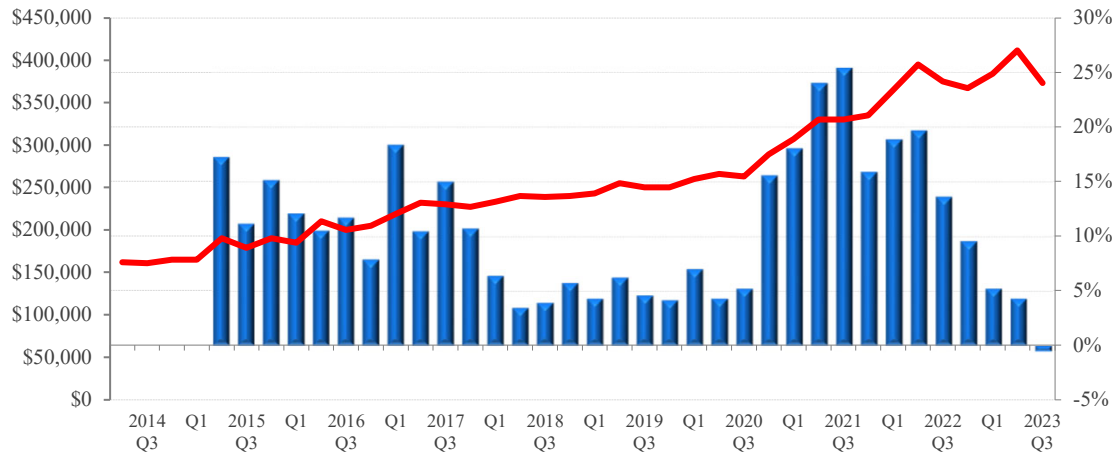


Sebastian-Vero Beach, FL Area

Local Market Report, Third Quarter 2023

Today's Market...

Median Price (Red Line) and One-year Price Growth



| Local Price Trends | | | |
|---|------------|-----------|--|
| Price Activity | Vero Beach | U.S. | Local Trend |
| Current Median Home Price (2023 Q3) | \$375,000 | \$400,867 | Year-over-year price growth swung negative this quarter after growing last quarter |
| 1-year (4-quarter) Appreciation (2023 Q3) | -0.5% | 2.4% | |
| 3-year (12-quarter) Appreciation (2023 Q3) | 41.8% | 29.7% | |
| 3-year (12-quarter) Housing Equity Gain* | \$110,000 | \$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* | \$173,000 | \$161,400 | |
| 9-year (36 quarters) Housing Equity Gain* | \$251,000 | \$184,500 | |
| *Note: Equity gain reflects price appreciation only | | | |

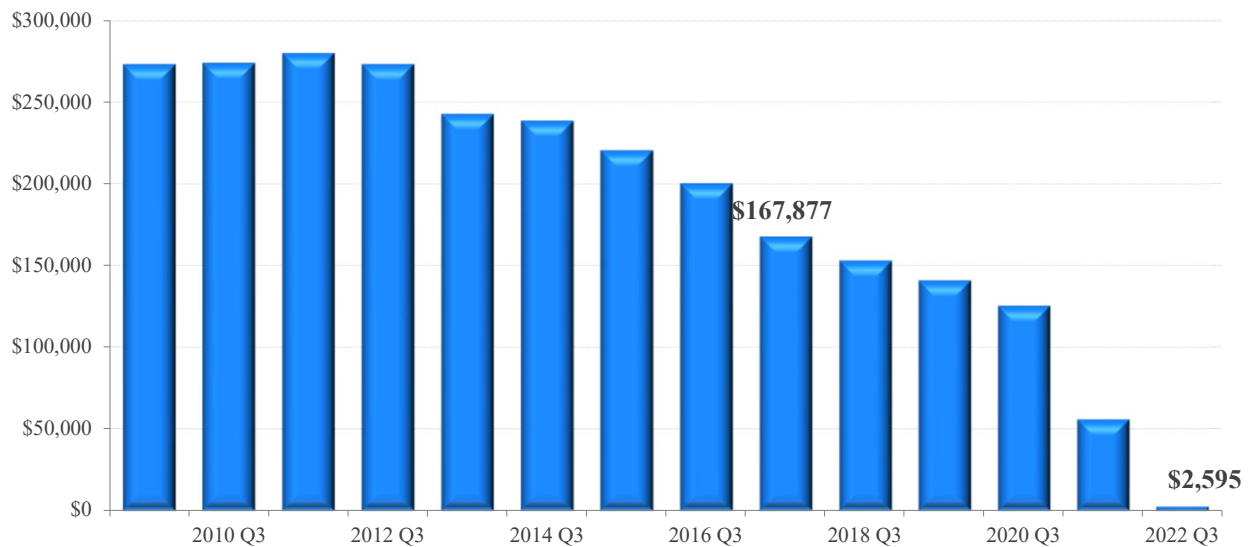
| | Vero Beach | U.S. | |
|--|------------|----------------|---|
| Conforming Loan Limit** | \$726,200 | \$1,089,300 | Most buyers in this market have access to government-backed financing |
| FHA Loan Limit | \$472,030 | \$1,089,300 | |
| Local Median to Conforming Limit Ratio | 52% | not comparable | |
| Note: limits are current and include the changes made on January 1st 2023. | | | |

Local NAR Leadership

The Sebastian-Vero Beach, FL market is part of region 5 in the NAR governance system, which includes all of Georgia, Florida, Alabama, Mississippi, Virgin Islands, and Puerto Rico. The 2023 NAR Regional Vice President representing region 5 is Faron King.

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 | VeroBeach | U.S. | Local Trend |
|-----------------------|-----------|-----------|--|
| 1-year (4-quarter) | \$2,595 | \$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)* | \$125,495 | \$109,915 | |
| 5-year (20-quarter)* | \$153,088 | \$158,012 | |
| 7-year (28 quarters)* | \$200,320 | \$194,111 | |
| 9-year (36 quarters)* | \$238,873 | \$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...

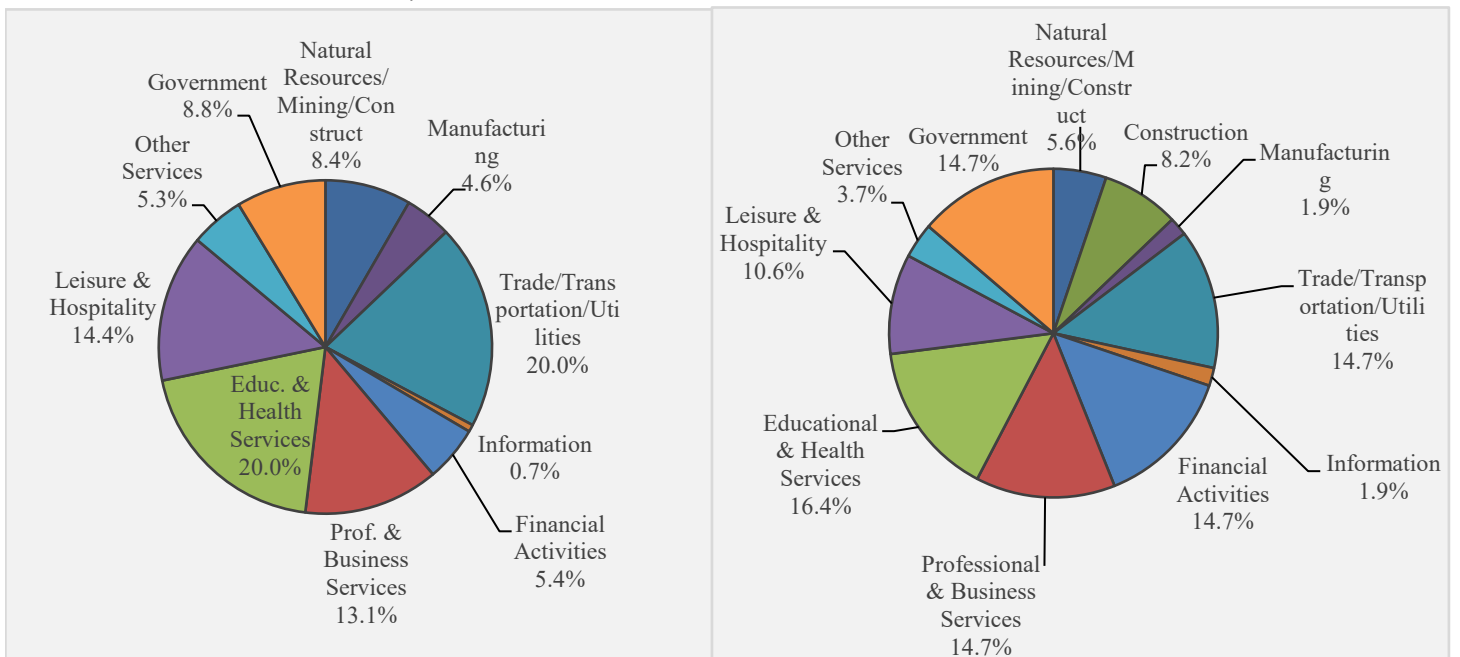


| Local Economic Outlook | Vero Beach | U.S. | |
|-----------------------------------|------------|----------------|---|
| 12-month Job Change (Oct) | 1,300 | Not Comparable | Employment has held up and is on an upward trend |
| 12-month Job Change (Sep) | 800 | Not Comparable | |
| 36-month Job Change (Oct) | 5,800 | Not Comparable | Unemployment has risen since the same period last year, but Vero Beach's labor market has been more resilient than the national average |
| Current Unemployment Rate (Oct) | 3.8% | 3.9% | |
| Year-ago Unemployment Rate | 3.1% | 3.7% | Local employment growth is poor and needs to improve |
| 1-year (12 month) Job Growth Rate | 2.3% | 2.6% | |

Share of Total Employment by Industry

Sebastian-Vero Beach, FL Area

U.S.



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

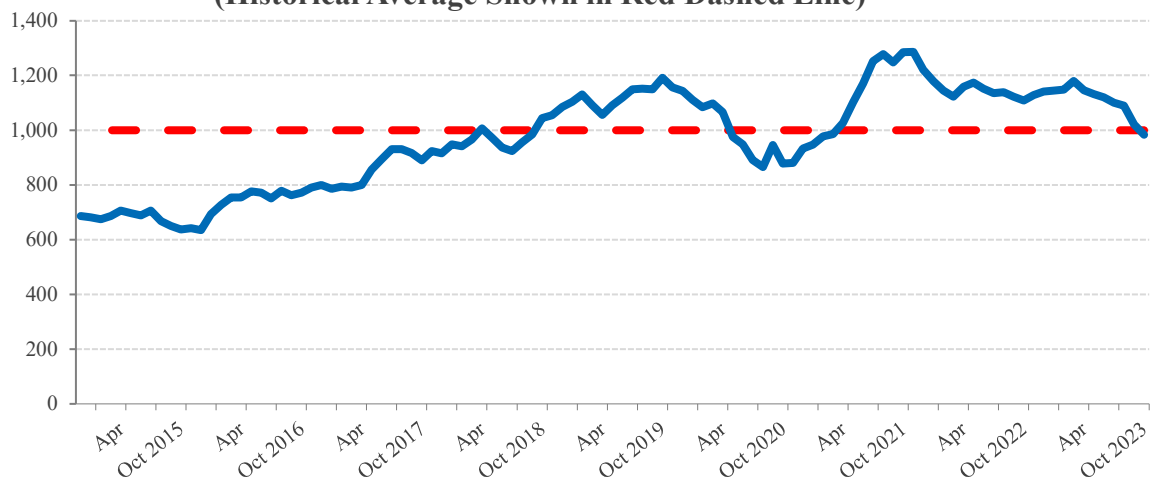
| | | | |
|--|-----|---------------------------|------|
| Goods Producing | NA | Information | 0 |
| Natural Resources/Mining/Construction | 0 | Financial Activities | -100 |
| Natural Resources and Mining | NA | Prof. & Business Services | 200 |
| Construction | NA | Educ. & Health Services | 500 |
| Manufacturing | 100 | Leisure & Hospitality | 0 |
| Service Providing Excluding Government | NA | Other Services | 100 |
| Trade/Transportation/Utilities | 0 | Government | 0 |

| State Economic Activity Index | Florida | U.S. | |
|-------------------------------|---------|-------|--|
| 12-month change (2023 - Oct) | 3.2% | 3.0% | Florida's economy is stronger than the nation's, but slowed from last month's 3.30% change |
| 36-month change (2023 - Oct) | 20.3% | 14.2% | |

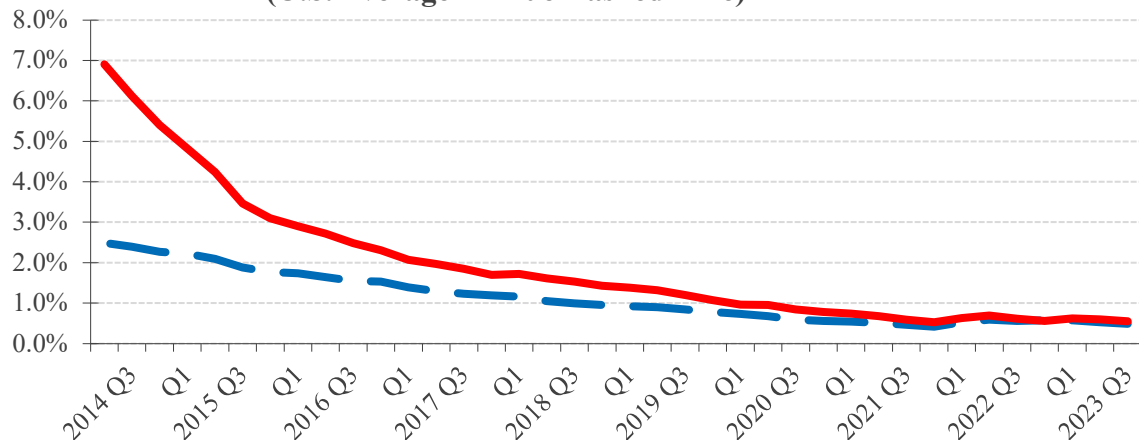
New Housing Construction

| Local Fundamentals | Vero Beach | U.S. | |
|---|------------|----------------|---|
| 12-month Sum of 1-unit Building Permits through Oct 2023 | 983 | not comparable | The current level of construction is 1.7% below the long-term average |
| 8-year average for 12-month Sum of 1-Unit Building Permits | 1,000 | not comparable | Reduced construction will limit new supply to the market, allowing demand to catch up with inventory more quickly |
| Single-Family Housing Permits (Oct 2023) 12-month sum vs. a year ago | -11.3% | -14.1% | Construction continues to decline from last year |

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

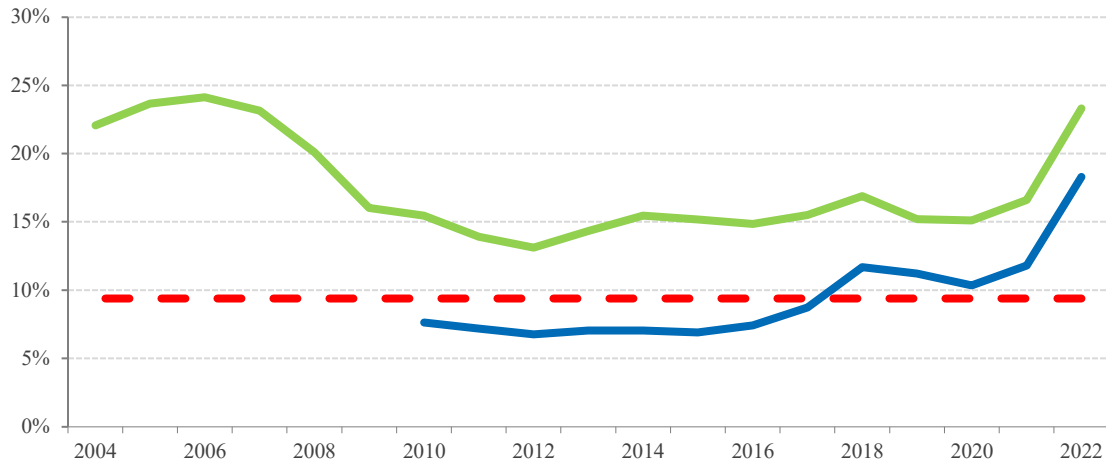


State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



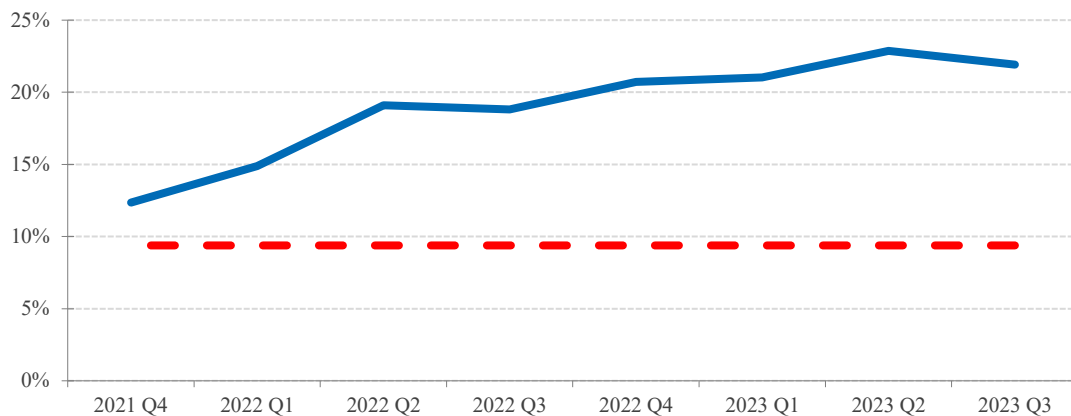
Affordability

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

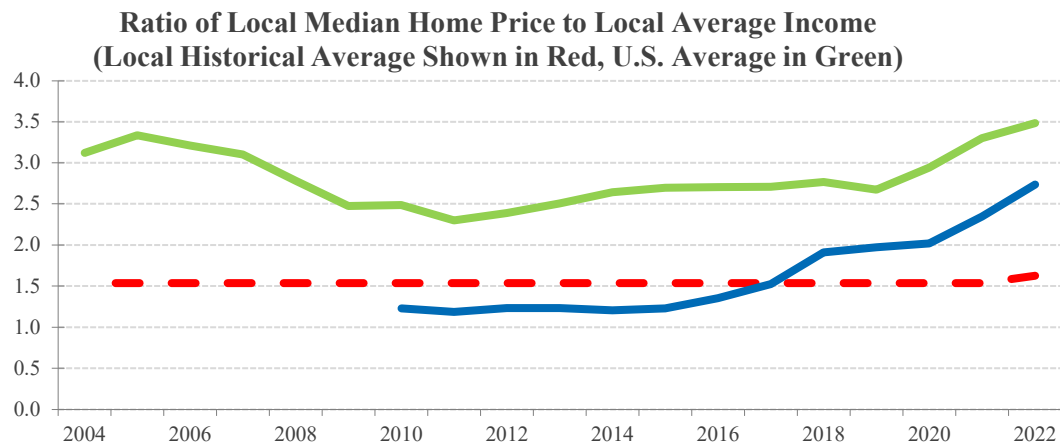


| Monthly Mortgage Payment to Income | Vero Beach | U.S. | |
|------------------------------------|------------|-------|---|
| Ratio for 2022 | 18.3% | 23.3% | Weak by local standards and could weigh on demand |
| Ratio for 2023 Q3 | 21.9% | 27.3% | |
| Historical Average | 9.4% | 17.8% | More affordable than most markets |

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



| Median Home Price to Income | Vero Beach | U.S. | |
|-----------------------------|------------|------|--|
| Ratio for 2022 | 2.7 | 3.5 | The price-to-income ratio eased, but could be better |
| Ratio for 2023 Q3 | 2.7 | 3.4 | |
| Historical Average | 1.6 | 2.8 | Affordable compared to 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 Vero Beach area referred to in this report covers the geographic area of the Sebastian-Vero Beach, FL 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:

Indian River County

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