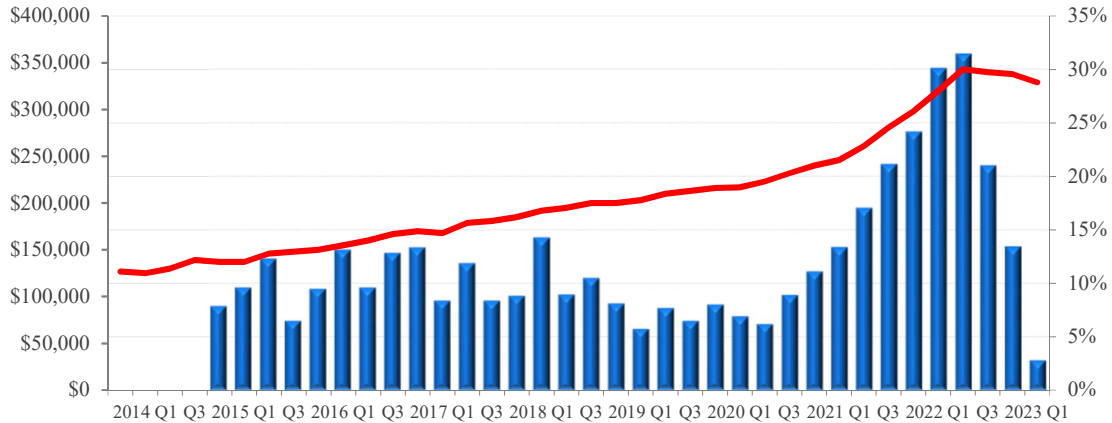


Lakeland-Winter Haven, FL Area

Local Market Report, First Quarter 2023

Today's Market...

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



Local Price Trends			
Price Activity	Lakeland	U.S.	Local Trend
Current Median Home Price (2023 Q1)	\$329,000	\$366,733	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2023 Q1)	2.8%	0.3%	
3-year (12-quarter) Appreciation (2023 Q1)	51.6%	34.6%	
3-year (12-quarter) Housing Equity Gain*	\$112,000	\$94,267	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$174,000	\$151,000	
9-year (36 quarters) Housing Equity Gain*	\$204,000	\$175,733	

*Note: Equity gain reflects price appreciation only

	Lakeland	U.S.	
Conforming Loan Limit**	\$726,200	\$1,089,300	Most buyers in this market have access to government-backed financing
FHA Loan Limit	\$472,030	\$1,089,300	
Local Median to Conforming Limit Ratio	45%	not comparable	

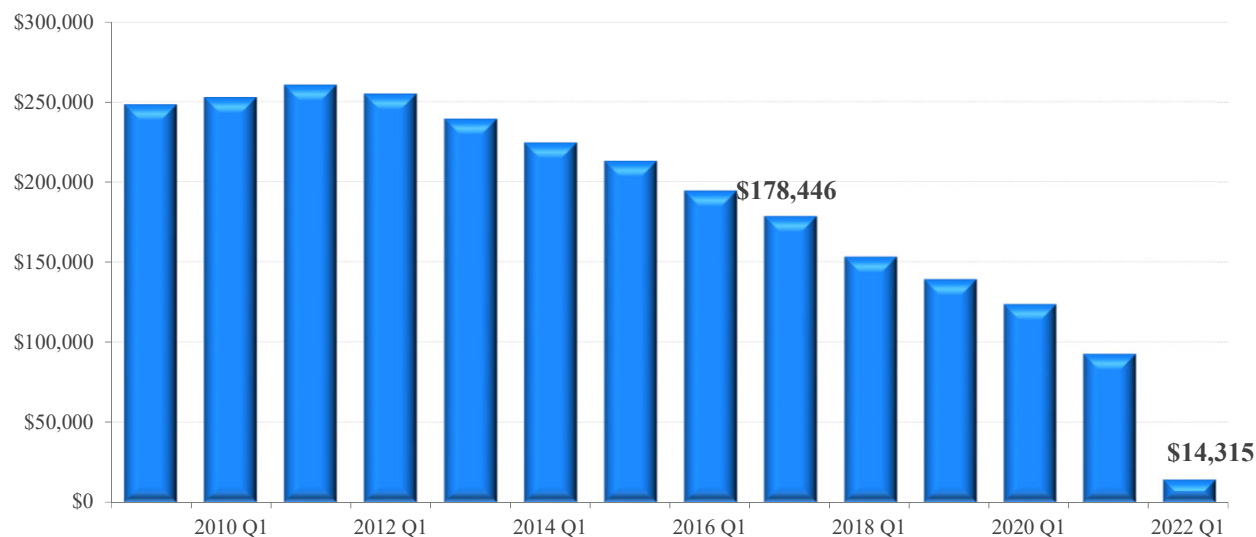
Note: limits are current and include the changes made on January 1st 2023.

Local NAR Leadership

The Lakeland-Winter Haven, FL 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 2023 NAR Regional Vice President representing region 5 is Eric Sain.

Benefits of Ownership: Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained** through 2023 Q1 from quarter in which home was of purchased

Price Activity	Lakeland	U.S.	Local Trend
1-year (4-quarter)	\$14,315	\$7,042	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$123,727	\$108,992	
5-year (20-quarter)*	\$153,043	\$143,305	
7-year (28 quarters)*	\$194,353	\$179,328	
9-year (36 quarters)*	\$224,289	\$206,734	

*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...

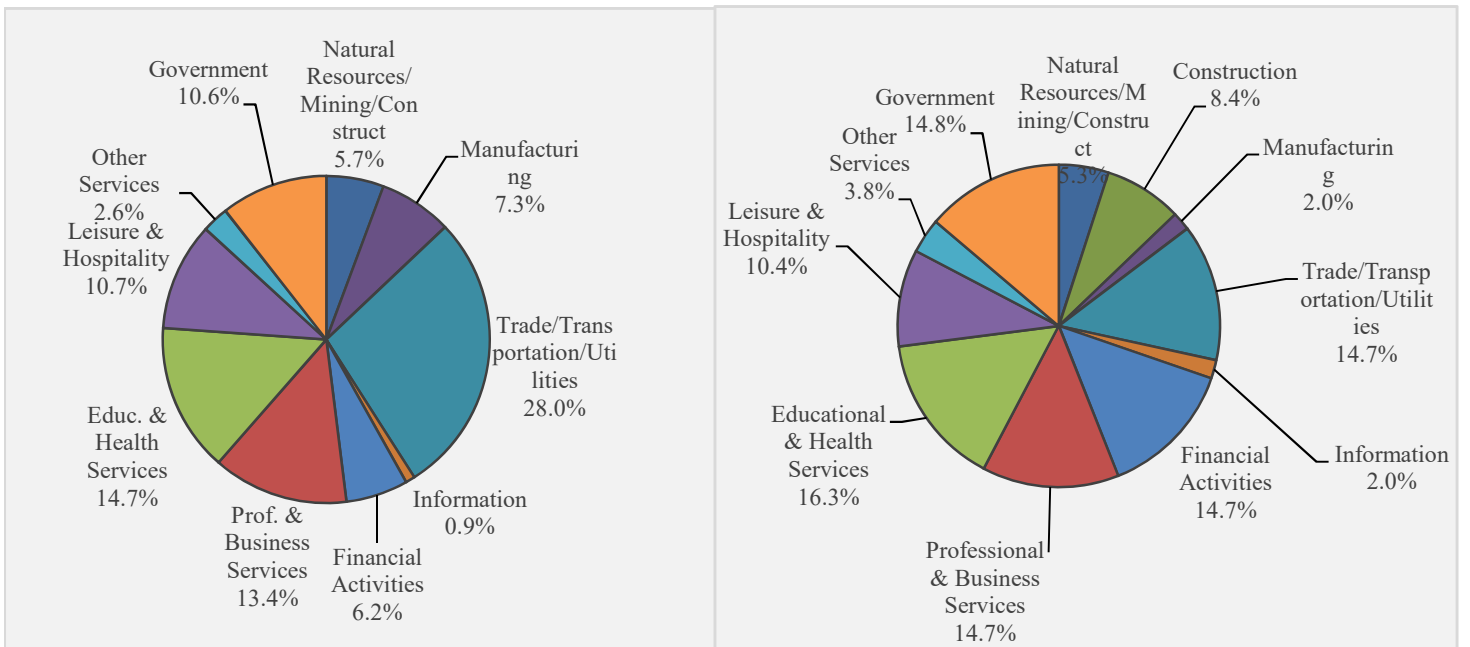


Local Economic Outlook	Lakeland	U.S.	
12-month Job Change (Mar)	9,300	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Feb)	9,100	Not Comparable	
36-month Job Change (Mar)	29,000	Not Comparable	Unemployment in Lakeland is better than the national average and improving
Current Unemployment Rate (Mar)	3.1%	3.5%	
Year-ago Unemployment Rate	3.5%	3.6%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	3.5%	3.8%	

Share of Total Employment by Industry

Lakeland-Winter Haven, FL Area

U.S.



12-month Employment Change by Industry (Mar - 2023)

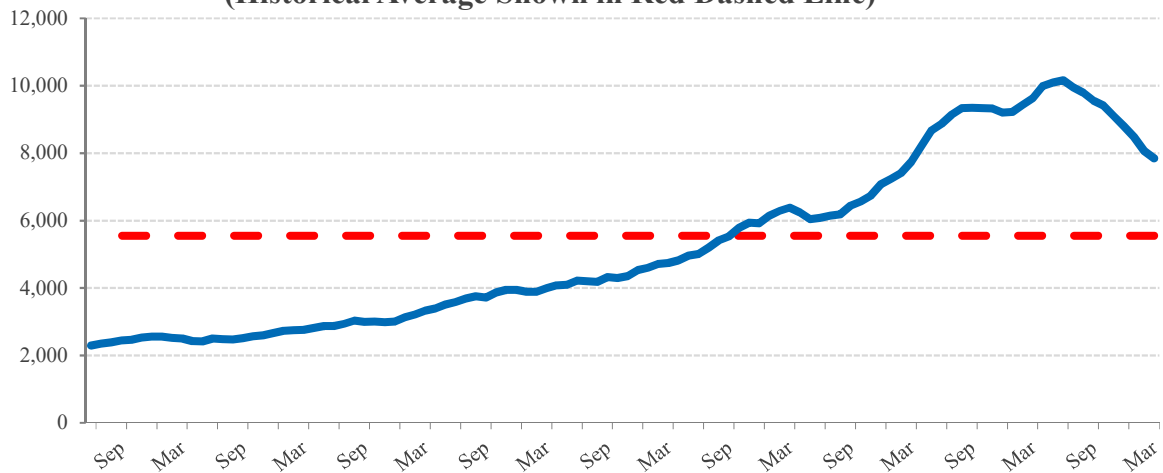
Goods Producing	NA	Information	100
Natural Resources/Mining/Construction	400	Financial Activities	800
Natural Resources and Mining	NA	Prof. & Business Services	-800
Construction	NA	Educ. & Health Services	3,500
Manufacturing	300	Leisure & Hospitality	3,300
Service Providing Excluding Government	NA	Other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

State Economic Activity Index	Florida	U.S.	
12-month change (2023 - Mar)	4.6%	3.8%	Florida's economy is stronger than the nation's, but slowed from last month's 4.98% change
36-month change (2023 - Mar)	12.7%	6.7%	

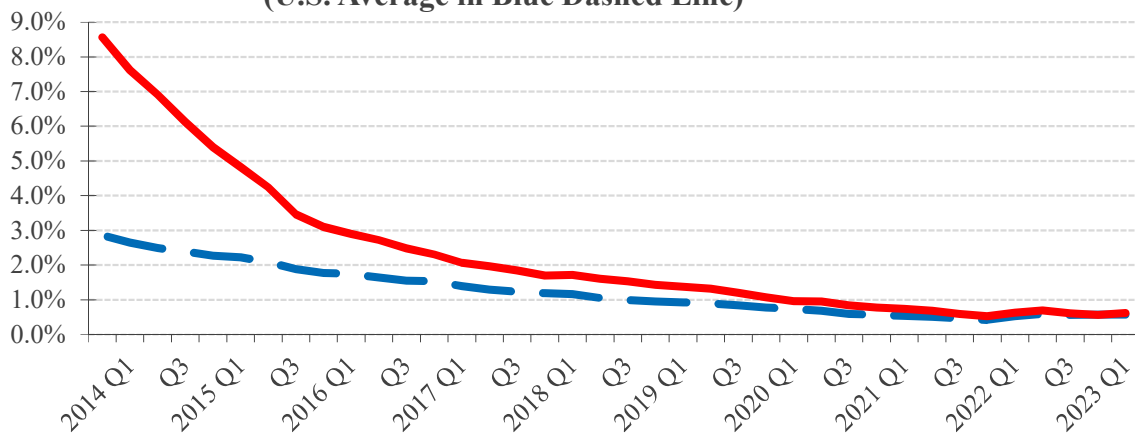
New Housing Construction

Local Fundamentals	Lakeland	U.S.	
12-month Sum of 1-unit Building Permits through Mar	7,845	not comparable	The current level of construction is 41.3% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	5,553	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	-18.6%	-21.2%	Construction continues to decline from last year

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

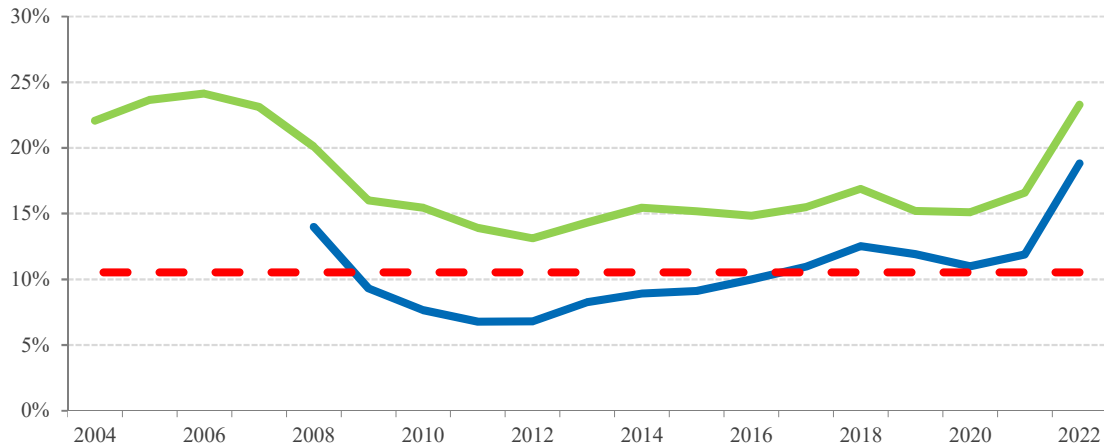


**State Total Foreclosure Rate vs. U.S Average
(U.S. Average in Blue Dashed Line)**



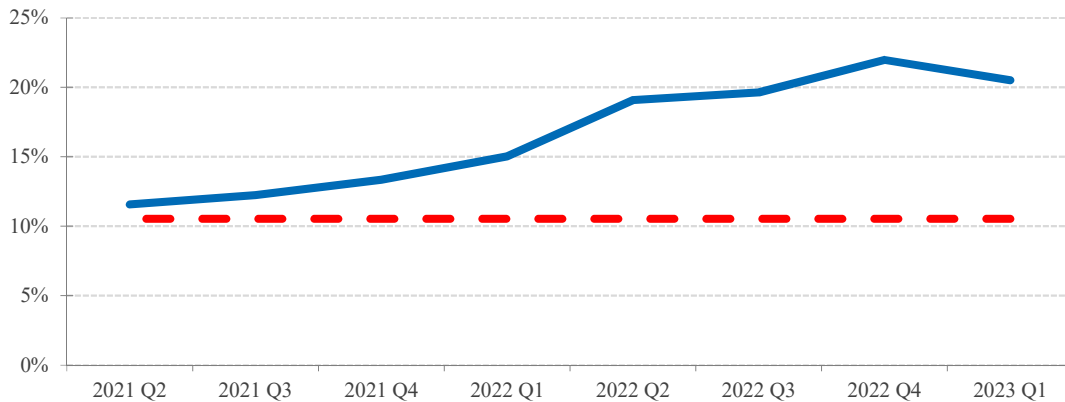
Affordability

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

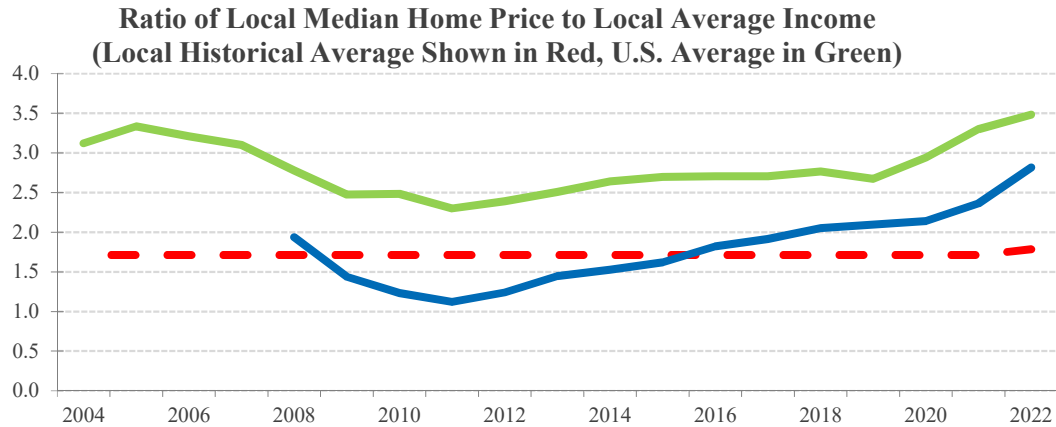


Monthly Mortgage Payment to Income	Lakeland	U.S.	
Ratio for 2022	18.8%	23.3%	Weak by local standards and could weigh on demand
Ratio for 2023 Q1	20.5%	23.3%	
Historical Average	10.5%	17.8%	More affordable than most markets

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



Median Home Price to Income	Lakeland	U.S.	
Ratio for 2022	2.8	3.5	The price-to-income ratio eased, but could be better
Ratio for 2023 Q1	2.7	3.1	
Historical Average	1.8	2.8	Affordable compared to most markets



The Mortgage Market



After surpassing twice the 7 percent threshold at the end of 2022, mortgage rates fell in the beginning of 2023. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate dropped to 6.36% in the first quarter of 2023 from 6.69% the previous quarter. Nevertheless, rates continue to be 1.7 times higher than the previous year (3.79%). Although rates will continue to fluctuate in the following months, with inflation easing further and the Federal Reserve expected to pause its rate hikes soon, mortgage rates will stabilize near 6% in the second half of the year. NAR forecasts the 30-year fixed mortgage rate to average 6.3% and 6.1% at the second and third quarter of the year, respectively.

Geographic Coverage for this Report

The Lakeland area referred to in this report covers the geographic area of the Lakeland-Winter Haven, FL 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:

Polk County

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

