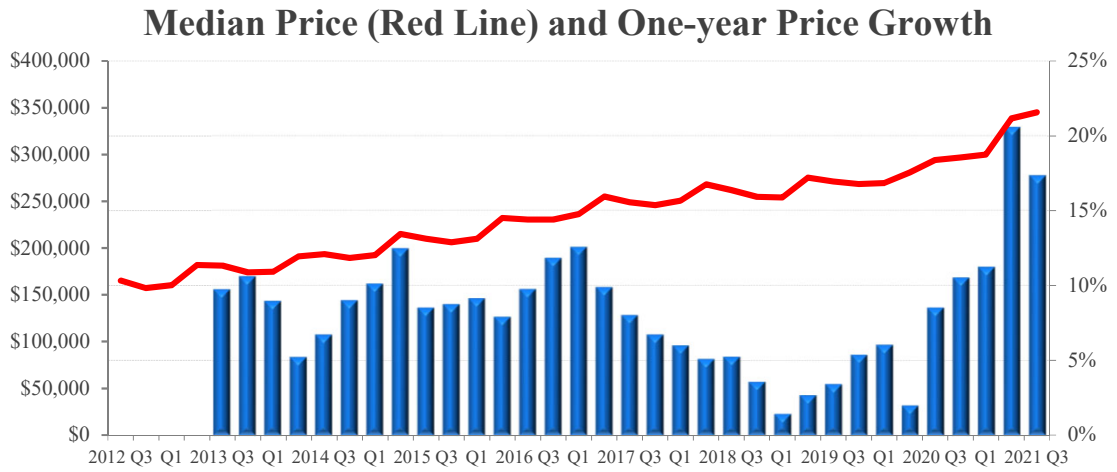
Dallas-Fort Worth-Arlington Area

Local Market Report, Third Quarter 2021

reflecting the impact of COVID-19 on the local economy

Today's Market…



Local Price Trends			
Price Activity	**Dallas**	**U.S.**	**Local Trend**
Current Median Home Price (2021 Q3)	$345,200	$356,133	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2021 Q3)	17.3%	15.2%	
3-year (12-quarter) Appreciation (2021 Q3)	31.7%	34.9%	
3-year (12-quarter) Housing Equity Gain*	$83,100	$92,200	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	$151,700	$139,767	
9-year (36 quarters) Housing Equity Gain*	$180,000	$172,500	
*Note: Equity gain reflects price appreciation only			

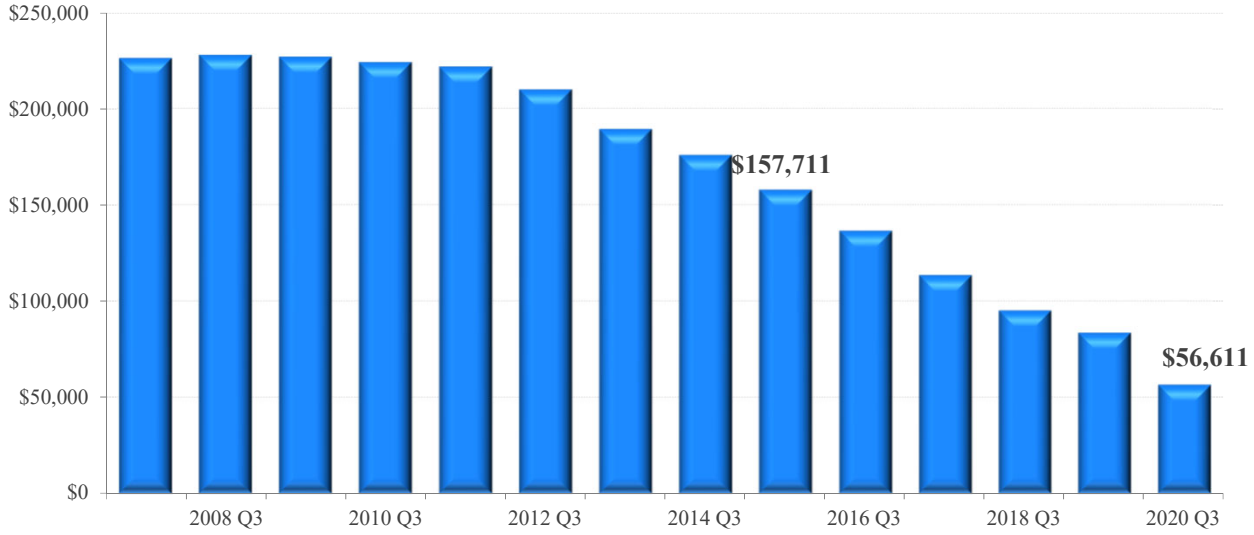
	Dallas	**U.S.**	
Conforming Loan Limit**	$647,200	$765,600	Most buyers in this market have access to government-backed financing
FHA Loan Limit	$450,800	$765,600	
Local Median to Conforming Limit Ratio	53%	not comparable	
Note: limits are current and include the changes made on January 1st 2022.			

Local NAR Leadership

The Dallas-Fort Worth-Arlington market is part of region 10 in the NAR governance system, which includes all of Louisiana and Texas. The 2022 NAR Regional Vice President representing region 10 is Logan Morris.

Benefits of Ownership:
Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained** through 2021 Q3 from quarter in which home was of purchased			
Price Activity	**Dallas**	**U.S.**	**Local Trend**
1-year (4-quarter)	$56,611	$52,898	
3-year (12-quarter)*	$95,095	$103,903	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
5-year (20-quarter)*	$136,416	$138,706	
7-year (28 quarters)*	$175,770	$165,595	
9-year (36 quarters)*	$209,678	$204,628	

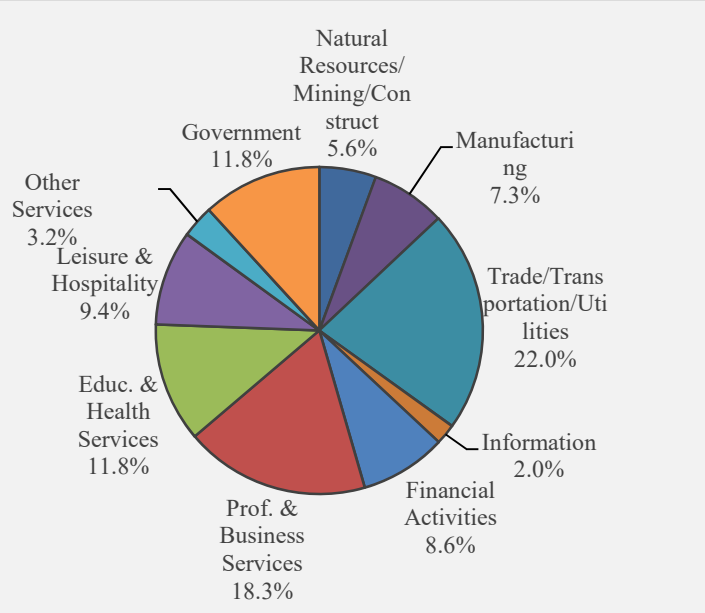
*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

Drivers of Local Supply and Demand…

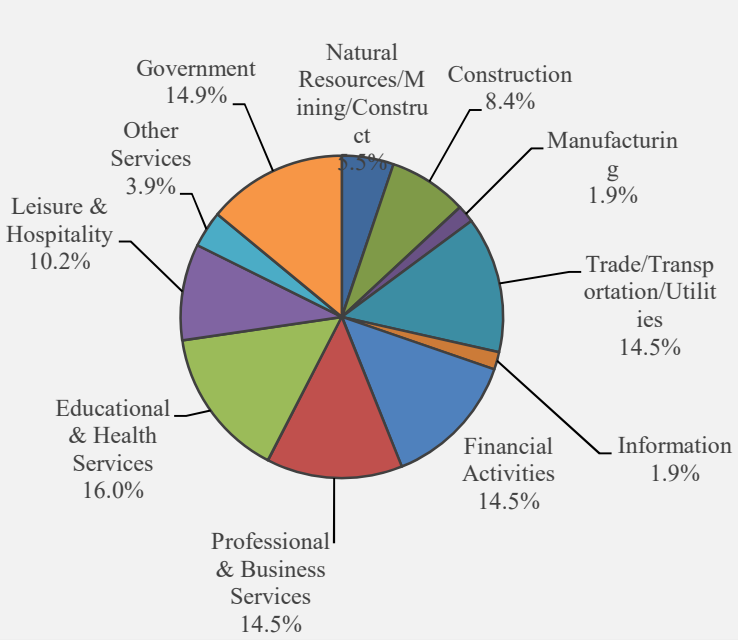
Local Economic Outlook	Dallas	U.S.	
12-month Job Change (Nov)	210,200	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Oct)	181,600	Not Comparable	
36-month Job Change (Nov)	179,600	Not Comparable	Unemployment in Dallas is better than the national average and improving
Current Unemployment Rate (Nov)	3.9%	4.2%	
Year-ago Unemployment Rate	6.2%	6.7%	Local employment growth is strong compared to other markets
1-year (12 month) Job Growth Rate	5.6%	1.8%	

Share of Total Employment by Industry

Dallas-Fort Worth-Arlington Area



U.S.

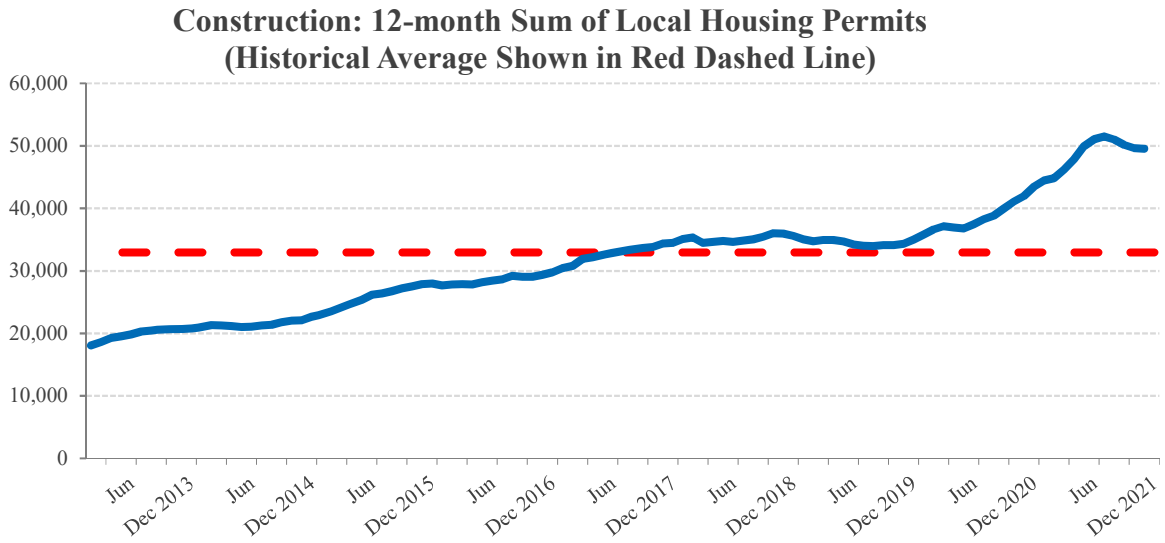


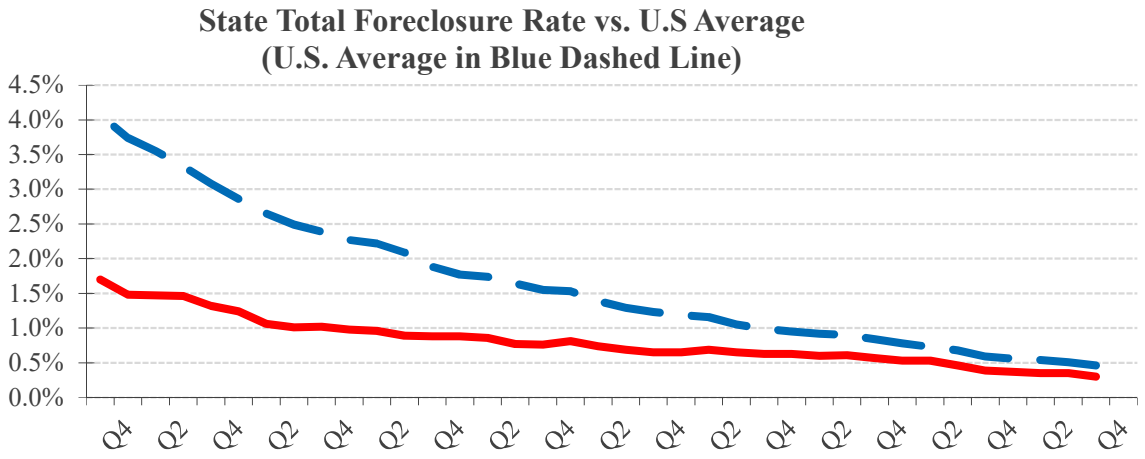
12-month Employment Change by Industry (Nov - 2021)			
Goods Producing	NA	Information	600
Natural Resources/Mining/Construction	-3,300	Financial Activities	4,000
Natural Resources and Mining	NA	Prof. & Business Services	79,300
Construction	NA	Educ. & Health Services	8,800
Manufacturing	5,300	Leisure & Hospitality	33,500
Service Providing Excluding Government	NA	Other Services	11,800
Trade/Transportation/Utilities	39,200	Government	2,400

State Economic Activity Index	Texas	U.S.	
12-month change (2021 - Nov)	6.7%	5.7%	The economy of Texas has outpaced the rest of the nation and improved modestly from last month's 6.50% change
36-month change (2021 - Nov)	7.4%	3.8%	

NATIONAL ASSOCIATION OF REALTORS®

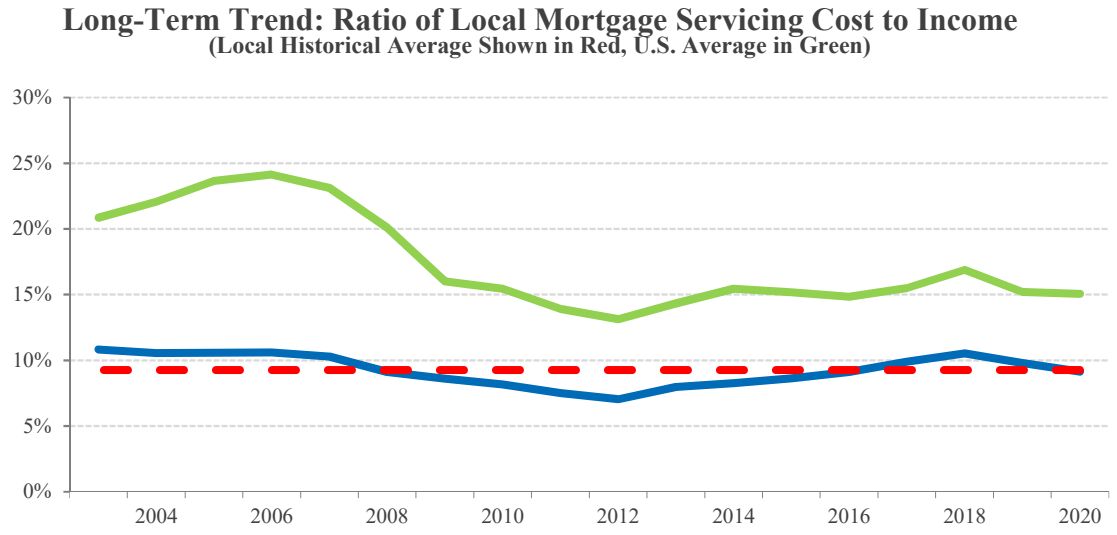
New Housing Construction			
Local Fundamentals	**Dallas**	**U.S.**	
12-month Sum of 1-unit Building Permits through Nov	49,520	not comparable	The current level of construction is 50.3% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	32,947	not comparable	Production above trend for an extended period of time could cause prices to moderate as inventory is built up.
Single-Family Housing Permits (Dec 2021) 12-month sum vs. a year ago	18.1%	17.7%	Construction is on the rise relative to last year, suggesting that the local inventory has stabilized



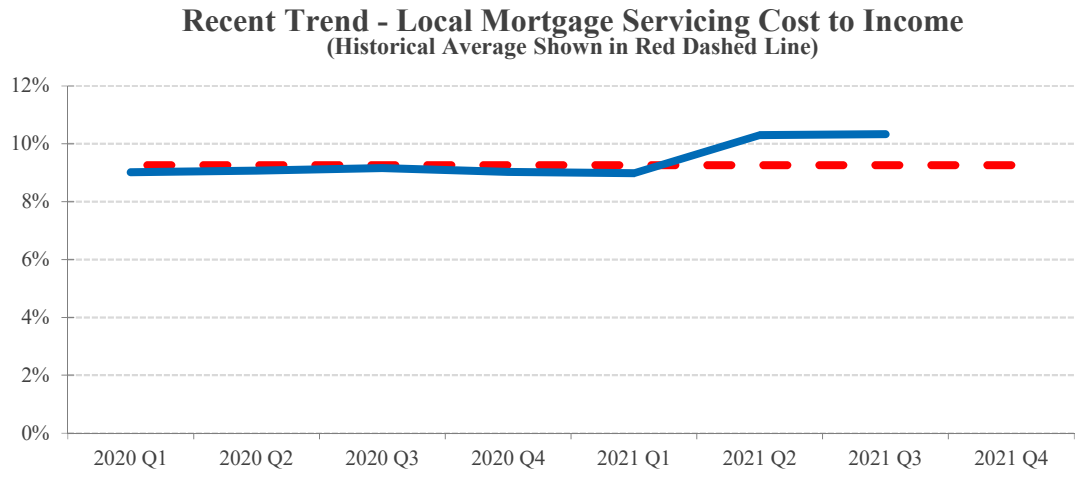


Source: Mortgage Bankers' Association

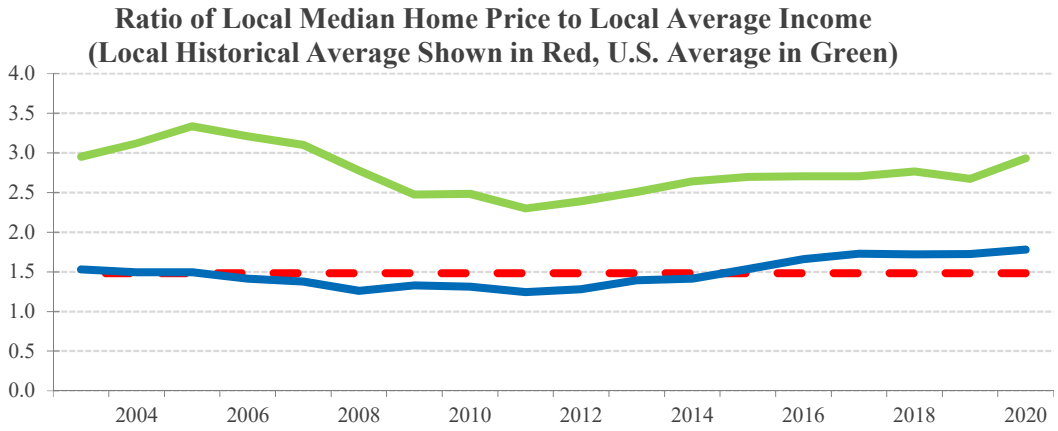
Affordability



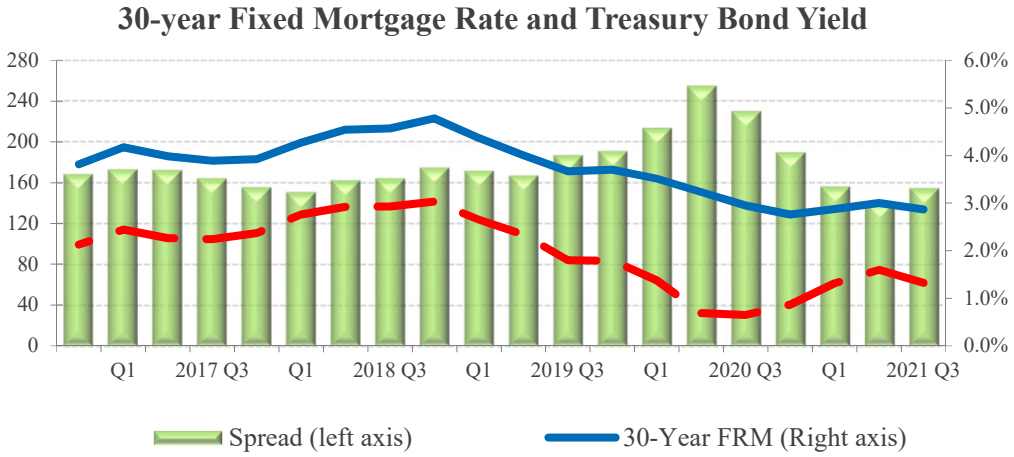
Monthly Mortgage Payment to Income	Dallas	U.S.	
Ratio for 2020	9.1%	15.1%	Weak by local standards and could weigh on demand
Ratio for 2021 Q3	10.3%	16.0%	
Historical Average	9.3%	18.1%	More affordable than most markets



Median Home Price to Income	Dallas	U.S.	
Ratio for 2020	1.8	2.9	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2021 Q3	2.1	3.2	
Historical Average	1.5	2.7	Affordable compared to most markets

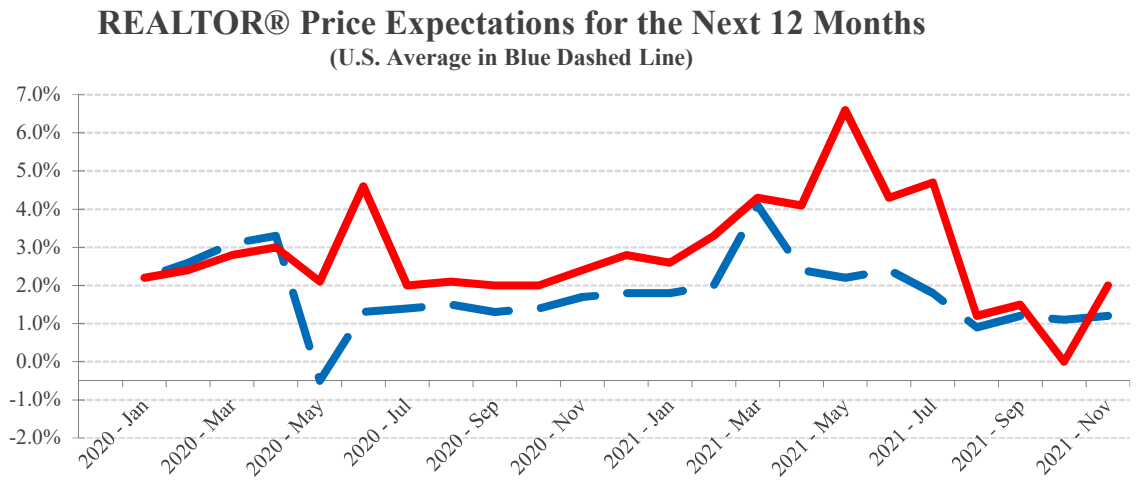


The Mortgage Market



In the third quarter of 2021, mortgage rates fell with the emergence of the Delta variant. Investors were worried about the potential economic impact of the new variant drifting down both the 10-year Treasury yield and mortgage rates. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate dropped to 2.87 percent in Q3 2021 from 2.95 percent a year earlier. Since low mortgage rates increase homebuyers' purchase power, this also means that many prospective homebuyers were able to buy a more expensive home than they previously thought with the same budget. Nevertheless, the Fed announced that they will start reducing its bond and mortgage-backed security purchases before the end of the year. Furthermore, the Fed will also raise interest rates by the middle of next year in order to control elevated inflation. As a result, mortgage rates will move up in the last quarter of the year. NAR forecasts the 30-year fixed mortgage rate to reach 3.1 percent by the end of year.

REALTOR® Price Expectations



Source: NAR

REALTOR® Price Expectations	Texas	U.S.	
2021 - Nov	1.9%	1.9%	REALTORS® expect weaker price growth in Texas 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	2.6%	1.8%	

Geographic Coverage for this Report

The Dallas area referred to in this report covers the geographic area of the Dallas-Fort Worth-Arlington 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:

Collin County, Dallas County, Denton County, Ellis County, Hunt County, Hood County, Johnson County, Kaufman County, Rockwall County, Parker County, Somerville County, Tarrant County, and Wise County

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