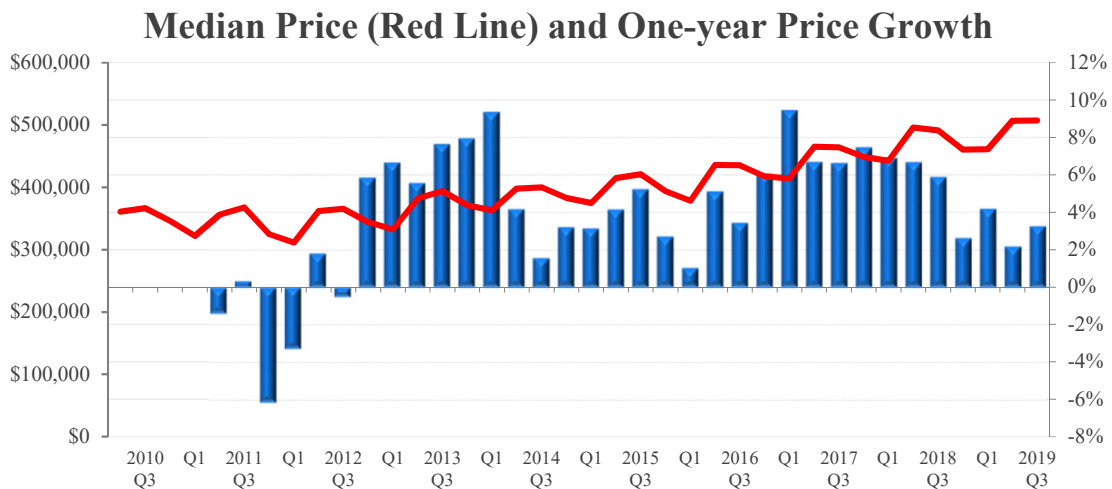


Boston-Cambridge-Newton Area Local Market Report, Third Quarter 2019

Today's Market...



Local Price Trends			
Price Activity	Boston	U.S.	Local Trend
Current Median Home Price (2019 Q3)	\$507,400	\$276,933	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2019 Q3)	3.3%	4.9%	
3-year (12-quarter) Appreciation (2019 Q3)	16.6%	15.6%	
3-year (12-quarter) Housing Equity Gain*	\$72,100	\$37,467	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$141,600	\$93,300	
9-year (36 quarters) Housing Equity Gain*	\$140,900	\$100,000	

*Note: Equity gain reflects price appreciation only

	Boston	U.S.	
Conforming Loan Limit**	\$688,850	\$726,525	Most buyers in this market have access to government-backed financing
FHA Loan Limit	\$688,850	\$726,525	
Local Median to Conforming Limit Ratio	74%	not comparable	

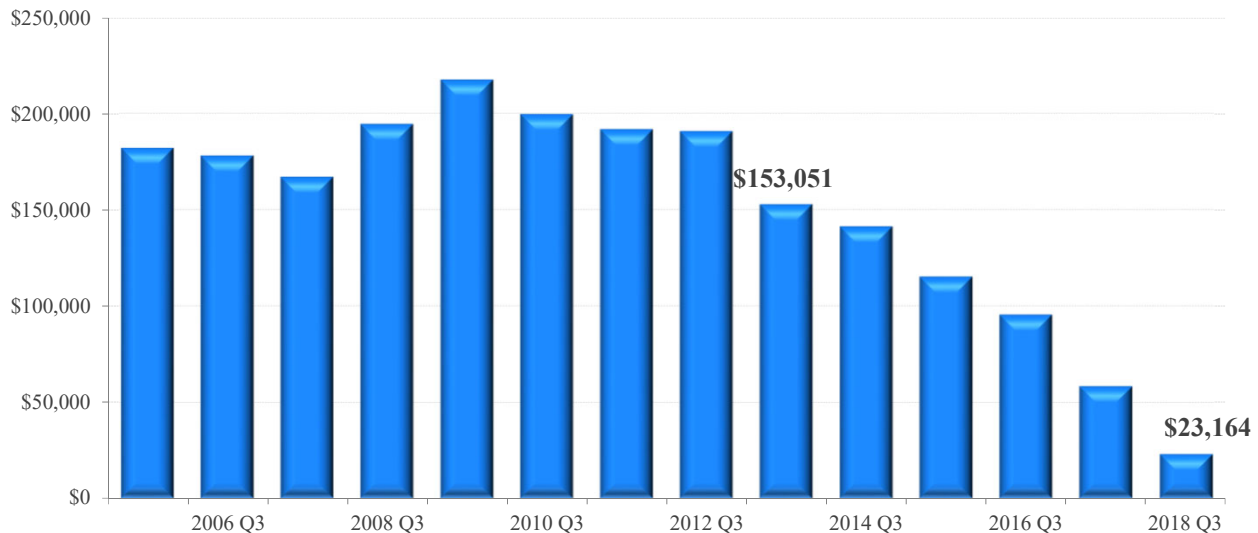
Note: limits are current and include the changes made on January 1st 2019.

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 2019 NAR Regional Vice President representing region 1 is Alan DeStefano.

Benefits of Ownership: Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained** through 2019 Q3 from quarter in which home was of purchased

Price Activity	Boston	U.S.	Local Trend
1-year (4-quarter)	\$23,164	\$16,848	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$95,869	\$50,542	
5-year (20-quarter)*	\$141,565	\$75,423	
7-year (28 quarters)*	\$190,880	\$105,909	
9-year (36 quarters)*	\$199,705	\$112,149	
If purchase in 2005, the national price peak	\$182,192	\$68,690	

*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

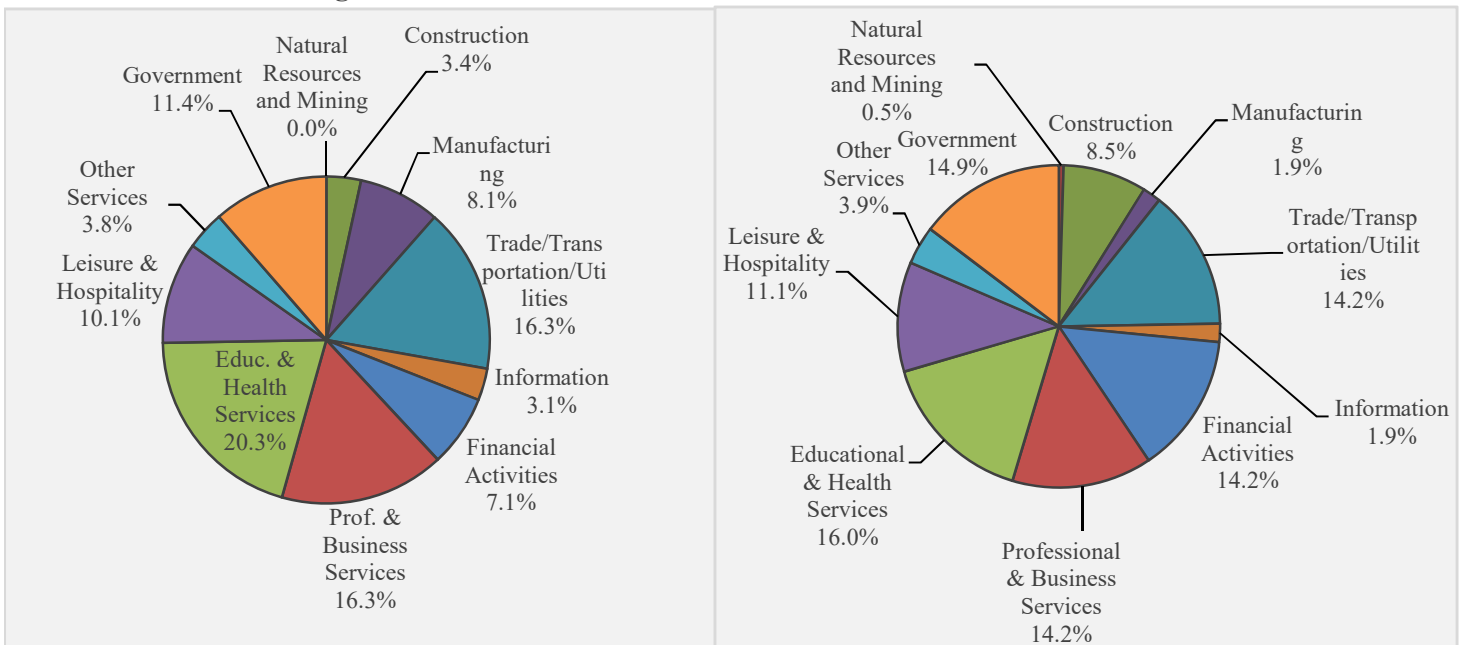
Drivers of Local Supply and Demand...

Local Economic Outlook	Boston	U.S.	
12-month Job Change (Sep)	47,800	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Aug)	48,600	Not Comparable	
36-month Job Change (Sep)	-15,800	Not Comparable	Unemployment in Boston is better than the national average and improving
Current Unemployment Rate (Sep)	2.7%	3.5%	
Year-ago Unemployment Rate	2.8%	3.7%	Local employment growth is strong compared to other markets
1-year (12 month) Job Growth Rate	1.9%	1.6%	

Share of Total Employment by Industry

Boston-Cambridge-Newton Area

U.S.



12-month Employment Change by Industry in the Boston-Cambridge-Newton Area (Sep - 2019)

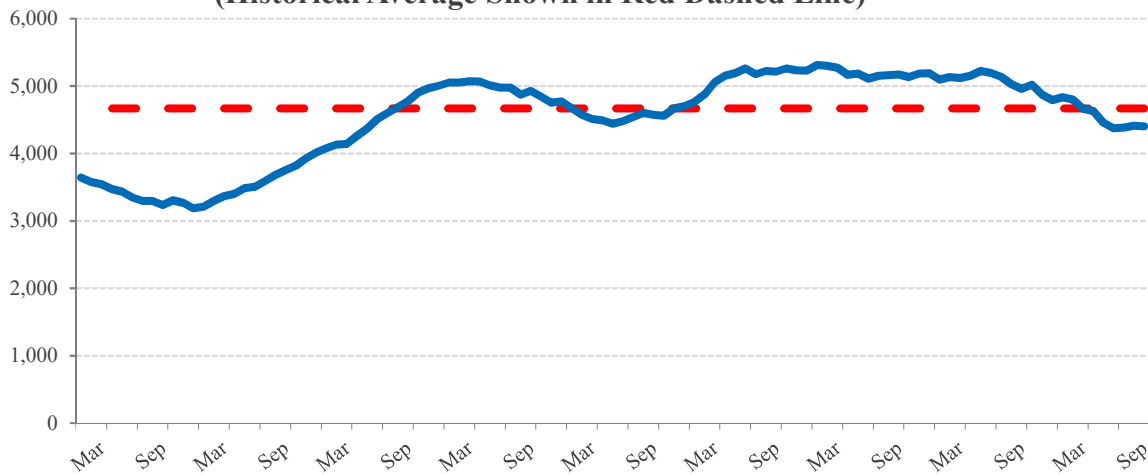
Goods Producing	NA	Information	4,000
Natural Resources/Mining/Construction	NA	Financial Activities	500
Natural Resources and Mining	-100	Prof. & Business Services	4,000
Construction	1,000	Educ. & Health Services	20,300
Manufacturing	4,000	Leisure & Hospitality	16,100
Service Providing Excluding Government	NA	Other Services	1,300
Trade/Transportation/Utilities	5,000	Government	400

State Economic Activity Index	Massachusetts	U.S.	
12-month change (2019 - Sep)	3.7%	2.9%	The economy of Massachusetts has outpaced the rest of the nation and improved modestly from last month's 3.72% change
36-month change (2019 - Sep)	NA	9.3%	

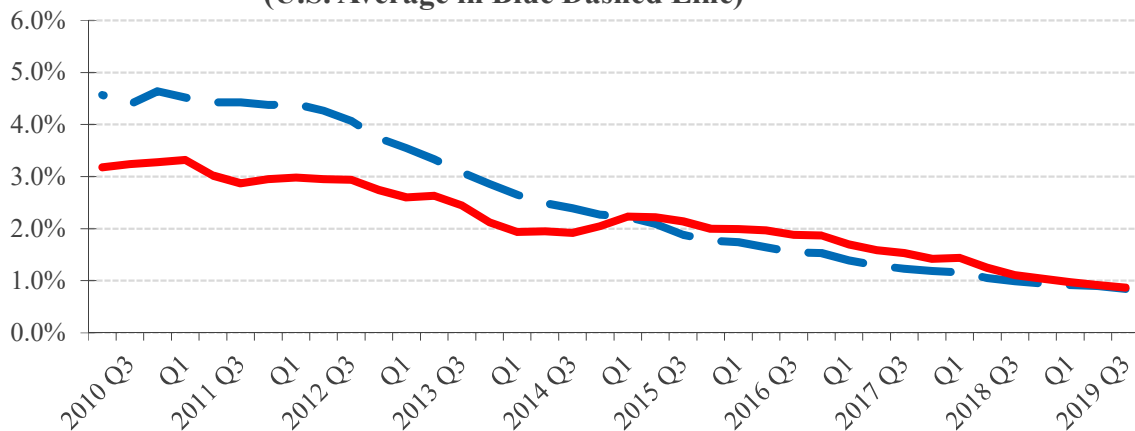
New Housing Construction

Local Fundamentals	Boston	U.S.	
12-month Sum of 1-unit Building Permits through Sep	4,406	not comparable	The current level of construction is 5.6% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	4,669	not comparable	Reduced construction will limit new supply to the market, allowing demand to catch up with inventory more quickly
Single-Family Housing Permits (Sep) 12-month sum vs. a year ago	-11.1%	-2.7%	Construction is down from last year, but appears to have bottomed.

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



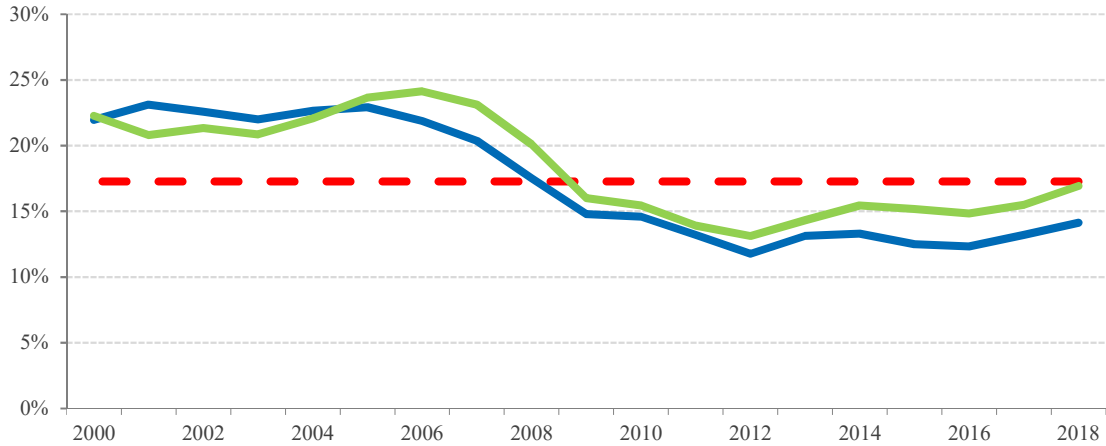
State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



Affordability

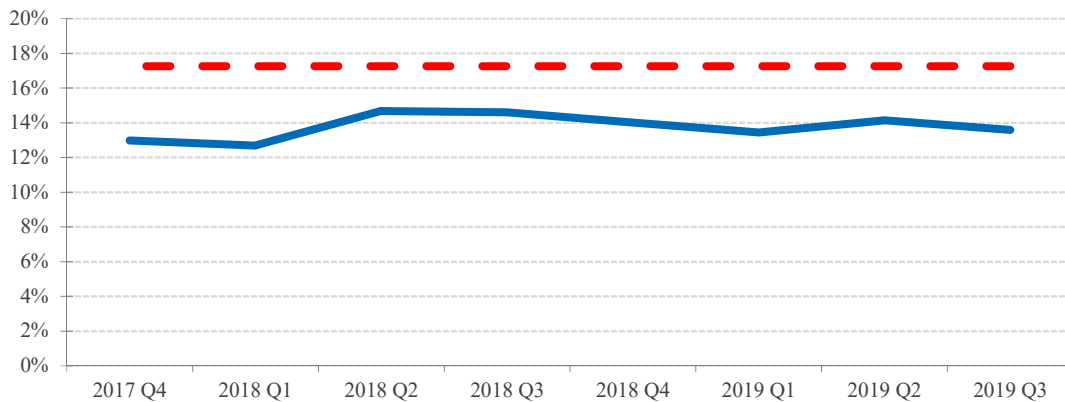


Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income
(Local Historical Average Shown in Red, U.S. Average in Green)

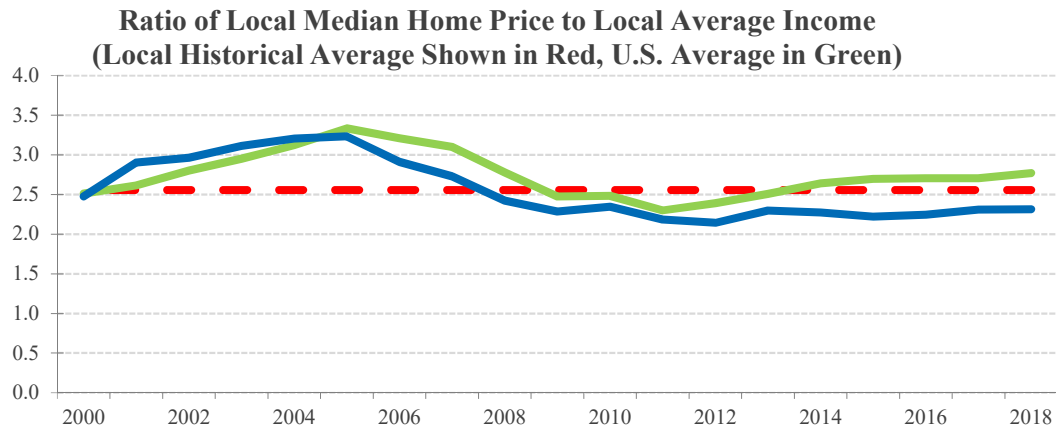


Monthly Mortgage Payment to Income	Boston	U.S.	
Ratio for 2018	14.1%	16.9%	Historically strong and an improvement over the second quarter of 2019
Ratio for 2019 Q3	13.6%	15.7%	
Historical Average	17.3%	18.6%	More affordable than most markets

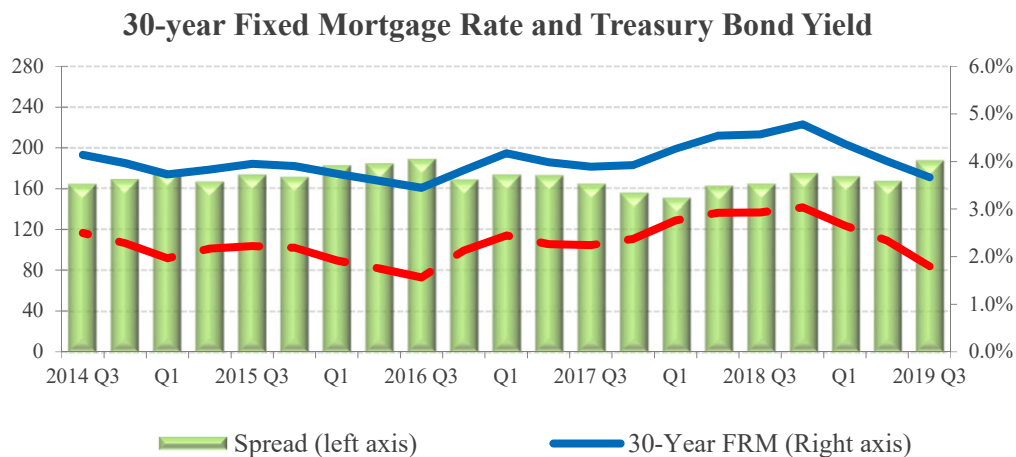
Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Boston	U.S.	
Ratio for 2018	2.3	2.8	The price-to-income ratio rose, but is better than the historic average
Ratio for 2019 Q3	2.5	2.9	
Historical Average	2.6	2.7	Affordable compared to most markets



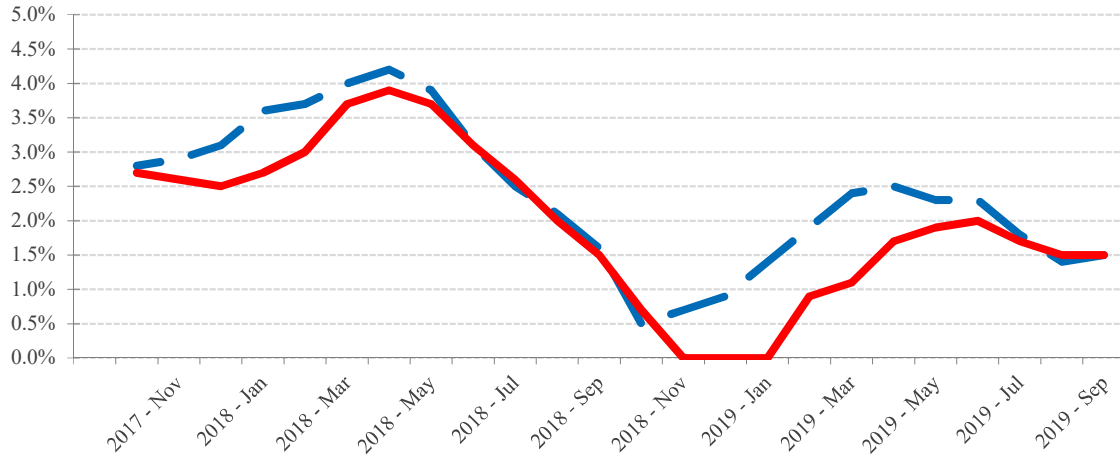
The Mortgage Market



Mortgage rates continue to slide. In the third quarter of 2019, mortgage rates dropped to 3.67 percent from 4.00 percent in Q2 2019, according to mortgage finance provider Freddie Mac. In the beginning of 2019, rates started to come down after a year of gradual increases. At the end of Q3, mortgage rates declined more than 100 basis points from the end of 2018. Homebuyers benefit from the lower rates, but without as many options as they would prefer. In other words, housing inventory remains squeezed. Looking ahead, NAR is forecasting the 30-year fixed rate mortgage to average 3.7 percent for 2019 and 3.8 percent for 2020, respectively.

REALTOR® Price Expectations

REALTOR® Price Expectations for the Next 12 Months
(U.S. Average in Blue Dashed Line)



Source: NAR

REALTOR® Price Expectations	Massachusetts	U.S.	
2019 - Sep	1.5%	1.5%	REALTORS® expect weaker price growth in Massachusetts than in the U.S. in the next 12 months. Their price expectations for the local market remained at the same level as a year ago.
Prior 12 months	1.5%	1.6%	



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/