

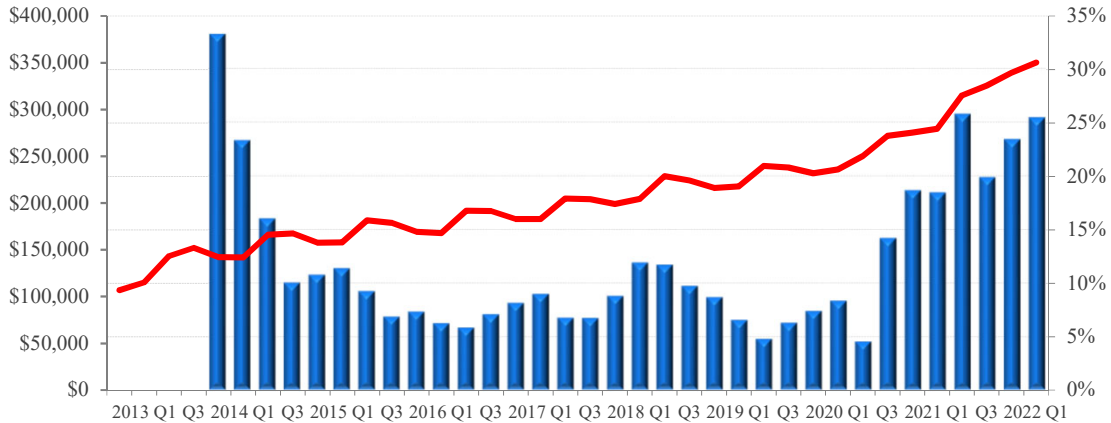
# Atlanta-Sandy Springs-Roswell Area

## Local Market Report, First Quarter 2022

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	Atlanta	U.S.	Local Trend
Current Median Home Price (2022 Q1)	\$350,300	\$365,767	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2022 Q1)	25.4%	15.2%	
3-year (12-quarter) Appreciation (2022 Q1)	60.8%	44.5%	
3-year (12-quarter) Housing Equity Gain*	\$132,500	\$112,700	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$192,300	\$162,367	
9-year (36 quarters) Housing Equity Gain*	\$235,200	\$189,833	

\*Note: Equity gain reflects price appreciation only

	Atlanta	U.S.	
<b>Conforming Loan Limit**</b>	\$647,200	\$765,600	Most buyers in this market have access to government-backed financing
<b>FHA Loan Limit</b>	\$471,500	\$765,600	
<b>Local Median to Conforming Limit Ratio</b>	54%	not comparable	

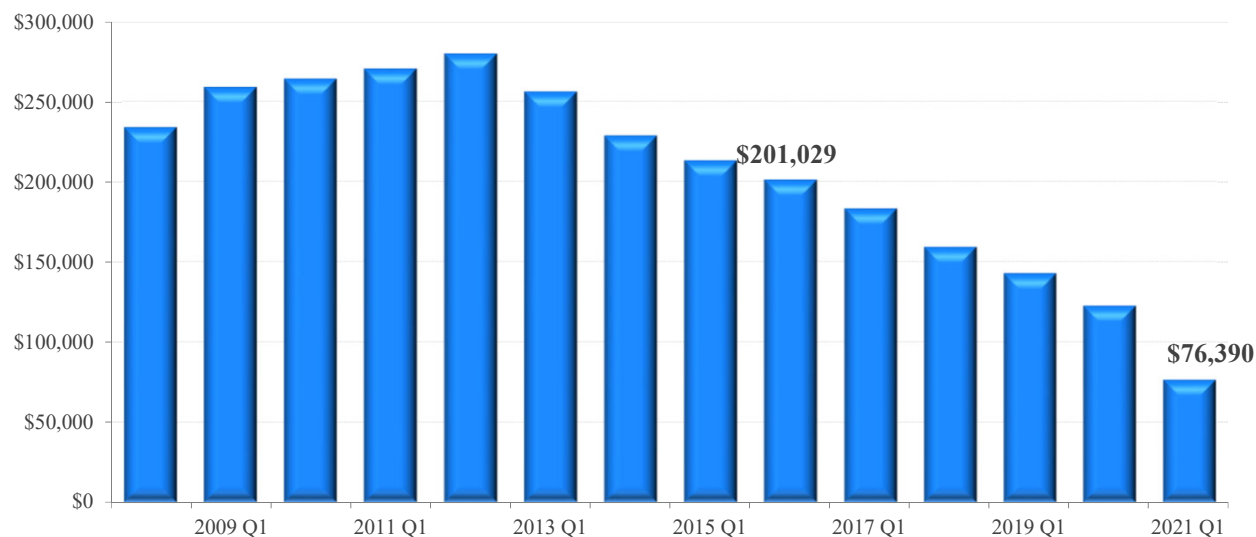
Note: limits are current and include the changes made on January 1st 2022.

#### Local NAR Leadership

The Atlanta-Sandy Springs-Roswell market is part of region 5 in the NAR governance system, which includes all of Georgia, Florida, Alabama, Mississippi, Virgin Islands, and Puerto Rico. The 2022 NAR Regional Vice President representing region 5 is Ryan Brashear.

## Benefits of Ownership: Total Equity Appreciation

### Total Equity Accrued to Owner by Year and Quarter of Purchase



#### Total Equity Gained\*\* through 2022 Q1 from quarter in which home was of purchased

Price Activity	Atlanta	U.S.	Local Trend
1-year (4-quarter)	\$76,390	\$54,263	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$142,796	\$124,663	
5-year (20-quarter)*	\$182,987	\$154,612	
7-year (28 quarters)*	\$213,075	\$189,111	
9-year (36 quarters)*	\$255,998	\$221,623	

\*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...

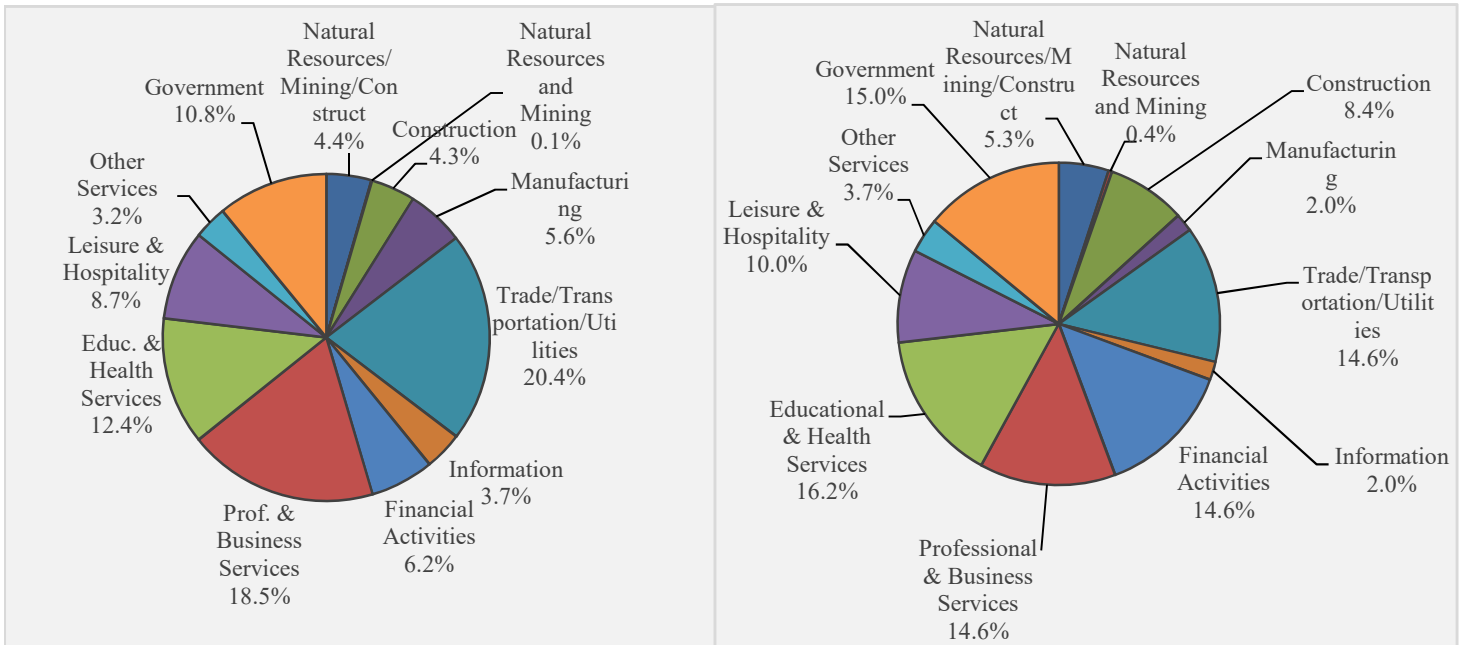


Local Economic Outlook	Atlanta	U.S.	
12-month Job Change (Mar)	178,700	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Feb)	173,900	Not Comparable	
36-month Job Change (Mar)	108,200	Not Comparable	Atlanta's unemployment situation is worse than the national average and weighs on confidence
Current Unemployment Rate (Mar)		3.6%	
Year-ago Unemployment Rate	4.4%	6.0%	Local employment growth is strong compared to other markets
1-year (12 month) Job Growth Rate	6.5%	6.2%	

## Share of Total Employment by Industry

Atlanta-Sandy Springs-Roswell Area

U.S.



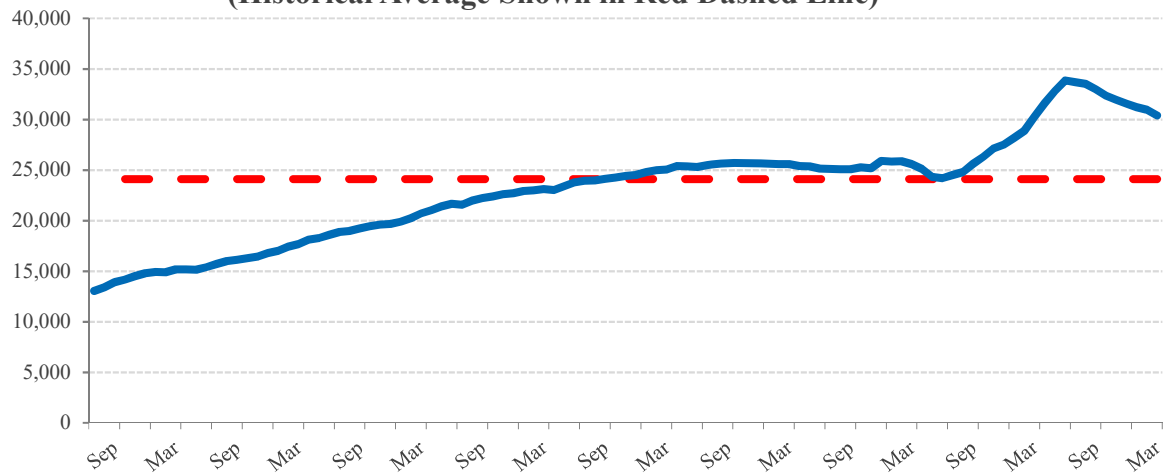
### 12-month Employment Change by Industry (Mar - 2022)

Goods Producing	NA	Information	14,500
Natural Resources/Mining/Construction	1,400	Financial Activities	9,200
Natural Resources and Mining	100	Prof. & Business Services	48,800
Construction	1,300	Educ. & Health Services	21,000
Manufacturing	10,600	Leisure & Hospitality	26,400
Service Providing Excluding Government	NA	Other Services	3,800
Trade/Transportation/Utilities	45,700	Government	3,800

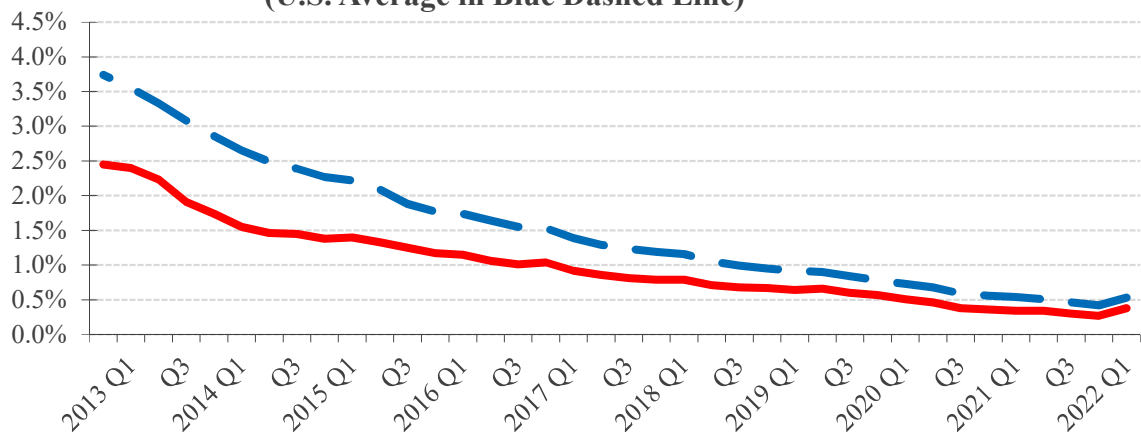
State Economic Activity Index	Georgia	U.S.	
12-month change (2022 - Mar)	5.2%	5.7%	The economy of Georgia is growing more slowly than the rest of the nation, but improved modestly from last month's 5.16% change
36-month change (2022 - Mar)	NA	4.4%	

<b>New Housing Construction</b>			
<b>Local Fundamentals</b>	<b>Atlanta</b>	<b>U.S.</b>	
12-month Sum of 1-unit Building Permits through Mar	30,399	not comparable	The current level of construction is 26.1% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	24,107	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 (Mar) 12-month sum vs. a year ago	0.4%	7.8%	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)

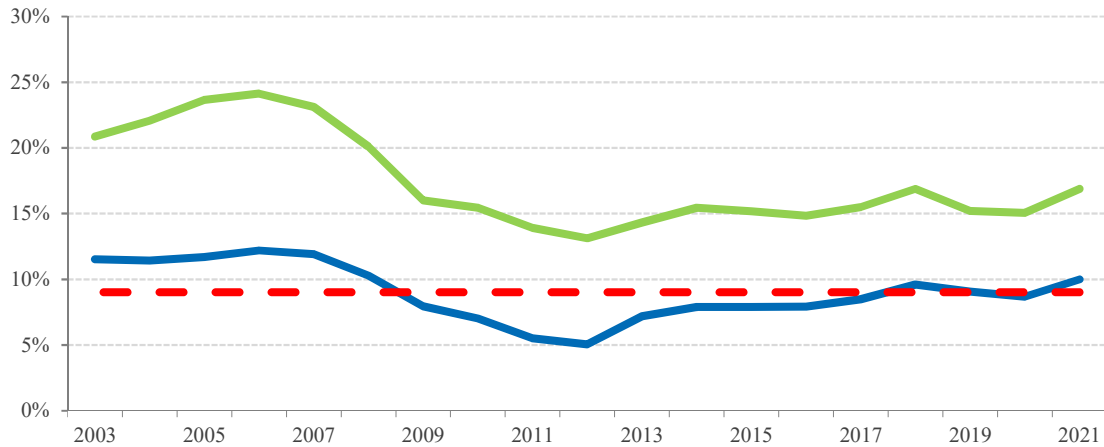


**State Total Foreclosure Rate vs. U.S. Average**  
(U.S. Average in Blue Dashed Line)



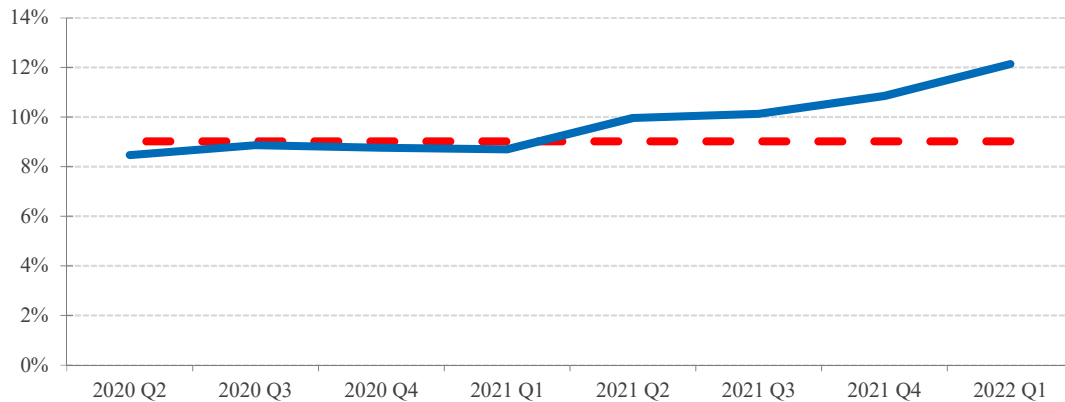
# Affordability

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

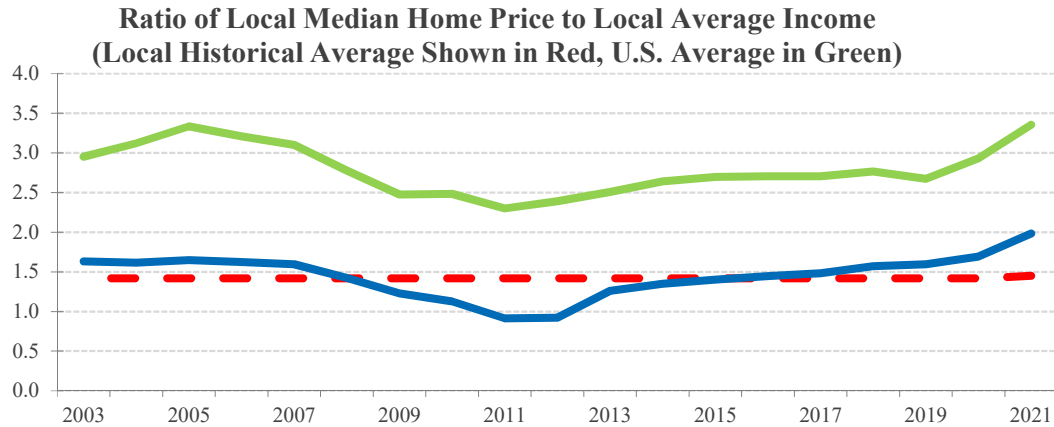


Monthly Mortgage Payment to Income	Atlanta	U.S.	
Ratio for 2021	10.0%	16.9%	Weak by local standards and could weigh on demand
Ratio for 2022 Q1	12.1%	18.5%	
Historical Average	9.0%	18.1%	More affordable than most markets

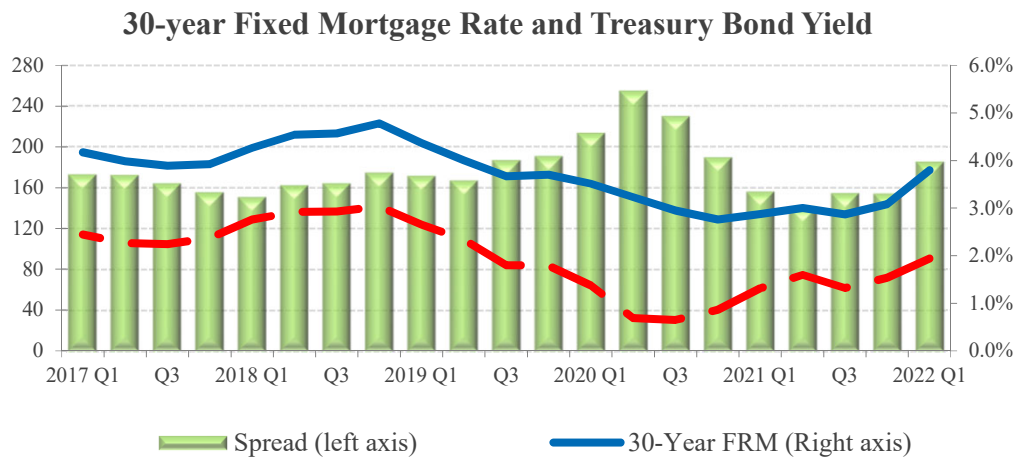
**Recent Trend - Local Mortgage Servicing Cost to Income**  
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Atlanta	U.S.	
Ratio for 2021	2.0	3.4	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2022 Q1	2.2	3.3	
Historical Average	1.4	2.7	Affordable compared to most markets



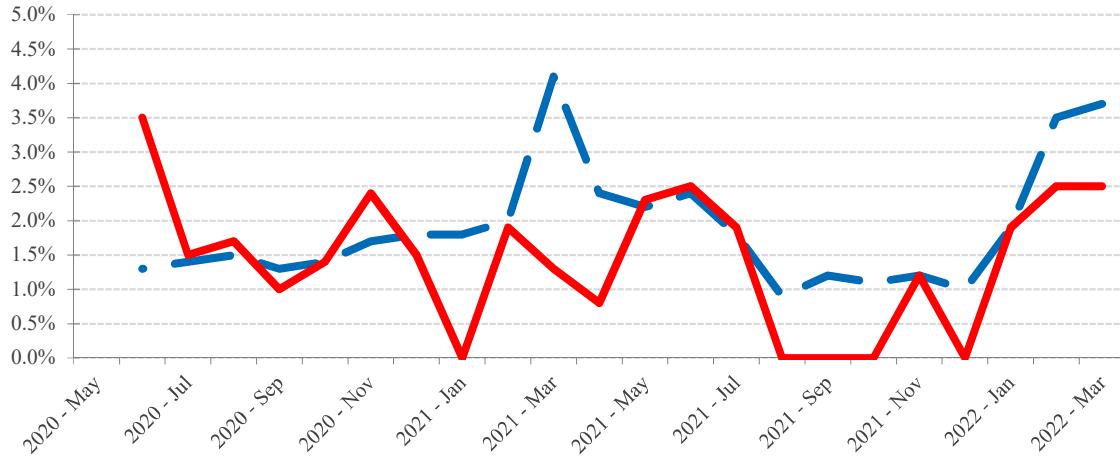
## The Mortgage Market



Mortgage rates surged in the first quarter of the year. The war in Ukraine added to upward pressure on inflation. As a result, the Federal Reserve raised its short-term interest rates by 25 basis points in March in its efforts to control elevated inflation. Although the Fed doesn't set up mortgage rates, Fed's actions have a ripple effect. A higher rate for banks tends to make borrowing more expensive for consumers affecting eventually long-term interest rates (such as 10-year Treasury bond). While mortgage rates typically follow the trend of the 10-year Treasury yield, the rate on the conventional 30-year mortgage also tends to rise. Nevertheless, the Fed will continue its tightening policy with additional rate hikes in the following months. Thus, the outlook is for mortgage rates to rise even further. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate rose to 3.8 percent in Q1 2022 from 2.9 percent a year earlier. NAR forecasts the 30-year fixed mortgage rate to hover around 5.5 percent in 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	Georgia	U.S.	
2022 - Mar	2.6%	3.6%	REALTORS® expect weaker price growth in Georgia than in the U.S. in the next 12 months although their local expectations are higher than a year ago.
Prior 12 months	2.3%	2.2%	

## Geographic Coverage for this Report

The Atlanta area referred to in this report covers the geographic area of the Atlanta-Sandy Springs-Roswell 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:

Barrow County, Bartow County, Butts County, Carroll County, Cherokee County, Clayton County, Cobb County, Coweta County, Dawson County, DeKalb County, Douglas County, Fayette County, Forsyth County, Fulton County, Gwinnett County, Haralson County, Heard County, Henry County, Jasper County, Lamar County, Meriwether County, Morgan County, Newton County, Paulding County, Pickens County, Pike County, Rockdale County, Spalding County, and Walton County

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/)