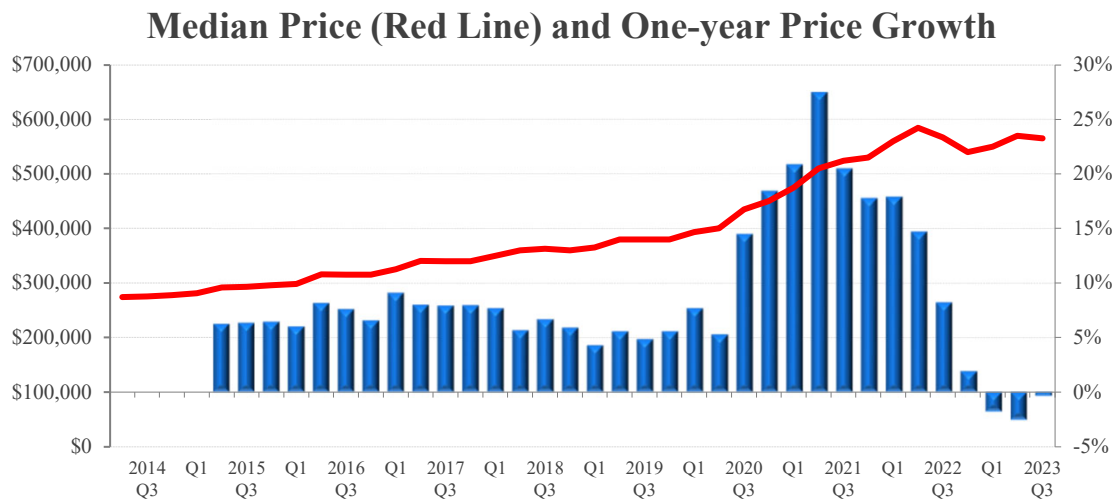


## Riverside-San Bernardino-Ontario Area

### Local Market Report, Third Quarter 2023

## Today's Market...



Local Price Trends			
Price Activity	Riverside	U.S.	Local Trend
Current Median Home Price (2023 Q3)	\$567,000	\$400,867	Prices are still down from a year ago, but the trend is improving
1-year (4-quarter) Appreciation (2023 Q3)	-0.4%	2.4%	
3-year (12-quarter) Appreciation (2023 Q3)	29.9%	29.7%	
3-year (12-quarter) Housing Equity Gain*	\$130,000	\$91,700	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$250,000	\$161,400	
9-year (36 quarters) Housing Equity Gain*	\$294,600	\$184,500	

\*Note: Equity gain reflects price appreciation only

	Riverside	U.S.	
Conforming Loan Limit**	\$726,200	\$1,089,300	Not all buyers have access to government-backed financing in this market
FHA Loan Limit	\$644,000	\$1,089,300	
Local Median to Conforming Limit Ratio	78%	not comparable	

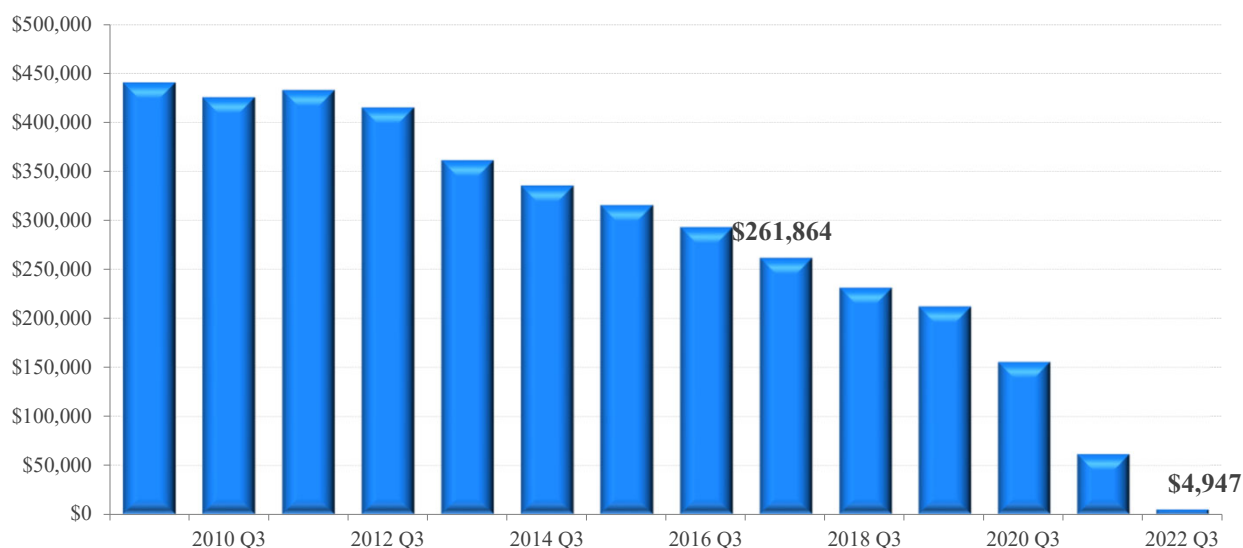
Note: limits are current and include the changes made on January 1st 2023.

#### Local NAR Leadership

The Riverside-San Bernardino-Ontario market is part of region 13 in the NAR governance system, which includes all of California, Hawaii, and Guam. The 2023 NAR Regional Vice President representing region 13 is Jennifer Branchini.

## Benefits of Ownership: Total Equity Appreciation

### Total Equity Accrued to Owner by Year and Quarter of Purchase



#### Total Equity Gained\*\* through 2023 Q3 from quarter in which home was of purchased

Price Activity	Riverside	U.S.	Local Trend
1-year (4-quarter)	\$4,947	\$14,262	Price trends in the last three years have undercut the steady post-recession home equity growth despite owners paying down principle
3-year (12-quarter)*	\$155,629	\$109,915	
5-year (20-quarter)*	\$231,451	\$158,012	
7-year (28 quarters)*	\$293,029	\$194,111	
9-year (36 quarters)*	\$335,568	\$220,615	

\*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...

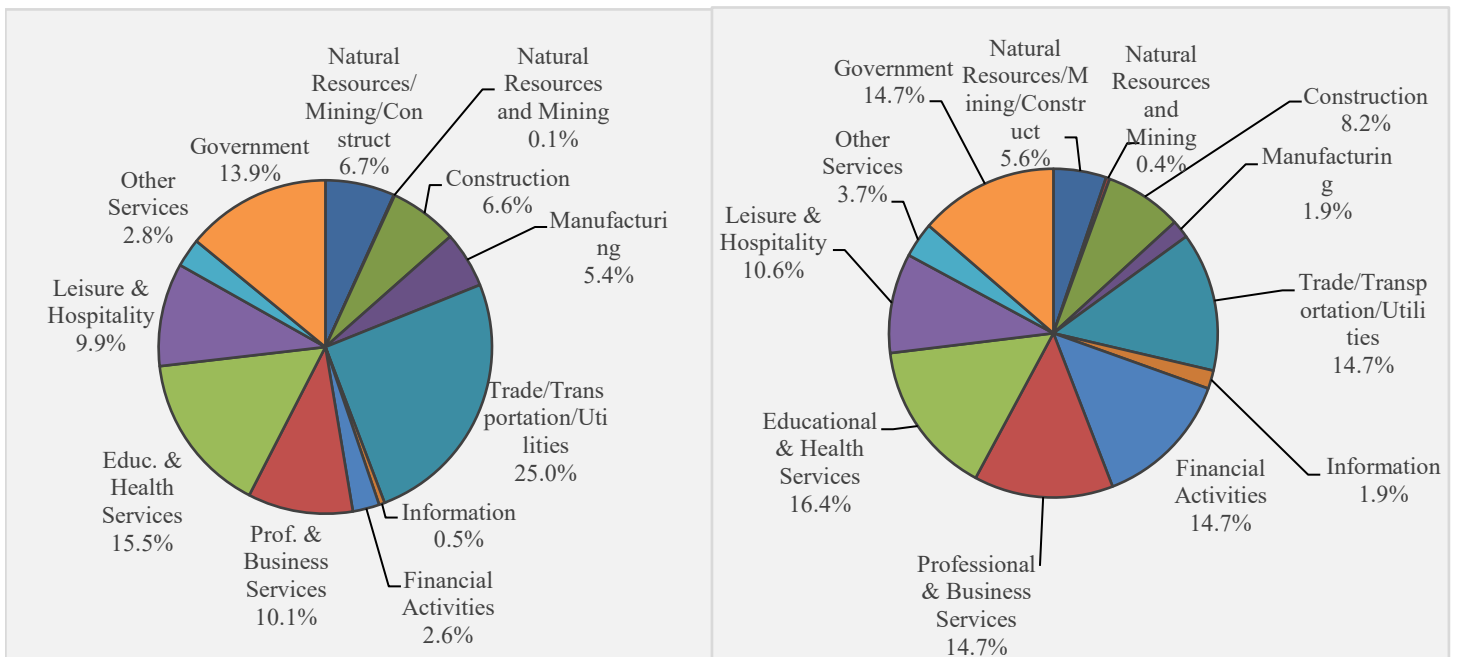


Local Economic Outlook	Riverside	U.S.	
12-month Job Change (Oct)	23,100	NOT Comparable	Employment growth has eased, but remains positive
12-month Job Change (Sep)	25,600	NOT Comparable	
36-month Job Change (Oct)	178,800	NOT Comparable	Riverside's unemployment situation is worse than the national average and weighs on confidence
Current Unemployment Rate (Oct)	5.1%	3.9%	
Year-ago Unemployment Rate	4.0%	3.7%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	1.4%	2.6%	

## Share of Total Employment by Industry

Riverside-San Bernardino-Ontario Area

U.S.



### 12-month Employment Change by Industry (Oct - 2023)

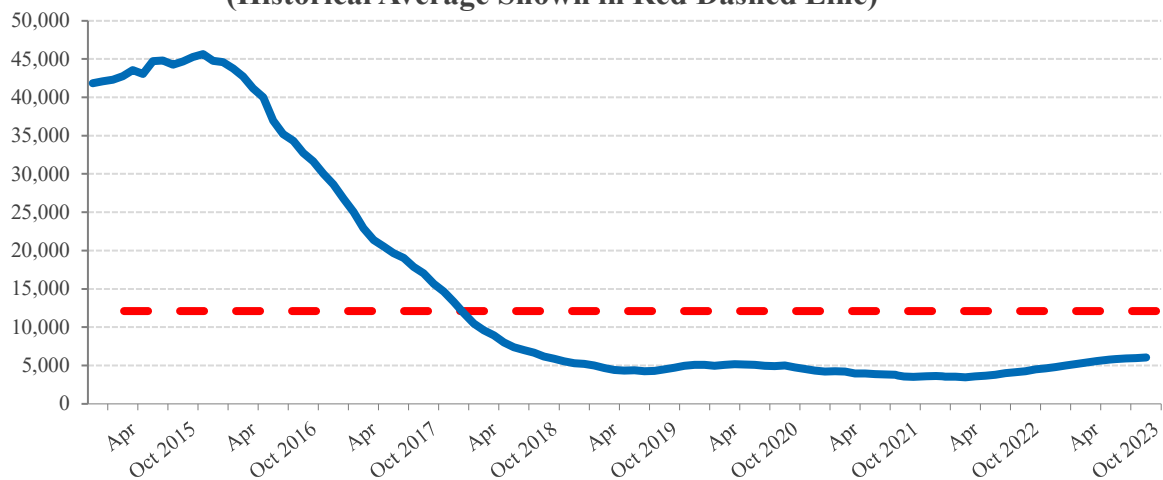
Goods Producing	NA	Information	-300
Natural Resources/Mining/Construction	6,800	Financial Activities	-800
Natural Resources and Mining	0	Prof. & Business Services	2,800
Construction	6,800	Educ. & Health Services	13,900
Manufacturing	-2,100	Leisure & Hospitality	1,100
Service Providing Excluding Government	NA	Other Services	1,600
Trade/Transportation/Utilities	-5,000	Government	7,600

State Economic Activity Index	California	U.S.	
12-month change (2023 - Oct)	1.8%	3.0%	The economy of California is growing more slowly than the rest of the nation, but improved modestly from last month's 1.55% change
36-month change (2023 - Oct)	20.2%	14.2%	

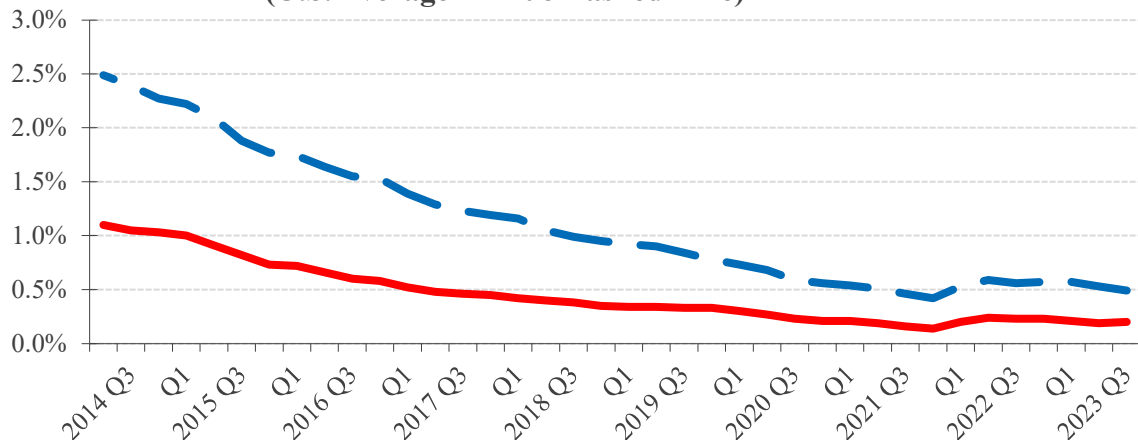
## New Housing Construction

Local Fundamentals	Riverside	U.S.	
12-month Sum of 1-unit Building Permits through Oct 2023	NA	not comparable	Local Data Not Available
8-year average for 12-month Sum of 1-Unit Building Permits	12,125	not comparable	Local Data Not Available
Single-Family Housing Permits (Oct 2023) 12-month sum vs. a year ago	NA	-14.1%	Local Data Not Available

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

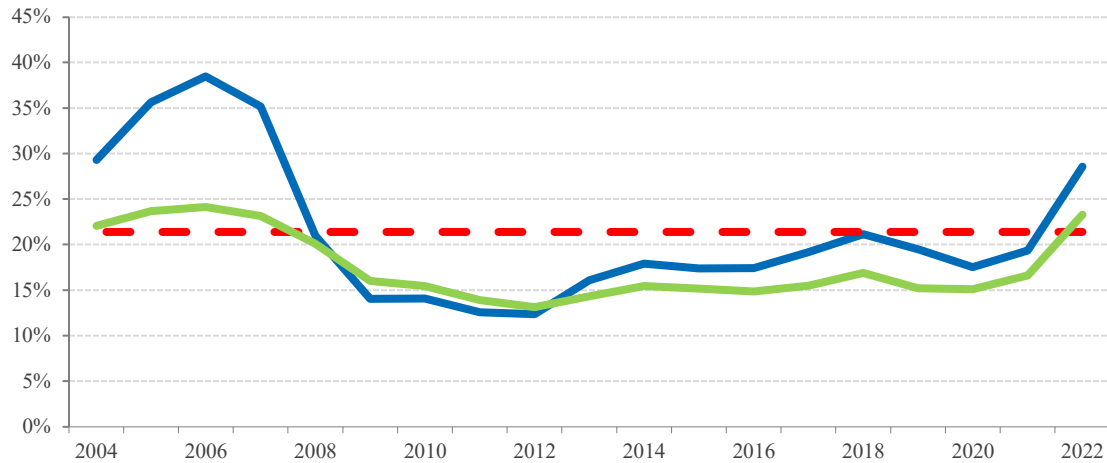


**State Total Foreclosure Rate vs. U.S. Average**  
(U.S. Average in Blue Dashed Line)



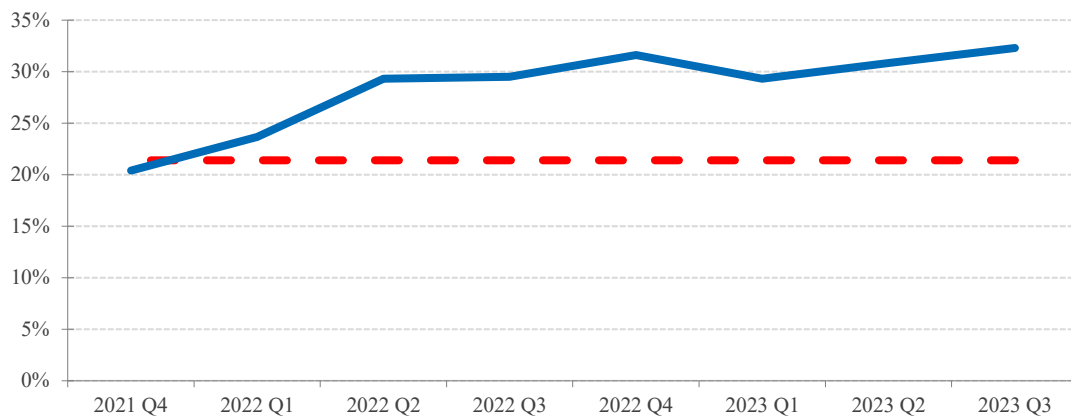
# Affordability

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

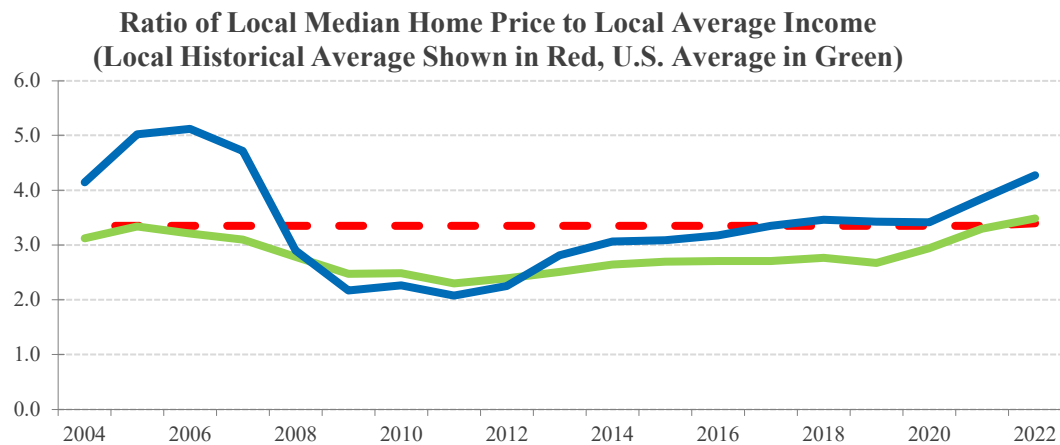


Monthly Mortgage Payment to Income	Riverside	U.S.	
Ratio for 2022	28.6%	23.3%	Weak by local standards and could weigh on demand
Ratio for 2023 Q3	32.3%	27.3%	
Historical Average	21.4%	17.8%	Weaker affordability than most markets

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



Median Home Price to Income	Riverside	U.S.	
Ratio for 2022	4.3	3.5	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2023 Q3	4.0	3.4	
Historical Average	3.4	2.8	Less affordable than most markets



## The Mortgage Market



For the most part of the third quarter, mortgage rates hovered above 7 percent, pushing down affordability to record lows. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate rose to 7.04 percent in the third quarter of 2023 from 5.58 percent the previous year. With this increase, Americans are cost burdened, spending \$1,800 above their budget every year. Nevertheless, the outlook appears more optimistic. If inflation continues to cool, the Federal Reserve will start reducing its interest rates as early as the beginning of next year. NAR forecasts the 30-year fixed mortgage rate to conclude the year at 7.8 percent but then drop to 7.5 percent in the first quarter of next year.

## Geographic Coverage for this Report

The Riverside area referred to in this report covers the geographic area of the Riverside-San Bernardino-Ontario 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:

Riverside County and San Bernardino County

More information on the OMB's geographic definitions can be found at [https://obamawhitehouse.archives.gov/omb/bulletins\\_default/](https://obamawhitehouse.archives.gov/omb/bulletins_default/)