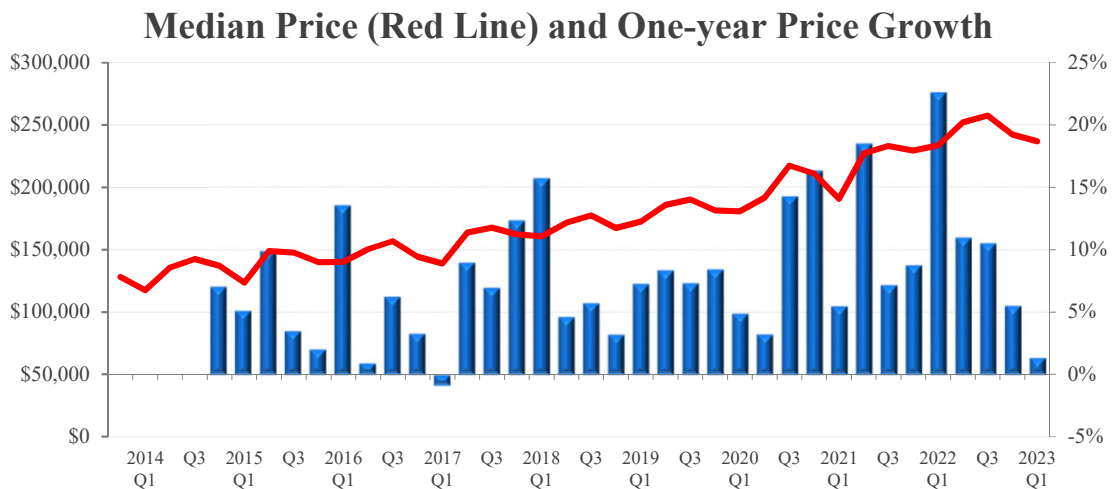


Gary-Hammond Area

Local Market Report, First Quarter 2023

Today's Market...



Local Price Trends			
Price Activity	Gary	U.S.	Local Trend
Current Median Home Price (2023 Q1)	\$236,900	\$366,733	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2023 Q1)	1.4%	0.3%	
3-year (12-quarter) Appreciation (2023 Q1)	31.0%	34.6%	
3-year (12-quarter) Housing Equity Gain*	\$56,100	\$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*	\$96,800	\$151,000	
9-year (36 quarters) Housing Equity Gain*	\$119,500	\$175,733	

*Note: Equity gain reflects price appreciation only

	Gary	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	33%	not comparable	

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

Local NAR Leadership

The Gary-Hammond market is part of region 7 in the NAR governance system, which includes all of Indiana, Illinois, and Wisconsin. The 2023 NAR Regional Vice President representing region 7 is Ed Neaves.

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	Gary	U.S.	Local Trend
1-year (4-quarter)	\$7,082	\$7,042	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$65,871	\$108,992	
5-year (20-quarter)*	\$89,628	\$143,305	
7-year (28 quarters)*	\$115,196	\$179,328	
9-year (36 quarters)*	\$138,555	\$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...

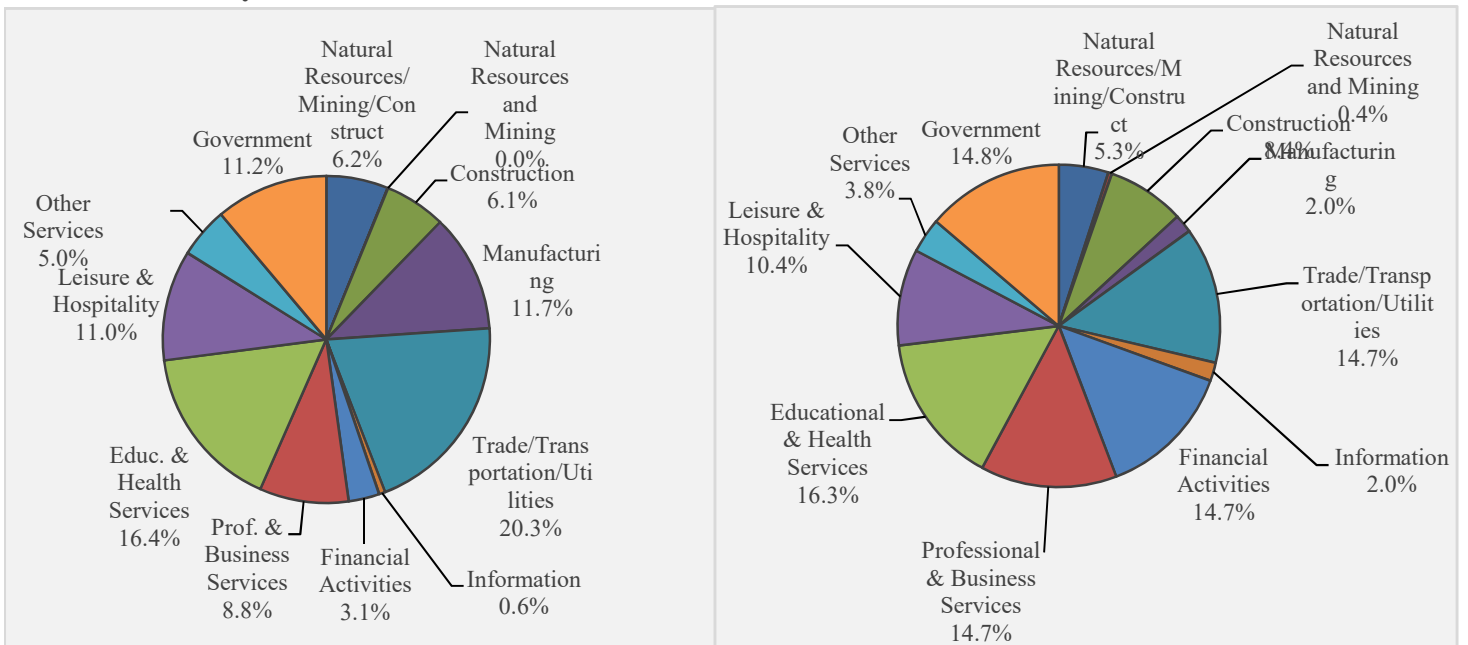


Local Economic Outlook	Gary	U.S.	
12-month Job Change (Mar)	6,000	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Feb)	5,500	Not Comparable	
36-month Job Change (Mar)	7,900	Not Comparable	Gary's unemployment situation is worse than the national average and weighs on confidence
Current Unemployment Rate (Mar)	5.0%	3.5%	
Year-ago Unemployment Rate	4.4%	3.6%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	2.2%	3.8%	

Share of Total Employment by Industry

Gary-Hammond Area

U.S.



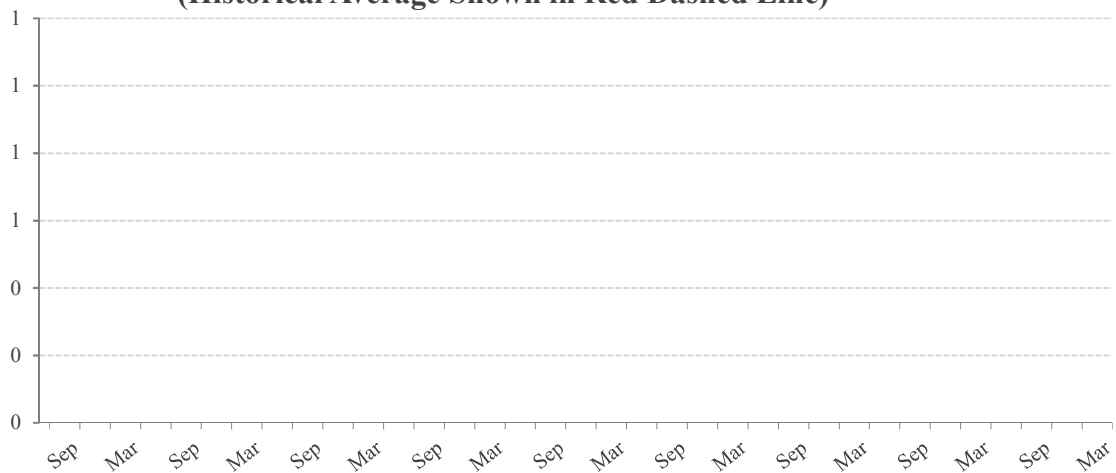
12-month Employment Change by Industry (Mar - 2023)

Goods Producing	NA	Information	0
Natural Resources/Mining/Construction	1,300	Financial Activities	100
Natural Resources and Mining	0	Prof. & Business Services	-1,700
Construction	1,300	Educ. & Health Services	1,100
Manufacturing	900	Leisure & Hospitality	600
Service Providing Excluding Government	NA	Other Services	1,200
Trade/Transportation/Utilities	900	Government	1,100

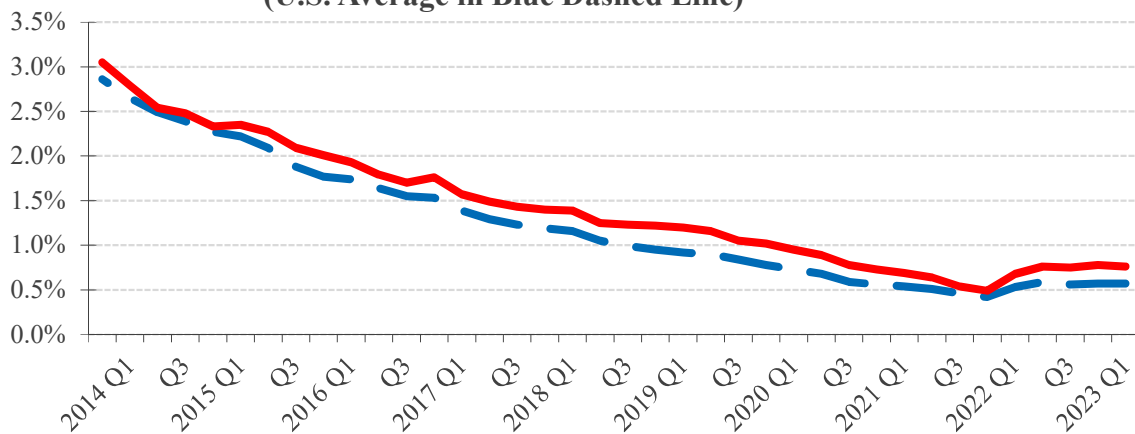
State Economic Activity Index	Indiana	U.S.	
12-month change (2023 - Mar)	2.1%	3.8%	Indiana's economy is growing, but decelerated from last month's 2.25% change and lags the rest of the nation
36-month change (2023 - Mar)	6.6%	6.7%	

New Housing Construction			
Local Fundamentals	Gary	U.S.	
12-month Sum of 1-unit Building Permits through Mar	NA	not comparable	Local Data Not Available
8-year average for 12-month Sum of 1-Unit Building Permits	NA	not comparable	Local Data Not Available
Single-Family Housing Permits (Mar) 12-month sum vs. a year ago	NA	-21.2%	Local Data Not Available

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

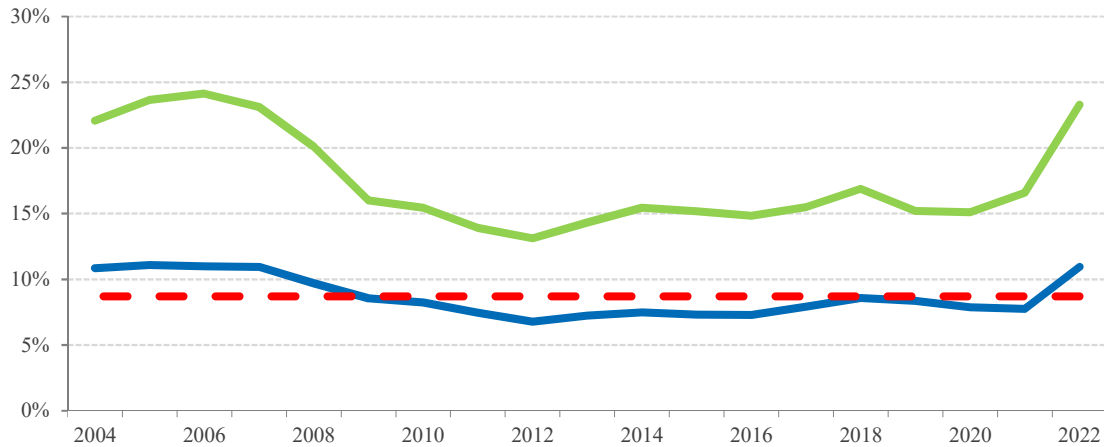


**State Total Foreclosure Rate vs. U.S Average
(U.S. Average in Blue Dashed Line)**



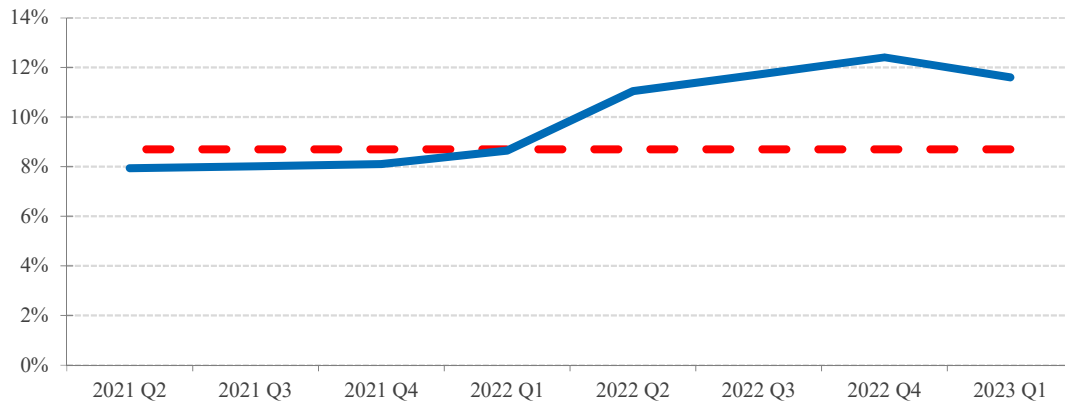
Affordability

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

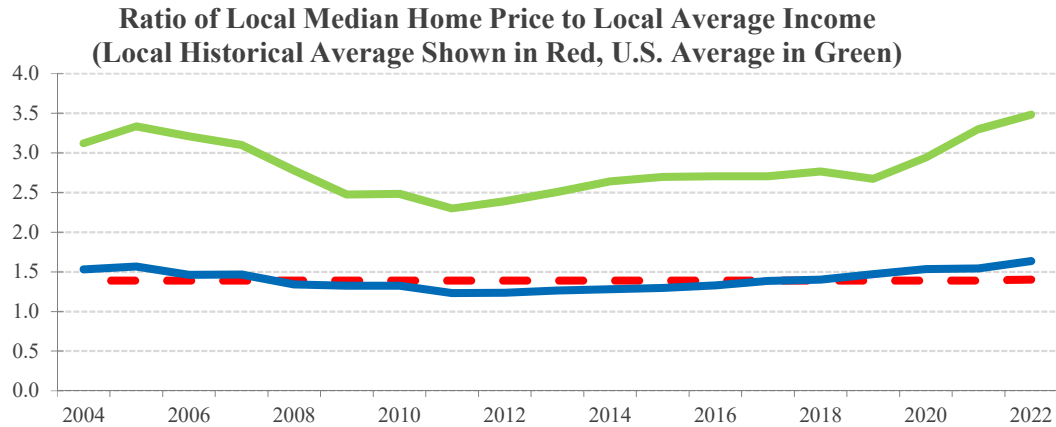


Monthly Mortgage Payment to Income	Gary	U.S.	
Ratio for 2022	10.9%	23.3%	Weak by local standards, but better than the fourth quarter of 2022
Ratio for 2023 Q1	11.6%	23.3%	
Historical Average	8.7%	17.8%	More affordable than most markets

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



Median Home Price to Income	Gary	U.S.	
Ratio for 2022	1.6	3.5	The price-to-income ratio eased, but could be better
Ratio for 2023 Q1	1.6	3.1	
Historical Average	1.4	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 Gary area referred to in this report covers the geographic area of the Gary-Hammond 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:

Lake County, Jasper County, Newton County, and Porter County

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

