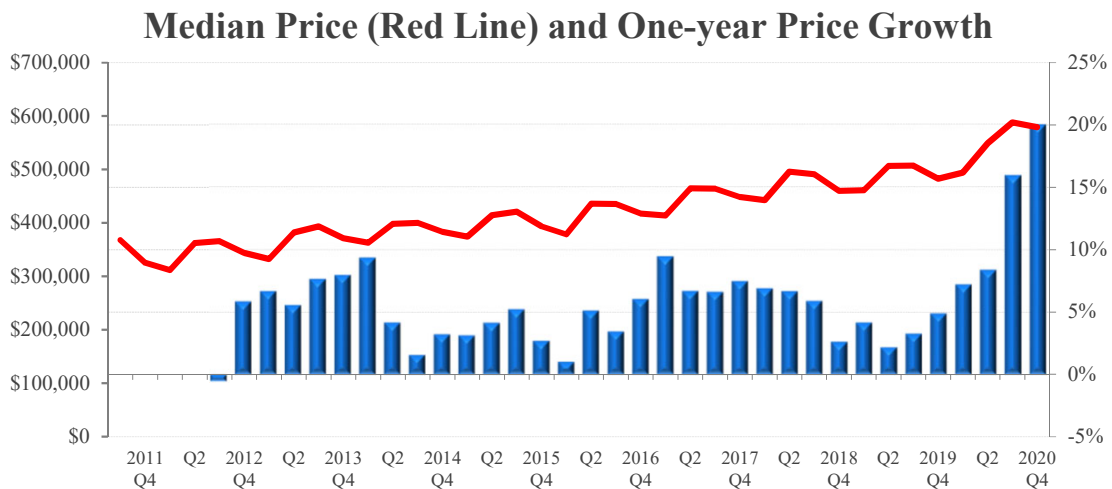


Boston-Cambridge-Newton Area

Local Market Report, Fourth Quarter 2020

including the impact of COVID-19 on the local economy

Today's Market...



Local Price Trends			
Price Activity	Boston	U.S.	Local Trend
Current Median Home Price (2020 Q4)	\$579,100	\$311,000	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2020 Q4)	19.9%	14.2%	
3-year (12-quarter) Appreciation (2020 Q4)	29.1%	26.1%	
3-year (12-quarter) Housing Equity Gain*	\$130,600	\$64,433	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$207,800	\$114,100	
9-year (36 quarters) Housing Equity Gain*	\$254,100	\$148,667	

*Note: Equity gain reflects price appreciation only

	Boston	U.S.	
Conforming Loan Limit**	\$690,000	\$765,600	Not all buyers have access to government-backed financing in this market
FHA Loan Limit	\$690,000	\$765,600	
Local Median to Conforming Limit Ratio	84%	not comparable	

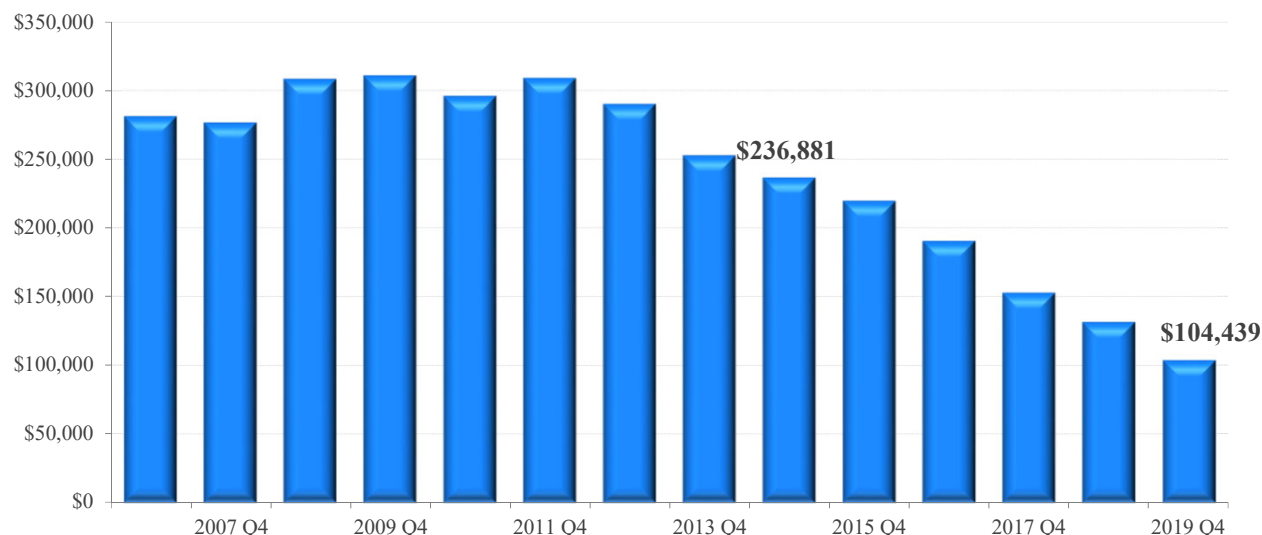
Note: limits are current and include the changes made on January 1st 2020.

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 2021 NAR Regional Vice President representing region 1 is Donna Cusson.

Benefits of Ownership: Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained** through 2020 Q4 from quarter in which home was of purchased

Price Activity	Boston	U.S.	Local Trend
1-year (4-quarter)	\$104,439	\$43,291	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$153,339	\$76,934	
5-year (20-quarter)*	\$220,216	\$109,705	
7-year (28 quarters)*	\$252,939	\$138,037	
9-year (36 quarters)*	\$309,246	\$176,211	

*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...

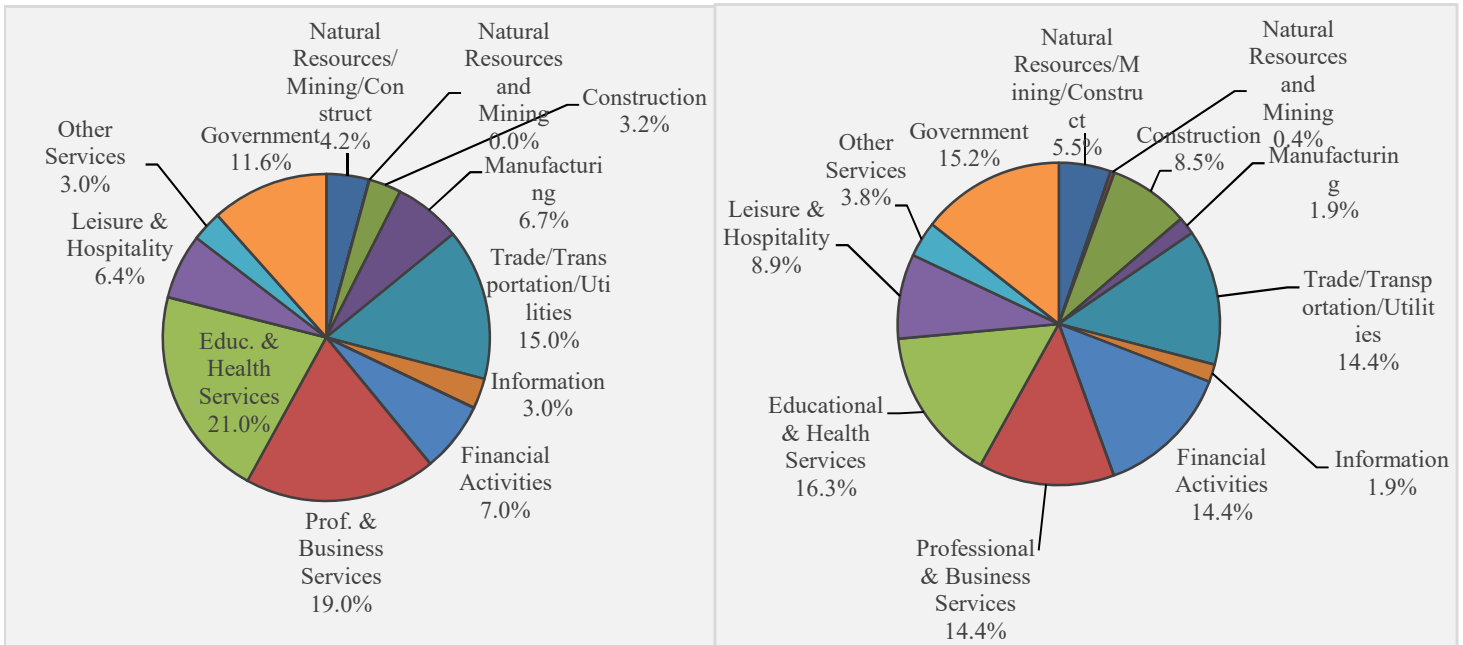


Local Economic Outlook	Boston	U.S.	
12-month Job Change (Dec)	-249,500	Not Comparable	Job losses are a problem and will weigh on demand, but layoffs are declining, a trend that could help buyer confidence
12-month Job Change (Nov)	-254,100	Not Comparable	
36-month Job Change (Dec)	-202,500	Not Comparable	Unemployment has risen since the same period last year, but Boston's labor market has been more resilient than the national average
Current Unemployment Rate (Dec)	6.5%	6.7%	
Year-ago Unemployment Rate	2.1%	3.6%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	-8.8%	-5.8%	

Share of Total Employment by Industry

Boston-Cambridge-Newton Area

U.S.



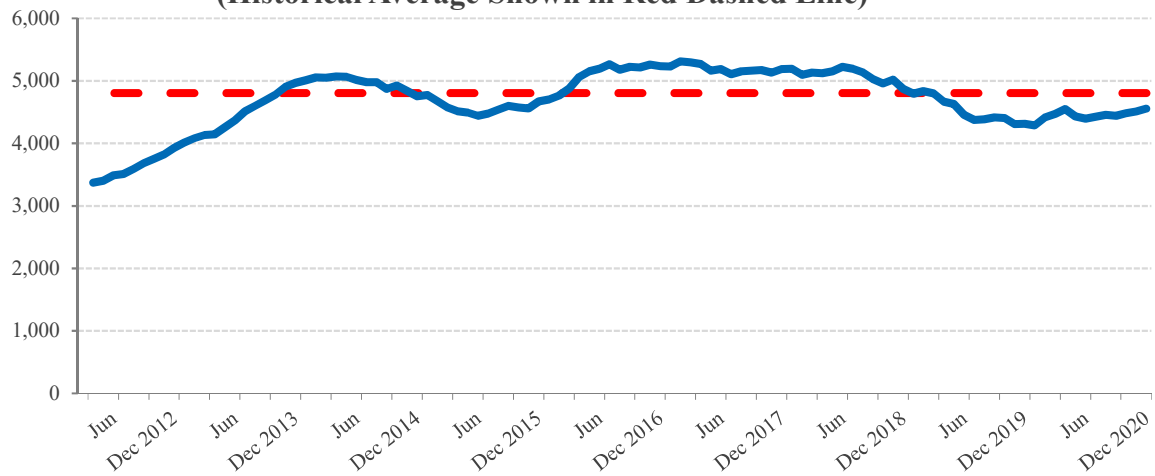
12-month Employment Change by Industry in the Boston-Cambridge-Newton Area (Dec - 2020)

Goods Producing	NA	Information	-2,300
Natural Resources/Mining/Construction	-12,800	Financial Activities	-900
Natural Resources and Mining	-100	Prof. & Business Services	-15,000
Construction	1,900	Educ. & Health Services	-44,200
Manufacturing	-10,400	Leisure & Hospitality	-101,200
Service Providing Excluding Government	NA	Other Services	-22,400
Trade/Transportation/Utilities	-32,300	Government	-12,600

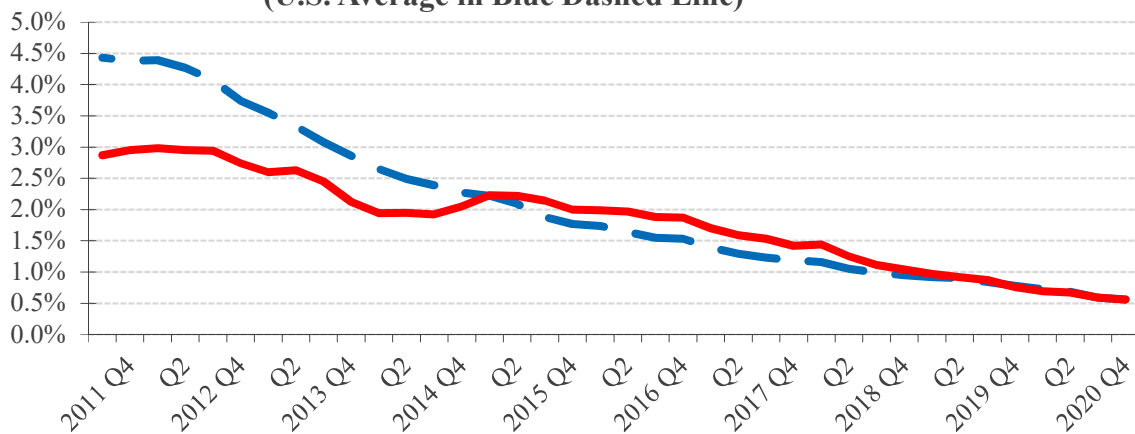
State Economic Activity Index	Massachusetts	U.S.	
12-month change (2020 - Dec)	-10.9%	-4.4%	Massachusetts's economy remains in recession and weakened from last month's -9.32% change
36-month change (2020 - Dec)	-3.9%	1.0%	

New Housing Construction			
Local Fundamentals	Boston	U.S.	
12-month Sum of 1-unit Building Permits through Dec 2020	4,664	not comparable	The current level of construction is 2.9% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	4,803	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 2020) 12-month sum vs. a year ago	8.8%	14.5%	Construction is on the rise relative to last year, suggesting that the local inventory has stabilized

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

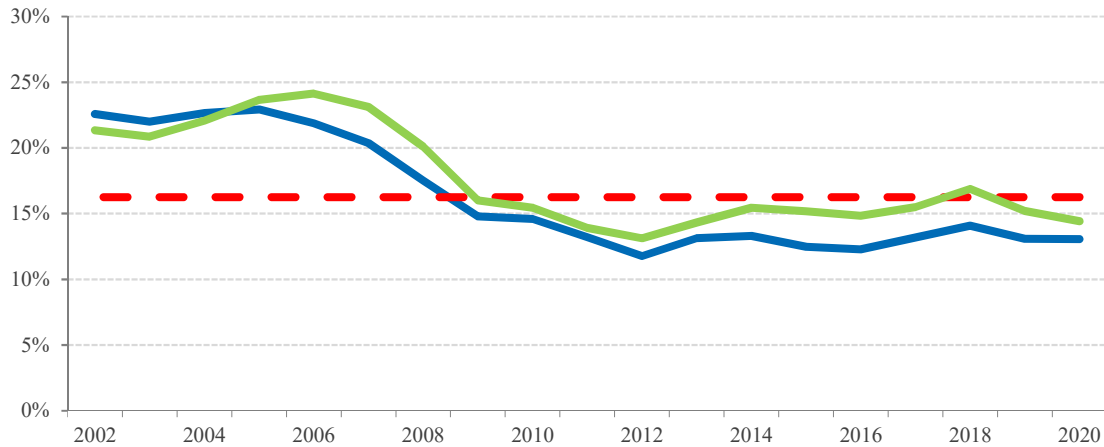


State Total Foreclosure Rate vs. U.S Average
(U.S. Average in Blue Dashed Line)



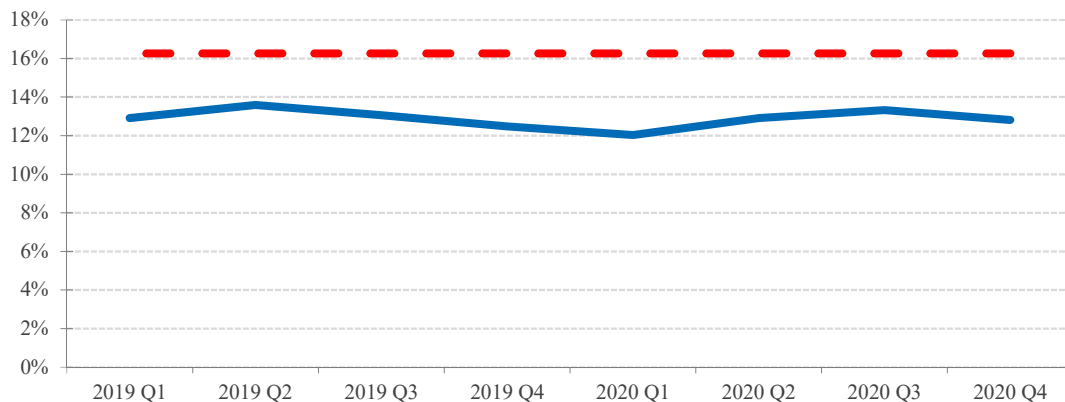
Affordability

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

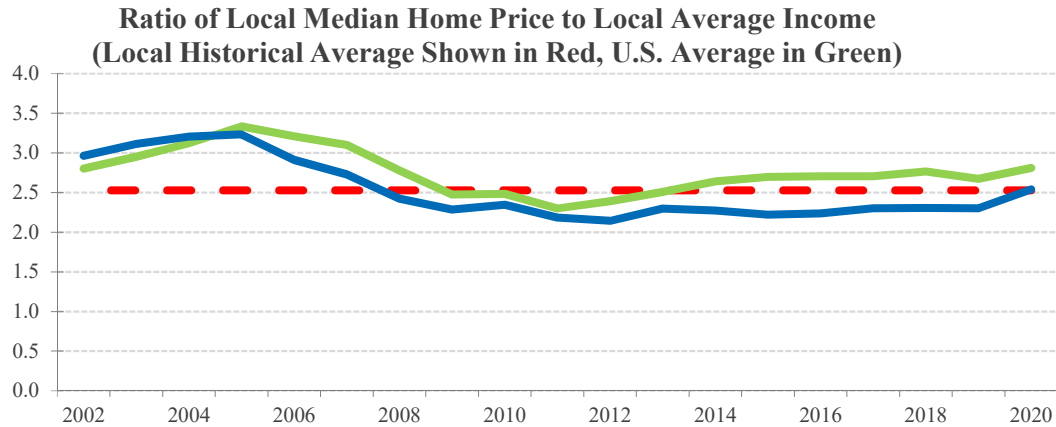


Monthly Mortgage Payment to Income	Boston	U.S.	
Ratio for 2020	13.1%	14.4%	Historically strong and an improvement over the third quarter of 2020
Ratio for 2020 Q4	12.8%	13.7%	
Historical Average	16.3%	18.0%	More affordable than most markets

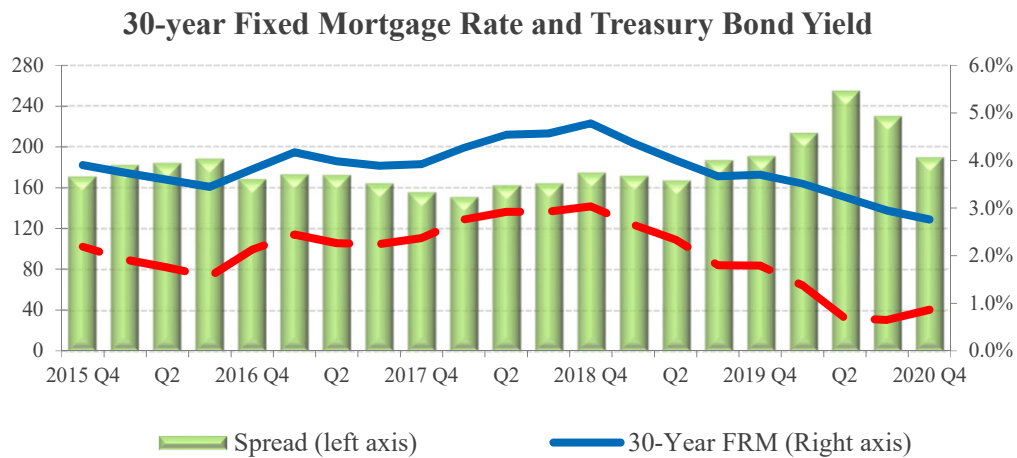
Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Boston	U.S.	
Ratio for 2020	2.5	2.8	The price-to-income ratio eased, but could be better
Ratio for 2020 Q4	2.6	2.8	
Historical Average	2.5	2.7	Affordable compared to most markets



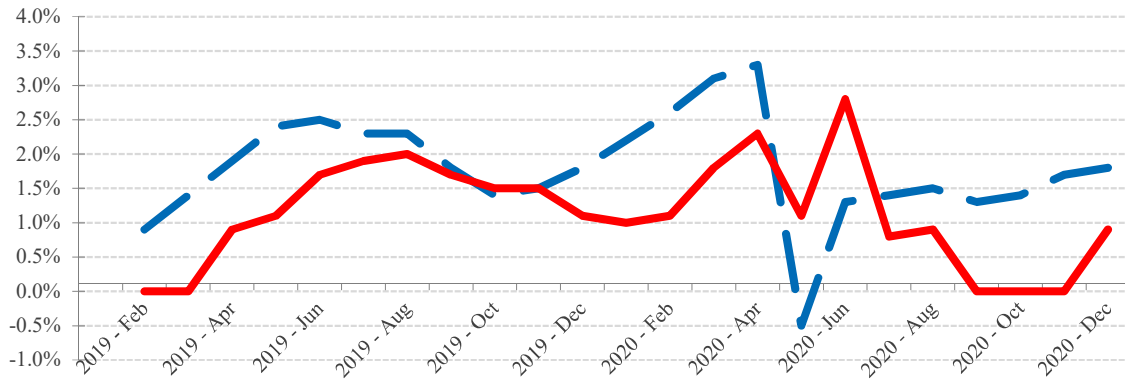
The Mortgage Market



In the fourth quarter of the year, the 30-year fixed rate hit an all-time low, as investors were skeptical about the recovery of the economy from the pandemic. According to the mortgage finance provider Freddie Mac, the 30-year fixed rate mortgage dropped to 2.76 percent in Q4 2020 from 3.70 percent a year earlier. However, mortgage rates are expected to rise in 2021. As COVID-19 vaccine becomes widely available and additional policy support is on track, the re-opening of businesses will likely put upward pressure to prices. Following the trend of the 10-year Treasury yield, mortgage rates will also increase, but only slightly. NAR is forecasting the 30-year mortgage rate to average 3.0% for the first half of 2021.

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.	
2020 - Dec	0.7%	2.0%	REALTORS® expect weaker price growth in Massachusetts than in the U.S. in the next 12 months. Their price expectations for the local market are more modest than a year ago.
Prior 12 months	1.1%	2.6%	

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/