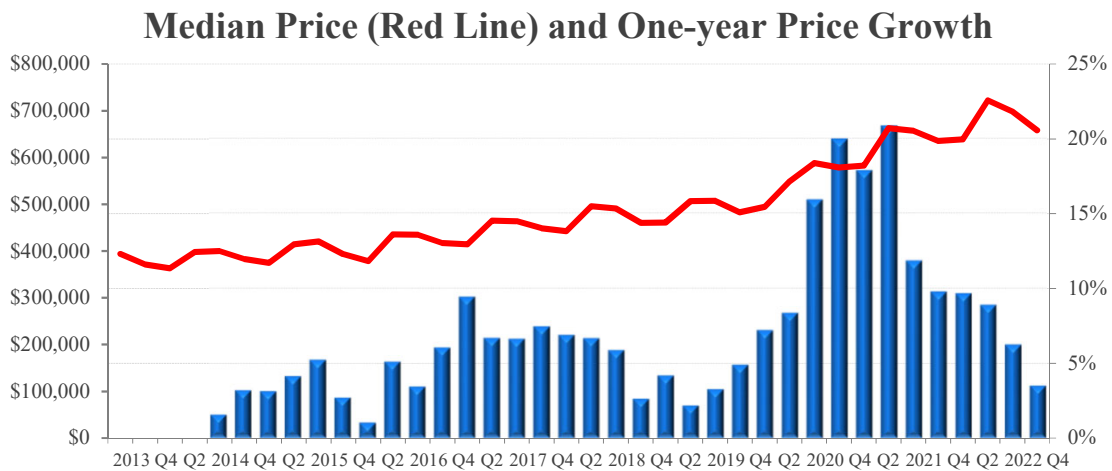


Boston-Cambridge-Newton Area Local Market Report, Fourth Quarter 2022

Today's Market...



Local Price Trends			
Price Activity	Boston	U.S.	Local Trend
Current Median Home Price (2022 Q4)	\$657,900	\$372,667	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2022 Q4)	3.5%	4.2%	
3-year (12-quarter) Appreciation (2022 Q4)	36.3%	36.9%	
3-year (12-quarter) Housing Equity Gain*	\$175,100	\$100,367	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$264,300	\$151,900	
9-year (36 quarters) Housing Equity Gain*	\$286,600	\$175,767	

*Note: Equity gain reflects price appreciation only

	Boston	U.S.	
Conforming Loan Limit**	\$828,000	\$1,089,300	Not all buyers have access to government-backed financing in this market
FHA Loan Limit	\$828,000	\$1,089,300	
Local Median to Conforming Limit Ratio	79%	not comparable	

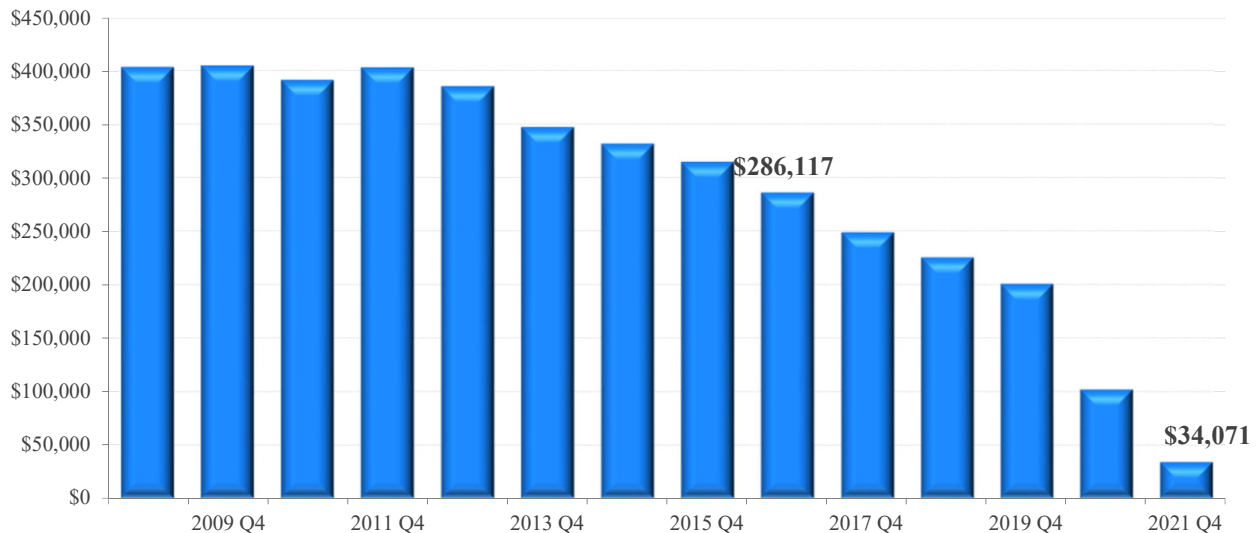
Note: limits are current and include the changes made on January 1st 2023.

Local NAR Leadership

The Boston-Cambridge-Newton market is part of region 1 in the NAR governance system, which includes all of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut. The 2023 NAR Regional Vice President representing region 1 is Joanne Breen.

Benefits of Ownership: Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained** through 2022 Q4 from quarter in which home was of purchased

Price Activity	Boston	U.S.	Local Trend
1-year (4-quarter)	\$34,071	\$21,777	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$200,434	\$114,655	
5-year (20-quarter)*	\$248,823	\$147,773	
7-year (28 quarters)*	\$314,872	\$180,265	
9-year (36 quarters)*	\$347,277	\$207,943	

*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

Drivers of Local Supply and Demand...

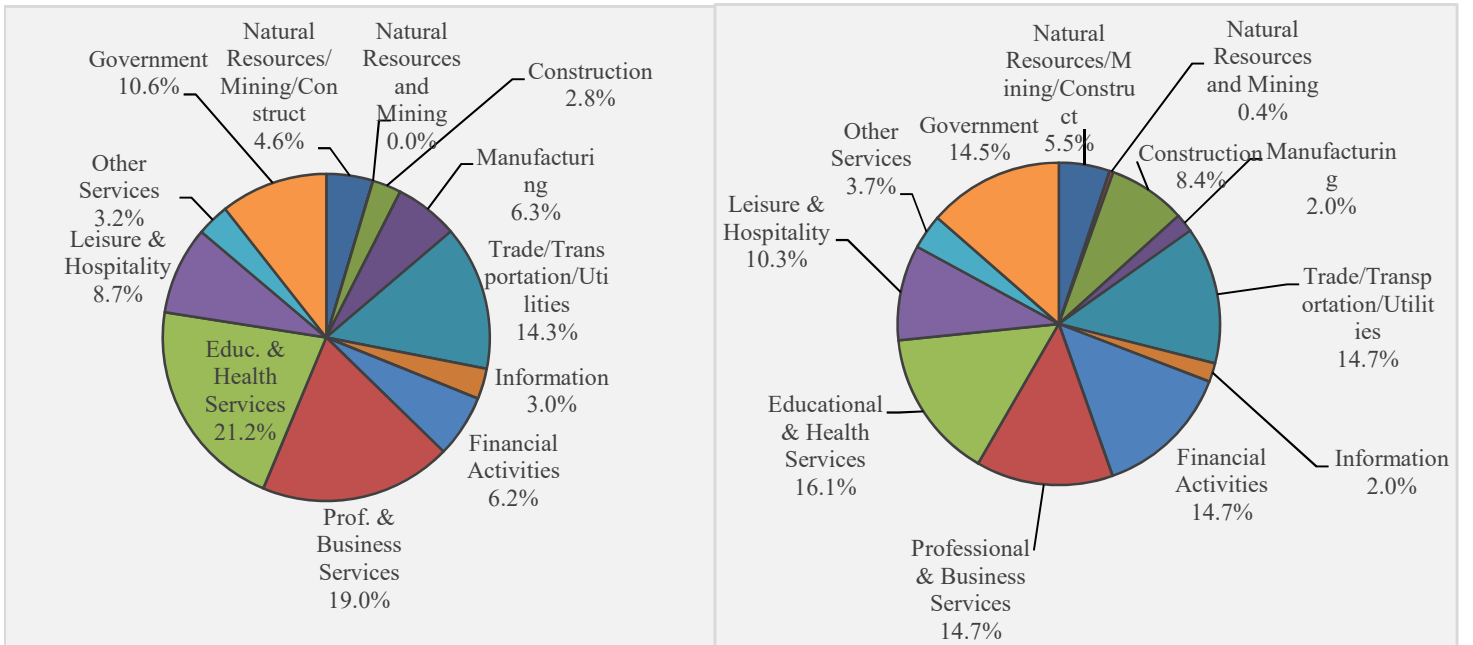


Local Economic Outlook	Boston	U.S.	
12-month Job Change (Dec)	111,900	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Nov)	125,100	Not Comparable	
36-month Job Change (Dec)	-5,700	Not Comparable	Unemployment in Boston is better than the national average and improving
Current Unemployment Rate (Dec)	2.9%	3.5%	
Year-ago Unemployment Rate	3.7%	3.9%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	4.1%	4.3%	

Share of Total Employment by Industry

Boston-Cambridge-Newton Area

U.S.



12-month Employment Change by Industry (Dec - 2022)

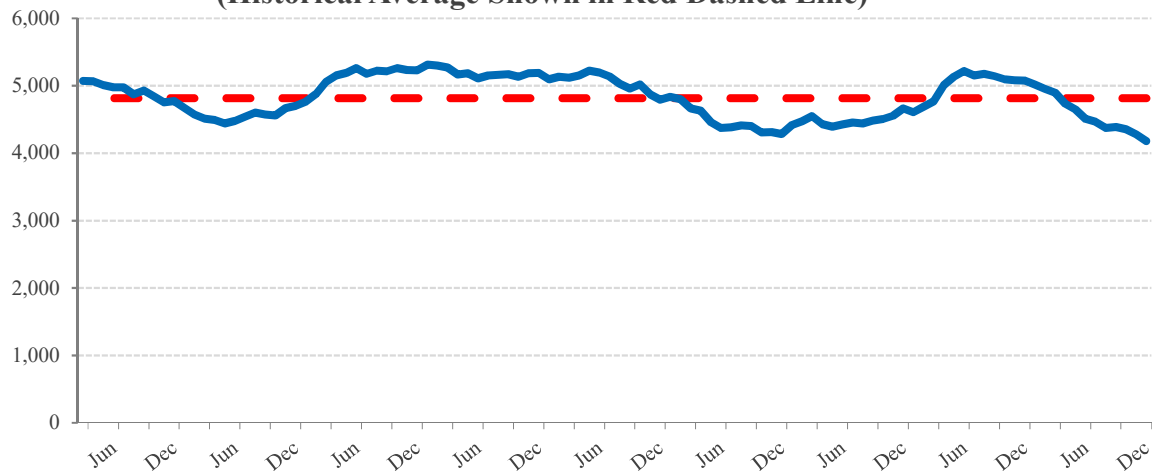
Goods Producing	NA	Information	6,800
Natural Resources/Mining/Construction	6,900	Financial Activities	2,600
Natural Resources and Mining	-100	Prof. & Business Services	30,200
Construction	1,900	Educ. & Health Services	28,000
Manufacturing	4,300	Leisure & Hospitality	28,000
Service Providing Excluding Government	NA	Other Services	500
Trade/Transportation/Utilities	14,900	Government	2,900

State Economic Activity Index	Massachusetts	U.S.	
12-month change (2022 - Dec)	8.2%	4.1%	Massachusetts's economy is stronger than the nation's, but slowed from last month's 8.46% change
36-month change (2022 - Dec)	7.1%	5.4%	

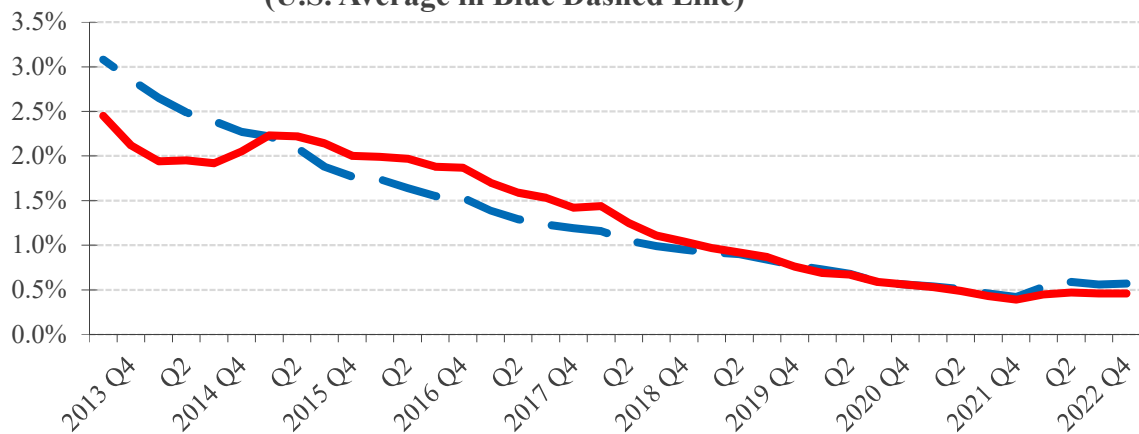
New Housing Construction

Local Fundamentals	Boston	U.S.	
12-month Sum of 1-unit Building Permits through Dec	4,180	not comparable	The current level of construction is 13.2% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	4,815	not comparable	Reduced construction will limit new supply to the market, allowing demand to catch up with inventory more quickly
Single-Family Housing Permits (Dec) 12-month sum vs. a year ago	-17.7%	-13.2%	Construction continues to decline from last year

Construction: 12-month Sum of Local Housing Permits
(Historical Average Shown in Red Dashed Line)

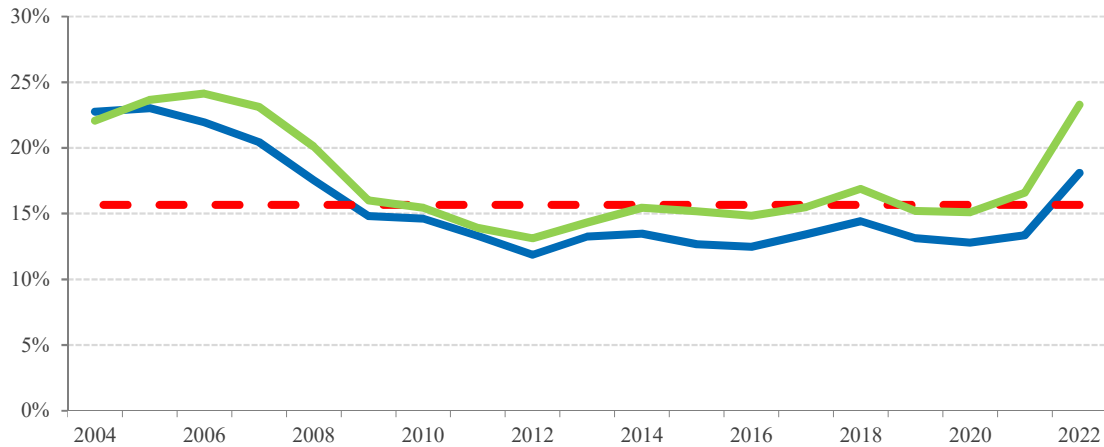


State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



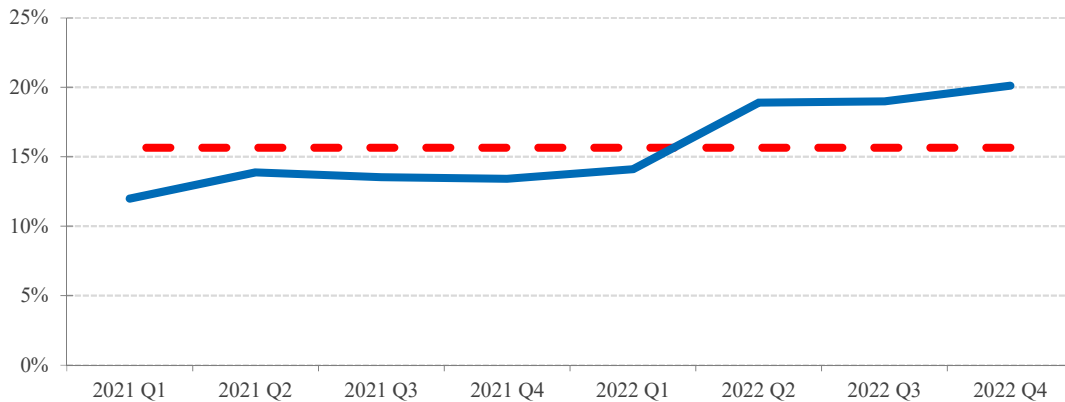
Affordability

Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income
(Local Historical Average Shown in Red, U.S. Average in Green)

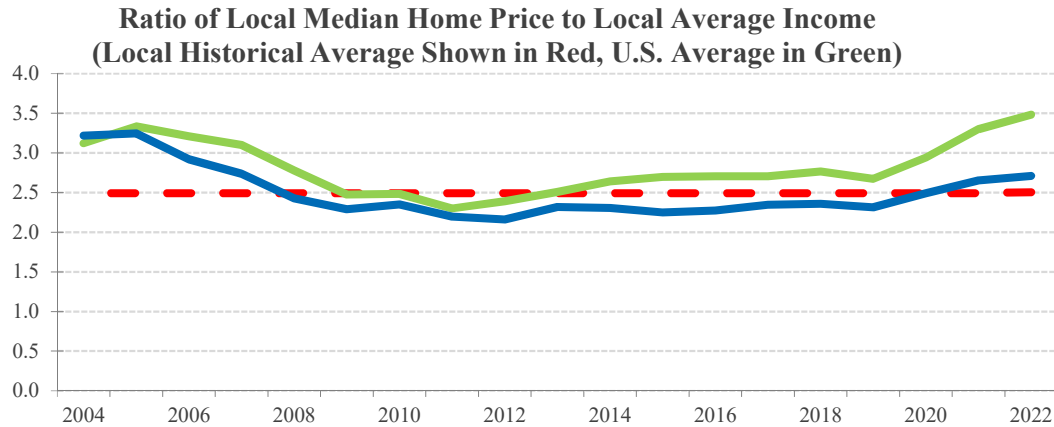


Monthly Mortgage Payment to Income	Boston	U.S.	
Ratio for 2022	18.1%	23.3%	Weak by local standards and could weigh on demand
Ratio for 2022 Q4	20.1%	24.5%	
Historical Average	15.7%	17.8%	More affordable than most markets

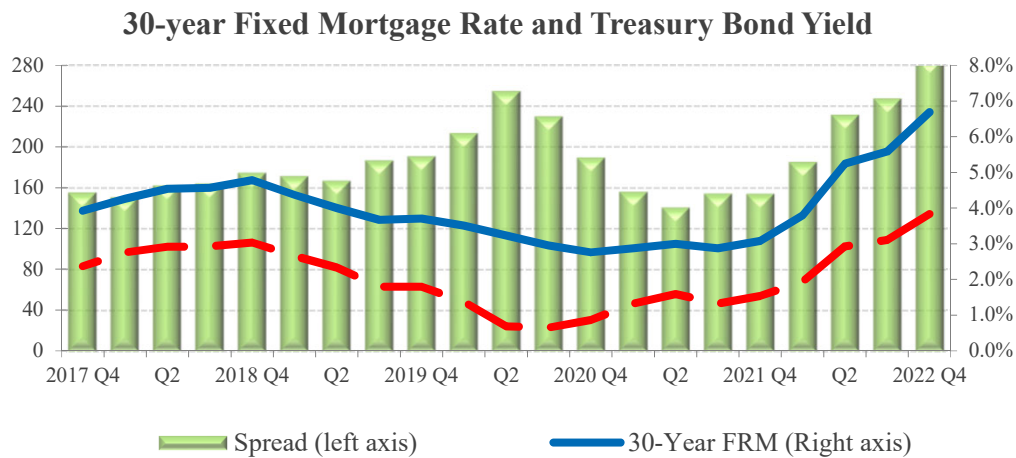
Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Boston	U.S.	
Ratio for 2022	2.7	3.5	The price-to-income ratio eased, but could be better
Ratio for 2022 Q4	2.6	3.2	
Historical Average	2.5	2.8	Affordable compared to most markets



The Mortgage Market



In the last quarter of 2022, mortgage rates surpassed twice the 7 percent threshold. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate rose to 6.7 percent in Q4 2022 from 3.1 percent a year earlier. However, rates started to move down in December as inflation slowed down. For the first-time in the last couple of years, inflation rate was lower than a year ago. Prices continue to increase but slower than the previous year. As long as inflation eases, mortgage rates will continue to drop. NAR forecasts the 30-year fixed mortgage rate to average 6.1 percent in Q1 2023.

Geographic Coverage for this Report

The Boston area referred to in this report covers the geographic area of the Boston-Cambridge-Newton metro area as officially defined by the Office of Management and Budget of the U.S. Government. The official coverage area includes the following counties:

Essex County, Middlesex County, Norfolk County, Plymouth County, Rockingham County, Strafford County, and Suffolk County

More information on the OMB's geographic definitions can be found at https://obamawhitehouse.archives.gov/omb/bulletins_default/

