Financial Stability: The Role of Real Estate Values

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

#### 2016:Q4

<table>
<thead>
<tr>
<th>Holder</th>
<th>Commercial Real Estate</th>
<th>Residential Real Estate</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Commercial Mortgages</td>
<td>Multifamily Residential Mortgages</td>
<td>Home Mortgages⁶</td>
</tr>
<tr>
<td></td>
<td>Billion Dollars</td>
<td>Share (%)</td>
<td>Change from Year Earlier (%)</td>
</tr>
<tr>
<td>Banking Institutions¹</td>
<td>1,595.1</td>
<td>61</td>
<td>8.9</td>
</tr>
<tr>
<td>Banks with over $50 Billion in Assets²</td>
<td>587.0</td>
<td>22</td>
<td>5.7</td>
</tr>
<tr>
<td>Banks with under $50 Billion in Assets²</td>
<td>942.8</td>
<td>36</td>
<td>10.0</td>
</tr>
<tr>
<td>Life Insurers and Other Long-Term Investors³</td>
<td>390.8</td>
<td>15</td>
<td>6.7</td>
</tr>
<tr>
<td>GSEs &amp; Agency MBS/CMBS</td>
<td>0.0</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Non-Agency MBS/CMBS⁴</td>
<td>491.8</td>
<td>19</td>
<td>-5.1</td>
</tr>
<tr>
<td>Finance Companies</td>
<td>23.6</td>
<td>1</td>
<td>-17.2</td>
</tr>
<tr>
<td>Nonfinancial (Other)⁵</td>
<td>113.5</td>
<td>4</td>
<td>3.1</td>
</tr>
<tr>
<td>Total</td>
<td>2,614.8</td>
<td>100</td>
<td>5.1</td>
</tr>
</tbody>
</table>

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.

**Source:** Federal Reserve Board, Financial Accounts of the United States; Quarterly Call Reports; Haver Analytics
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