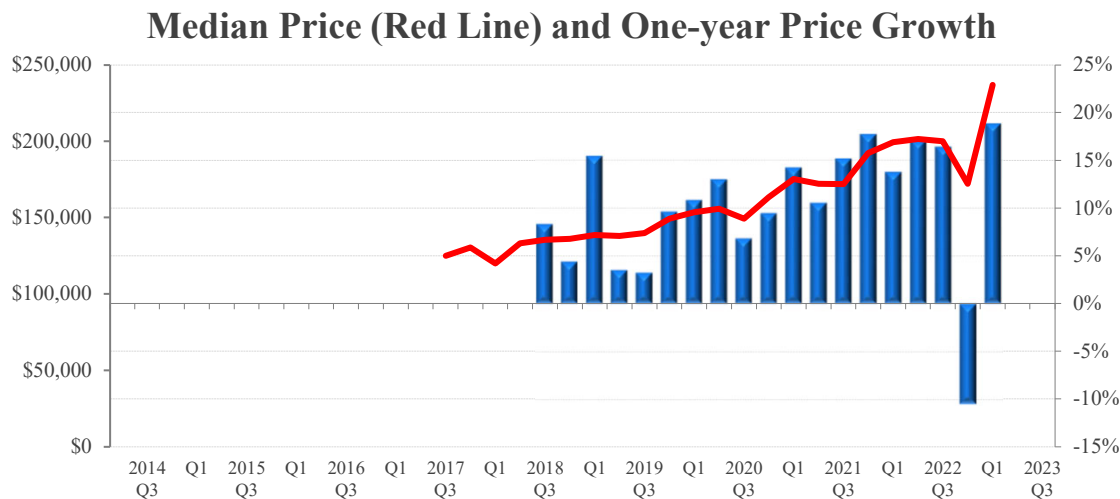


Kingsport-Bristol-Bristol Area

Local Market Report, Third Quarter 2023

Today's Market...



Local Price Trends			
Price Activity	Tennessee	U.S.	Local Trend
Current Median Home Price (2023 Q3)	NA	\$400,867	NA
1-year (4-quarter) Appreciation (2023 Q3)	NA	2.4%	
3-year (12-quarter) Appreciation (2023 Q3)	NA	29.7%	
3-year (12-quarter) Housing Equity Gain*	NA	\$91,700	Information on the long-term trend is not available
7-year (28 quarters) Housing Equity Gain*	NA	\$161,400	
9-year (36 quarters) Housing Equity Gain*	NA	\$184,500	

*Note: Equity gain reflects price appreciation only

	Tennessee	U.S.	
Conforming Loan Limit**	\$726,200	\$1,089,300	NA
FHA Loan Limit	\$472,030	\$1,089,300	
Local Median to Conforming Limit Ratio	NA	not comparable	

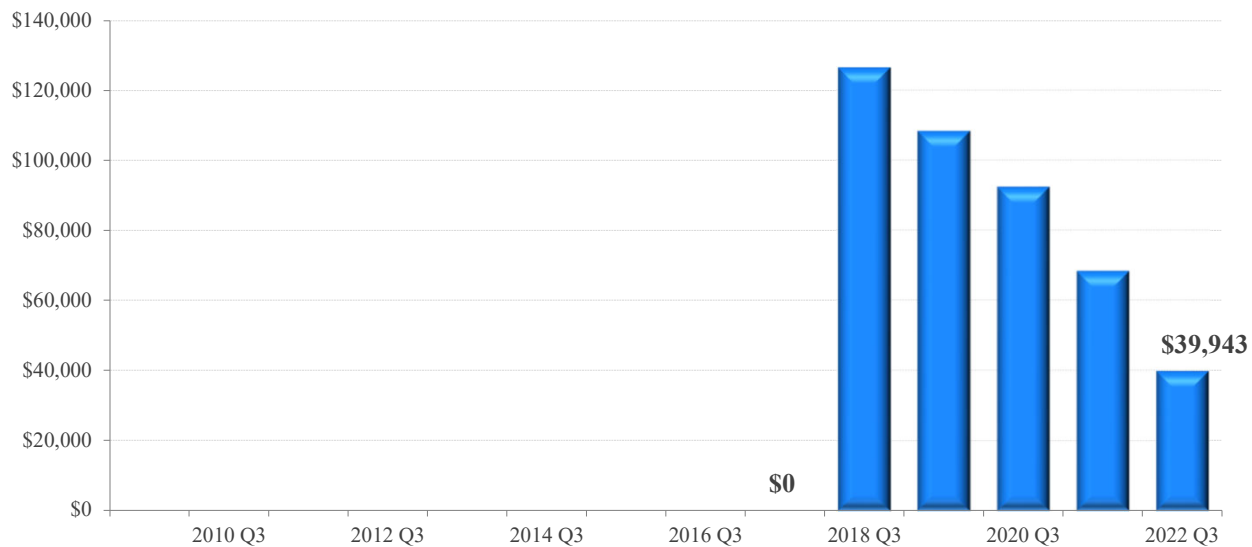
Note: limits are current and include the changes made on January 1st 2023.

Local NAR Leadership

The Kingsport-Bristol-Bristol market is part of region 4 in the NAR governance system, which includes all of North Carolina, South Carolina, Kentucky, and Tennessee. The 2023 NAR Regional Vice President representing region 4 is David Kent.

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	Tennessee	U.S.	Local Trend
1-year (4-quarter)	\$39,943	\$14,262	Information on the long-term trend is not available
3-year (12-quarter)*	\$92,444	\$109,915	
5-year (20-quarter)*	\$126,484	\$158,012	
7-year (28 quarters)*	NA	\$194,111	
9-year (36 quarters)*	NA	\$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

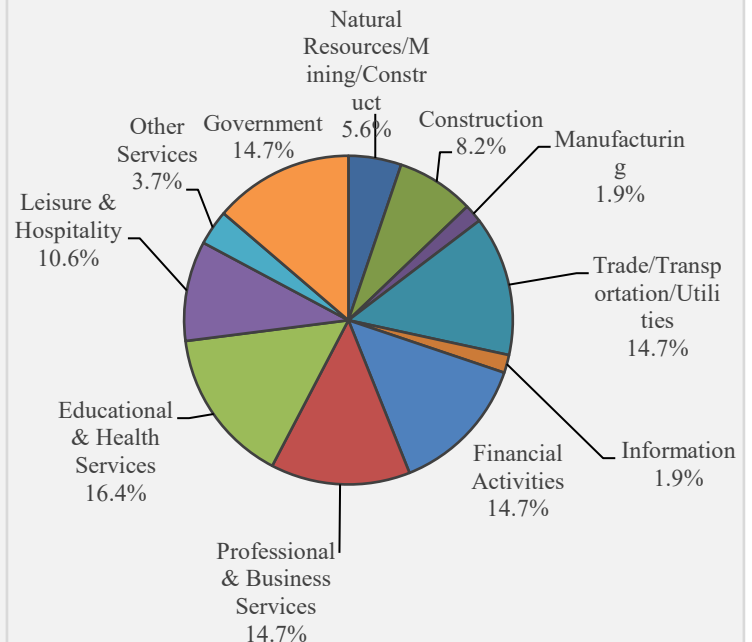
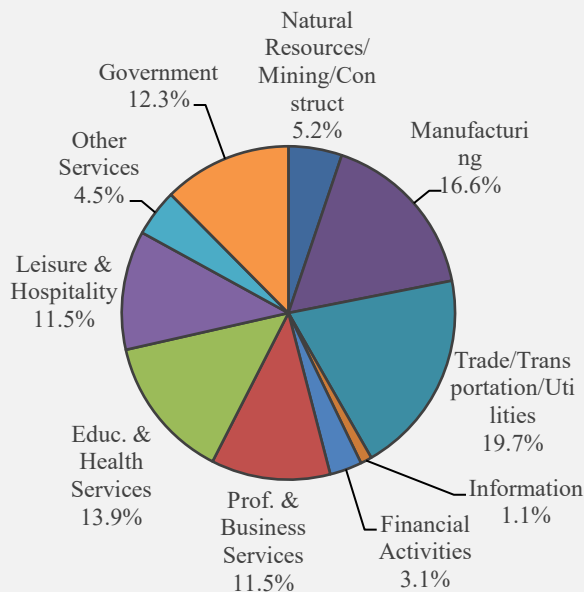
Drivers of Local Supply and Demand...

Local Economic Outlook	Tennessee	U.S.	
12-month Job Change (Oct)	1,800	NOT Comparable	Employment growth has eased, but remains positive
12-month Job Change (Sep)	2,000	NOT Comparable	
36-month Job Change (Oct)	9,200	NOT Comparable	Unemployment has risen since the same period last year, but Tennessee's labor market has been more resilient than the national average
Current Unemployment Rate (Oct)	3.6%	3.9%	
Year-ago Unemployment Rate	3.5%	3.7%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	1.5%	2.6%	

Share of Total Employment by Industry

Kingsport-Bristol-Bristol Area

U.S.



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

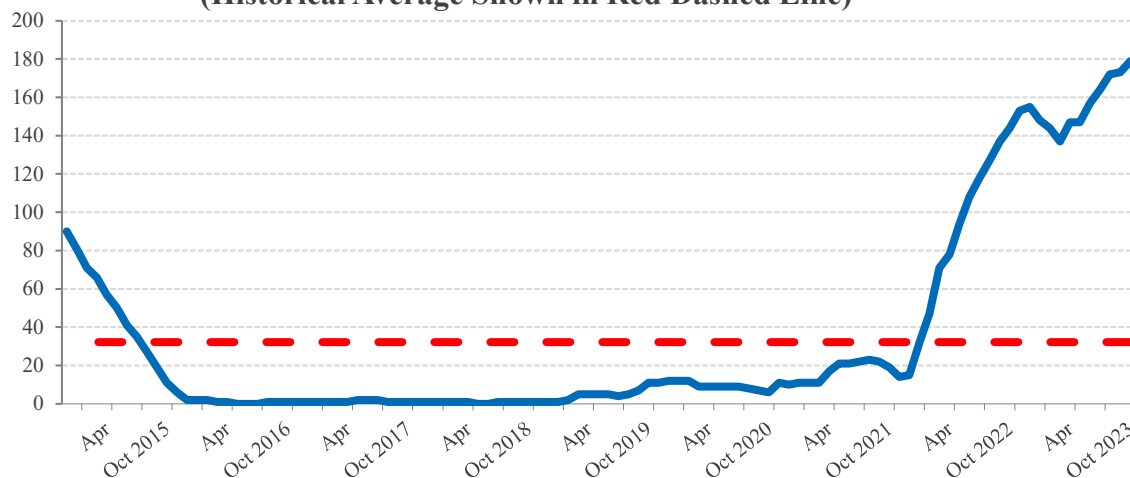
Goods Producing	NA	Information	0
Natural Resources/Mining/Construction	300	Financial Activities	0
Natural Resources and Mining	NA	Prof. & Business Services	400
Construction	NA	Educ. & Health Services	200
Manufacturing	-400	Leisure & Hospitality	500
Service Providing Excluding Government	NA	Other Services	100
Trade/Transportation/Utilities	800	Government	100

State Economic Activity Index	Tennessee	U.S.	
12-month change (2023 - Oct)	2.9%	3.0%	Tennessee's economy is growing, but decelerated from last month's 3.26% change and lags the rest of the nation
36-month change (2023 - Oct)	16.2%	14.2%	

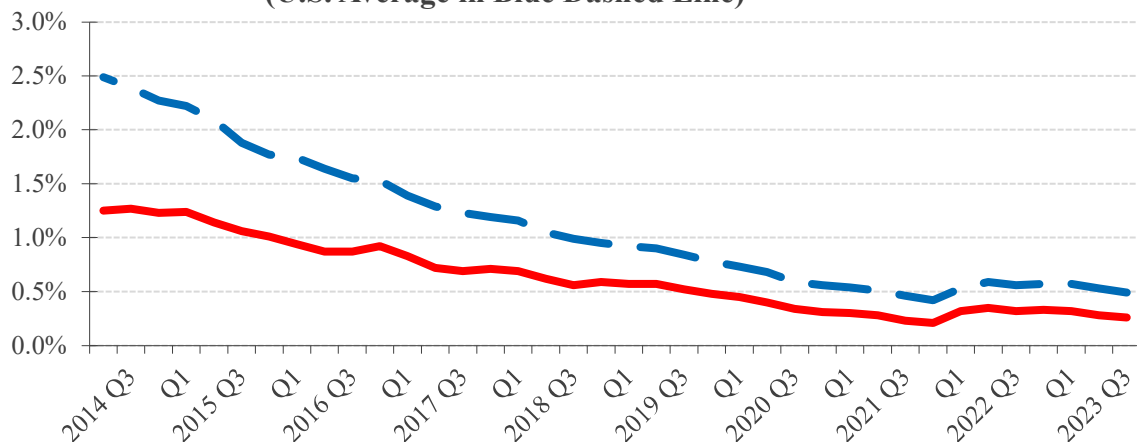
New Housing Construction

Local Fundamentals	Tennessee	U.S.	
12-month Sum of 1-unit Building Permits through Oct 2023	179	not comparable	The current level of construction is 454.5% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	32	not comparable	Production above trend for an extended period of time could cause prices to moderate as inventory is built up.
Single-Family Housing Permits (Oct 2023) 12-month sum vs. a year ago	24.3%	-14.1%	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)

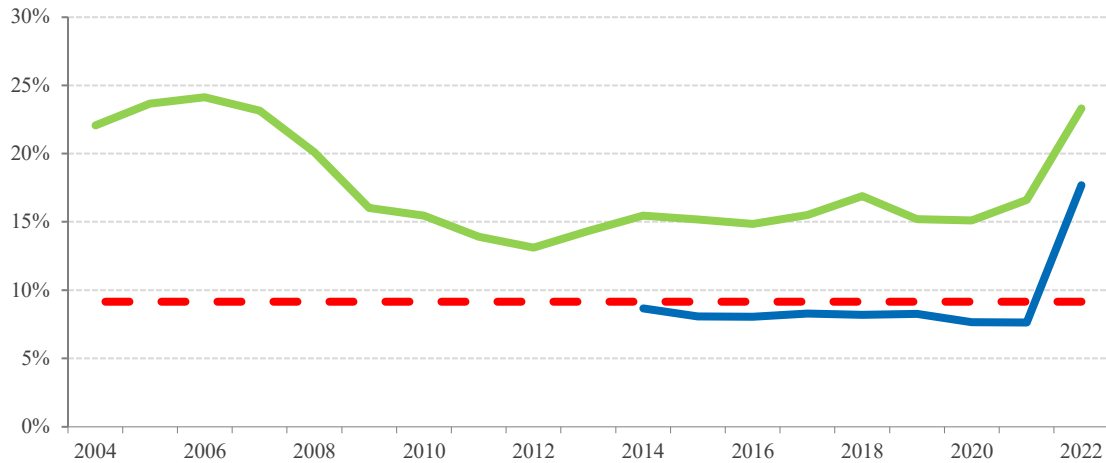


State Total Foreclosure Rate vs. U.S Average
(U.S. Average in Blue Dashed Line)



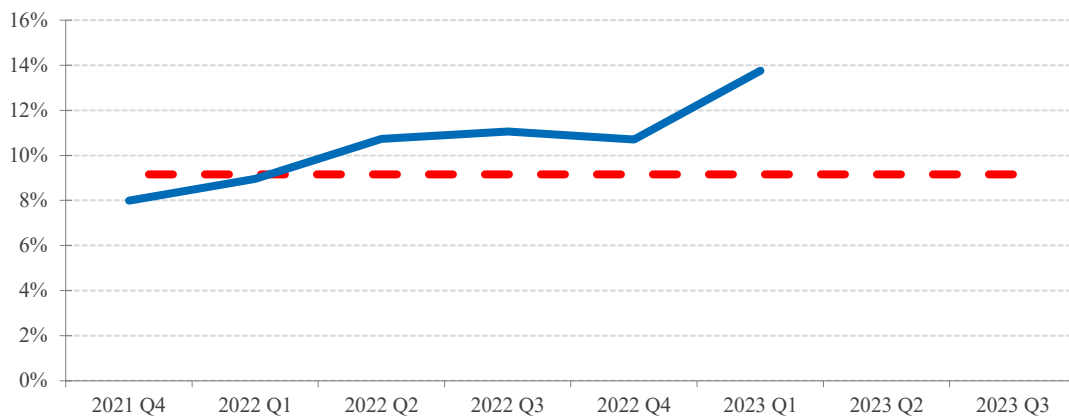
Affordability

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

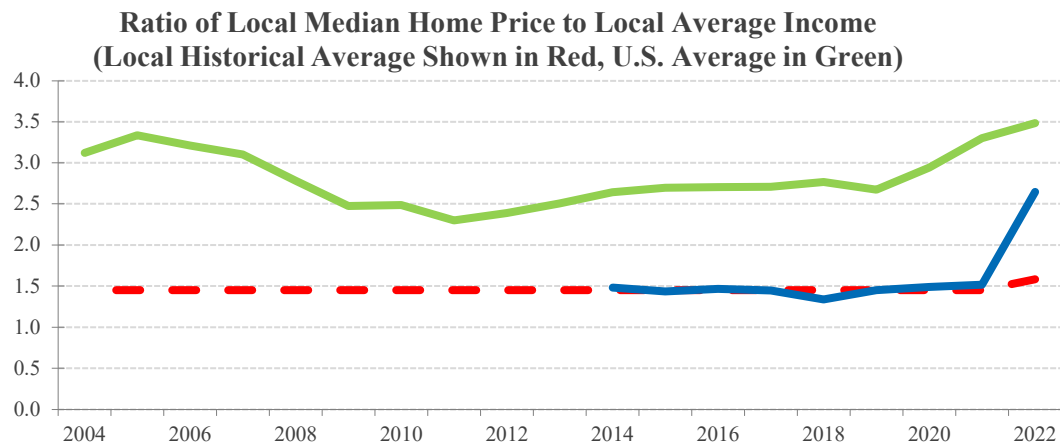


Monthly Mortgage Payment to Income	Tennessee	U.S.	
Ratio for 2022	17.7%	23.3%	NA
Ratio for 2023 Q3	NA	27.3%	
Historical Average	9.2%	17.8%	More affordable than most markets

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



Median Home Price to Income	Tennessee	U.S.	
Ratio for 2022	2.6	3.5	NA
Ratio for 2023 Q3	NA	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 Tennessee area referred to in this report covers the geographic area of the Kingsport-Bristol-Bristol 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:

Hawkins County, TN; Sullivan County, TN; Scott County, VA; Washington County, VA; Bristol city, VA

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