

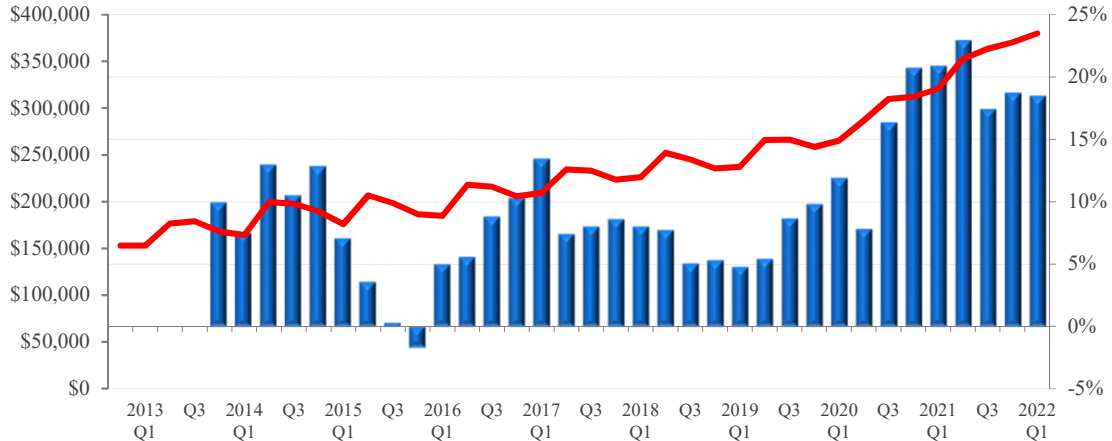
# Charlotte-Concord-Gastonia Area

## 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	Charlotte	U.S.	Local Trend
Current Median Home Price (2022 Q1)	\$379,900	\$365,767	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2022 Q1)	18.5%	15.2%	
3-year (12-quarter) Appreciation (2022 Q1)	60.2%	44.5%	
3-year (12-quarter) Housing Equity Gain*	\$142,700	\$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*	\$203,900	\$162,367	
9-year (36 quarters) Housing Equity Gain*	\$227,000	\$189,833	

\*Note: Equity gain reflects price appreciation only

	Charlotte	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>	\$420,680	\$765,600	
<b>Local Median to Conforming Limit Ratio</b>	59%	not comparable	

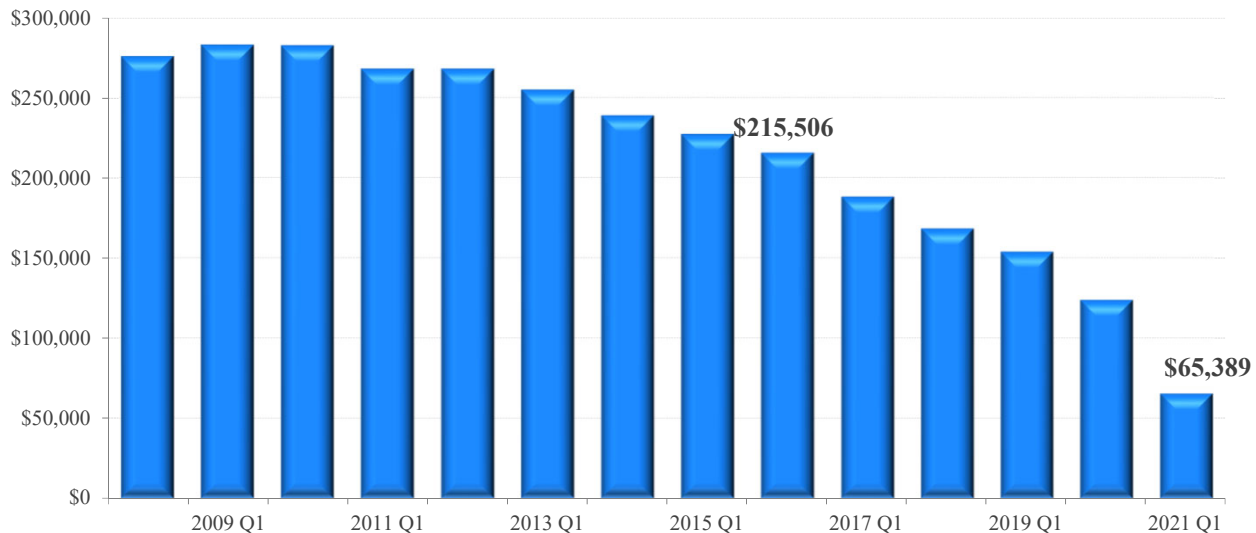
Note: limits are current and include the changes made on January 1st 2022.

#### Local NAR Leadership

The Charlotte-Concord-Gastonia market is part of region 4 in the NAR governance system, which includes all of North Carolina, South Carolina, Kentucky, and Tennessee. The 2022 NAR Regional Vice President representing region 4 is Brian Copeland.

## 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	Charlotte	U.S.	Local Trend
1-year (4-quarter)	\$65,389	\$54,263	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$153,913	\$124,663	
5-year (20-quarter)*	\$188,058	\$154,612	
7-year (28 quarters)*	\$227,042	\$189,111	
9-year (36 quarters)*	\$254,628	\$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...

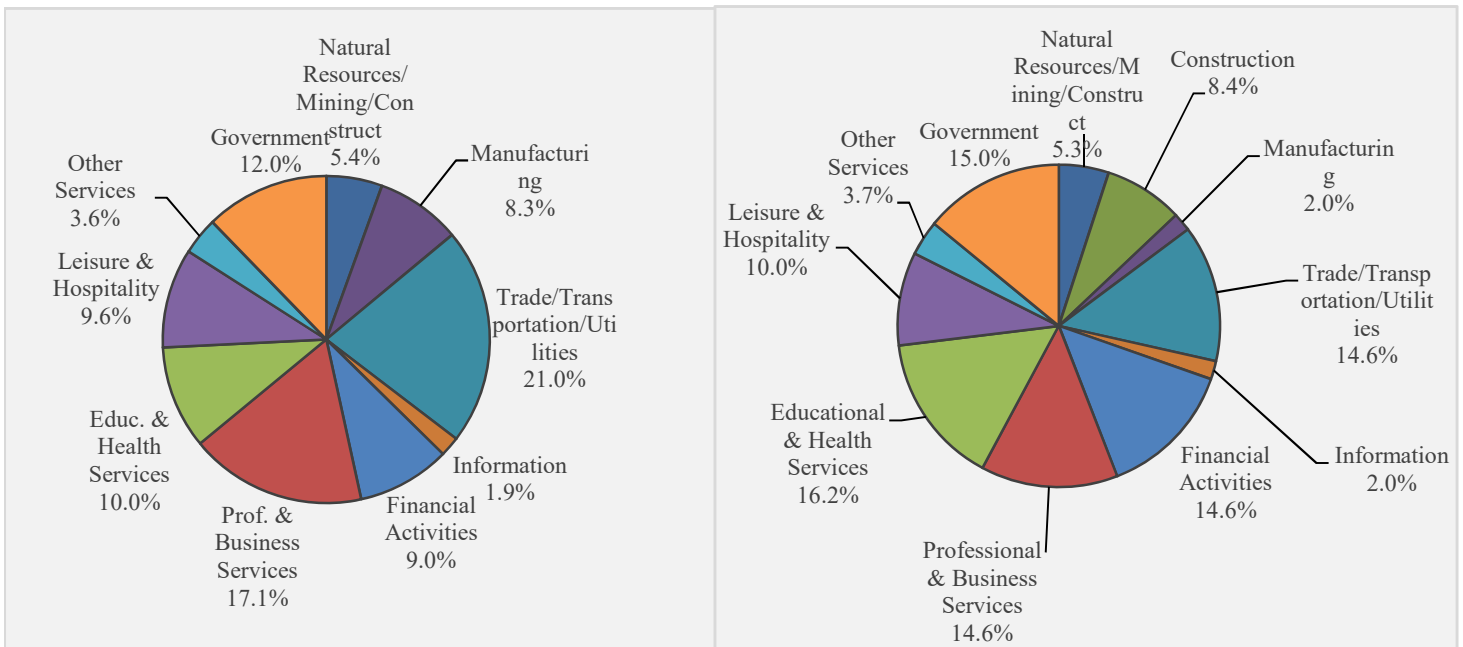


Local Economic Outlook	Charlotte	U.S.	
12-month Job Change (Mar)	49,900	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Feb)	46,300	Not Comparable	
36-month Job Change (Mar)	49,000	Not Comparable	Charlotte's unemployment situation is worse than the national average and weighs on confidence
Current Unemployment Rate (Mar)		3.6%	
Year-ago Unemployment Rate	5.1%	6.0%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	4.1%	6.2%	

## Share of Total Employment by Industry

Charlotte-Concord-Gastonia Area

U.S.



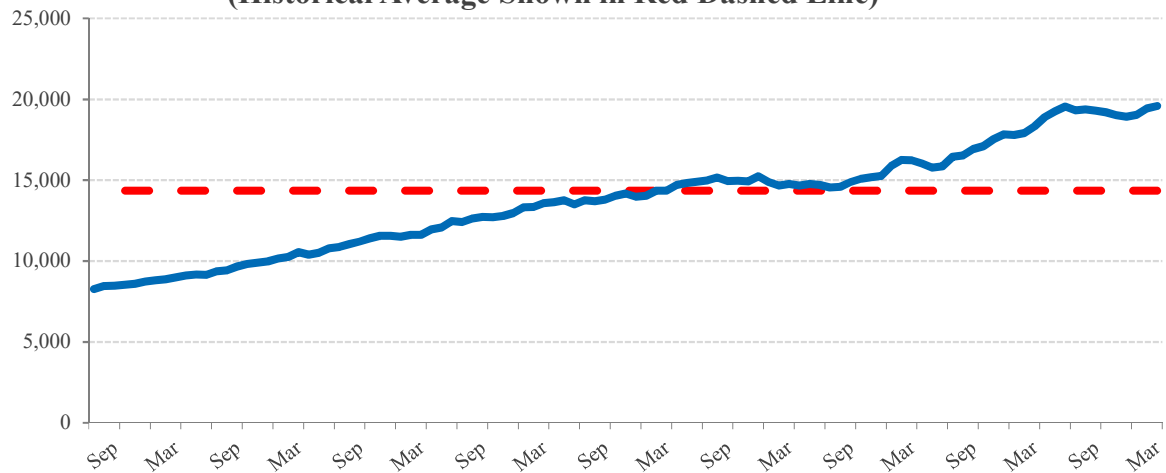
### 12-month Employment Change by Industry (Mar - 2022)

Goods Producing	NA	Information	900
Natural Resources/Mining/Construction	200	Financial Activities	5,200
Natural Resources and Mining	NA	Prof. & Business Services	13,000
Construction	NA	Educ. & Health Services	4,200
Manufacturing	2,700	Leisure & Hospitality	13,900
Service Providing Excluding Government	NA	Other Services	2,100
Trade/Transportation/Utilities	6,300	Government	1,300

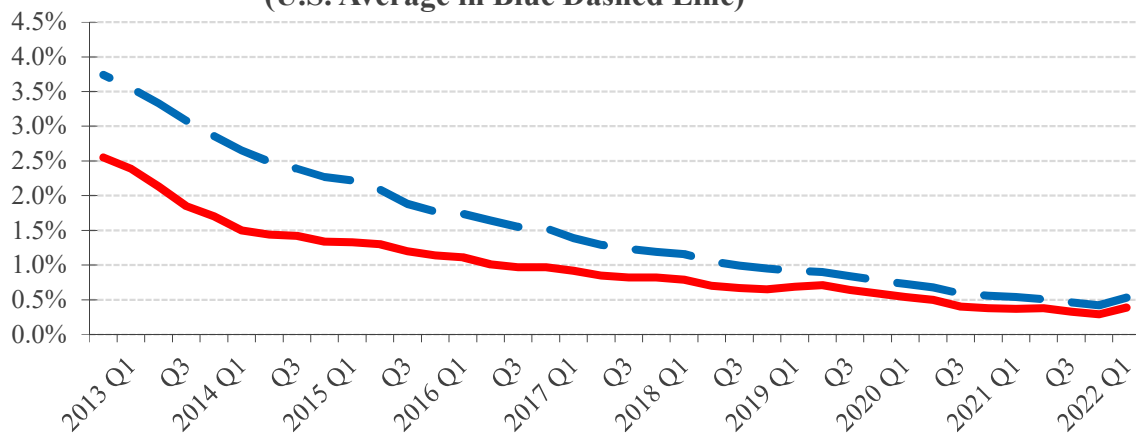
State Economic Activity Index	North Carolina	U.S.	
12-month change (2022 - Mar)	5.1%	5.7%	The economy of North Carolina is growing more slowly than the rest of the nation, but improved modestly from last month's 5.05% change
36-month change (2022 - Mar)	NA	4.4%	

New Housing Construction			
Local Fundamentals	Charlotte	U.S.	
12-month Sum of 1-unit Building Permits through Mar	19,586	not comparable	The current level of construction is 36.5% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	14,351	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	6.8%	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)

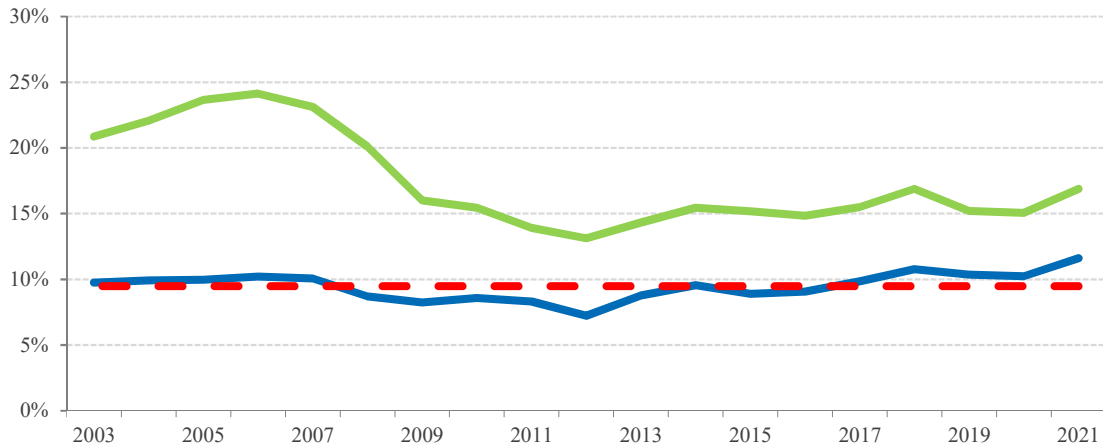


**State Total Foreclosure Rate vs. U.S. Average**  
(U.S. Average in Blue Dashed Line)



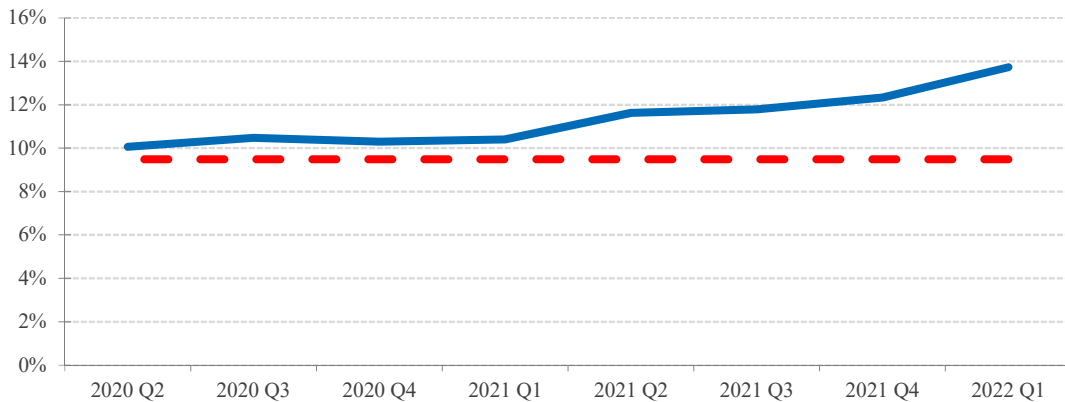
# Affordability

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

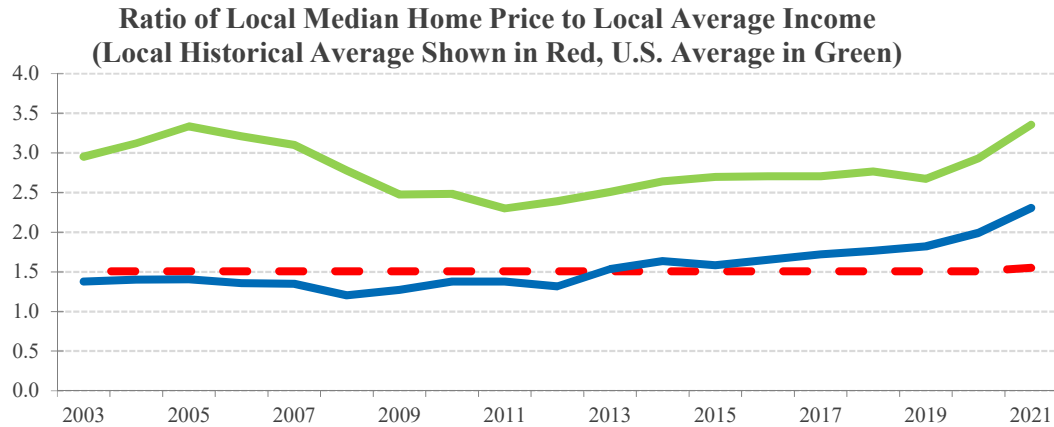


Monthly Mortgage Payment to Income	Charlotte	U.S.	
Ratio for 2021	11.6%	16.9%	Weak by local standards and could weigh on demand
Ratio for 2022 Q1	13.7%	18.5%	
Historical Average	9.5%	18.1%	More affordable than most markets

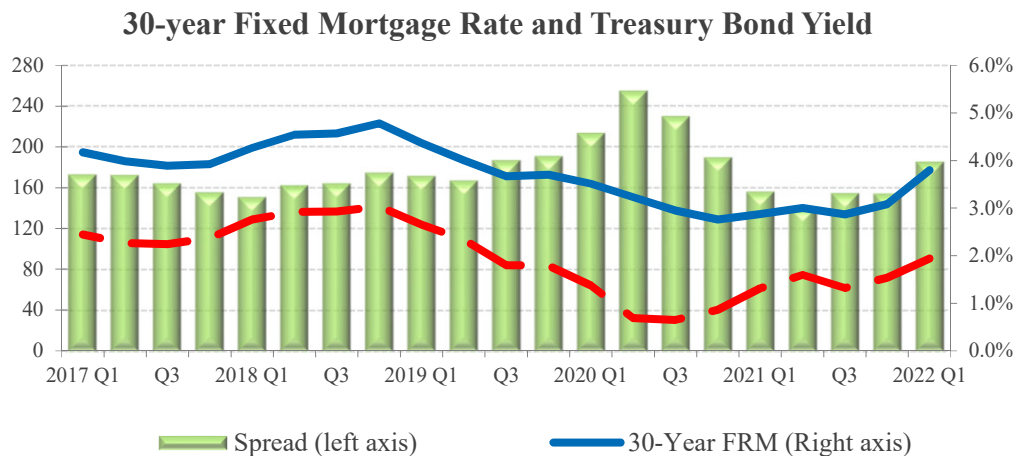
**Recent Trend - Local Mortgage Servicing Cost to Income**  
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Charlotte	U.S.	
Ratio for 2021	2.3	3.4	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2022 Q1	2.5	3.3	
Historical Average	1.6	2.7	Affordable compared to most markets



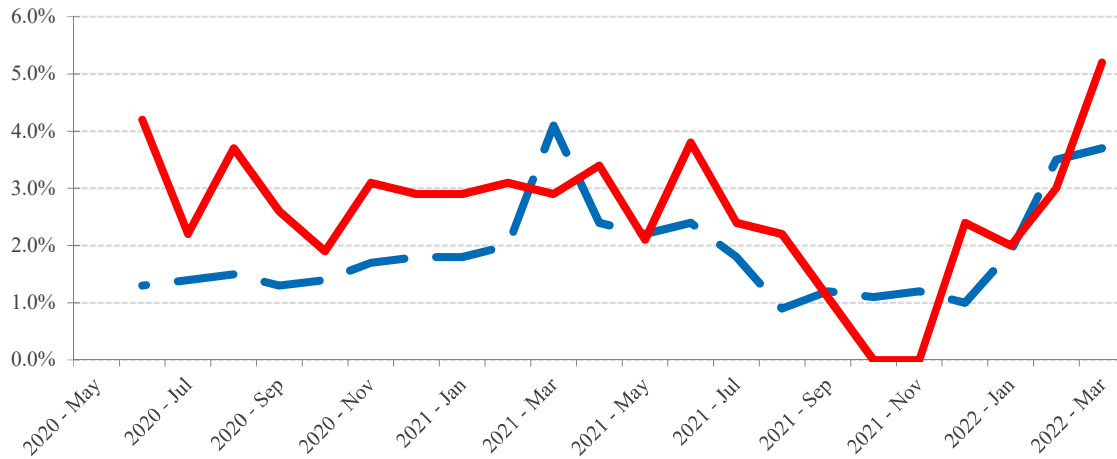
## The Mortgage Market



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	North Carolina	U.S.	
2022 - Mar	3.6%	3.6%	REALTORS® expect weaker price growth in North Carolina than in the U.S. in the next 12 months although their local expectations are higher than a year ago.
Prior 12 months	2.1%	2.2%	

## Geographic Coverage for this Report

The Charlotte area referred to in this report covers the geographic area of the Charlotte-Concord-Gastonia 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:

Cabarrus County, NC; Gaston County, NC; Iredell County, NC; Lincoln County, NC; Mecklenburg County, NC; Rowan County, NC; Union County, NC; Chester County, SC; Lancaster County, SC; York County, SC

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/)