



EMBARGOED UNTIL TUESDAY, MARCH 21, 2017 AT 9:45 P.M. U.S. EASTERN TIME AND
WEDNESDAY, MARCH 22 AT 9:45 A.M. IN BALI, INDONESIA; OR UPON DELIVERY

Financial Stability: The Role of Real Estate Values

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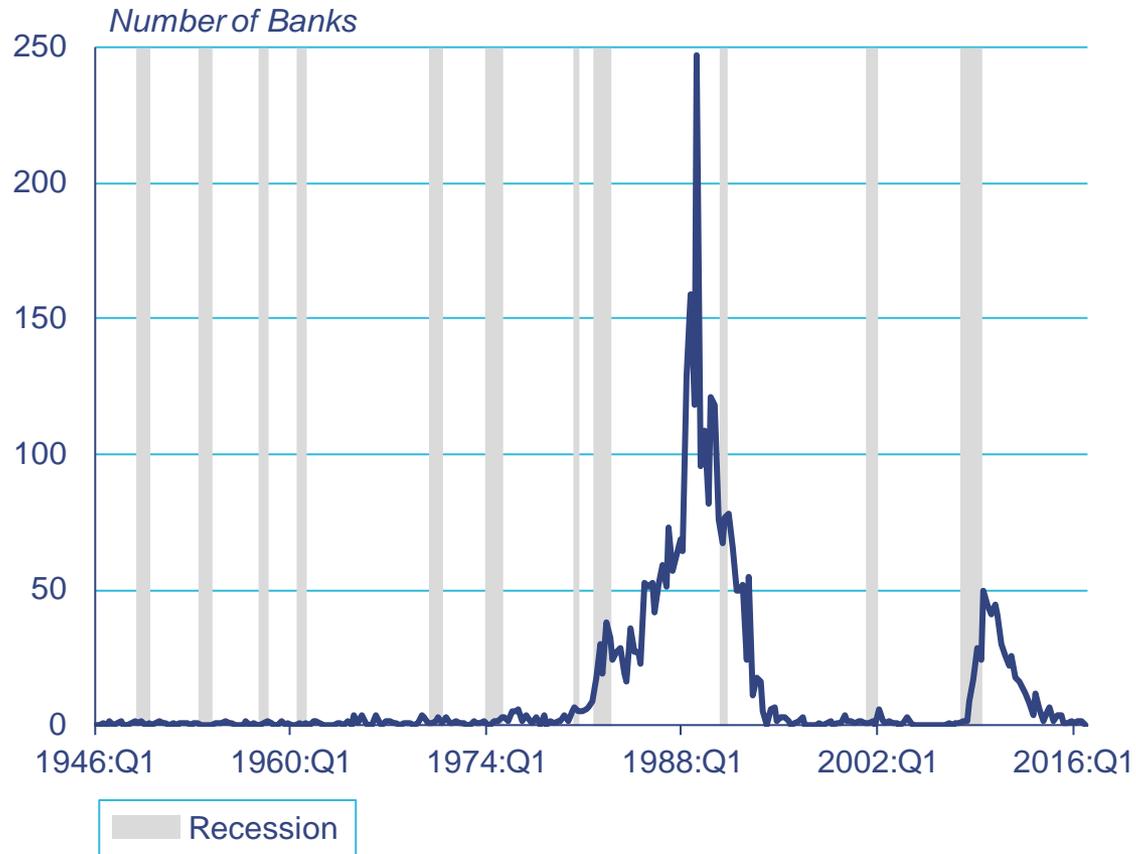
March 22, 2017

Asia-Pacific High Level Meeting on Banking Supervision
Hosted by Bank Indonesia
Bali, Indonesia

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Figure 1: Bank Failures in the U.S.
1946:Q1 - 2016:Q4



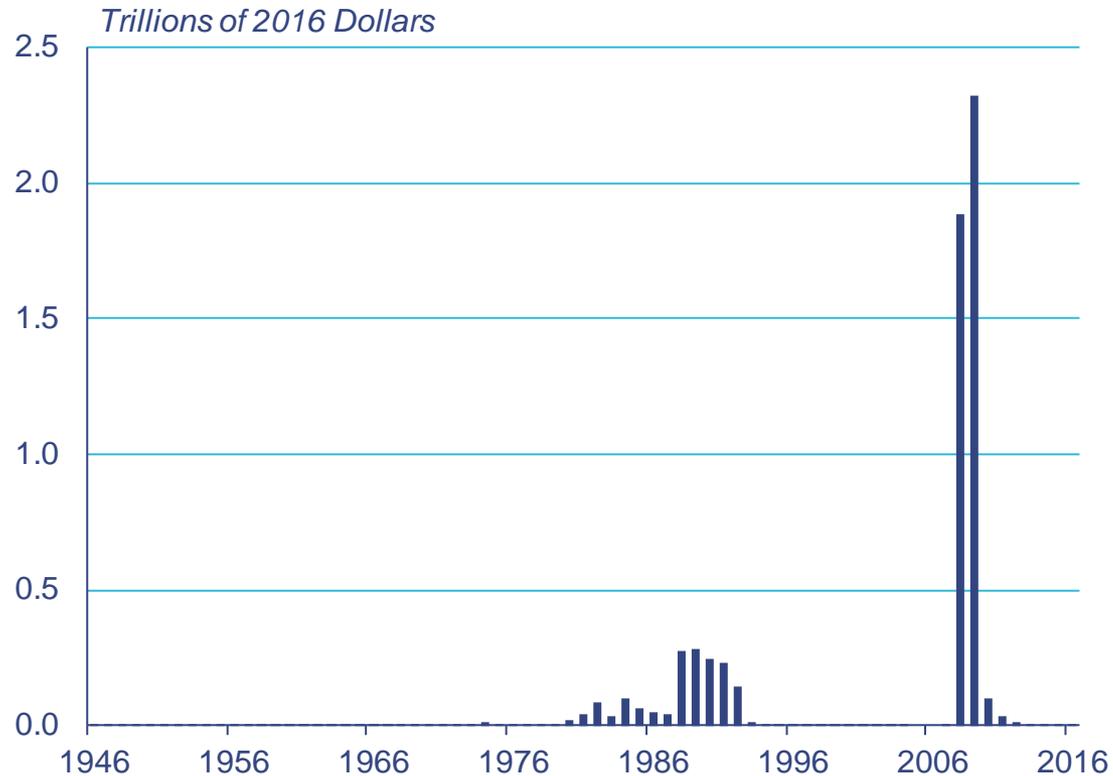
Note: Includes both failures and assistance transactions. Banks include commercial banks, savings banks, and savings and loan associations. Savings and loan associations are included beginning in 1980.

Source: FDIC, NBER, Haver Analytics



Figure 2: Assets of Failed U.S. Banks in Real Terms

1946 - 2016

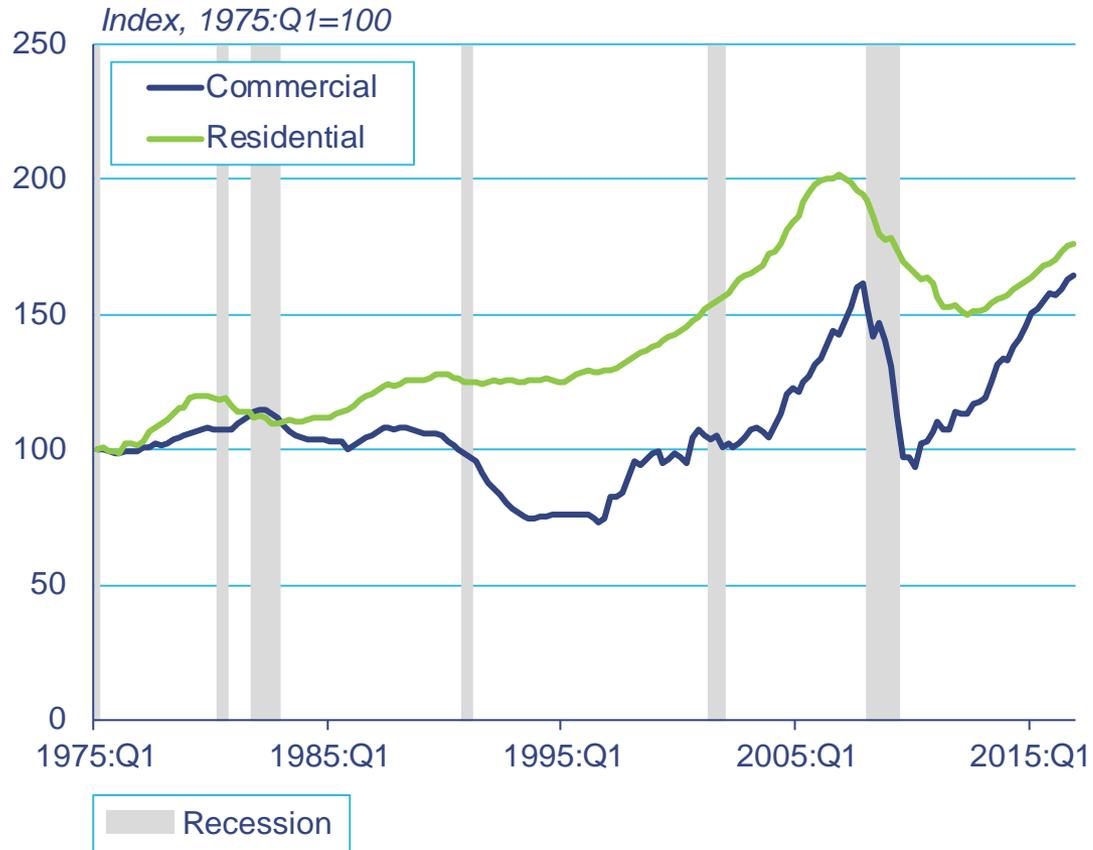


Note: Includes both failures and assistance transactions. Banks include commercial banks, savings banks, and savings and loan associations. Savings and loan associations are included beginning in 1980. Assets are adjusted for inflation using the GDP deflator.

Source: FDIC, BEA, Haver Analytics



Figure 3: U.S. Real Residential and Commercial Real Estate Price Indices
1975:Q1 - 2016:Q4

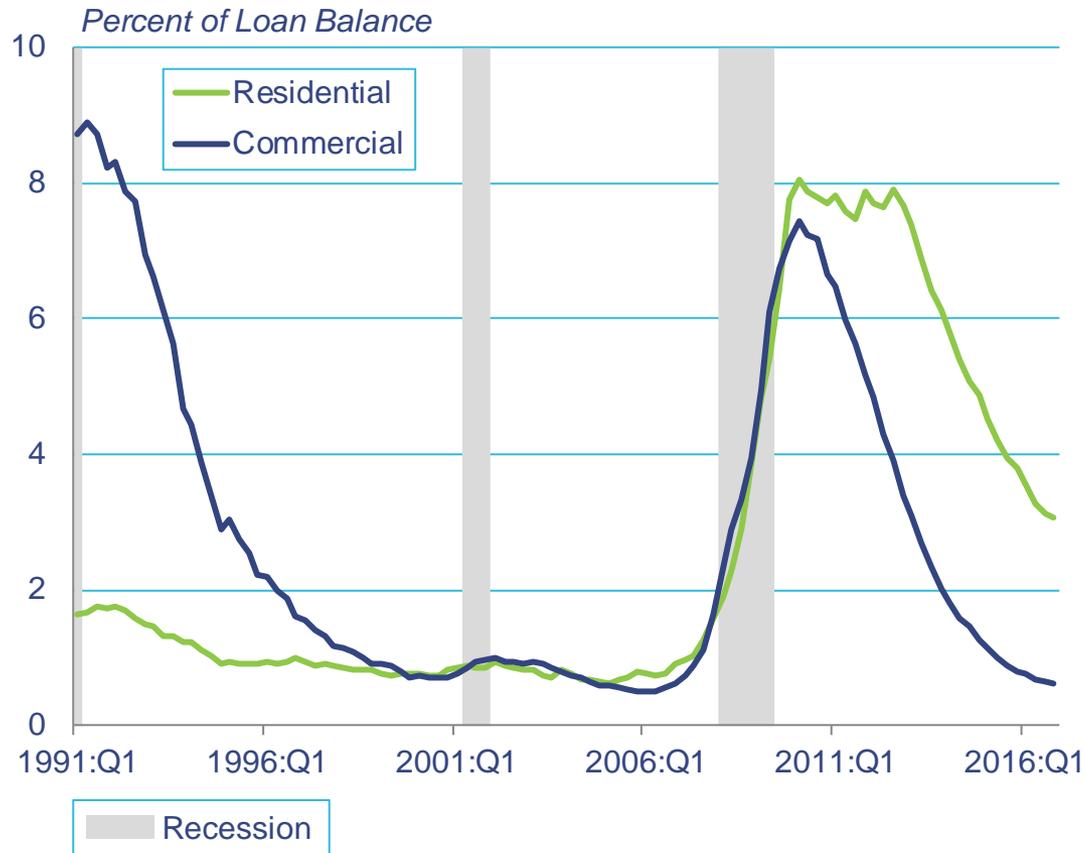


Note: Indices are adjusted for inflation using the GDP deflator.

Source: Federal Reserve Board, FHFA, BEA, NBER, Haver Analytics



Figure 4: Delinquency Rates on Residential and Commercial Real Estate Loans at U.S. Banks
1991:Q1 - 2016:Q4



Note: Delinquent loans are loans 90 or more days past due plus loans in nonaccrual status. U.S. banks include commercial and savings banks throughout the period and the former OTS-regulated thrifts beginning in 2012. Prior to 1991:Q1, residential and commercial real estate loan delinquencies were not reported separately.

Source: Quarterly Bank Call Reports, NBER, Haver Analytic/s

Figure 5: U.S. Residential and Commercial Real Estate Loans by Holder

2016:Q4

Outstanding as of December 31, 2016	Commercial Real Estate						Residential Real Estate		
	Commercial Mortgages			Multifamily Residential Mortgages			Home Mortgages ⁶		
Holder	Billion Dollars	Share (%)	Change from Year Earlier (%)	Billion Dollars	Share (%)	Change from Year Earlier (%)	Billion Dollars	Share (%)	Change from Year Earlier (%)
Banking Institutions ¹	1,595.1	61	8.9	424.7	36	12.0	2,968.2	29	3.9
Banks with over \$50 Billion in Assets ²	587.0	22	5.7	180.8	15	8.9	1,592.9	16	1.2
Banks with under \$50 Billion in Assets ²	942.8	36	10.0	239.8	20	13.4	1,001.6	10	5.7
Life Insurers and Other Long-Term Investors ³	390.8	15	6.7	69.6	6	6.4	23.6	0	-2.1
GSEs & Agency MBS/CMBS	0.0	0	0.0	521.0	44	14.9	6,328.7	62	3.1
Non-Agency MBS/CMBS ⁴	491.8	19	-5.1	52.2	4	-21.8	581.0	6	-9.4
Finance Companies	23.6	1	-17.2	1.2	0	0.2	78.6	1	-12.5
Nonfinancial (Other) ⁵	113.5	4	3.1	117.9	10	3.1	285.6	3	1.4
Total	2,614.8	100	5.1	1,186.7	100	9.8	10,265.7	100	2.3

¹Includes U.S.-chartered depository institutions, foreign banking offices in the U.S., banks in U.S.-affiliated areas and credit unions.

²Includes commercial and savings banks and thrifts. Author's estimates using call report data.

³Includes life and property-casualty insurance companies, private pension funds, and state and local government retirement funds.

⁴Includes REITs.

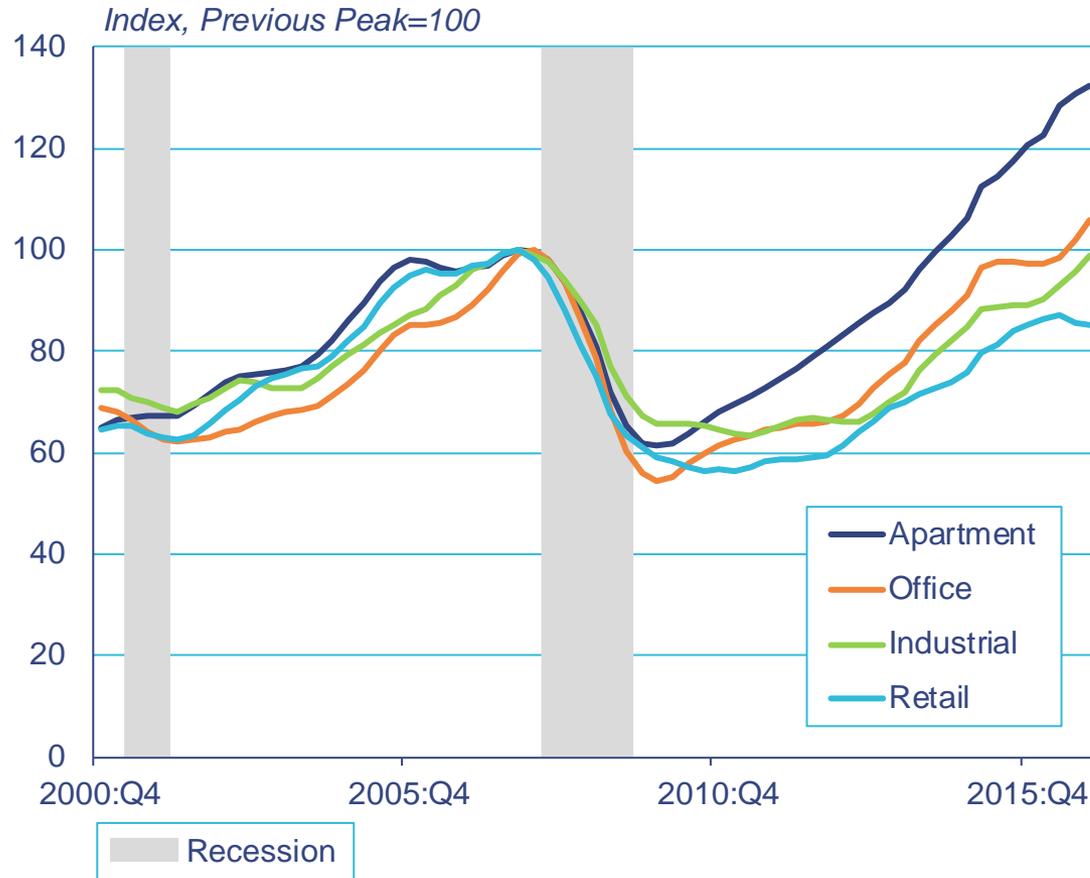
⁵Includes households, nonfinancial corporate and noncorporate businesses and federal and state and local governments.

⁶Mortgages on 1-4 family residential properties.



Figure 6: U.S. Real Commercial Property Price Indices by Property Type

2000:Q4 - 2016:Q4



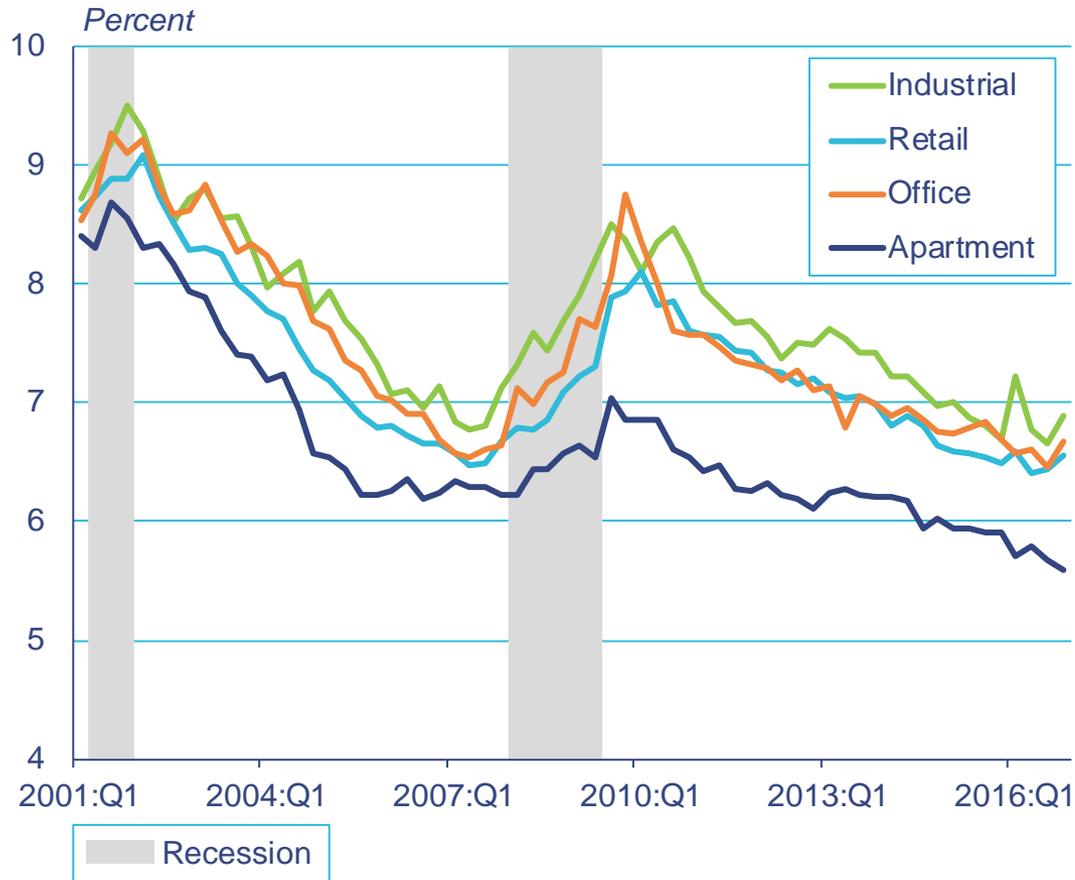
Note: Indices are adjusted for inflation using the GDP deflator. Indices are repeat-sales based and include properties of \$2.5 million or more.

Source: Real Capital Analytics, BEA, NBER, Haver Analytics



Figure 7: U.S. Capitalization Rates by Property Type

2001:Q1 - 2016:Q4



Note: The capitalization or “cap” rate is the ratio of net operating income produced by a property to the price paid, calculated at the time of a transaction. Based on properties of \$2.5 million or more.

Source: Real Capital Analytics, NBER, Haver Analytics