,585,334	6.71%	-4.13%	2.30%
	10 to 49	2,404,333	2,495,947	2,828,155	3.81%	13.31%	17.63%
	50+ Units	559,223	575,926	729,981	2.99%	26.75%	30.53%
West							
	5 to 49 Units	3,068,640	3,179,654	3,238,619	3.62%	1.85%	5.54%
	5 to 9 Units	1,132,687	1,181,822	1,157,569	4.34%	-2.05%	2.20%
	10 to 49	1,935,953	1,997,832	2,081,050	3.20%	4.17%	7.49%
	50+ Units	679,430	665,530	866,137	-2.05%	30.14%	27.48%

Table 3.6: Small Multifamily Outstanding Debt by Region and MSA

Region	State	MSA	2001 RFS Outstanding Debt	2001 Flow of Funds Outstanding Debt	Percent of Outstanding Debt 2001	Final 2005 Estimated Debt Outstanding	Percent of Outstanding Estimated Debt 2005	Change in Percent of Outstanding Debt
Northeast								
	MA	MSA - City	1,678,356,678	\$ 2,088,298,983	1.44%	\$ 2,852,164,523	1.44%	0.00%
	MA	MSA - Outside City	1,447,835,756	\$ 1,801,472,820	1.24%	\$ 2,460,422,050	1.24%	0.00%
	MA	Outside MSA	-	\$ -	0.00%	\$ -	0.00%	0.00%
	NJ	MSA - City	552,286,996	\$ 687,184,308	0.47%	\$ 938,545,065	0.47%	0.00%
	NJ	MSA - Outside City	2,916,924,740	\$ 3,629,390,015	2.50%	\$ 4,956,961,396	2.50%	0.00%
	NY	MSA - City	9,385,716,696	\$ 11,678,198,616	8.05%	\$ 15,949,892,260	8.04%	-0.01%
	NY	MSA - Outside City	2,232,599,085	\$ 2,777,916,316	1.91%	\$ 3,794,032,573	1.91%	0.00%
	NY	Outside MSA	336,859,338	\$ 419,137,971	0.29%	\$ 572,451,771	0.29%	0.00%
	PA	MSA - City	1,054,702,862	\$ 1,312,316,353	0.90%	\$ 1,792,340,165	0.90%	0.00%
	PA	MSA - Outside City	2,043,037,229	\$ 2,542,053,560	1.75%	\$ 3,471,895,087	1.75%	0.00%
	PA	Outside MSA	389,262,934	\$ 484,341,261	0.33%	\$ 661,505,355	0.33%	0.00%
	Other	MSA - City	1,850,582,895	\$ 2,302,591,832	1.59%	\$ 3,144,842,184	1.59%	0.00%
	Other	MSA - Outside City	1,131,726,544	\$ 1,408,153,238	0.97%	\$ 1,923,232,613	0.97%	0.00%
	Other	Outside MSA	971,944,478	\$ 1,209,344,052	0.83%	\$ 1,651,702,284	0.83%	0.00%
Midwest								
	IL	MSA - City	3,537,915,303	\$ 4,402,058,887	3.03%	\$ 5,892,056,591	2.97%	-0.06%
	IL	MSA - Outside City	5,365,622,218	\$ 6,676,187,231	4.60%	\$ 8,935,926,117	4.51%	-0.10%
	IL	Outside MSA	595,969,546	\$ 741,536,417	0.51%	\$ 992,529,778	0.50%	-0.01%
	MI	MSA - City	525,707,673	\$ 654,112,927	0.45%	\$ 875,515,408	0.44%	-0.01%
	MI	MSA - Outside City	1,542,723,649	\$ 1,919,537,289	1.32%	\$ 2,569,257,392	1.30%	-0.03%
	MI	Outside MSA	439,534,270	\$ 546,891,481	0.38%	\$ 732,001,919	0.37%	-0.01%
	OH	MSA - City	1,693,761,498	\$ 2,107,466,465	1.45%	\$ 2,820,796,357	1.42%	-0.03%
	OH	MSA - Outside City	1,827,700,424	\$ 2,274,120,267	1.57%	\$ 3,043,858,716	1.54%	-0.03%
	OH	Outside MSA	662,211,885	\$ 823,958,593	0.57%	\$ 1,102,850,003	0.56%	-0.01%
	Other	MSA - City	5,447,018,809	\$ 6,777,465,118	4.67%	\$ 9,071,484,286	4.58%	-0.10%
	Other	MSA - Outside City	4,379,493,848	\$ 5,449,194,841	3.76%	\$ 7,293,624,461	3.68%	-0.08%
	Other	Outside MSA	4,459,333,839	\$ 5,548,535,925	3.82%	\$ 7,426,590,263	3.75%	-0.08%
South								
	FL	MSA - City	1,446,489,232	\$ 1,799,797,404	1.24%	\$ 2,586,478,850	1.30%	0.06%
	FL	MSA - Outside City	1,733,631,647	\$ 2,157,074,985	1.49%	\$ 3,099,920,476	1.56%	0.08%
	FL	Outside MSA	94,734,264	\$ 117,873,316	0.08%	\$ 169,395,088	0.09%	0.00%
	TX	MSA - City	830,294,111	\$ 1,033,095,272	0.71%	\$ 1,484,655,474	0.75%	0.04%
	TX	MSA - Outside City	280,319,758	\$ 348,788,475	0.24%	\$ 501,241,979	0.25%	0.01%
	TX	Outside MSA	329,614,723	\$ 410,123,843	0.28%	\$ 589,386,696	0.30%	0.01%
	VA	MSA - City	584,910,588	\$ 727,776,284	0.50%	\$ 1,045,883,254	0.53%	0.03%
	VA	MSA - Outside City	141,971,047	\$ 176,647,787	0.12%	\$ 253,859,553	0.13%	0.01%
	VA	Outside MSA	383,290,260	\$ 476,909,748	0.33%	\$ 685,364,349	0.35%	0.02%
	Other	MSA - City	3,120,128,216	\$ 3,882,226,387	2.68%	\$ 5,579,125,969	2.81%	0.14%
	Other	MSA - Outside City	4,602,339,524	\$ 5,726,471,063	3.95%	\$ 8,229,479,746	4.15%	0.20%
	Other	Outside MSA	3,803,639,606	\$ 4,732,686,935	3.26%	\$ 6,801,318,098	3.43%	0.17%
West								
	CA	MSA - City	17,815,432,103	\$ 22,166,890,529	15.28%	\$ 30,120,405,727	15.19%	-0.09%
	CA	MSA - Outside City	13,864,009,490	\$ 17,250,324,263	11.89%	\$ 23,439,767,749	11.82%	-0.07%
	CA	Outside MSA	657,221,675	\$ 817,749,513	0.56%	\$ 1,111,159,325	0.56%	0.00%
	WA	MSA - City	2,119,567,143	\$ 2,637,276,074	1.82%	\$ 3,583,534,878	1.81%	-0.01%
	WA	MSA - Outside City	991,623,585	\$ 1,233,829,824	0.85%	\$ 1,676,529,906	0.85%	0.00%
	WA	Outside MSA	307,073,557	\$ 382,076,948	0.26%	\$ 519,166,758	0.26%	0.00%
	Other	MSA - City	3,426,202,676	\$ 4,263,060,206	2.94%	\$ 5,792,652,915	2.92%	-0.02%
	Other	MSA - Outside City	1,217,565,684	\$ 1,514,958,777	1.04%	\$ 2,058,528,370	1.04%	-0.01%
	Other	Outside MSA	2,378,723,377	\$ 2,959,731,787	2.04%	\$ 4,021,688,209	2.03%	-0.01%
Total				\$ 145,076,834,186	100.00%	\$ 198,276,021,990		

Table 3.7: Large Multifamily Outstanding Debt by Region and MSA

Region	State	MSA	2001 RFS Outstanding Debt	2001 Flow of Funds Outstanding Debt	Percent of Outstanding Debt 2001	Final 2005 Estimated Debt Outstanding	Percent of Outstanding Estimated Debt 2005	Change in Percent of Outstanding Debt
Northeast								
	MA	MSA - City	2,664,525,018	\$ 3,315,341,107	1.08%	\$ 4,921,538,152	1.02%	-0.06%
	MA	MSA - Outside City	3,541,458,673	\$ 4,406,467,733	1.43%	\$ 6,541,287,418	1.36%	-0.08%
	MA	Outside MSA	30,750,670	\$ 38,261,589	0.01%	\$ 56,798,339	0.01%	0.00%
	NJ	MSA - City	894,459,958	\$ 1,112,933,768	0.36%	\$ 1,652,121,402	0.34%	-0.02%
	NJ	MSA - Outside City	5,902,352,298	\$ 7,344,014,812	2.39%	\$ 10,902,000,104	2.26%	-0.13%
	NY	MSA - City	18,200,791,017	\$ 22,646,374,204	7.37%	\$ 33,617,956,967	6.98%	-0.40%
	NY	MSA - Outside City	5,038,538,919	\$ 6,269,213,118	2.04%	\$ 9,306,484,779	1.93%	-0.11%
	NY	Outside MSA	78,767,898	\$ 98,007,130	0.03%	\$ 145,489,051	0.03%	0.00%
	PA	MSA - City	2,711,367,183	\$ 3,373,624,573	1.10%	\$ 5,008,058,452	1.04%	-0.06%
	PA	MSA - Outside City	5,065,488,279	\$ 6,302,744,918	2.05%	\$ 9,356,261,869	1.94%	-0.11%
	PA	Outside MSA	169,553,765	\$ 210,967,645	0.07%	\$ 313,176,014	0.06%	0.00%
	Other	MSA - City	1,640,175,406	\$ 2,040,791,852	0.66%	\$ 3,029,502,738	0.63%	-0.04%
	Other	MSA - Outside City	1,682,049,525	\$ 2,092,893,816	0.68%	\$ 3,106,846,757	0.64%	-0.04%
	Other	Outside MSA	227,856,098	\$ 283,510,450	0.09%	\$ 420,863,933	0.09%	0.00%
Midwest								
	IL	MSA - City	3,250,650,061	\$ 4,044,628,479	1.32%	\$ 6,180,353,950	1.28%	-0.03%
	IL	MSA - Outside City	2,842,948,924	\$ 3,537,345,444	1.15%	\$ 5,405,205,200	1.12%	-0.03%
	IL	Outside MSA	65,900,075	\$ 81,996,313	0.03%	\$ 125,293,643	0.03%	0.00%
	MI	MSA - City	1,579,845,687	\$ 1,965,726,466	0.64%	\$ 3,003,708,596	0.62%	-0.02%
	MI	MSA - Outside City	5,940,491,279	\$ 7,391,469,323	2.41%	\$ 11,294,460,509	2.34%	-0.06%
	MI	Outside MSA	228,911,701	\$ 284,823,887	0.09%	\$ 435,222,281	0.09%	0.00%
	OH	MSA - City	3,820,656,645	\$ 4,753,860,423	1.55%	\$ 7,264,088,704	1.51%	-0.04%
	OH	MSA - Outside City	13,654,247,831	\$ 16,989,327,858	5.53%	\$ 25,960,371,906	5.39%	-0.14%
	OH	Outside MSA	275,739,186	\$ 343,089,088	0.11%	\$ 524,253,837	0.11%	0.00%
	Other	MSA - City	8,223,657,250	\$ 10,232,303,598	3.33%	\$ 15,635,368,808	3.24%	-0.09%
	Other	MSA - Outside City	6,010,081,193	\$ 7,478,056,727	2.43%	\$ 11,426,769,521	2.37%	-0.06%
	Other	Outside MSA	1,692,177,672	\$ 2,105,495,786	0.69%	\$ 3,217,281,702	0.67%	-0.02%
South								
	FL	MSA - City	4,153,339,519	\$ 5,167,801,820	1.68%	\$ 8,396,417,425	1.74%	0.06%
	FL	MSA - Outside City	11,431,850,765	\$ 14,224,105,427	4.63%	\$ 23,110,701,768	4.80%	0.17%
	FL	Outside MSA	98,697,254	\$ 122,804,275	0.04%	\$ 199,526,993	0.04%	0.00%
	TX	MSA - City	18,231,884,831	\$ 22,685,062,751	7.38%	\$ 36,857,693,619	7.65%	0.26%
	TX	MSA - Outside City	6,628,916,100	\$ 8,248,043,419	2.68%	\$ 13,401,058,690	2.78%	0.10%
	TX	Outside MSA	230,425,325	\$ 286,707,217	0.09%	\$ 465,829,294	0.10%	0.00%
	VA	MSA - City	4,163,788,366	\$ 5,180,802,821	1.69%	\$ 8,417,540,880	1.75%	0.06%
	VA	MSA - Outside City	4,055,799,758	\$ 5,046,437,758	1.64%	\$ 8,199,230,428	1.70%	0.06%
	VA	Outside MSA	544,093,260	\$ 676,989,234	0.22%	\$ 1,099,942,374	0.23%	0.01%
	Other	MSA - City	17,324,629,073	\$ 21,556,207,781	7.02%	\$ 35,023,579,644	7.27%	0.25%
	Other	MSA - Outside City	15,302,076,557	\$ 19,039,642,370	6.20%	\$ 30,934,774,693	6.42%	0.22%
	Other	Outside MSA	2,354,488,852	\$ 2,929,577,926	0.95%	\$ 4,759,849,546	0.99%	0.03%
West								
	CA	MSA - City	18,986,478,480	\$ 23,623,967,556	7.69%	\$ 37,486,312,819	7.78%	0.09%
	CA	MSA - Outside City	18,303,367,085	\$ 22,774,004,702	7.41%	\$ 36,137,598,919	7.50%	0.09%
	CA	Outside MSA	68,532,522	\$ 85,271,741	0.03%	\$ 135,308,481	0.03%	0.00%
	WA	MSA - City	2,956,538,116	\$ 3,678,679,045	1.20%	\$ 5,837,296,937	1.21%	0.01%
	WA	MSA - Outside City	3,471,923,095	\$ 4,319,947,938	1.41%	\$ 6,854,857,016	1.42%	0.02%
	WA	Outside MSA	574,973,542	\$ 715,412,093	0.23%	\$ 1,135,209,885	0.24%	0.00%
	Other	MSA - City	12,643,885,628	\$ 15,732,182,467	5.12%	\$ 24,963,694,684	5.18%	0.06%
	Other	MSA - Outside City	9,020,511,527	\$ 11,223,791,283	3.65%	\$ 17,809,817,510	3.70%	0.04%
	Other	Outside MSA	910,149,954	\$ 1,132,456,080	0.37%	\$ 1,796,971,773	0.37%	0.00%
Total				\$ 307,193,165,811	100.00%	\$ 481,873,978,010		

Figure 4.1: All Small Multifamily Properties in Los Angeles County

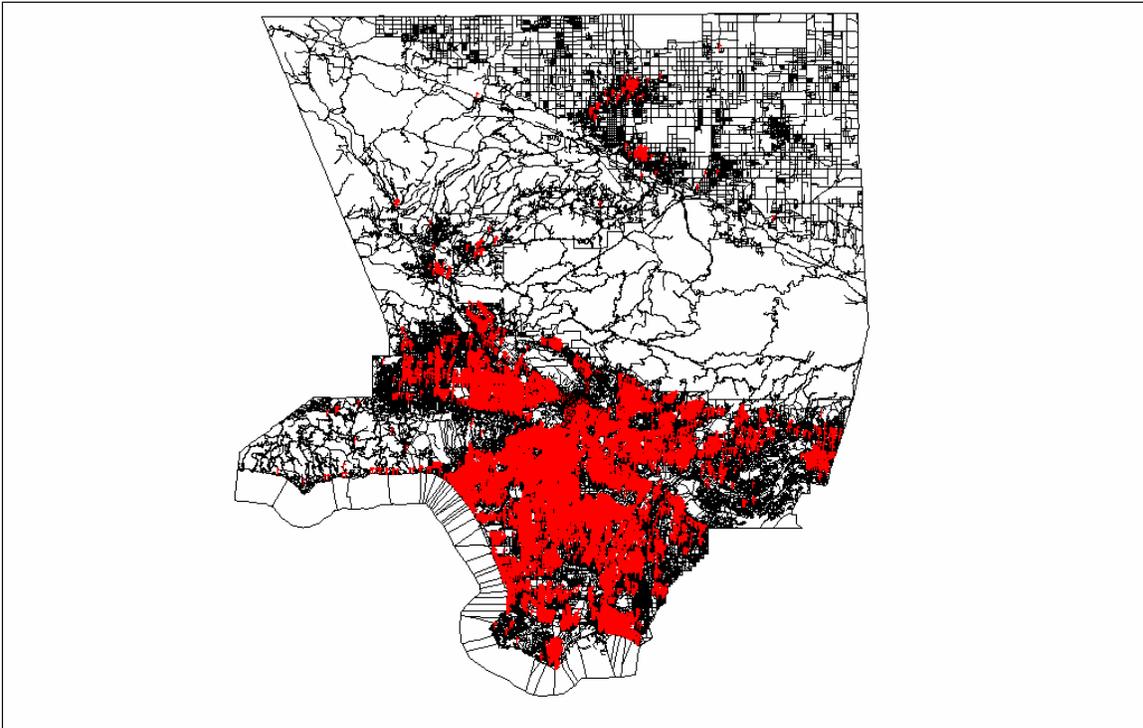


Figure 4.2: All Small Multifamily Properties in Los Angeles County Census Tract 5329

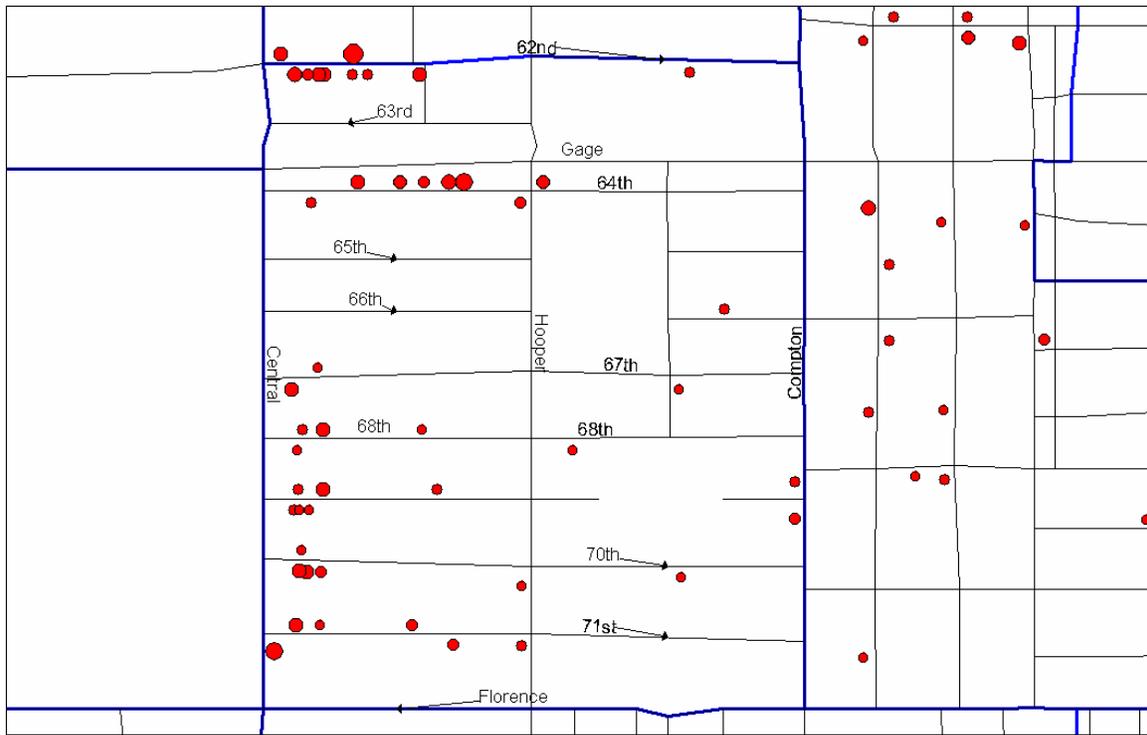


Figure 4.3: Small Multifamily Property Concentration by Census Tract

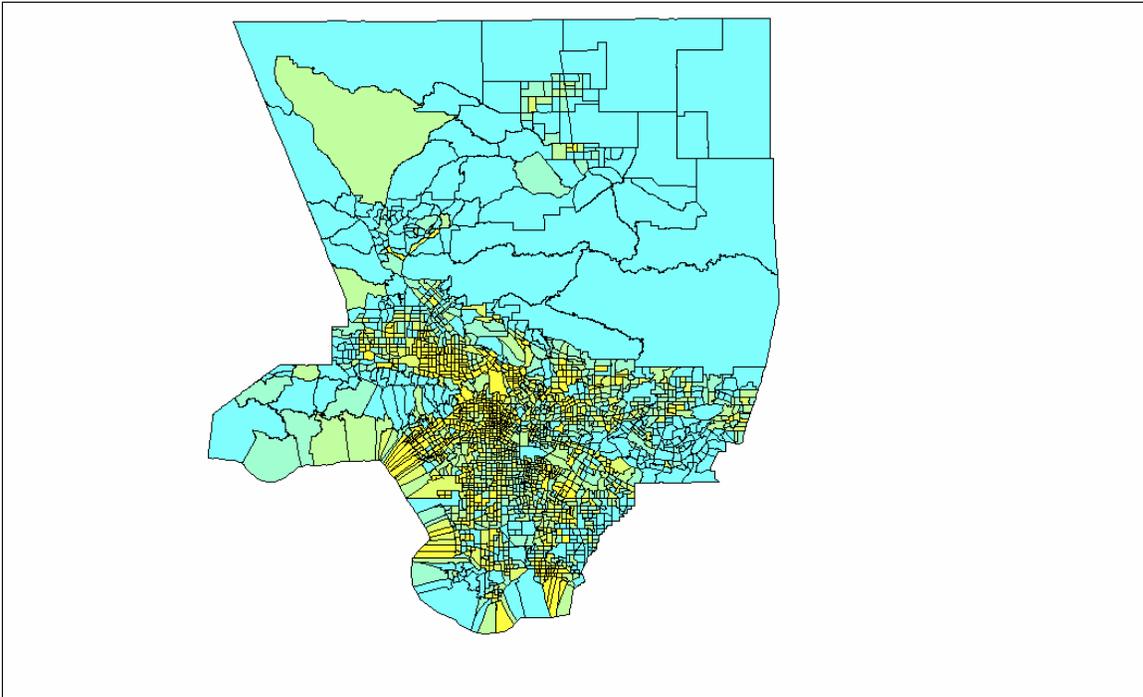


Table 4.1 - Los Angeles County Multifamily Property Counts by City								
City	Properties			Percent of Category		Percent of All		
	Small	Large	All	Small	Large	Small	Large	All
Alhambra	949	9	958	1.47%	0.34%	1.41%	0.01%	1.42%
Beverly Hills	689	-	689	1.07%	0.00%	1.02%	0.00%	1.02%
Burbank	1,095	32	1,127	1.69%	1.22%	1.63%	0.05%	1.67%
Glendale	2,602	36	2,638	4.02%	1.37%	3.87%	0.05%	3.92%
Hawthorne	979	55	1,034	1.51%	2.10%	1.45%	0.08%	1.54%
Inglewood	1,505	22	1,527	2.33%	0.84%	2.24%	0.03%	2.27%
Long Beach	4,603	77	4,680	7.12%	2.94%	6.84%	0.11%	6.95%
Los Angeles	24,420	843	25,263	37.75%	32.15%	36.28%	1.25%	37.53%
North Hollywood	1,847	68	1,915	2.86%	2.59%	2.74%	0.10%	2.84%
Pasadena	1,243	43	1,286	1.92%	1.64%	1.85%	0.06%	1.91%
Santa Monica	2,319	23	2,342	3.58%	0.88%	3.45%	0.03%	3.48%
Sherman Oaks	797	36	833	1.23%	1.37%	1.18%	0.05%	1.24%
Torrance	737	78	815	1.14%	2.97%	1.09%	0.12%	1.21%
Van Nuys	1,525	86	1,611	2.36%	3.28%	2.27%	0.13%	2.39%
West Hollywood	1,158	24	1,182	1.79%	0.92%	1.72%	0.04%	1.76%
Whittier	751	28	779	1.16%	1.07%	1.12%	0.04%	1.16%
<i>other</i>	17,472	1,162	18,634	37.00%	79.59%	35.89%	2.39%	38.28%
Total	64,691	2,622	67,313	100.00%	100.00%	96.10%	3.90%	100.00%

Table 4.2 - Los Angeles County Multifamily Unit Counts by City								
City	Units			Percent of Category		Percent of All		
	Small	Large	All	Small	Large	Small	Large	All
Alhambra	8,514	712	9,226	1.16%	0.26%	0.84%	0.07%	0.92%
Beverly Hills	6,920	-	6,920	0.94%	0.00%	0.69%	0.00%	0.69%
Burbank	11,729	3,553	15,282	1.59%	1.31%	1.16%	0.35%	1.52%
Glendale	28,043	2,748	30,791	3.81%	1.01%	2.78%	0.27%	3.05%
Hawthorne	11,826	4,270	16,096	1.61%	1.57%	1.17%	0.42%	1.60%
Inglewood	14,390	1,906	16,296	1.95%	0.70%	1.43%	0.19%	1.62%
Long Beach	45,842	10,085	55,927	6.22%	3.71%	4.55%	1.00%	5.55%
Los Angeles	278,236	85,894	364,130	37.77%	31.62%	27.60%	8.52%	36.12%
North Hollywood	21,536	5,965	27,501	2.92%	2.20%	2.14%	0.59%	2.73%
Pasadena	13,813	4,444	18,257	1.88%	1.64%	1.37%	0.44%	1.81%
Santa Monica	22,824	3,196	26,020	3.10%	1.18%	2.26%	0.32%	2.58%
Sherman Oaks	11,458	3,674	15,132	1.56%	1.35%	1.14%	0.36%	1.50%
Torrance	10,355	7,370	17,725	1.41%	2.71%	1.03%	0.73%	1.76%
Van Nuys	21,262	7,032	28,294	2.89%	2.59%	2.11%	0.70%	2.81%
West Hollywood	14,315	2,051	16,366	1.94%	0.75%	1.42%	0.20%	1.62%
Whittier	8,246	2,316	10,562	1.12%	0.31%	1.43%	0.00%	0.00%
<i>other</i>	207,267	126,447	333,714	28.14%	17.17%	45.31%	0.00%	0.00%
Total	736,576	271,663	1,008,239	100.00%	100.00%	73.06%	26.94%	100.00%

Table 4.3 - Los Angeles County Multifamily Building Counts												
City	Properties		Buildings		Units		Buildings per Property		Units per Building		Units per Property	
	Small	Large	Small	Large	Small	Large	Small	Large	Small	Large	Small	Large
Alhambra	949	9	1,148	9	8,514	712	1.21	1.00	7.42	79.11	8.97	79.11
Beverly Hills	689	-	715	-	6,920	-	1.04	-	9.68	-	10.04	-
Burbank	1,095	32	1,350	46	11,729	3,553	1.23	1.44	8.69	77.24	10.71	111.03
Glendale	2,602	36	3,201	43	28,043	2,748	1.23	1.19	8.76	63.91	10.78	76.33
Hawthorne	979	55	1,333	67	11,826	4,270	1.36	1.22	8.87	63.73	12.08	77.64
Inglewood	1,505	22	2,036	35	14,390	1,906	1.35	1.59	7.07	54.46	9.56	86.64
Long Beach	4,603	77	6,228	144	45,842	10,085	1.35	1.87	7.36	70.03	9.96	130.97
Los Angeles	24,420	843	33,030	1,162	278,236	85,894	1.35	1.38	8.42	73.92	11.39	101.89
North Hollywood	1,847	68	2,139	115	21,536	5,965	1.16	1.69	10.07	51.87	11.66	87.72
Pasadena	1,243	43	1,874	55	13,813	4,444	1.51	1.28	7.37	80.80	11.11	103.35
Santa Monica	2,319	23	2,955	33	22,824	3,196	1.27	1.43	7.72	96.85	9.84	138.96
Sherman Oaks	797	36	847	45	11,458	3,674	1.06	1.25	13.53	81.64	14.38	102.06
Torrance	737	78	889	133	10,355	7,370	1.21	1.71	11.65	55.41	14.05	94.49
Van Nuys	1,525	86	1,754	89	21,262	7,032	1.15	1.03	12.12	79.01	13.94	81.77
West Hollywood	1,158	24	1,348	29	14,315	2,051	1.16	1.21	10.62	70.72	12.36	85.46
Whittier	751	28	1,087	43	8,246	2,316	1.45	1.54	7.59	53.86	10.98	82.71
<i>other</i>	17,472	1,162	29,386	1,995	207,267	126,447	1.68	1.72	7.05	63.38	11.86	108.82
Total	64,691	2,622	91,320	4,043	736,576	271,663	1.41	1.54	8.07	67.19	11.39	103.61

Table 4.4 - Los Angeles County Multifamily 2006 Sales Statistics by City

City	Transactions			Units			Sales Amount			Average Price Per Unit		
	Small	Large	All	Small	Large	All	Small	Large	All	Small	Large	All
Alhambra	25	-	25	195	-	195	\$35,259,000	\$0	\$ 35,259,000	\$180,815	\$0	\$180,815
Beverly Hills	15	-	15	124	-	124	\$46,471,000	\$0	\$ 46,471,000	\$374,766	\$0	\$374,766
Burbank	24	-	24	196	-	196	\$33,240,500	\$0	\$ 33,240,500	\$169,594	\$0	\$169,594
Glendale	53	1	54	611	56	667	\$93,526,000	\$7,400,000	\$ 100,926,000	\$153,070	\$132,143	\$151,313
Hawthorne	36	1	37	300	80	380	\$39,984,000	\$7,250,000	\$ 47,234,000	\$133,280	\$90,625	\$124,300
Inglewood	62	-	62	553	-	553	\$68,192,772	\$0	\$ 68,192,772	\$123,314	\$0	\$123,314
Long Beach	199	2	201	2,021	115	2,136	\$254,186,336	\$13,170,000	\$ 267,356,336	\$125,773	\$114,522	\$125,167
Los Angeles	700	9	709	7,804	834	8,638	\$1,031,522,269	\$47,493,500	\$1,079,015,769	\$132,179	\$56,947	\$124,915
North Hollywood	76	1	77	751	61	812	\$102,162,499	\$5,900,000	\$ 108,062,499	\$136,035	\$96,721	\$133,082
Pasadena	18	-	18	284	-	284	\$81,734,000	\$0	\$ 81,734,000	\$287,796	\$0	\$287,796
Santa Monica	38	-	38	349	-	349	\$84,236,000	\$0	\$ 84,236,000	\$241,364	\$0	\$241,364
Sherman Oaks	23	-	23	238	-	238	\$50,908,000	\$0	\$ 50,908,000	\$213,899	\$0	\$213,899
Torrance	22	1	23	211	89	300	\$32,003,000	\$12,500,000	\$ 44,503,000	\$151,673	\$140,449	\$148,343
Van Nuys	83	1	84	1,120	79	1,199	\$188,002,500	\$6,489,500	\$ 194,492,000	\$167,859	\$82,146	\$162,212
West Hollywood	23	1	24	271	63	334	\$39,629,000	\$13,150,000	\$ 52,779,000	\$146,232	\$208,730	\$158,021
Whittier	29	-	29	326	-	326	\$43,291,500	\$0	\$ 43,291,500	\$132,796	\$0	\$132,796
<i>other</i>	534	9	543	5,720	1,013	6,733	\$833,464,978	\$46,602,772	\$ 880,067,750	\$145,711	\$46,005	\$130,710
Total	1,960	26	1,986	21,074	2,390	23,464	3,057,813,354	159,955,772	\$3,217,769,126	\$145,099	\$66,927	\$137,136
Turnover	3.0%	1.0%	3.0%	2.9%	0.9%	2.3%						

Table 4.5 - Los Angeles County 2006 Multifamily Loan Amounts

City	Debt per Transaction			Debt per Unit		
	Small	Large	All	Small	Large	All
Alhambra	\$648,160	\$0.00	\$648,160	\$83,097	\$0.00	\$83,097.44
Beverly Hills	\$1,331,386	\$0.00	\$1,331,386	\$161,055	\$0.00	\$161,054.76
Burbank	\$949,729	\$0.00	\$949,729	\$116,293	\$0.00	\$116,293.37
Glendale	\$721,487	\$8,882,500.00	\$872,617	\$62,584	\$158,616.07	\$70,646.63
Hawthorne	\$373,528	\$5,437,500.00	\$510,392	\$44,823	\$67,968.75	\$49,696.05
Inglewood	\$617,039	\$0.00	\$617,039	\$69,180	\$0.00	\$69,179.82
Long Beach	\$648,017	\$1,430,000.00	\$655,798	\$63,808	\$24,869.57	\$61,711.28
Los Angeles	\$667,887	\$2,735,000.00	\$694,127	\$59,908	\$29,514.39	\$56,973.38
North Hollywood	\$637,794	\$4,000,000.00	\$681,459	\$64,544	\$65,573.77	\$64,621.12
Pasadena	\$1,287,778	\$0.00	\$1,287,778	\$81,620	\$0.00	\$81,619.72
Santa Monica	\$1,122,974	\$0.00	\$1,122,974	\$122,272	\$0.00	\$122,272.26
Sherman Oaks	\$1,109,600	\$0.00	\$1,109,600	\$107,230	\$0.00	\$107,230.25
Torrance	\$784,500	\$0.00	\$750,391	\$81,796	\$0.00	\$57,530.00
Van Nuys	\$1,430,080	\$4,640,000.00	\$1,468,293	\$105,979	\$58,734.18	\$102,866.26
West Hollywood	\$818,717	\$0.00	\$784,604	\$69,485	\$0.00	\$56,378.74
Whittier	\$820,416	\$0.00	\$820,416	\$72,982	\$0.00	\$72,981.75
<i>other</i>	\$801,271	\$3,580,511.11	\$847,335	\$74,804	\$31,811.06	\$68,335.53
Total	\$761,066	\$3,179,215	\$792,724	\$70,783	\$34,586	\$67,096

Table 4.6 - Los Angeles County 2006 Estimated Market Value					
City	Value Per Unit		Aggregate Value		
	Small	Large	Small	Large	All
Alhambra	\$ 180,815	\$ 66,927	\$ 1,539,462,185	\$ 47,652,096	\$ 1,587,114,281
Beverly Hills	\$ 374,766	\$ 66,927	\$ 2,593,381,613	\$ -	\$ 2,593,381,613
Burbank	\$ 169,594	\$ 66,927	\$ 1,989,172,574	\$ 237,791,991	\$ 2,226,964,565
Glendale	\$ 153,070	\$ 132,143	\$ 4,292,552,566	\$ 363,128,571	\$ 4,655,681,138
Hawthorne	\$ 133,280	\$ 90,625	\$ 1,576,169,280	\$ 386,968,750	\$ 1,963,138,030
Inglewood	\$ 123,314	\$ 66,927	\$ 1,774,491,843	\$ 127,563,055	\$ 1,902,054,898
Long Beach	\$ 125,773	\$ 114,522	\$ 5,765,665,520	\$ 1,154,951,739	\$ 6,920,617,259
Los Angeles	\$ 132,179	\$ 56,947	\$ 36,776,861,871	\$ 4,891,374,927	\$ 41,668,236,797
North Hollywood	\$ 136,035	\$ 96,721	\$ 2,929,655,897	\$ 576,942,623	\$ 3,506,598,520
Pasadena	\$ 287,796	\$ 66,927	\$ 3,975,323,035	\$ 297,424,038	\$ 4,272,747,073
Santa Monica	\$ 241,364	\$ 66,927	\$ 5,508,889,582	\$ 213,899,016	\$ 5,722,788,597
Sherman Oaks	\$ 213,899	\$ 66,927	\$ 2,450,856,571	\$ 245,890,170	\$ 2,696,746,741
Torrance	\$ 151,673	\$ 140,449	\$ 1,570,573,768	\$ 1,035,112,360	\$ 2,605,686,127
Van Nuys	\$ 167,859	\$ 82,146	\$ 3,569,026,031	\$ 577,647,646	\$ 4,146,673,677
West Hollywood	\$ 146,232	\$ 208,730	\$ 2,093,317,841	\$ 428,105,556	\$ 2,521,423,397
Whittier	\$ 132,796	\$ 66,927	\$ 1,095,035,917	\$ 155,003,167	\$ 1,250,039,084
<i>other</i>	\$ 145,711	\$ 46,005	\$ 30,201,011,468	\$ 5,817,157,661	\$ 36,018,169,129
Total	\$ 145,099	\$ 66,927	\$ 109,701,447,561	\$ 16,556,613,364	\$126,258,060,925