

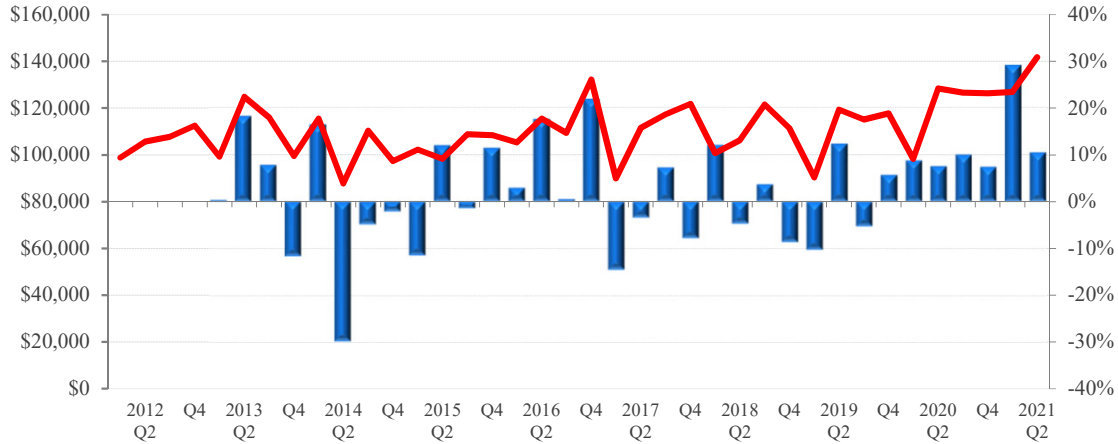
Elmira Area

Local Market Report, Second Quarter 2021

reflecting 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 | Elmira | U.S. | Local Trend |
|--|-----------|-----------|--|
| Current Median Home Price (2021 Q2) | \$141,800 | \$351,267 | Prices are up from a year ago, but price growth is slowing |
| 1-year (4-quarter) Appreciation (2021 Q2) | 10.4% | 21.9% | |
| 3-year (12-quarter) Appreciation (2021 Q2) | 33.4% | 32.3% | |
| 3-year (12-quarter) Housing Equity Gain* | \$35,500 | \$85,667 | Gains in the last 3 years have extended the trend of positive price growth after the recession |
| 7-year (28 quarters) Housing Equity Gain* | \$54,000 | \$139,433 | |
| 9-year (36 quarters) Housing Equity Gain* | \$36,100 | \$170,333 | |

*Note: Equity gain reflects price appreciation only

| | Elmira | U.S. | |
|---|-----------|----------------|---|
| Conforming Loan Limit** | \$510,400 | \$765,600 | Most buyers in this market have access to government-backed financing |
| FHA Loan Limit | \$331,760 | \$765,600 | |
| Local Median to Conforming Limit Ratio | 28% | not comparable | |

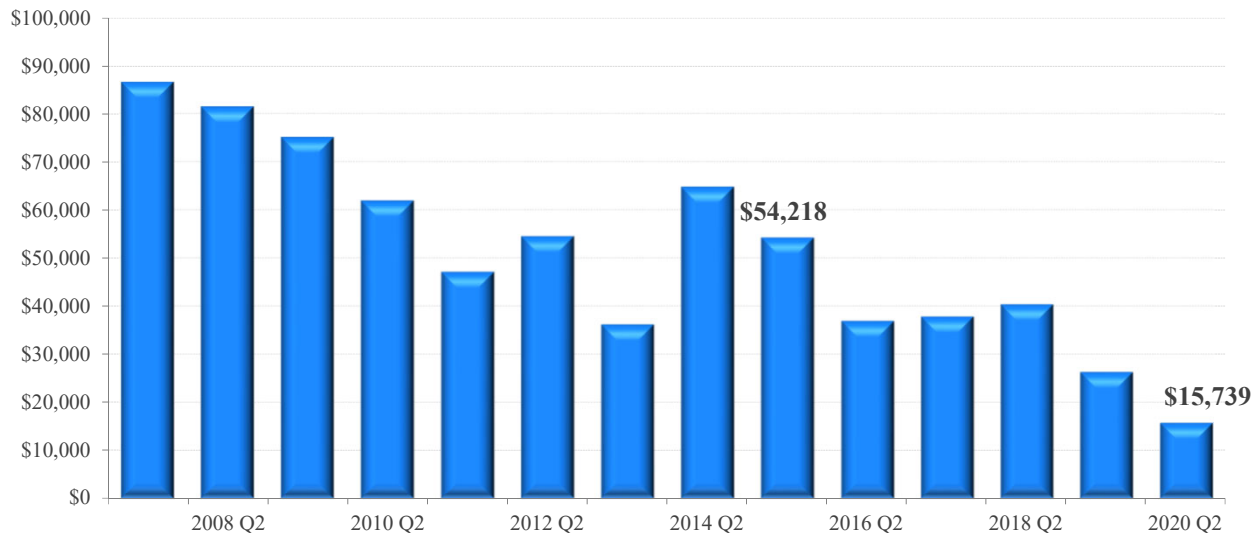
Note: limits are current and include the changes made on January 1st 2020.

Local NAR Leadership

The Elmira market is part of region 2 in the NAR governance system, which includes all of New York, New Jersey, and Pennsylvania. The 2021 NAR Regional Vice President representing region 2 is Margaret Hartman.

Benefits of Ownership: Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained** through 2021 Q2 from quarter in which home was of purchased

| Price Activity | Elmira | U.S. | Local Trend |
|-----------------------|----------|-----------|--|
| 1-year (4-quarter) | \$15,739 | \$68,283 | Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession |
| 3-year (12-quarter)* | \$40,385 | \$97,874 | |
| 5-year (20-quarter)* | \$36,862 | \$134,190 | |
| 7-year (28 quarters)* | \$64,782 | \$165,448 | |
| 9-year (36 quarters)* | \$54,515 | \$201,855 | |

*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...

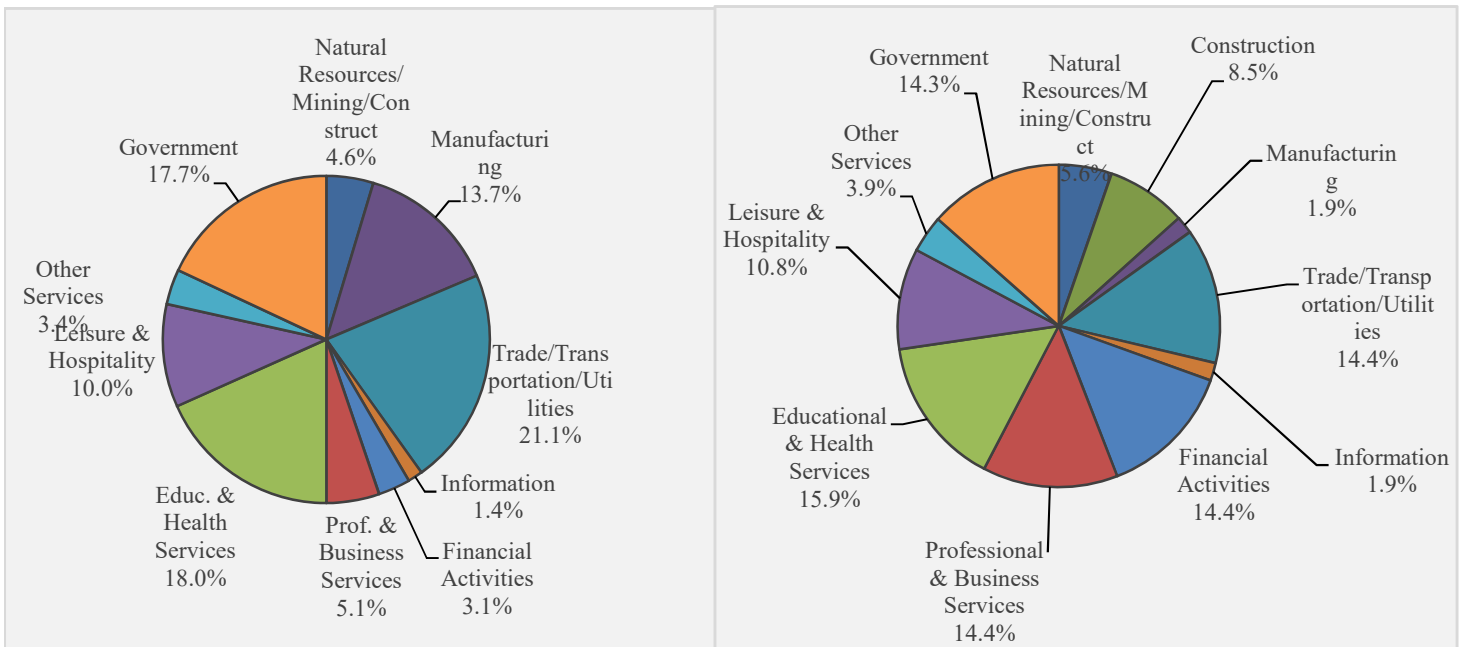


| Local Economic Outlook | Elmira | U.S. | |
|-----------------------------------|--------|----------------|--|
| 12-month Job Change (Aug) | 800 | Not Comparable | Employment growth has eased, but remains positive |
| 12-month Job Change (Jul) | 1,600 | Not Comparable | |
| 36-month Job Change (Aug) | -2,300 | Not Comparable | Elmira's unemployment rate lags the national average, but has improved relative to the same period last year |
| Current Unemployment Rate (Jul) | 5.7% | 5.4% | |
| Year-ago Unemployment Rate | 11.9% | 10.2% | Local employment growth is strong compared to other markets |
| 1-year (12 month) Job Growth Rate | 2.4% | -0.8% | |

Share of Total Employment by Industry

Elmira Area

U.S.



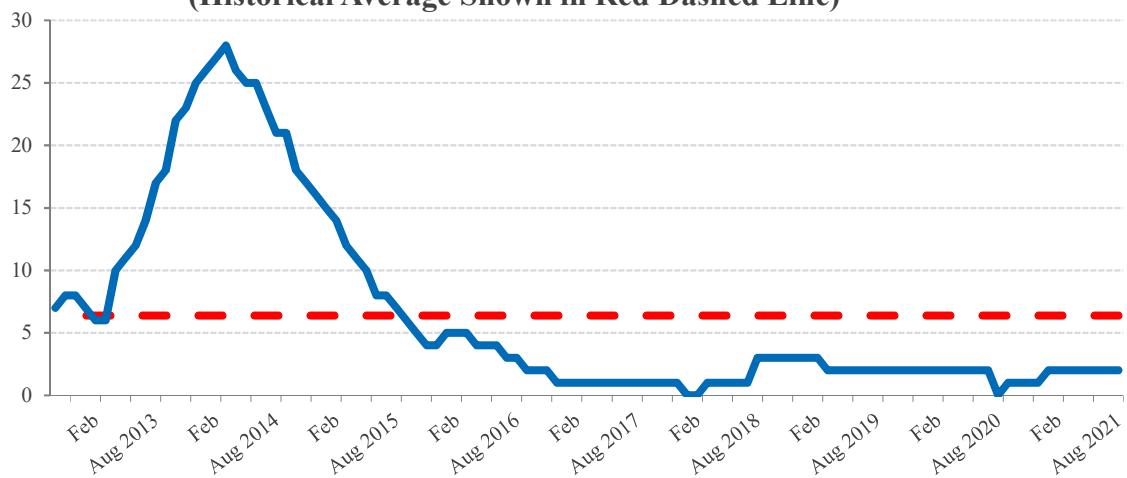
12-month Employment Change by Industry in the Elmira Area (Aug - 2021)

| | | | |
|--|-----|---------------------------|------|
| Goods Producing | NA | Information | 100 |
| Natural Resources/Mining/Construction | 100 | Financial Activities | 0 |
| Natural Resources and Mining | NA | Prof. & Business Services | -100 |
| Construction | NA | Educ. & Health Services | 100 |
| Manufacturing | 300 | Leisure & Hospitality | 700 |
| Service Providing Excluding Government | NA | Other Services | 100 |
| Trade/Transportation/Utilities | 0 | Government | 300 |

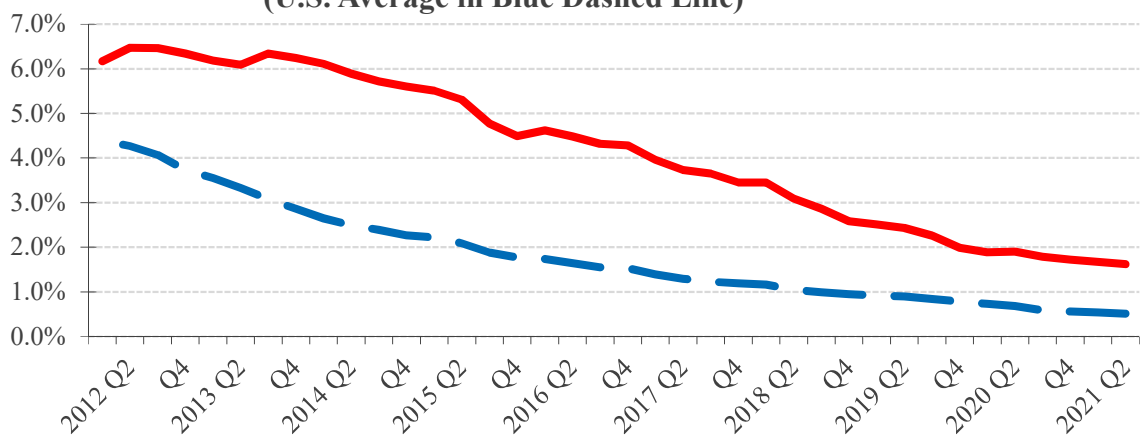
| State Economic Activity Index | New York | U.S. | |
|-------------------------------|----------|------|--|
| 12-month change (2021 - Jul) | 21.6% | 6.8% | New York's economy is stronger than the nation's, but slowed from last month's 22.59% change |
| 36-month change (2021 - Jul) | -3.7% | 2.7% | |

| New Housing Construction | | | |
|---|--------|----------------|---|
| Local Fundamentals | Elmira | U.S. | |
| 12-month Sum of 1-unit Building Permits through Aug 2021 | 2 | not comparable | The current level of construction is 68.6% below the long-term average |
| 8-year average for 12-month Sum of 1-Unit Building Permits | 6 | not comparable | Reduced construction will limit new supply to the market, allowing demand to catch up with inventory more quickly |
| Single-Family Housing Permits (Aug 2021) 12-month sum vs. a year ago | NA | 26.8% | Local Data Not Available |

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

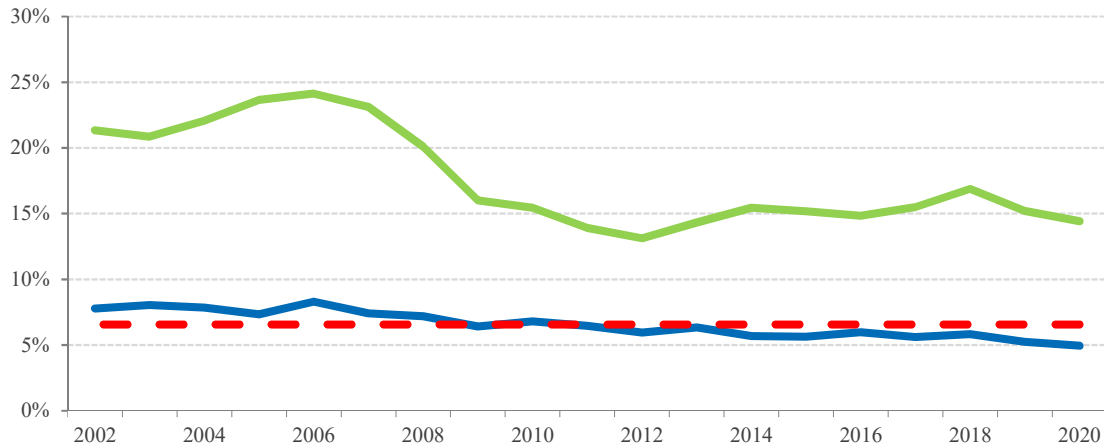


State Total Foreclosure Rate vs. U.S Average
(U.S. Average in Blue Dashed Line)



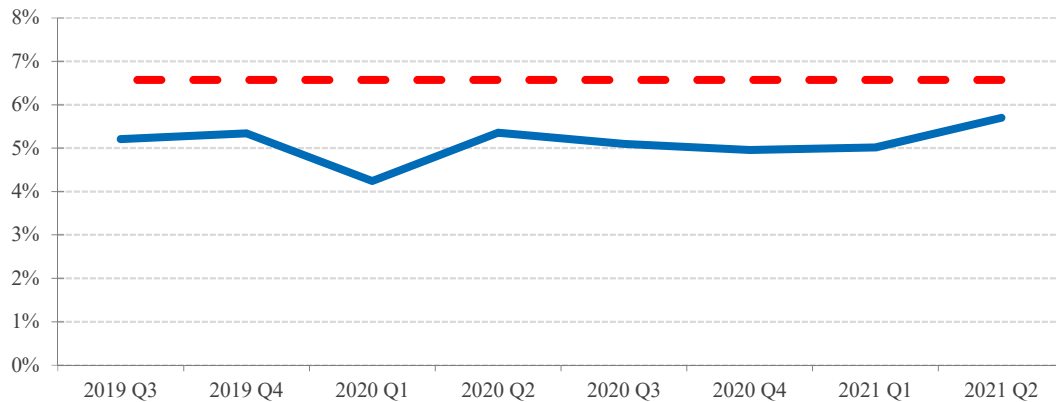
Affordability

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

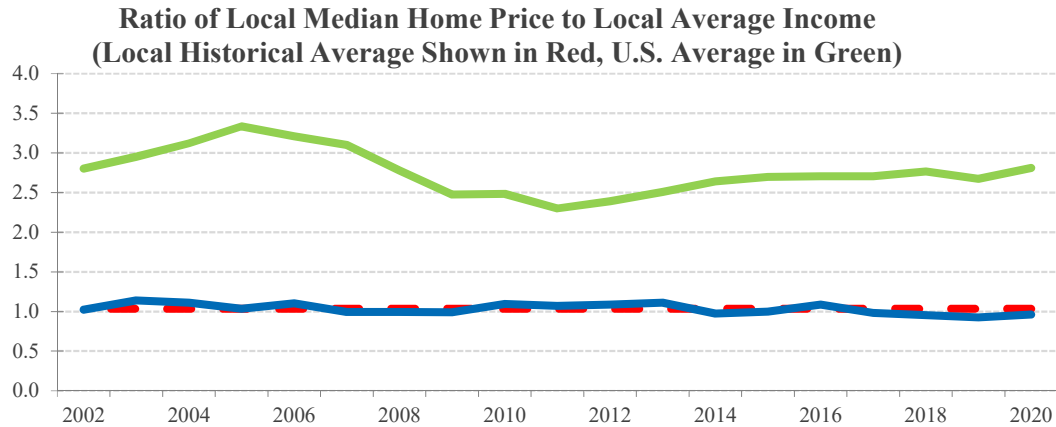


| Monthly Mortgage Payment to Income | Elmira | U.S. | |
|------------------------------------|--------|-------|--|
| Ratio for 2020 | 4.9% | 14.4% | Historically strong, but weaker than the first quarter of 2021 |
| Ratio for 2021 Q2 | 5.7% | 16.0% | |
| Historical Average | 6.6% | 18.0% | More affordable than most markets |

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



| Median Home Price to Income | Elmira | U.S. | |
|-----------------------------|--------|------|---|
| Ratio for 2020 | 1.0 | 2.8 | The price-to-income ratio is high by historic standards and getting worse |
| Ratio for 2021 Q2 | 1.1 | 3.2 | |
| Historical Average | 1.0 | 2.7 | Affordable compared to most markets |



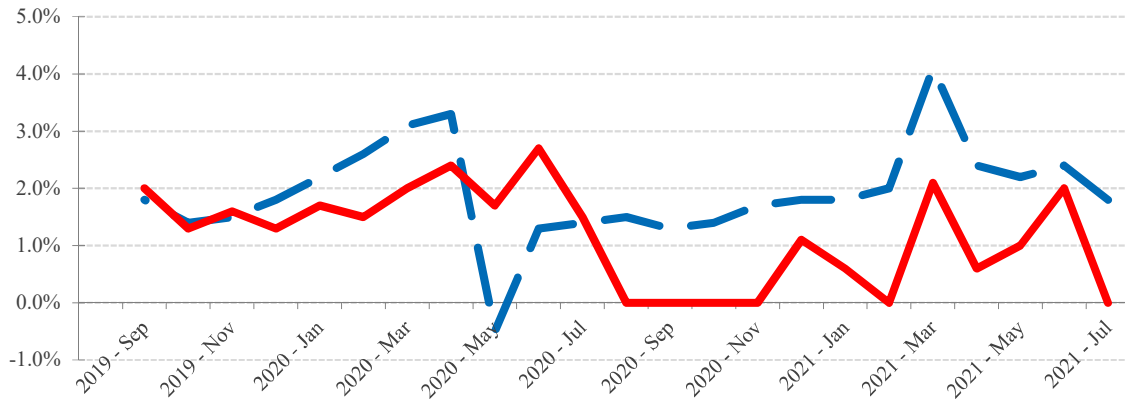
The Mortgage Market



In the second quarter of 2021, mortgage rates were higher than the previous quarter as the economy grew faster than expected with millions of Americans resuming traveling, going to restaurants, bars, events and shows. Nevertheless, mortgage rates were still lower than a year earlier. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate was 3.00 percent in Q2 2021 compared to 3.23 percent a year earlier. What to expect from mortgage rates in the upcoming quarters? Rates are expected to rise further as the Fed will likely start reducing its bond purchases before the end of the year and raise interest rates by the middle of next year. NAR forecasts the 30-year fixed mortgage rate to reach 3.5% by mid-2022.

REALTOR® Price Expectations

REALTOR® Price Expectations for the Next 12 Months
(U.S. Average in Blue Dashed Line)



Source: NAR

| REALTOR® Price Expectations | New York | U.S. | |
|-----------------------------|----------|------|--|
| 2021 - Aug | 0.0% | 1.1% | REALTORS® expect weaker price growth in New York than in the U.S. in the next 12 months. Their price expectations for the local market remained at the same level as a year ago. |
| Prior 12 months | 0.0% | 1.4% | |

Geographic Coverage for this Report

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

Chemung County

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