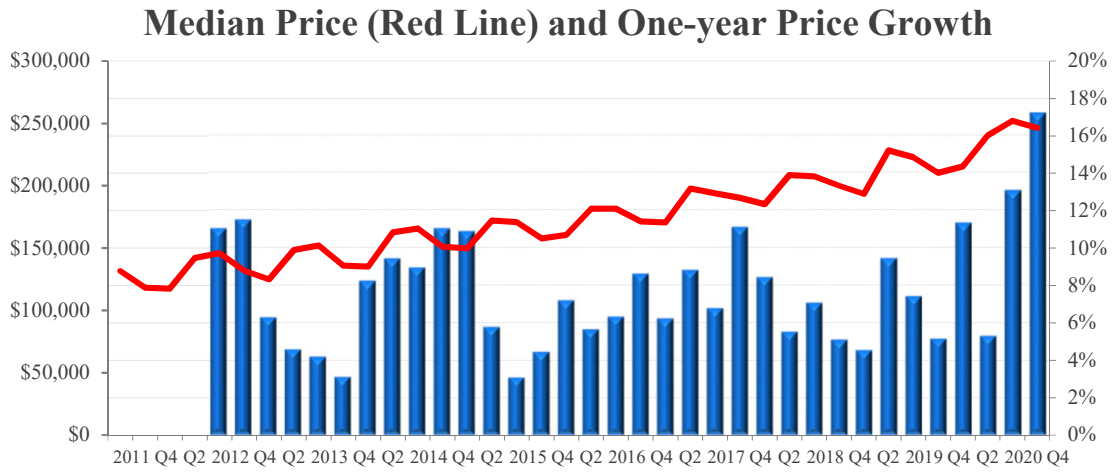
Columbus Area

Local Market Report, Fourth Quarter 2020

including the impact of COVID-19 on the local economy

Today's Market…



Local Price Trends			
Price Activity	**Columbus**	**U.S.**	**Local Trend**
Current Median Home Price (2020 Q4)	$246,400	$311,000	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2020 Q4)	17.2%	14.2%	
3-year (12-quarter) Appreciation (2020 Q4)	29.5%	26.1%	
3-year (12-quarter) Housing Equity Gain*	$56,100	$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*	$110,400	$114,100	
9-year (36 quarters) Housing Equity Gain*	$128,100	$148,667	
*Note: Equity gain reflects price appreciation only			

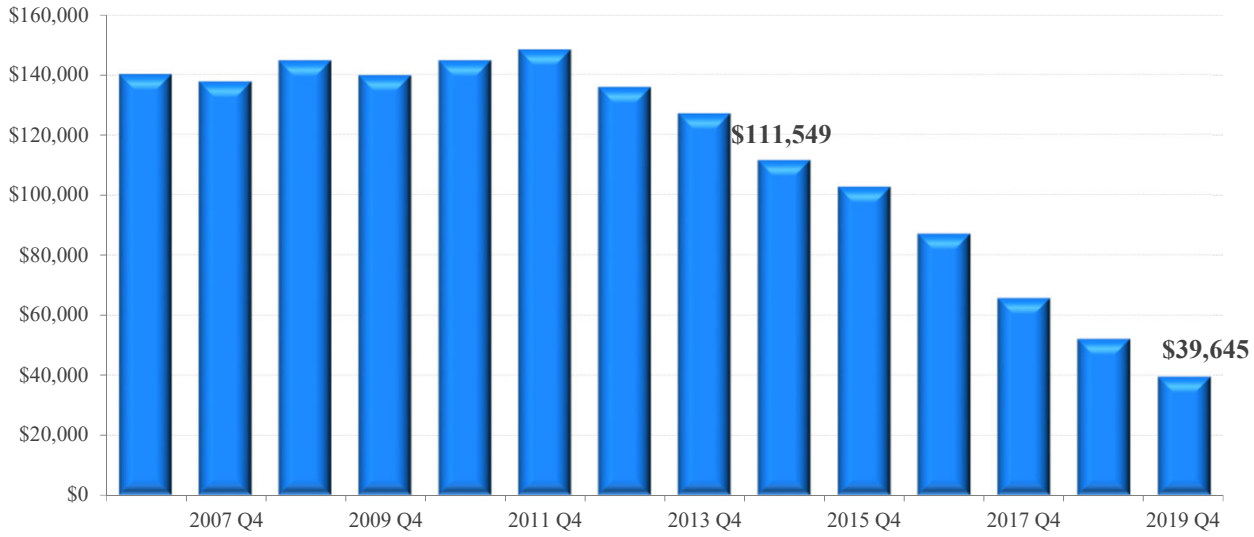
	Columbus	**U.S.**	
Conforming Loan Limit**	$510,400	$765,600	Most buyers in this market have access to government-backed financing
FHA Loan Limit	$373,750	$765,600	
Local Median to Conforming Limit Ratio	48%	not comparable	
Note: limits are current and include the changes made on January 1st 2020.			

Local NAR Leadership

The Columbus market is part of region 6 in the NAR governance system, which includes all of Ohio and Michigan. The 2021 NAR Regional Vice President representing region 6 is Eugene Szpeinski.

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	**Columbus**	**U.S.**	**Local Trend**
1-year (4-quarter)	$39,645	$43,291	
3-year (12-quarter)*	$65,748	$76,934	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
5-year (20-quarter)*	$102,609	$109,705	
7-year (28 quarters)*	$126,934	$138,037	
9-year (36 quarters)*	$148,173	$176,211	

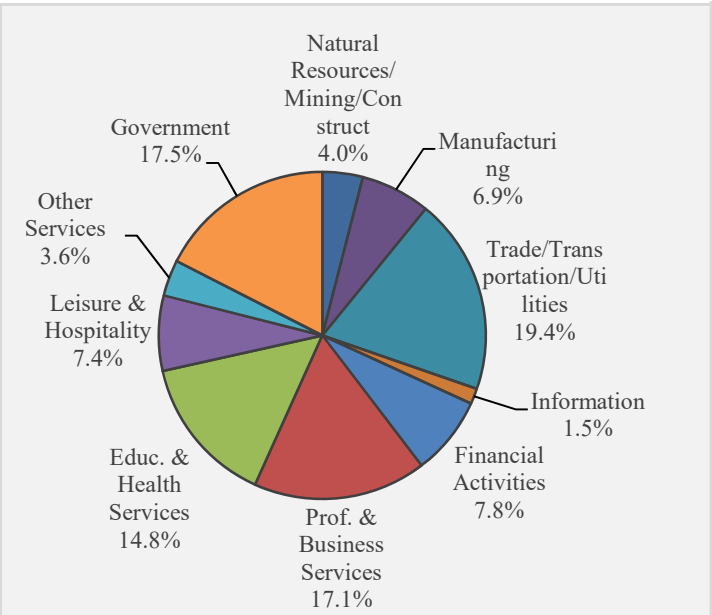
*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

Drivers of Local Supply and Demand…

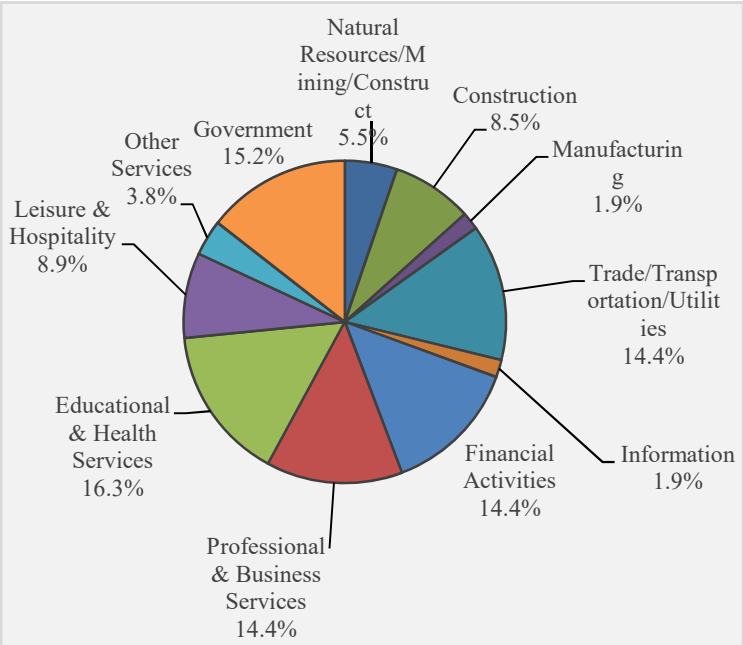
Local Economic Outlook	Columbus	U.S.	
12-month Job Change (Dec)	-70,500	Not Comparable	Emplyoment continues to decline and will weigh on demand in some areas
12-month Job Change (Nov)	-70,300	Not Comparable	
36-month Job Change (Dec)	-45,400	Not Comparable	Unemployment has risen since the same period last year, but Columbus's labor market has been more resilient than the national average
Current Unemployment Rate (Dec)	4.7%	6.7%	
Year-ago Unemployment Rate	3.2%	3.6%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	-6.3%	-5.8%	

Share of Total Employment by Industry

Columbus Area



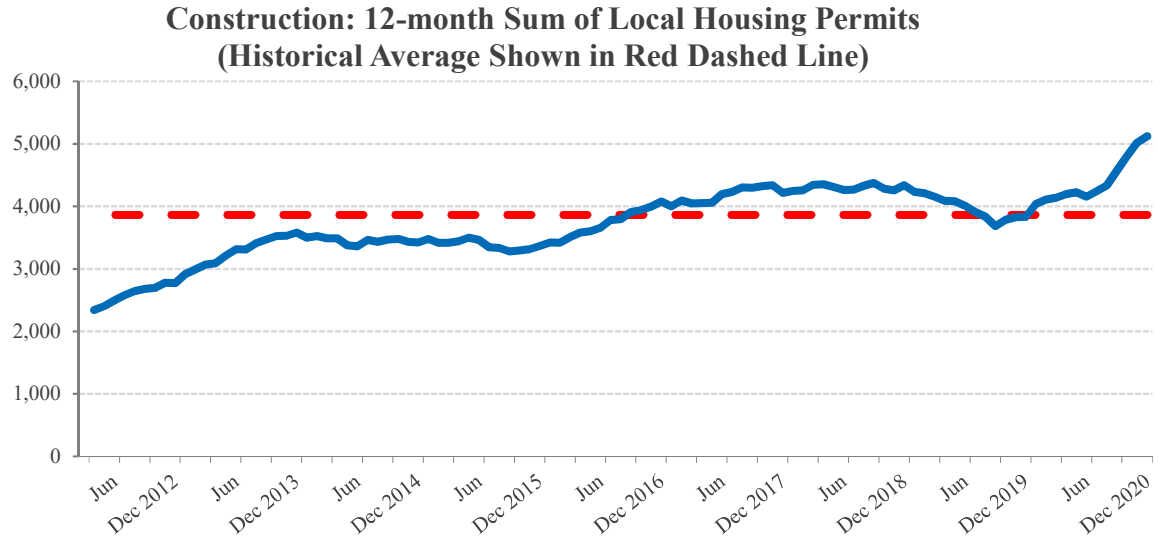
U.S.

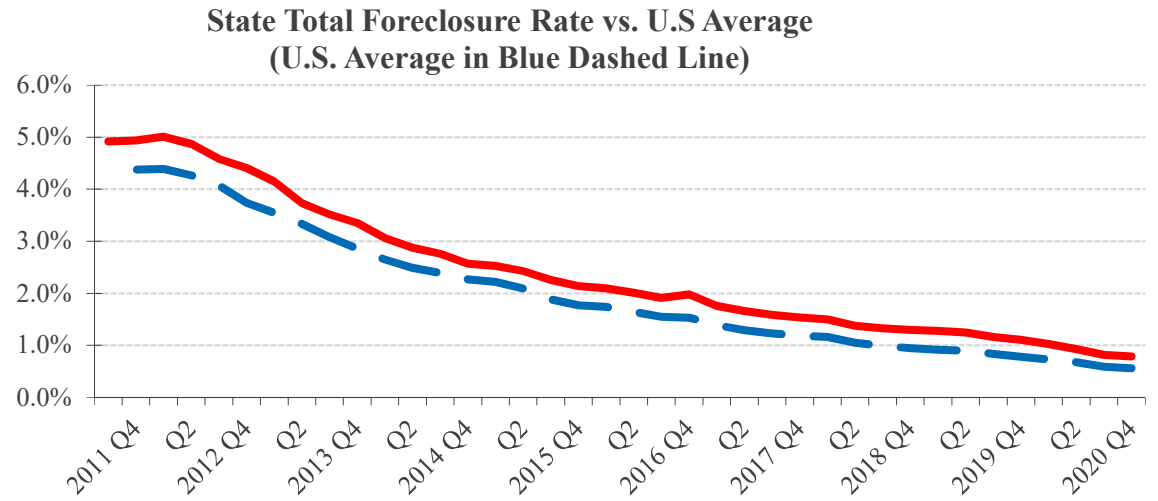


12-month Employment Change by Industry in the Columbus Area (Dec - 2020)			
Goods Producing	NA	Information	-1,000
Natural Resources/Mining/Construction	-3,200	Financial Activities	-4,700
Natural Resources and Mining	NA	Prof. & Business Services	-3,400
Construction	NA	Educ. & Health Services	-7,100
Manufacturing	800	Leisure & Hospitality	-26,400
Service Providing Excluding Government	NA	Other Services	-4,900
Trade/Transportation/Utilities	-17,500	Government	-2,900

State Economic Activity Index	Ohio	U.S.	
12-month change (2020 - Dec)	-2.1%	-4.4%	The economy of Ohio is still in recession, but improved modestly from last month's -2.41% change
36-month change (2020 - Dec)	1.6%	1.0%	

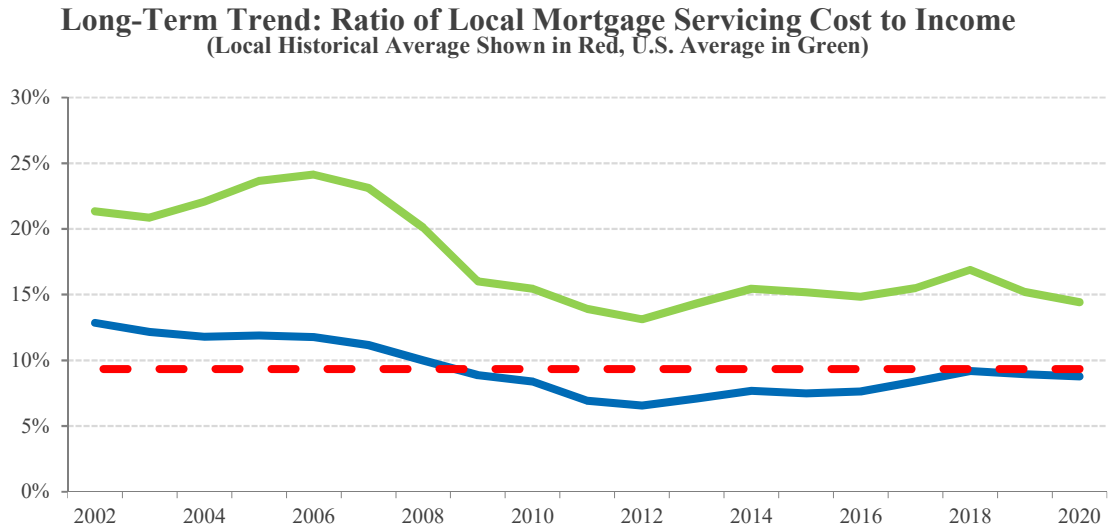
New Housing Construction			
Local Fundamentals	**Columbus**	**U.S.**	
12-month Sum of 1-unit Building Permits through Dec 2020	5,244	not comparable	The current level of construction is 35.7% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	3,864	not comparable	Production above trend for an extended period of time could cause prices to moderate as inventory is built up.
Single-Family Housing Permits (Dec 2020) 12-month sum vs. a year ago	29.9%	14.5%	Construction is on the rise relative to last year, suggesting that the local inventory has stabilized



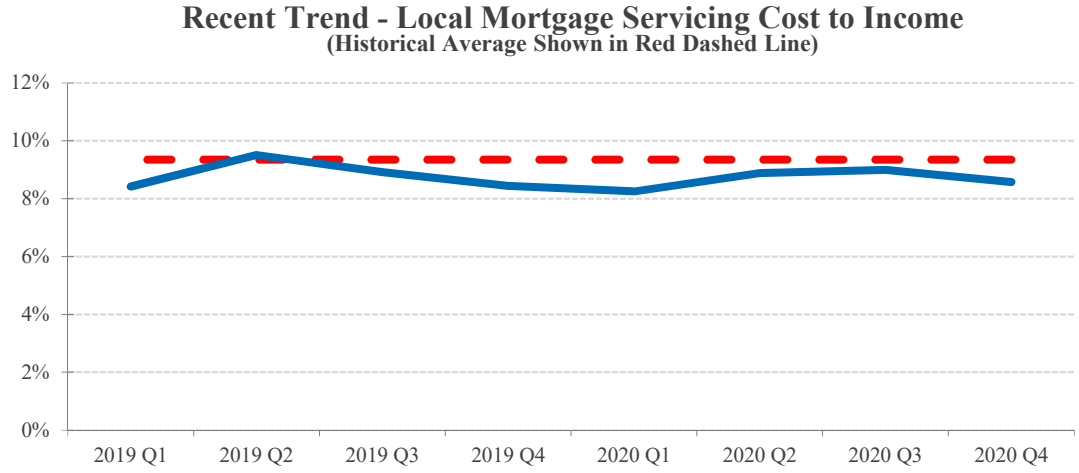


Source: Mortgage Bankers' Association

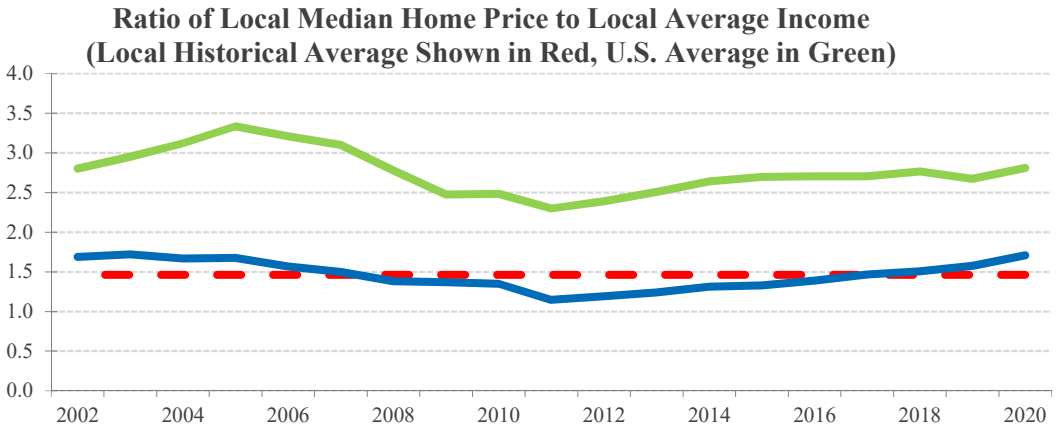
Affordability



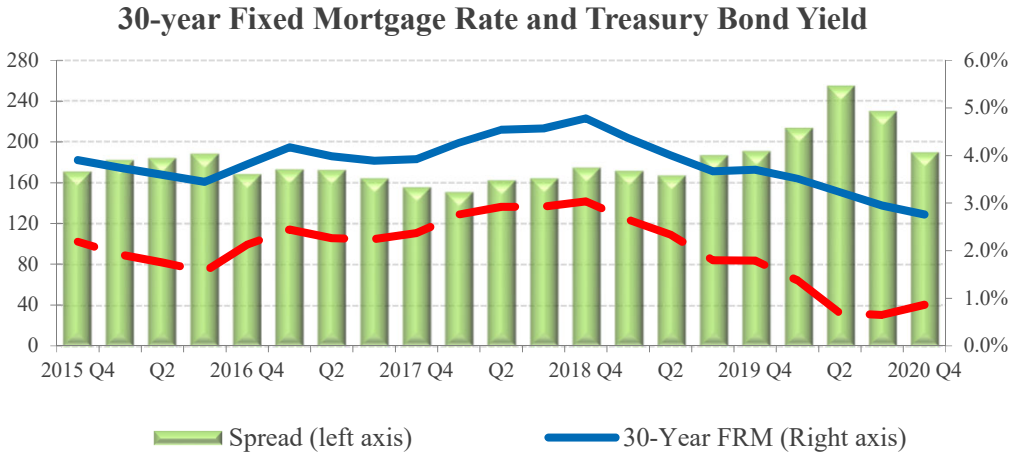
Monthly Mortgage Payment to Income	Columbus	U.S.	
Ratio for 2020	8.8%	14.4%	Historically strong and an improvement over the third quarter of 2020
Ratio for 2020 Q4	8.6%	13.7%	
Historical Average	9.3%	18.0%	More affordable than most markets



Median Home Price to Income	Columbus	U.S.	
Ratio for 2020	1.7	2.8	The price-to-income ratio eased, but could be better
Ratio for 2020 Q4	1.7	2.8	
Historical Average	1.5	2.7	Affordable compared to most markets

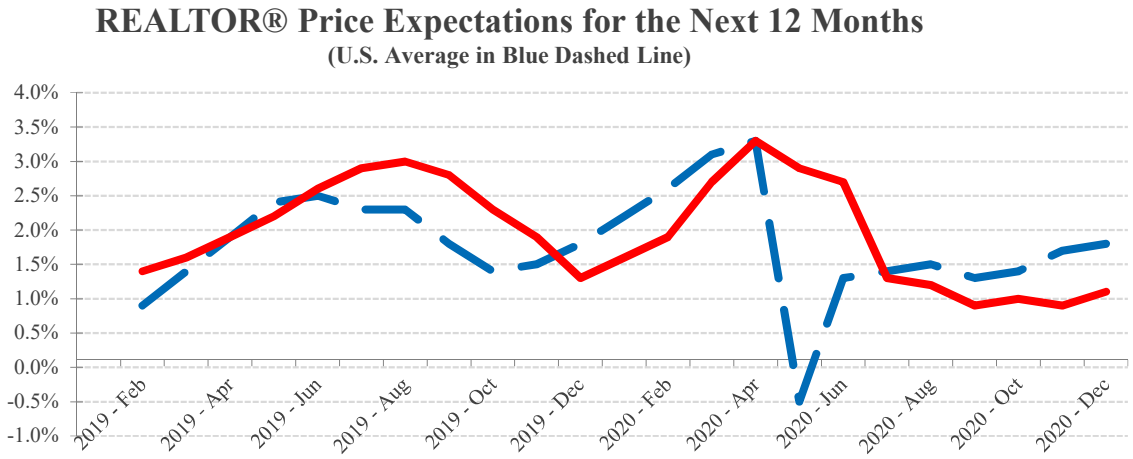


The Mortgage Market



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



Source: NAR

REALTOR® Price Expectations	Ohio	U.S.	
2020 - Dec	0.0%	2.0%	REALTORS® expect weaker price growth in Ohio 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	1.9%	2.6%	

Geographic Coverage for this Report

The Columbus area referred to in this report covers the geographic area of the Columbus 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:

Delaware County, Fairfield County, Franklin County, Hocking County, Licking County, Madison County, Morrow County, Perry County, Pickaway County, and Union County

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