

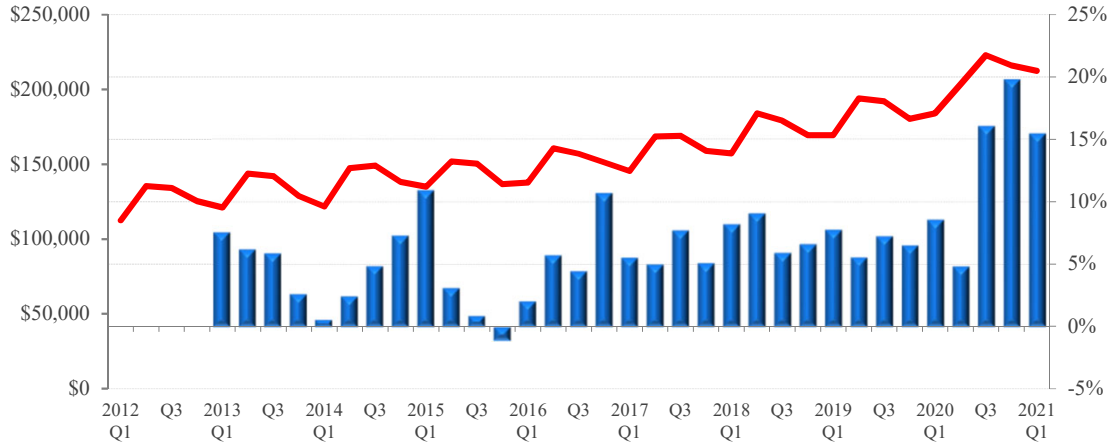
## Cincinnati Area

### Local Market Report, First Quarter 2021

including the impact of COVID-19 on the local economy

## Today's Market...

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



Local Price Trends			
Price Activity	Cincinnati	U.S.	Local Trend
Current Median Home Price (2021 Q1)	\$212,400	\$313,533	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2021 Q1)	15.4%	15.1%	
3-year (12-quarter) Appreciation (2021 Q1)	35.0%	28.6%	
3-year (12-quarter) Housing Equity Gain*	\$55,100	\$69,733	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$90,700	\$122,533	
9-year (36 quarters) Housing Equity Gain*	\$99,900	\$155,200	

\*Note: Equity gain reflects price appreciation only

	Cincinnati	U.S.	
<b>Conforming Loan Limit**</b>	\$510,400	\$765,600	Most buyers in this market have access to government-backed financing
<b>FHA Loan Limit</b>	\$331,760	\$765,600	
<b>Local Median to Conforming Limit Ratio</b>	42%	not comparable	

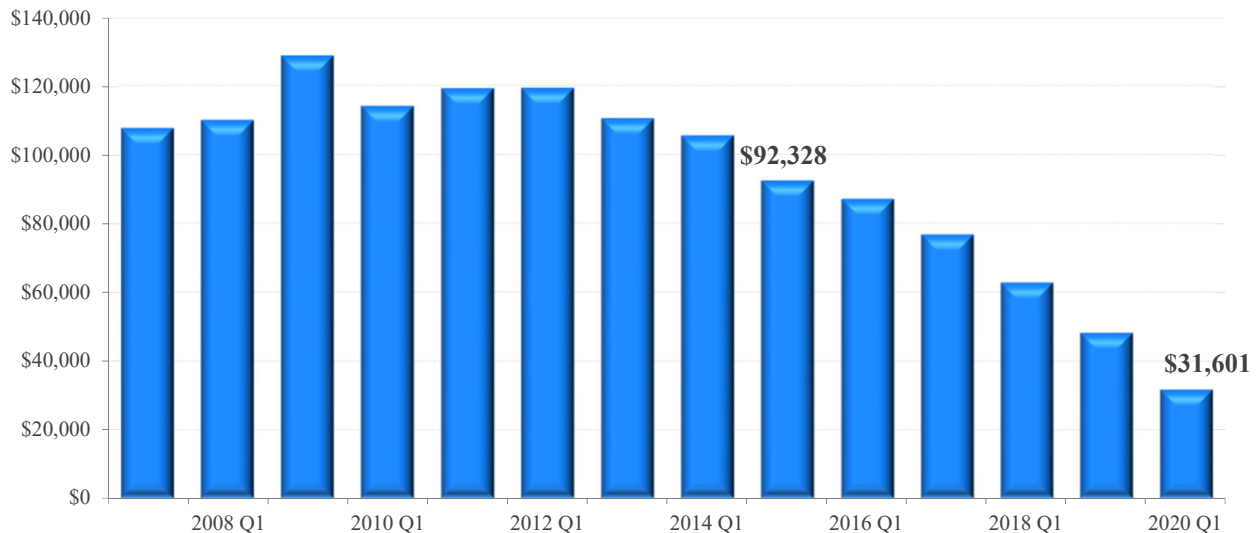
Note: limits are current and include the changes made on January 1st 2020.

#### Local NAR Leadership

The Cincinnati 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 2021 Q1 from quarter in which home was of purchased

Price Activity	Cincinnati	U.S.	Local Trend
1-year (4-quarter)	\$31,601	\$45,806	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$62,655	\$81,443	
5-year (20-quarter)*	\$87,042	\$117,278	
7-year (28 quarters)*	\$105,386	\$145,583	
9-year (36 quarters)*	\$119,198	\$182,361	

\*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...

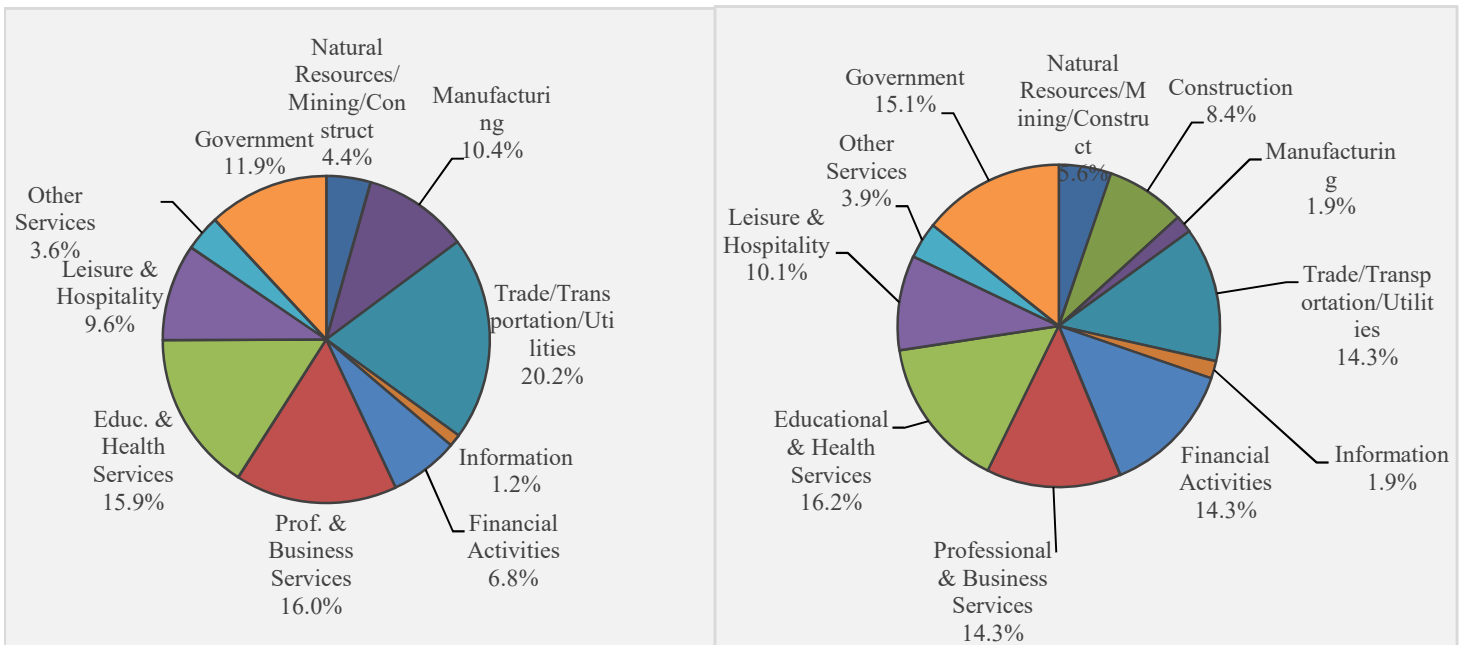


Local Economic Outlook	Cincinnati	U.S.	
12-month Job Change (May)	91,800	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Apr)	117,600	Not Comparable	
36-month Job Change (May)	-32,700	Not Comparable	Unemployment in Cincinnati is better than the national average and improving
Current Unemployment Rate (May)	4.3%	5.8%	
Year-ago Unemployment Rate	12.2%	13.3%	Local employment growth is strong compared to other markets
1-year (12 month) Job Growth Rate	9.3%	-4.0%	

## Share of Total Employment by Industry

Cincinnati Area

U.S.



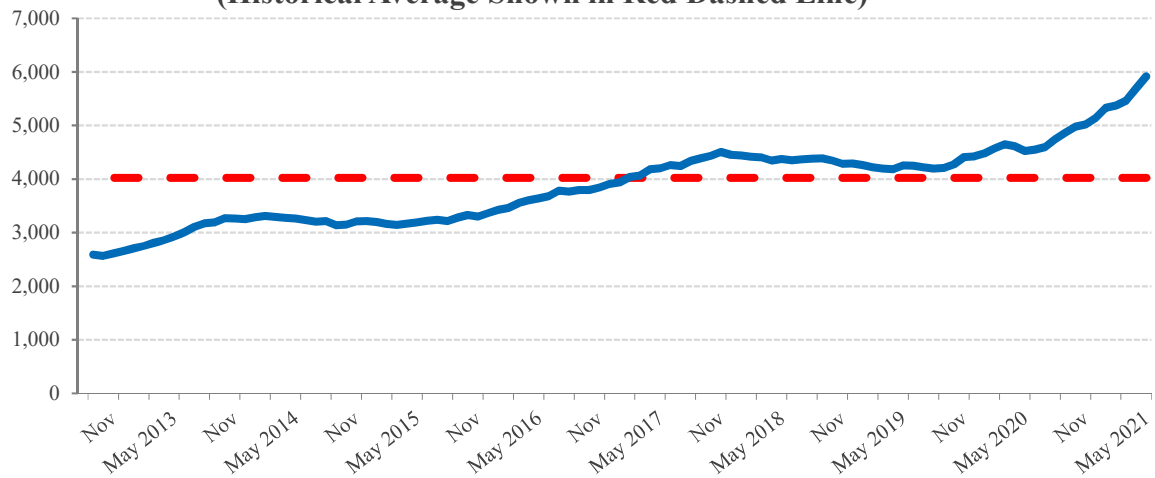
### 12-month Employment Change by Industry in the Cincinnati Area (May - 2021)

Goods Producing	NA	Information	600
Natural Resources/Mining/Construction	3,500	Financial Activities	1,700
Natural Resources and Mining	NA	Prof. & Business Services	15,400
Construction	NA	Educ. & Health Services	19,500
Manufacturing	4,200	Leisure & Hospitality	38,900
Service Providing Excluding Government	NA	Other Services	10,400
Trade/Transportation/Utilities	22,900	Government	500

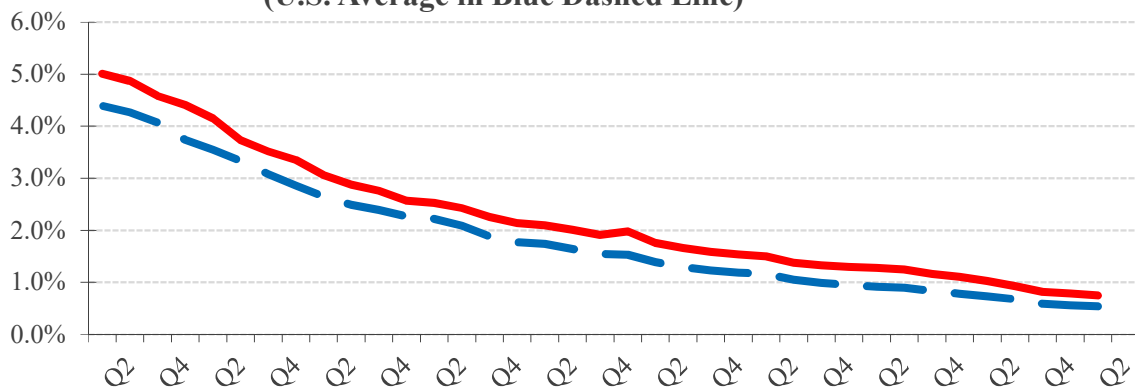
State Economic Activity Index	Ohio	U.S.	
12-month change (2021 - May)	26.0%	7.7%	Ohio's economy is stronger than the nation's, but slowed from last month's 30.39% change
36-month change (2021 - May)	2.4%	1.8%	

<b>New Housing Construction</b>			
<b>Local Fundamentals</b>	<b>Cincinnati</b>	<b>U.S.</b>	
12-month Sum of 1-unit Building Permits through May 2021	6,023	not comparable	The current level of construction is 49.7% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	4,023	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 (May 2021) 12-month sum vs. a year ago	32.5%	29.0%	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)**

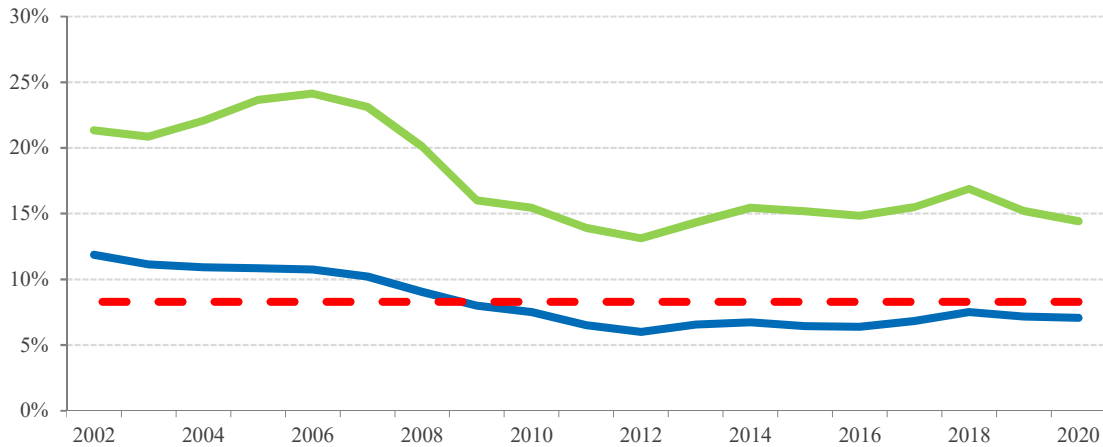


**State Total Foreclosure Rate vs. U.S Average  
(U.S. Average in Blue Dashed Line)**



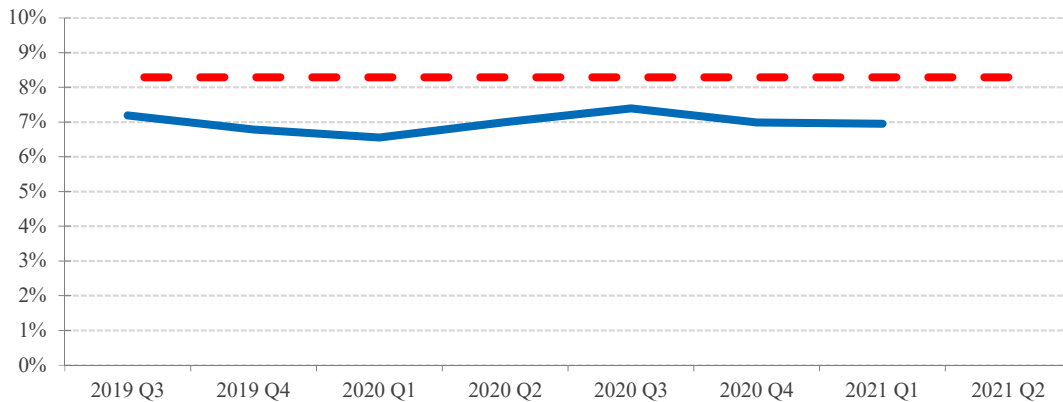
# Affordability

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

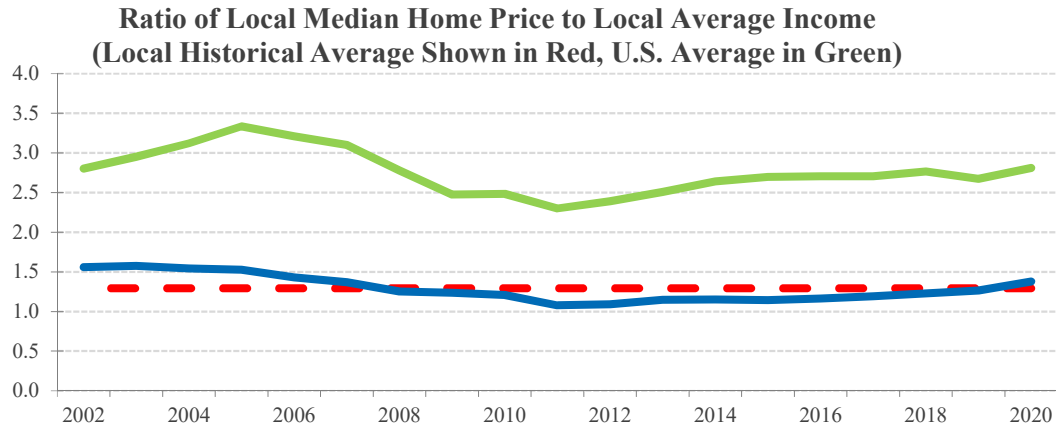


Monthly Mortgage Payment to Income	Cincinnati	U.S.	
Ratio for 2020	7.1%	14.4%	Historically strong, but weaker than the fourth quarter of 2020
Ratio for 2021 Q1	7.0%	14.0%	
Historical Average	8.3%	18.0%	More affordable than most markets

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



Median Home Price to Income	Cincinnati	U.S.	
Ratio for 2020	1.4	2.8	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2021 Q1	1.4	2.8	
Historical Average	1.3	2.7	Affordable compared to most markets



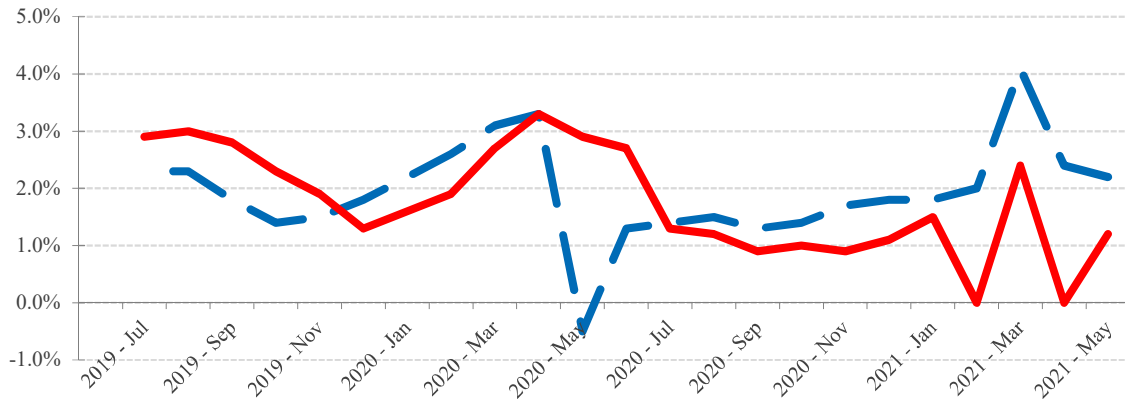
## The Mortgage Market



Mortgage rates kicked off 2021 with a new record low. Nevertheless, rates were trending upward for the rest of the first quarter as COVID-19 vaccine became available to more Americans and millions of people received stimulus payments. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate was 2.88 percent in Q1 2021 compared to 3.51 percent a year earlier. Thus, homebuyers have excellent purchasing power at these historically low mortgage rates. What to expect about mortgage rates in the upcoming quarters? Rates are more likely to rise than fall as inflation will pick up in the following months. NAR is forecasting the 30-year mortgage rate to average 3.1% for the second quarter 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	Ohio	U.S.	
2021 - May	1.4%	1.8%	REALTORS® expect weaker price growth in Ohio than in the U.S. in the next 12 months although their local expectations are higher than a year ago.
Prior 12 months	1.3%	1.4%	

## Geographic Coverage for this Report

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

Dearborn County, IN; Ohio County, IN; Union County, IN; Boone County, KY; Bracken County, KY; Campbell County, KY; Gallatin County, KY; Grant County, KY; Kenton County, KY; Pendleton County, KY; Brown County, OH; Butler County, OH; Clermont County, OH; Hamilton County, OH; Warren County, OH

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/)