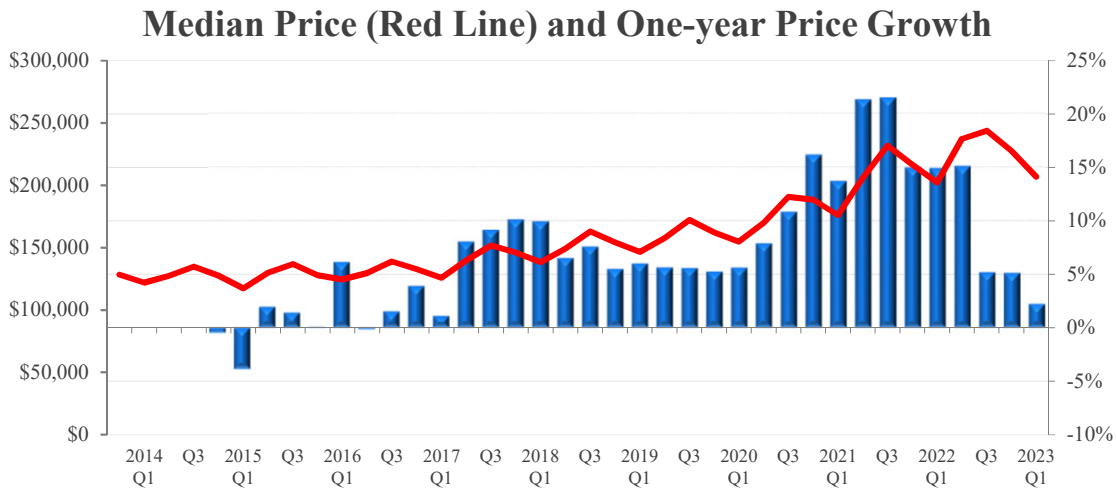


Buffalo-Cheektowaga-Niagara Falls Area

Local Market Report, First Quarter 2023

Today's Market...



Local Price Trends			
Price Activity	Buffalo	U.S.	Local Trend
Current Median Home Price (2023 Q1)	\$206,800	\$366,733	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2023 Q1)	2.2%	0.3%	
3-year (12-quarter) Appreciation (2023 Q1)	33.5%	34.6%	
3-year (12-quarter) Housing Equity Gain*	\$51,900	\$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*	\$82,300	\$151,000	
9-year (36 quarters) Housing Equity Gain*	\$84,800	\$175,733	

*Note: Equity gain reflects price appreciation only

	Buffalo	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	28%	not comparable	

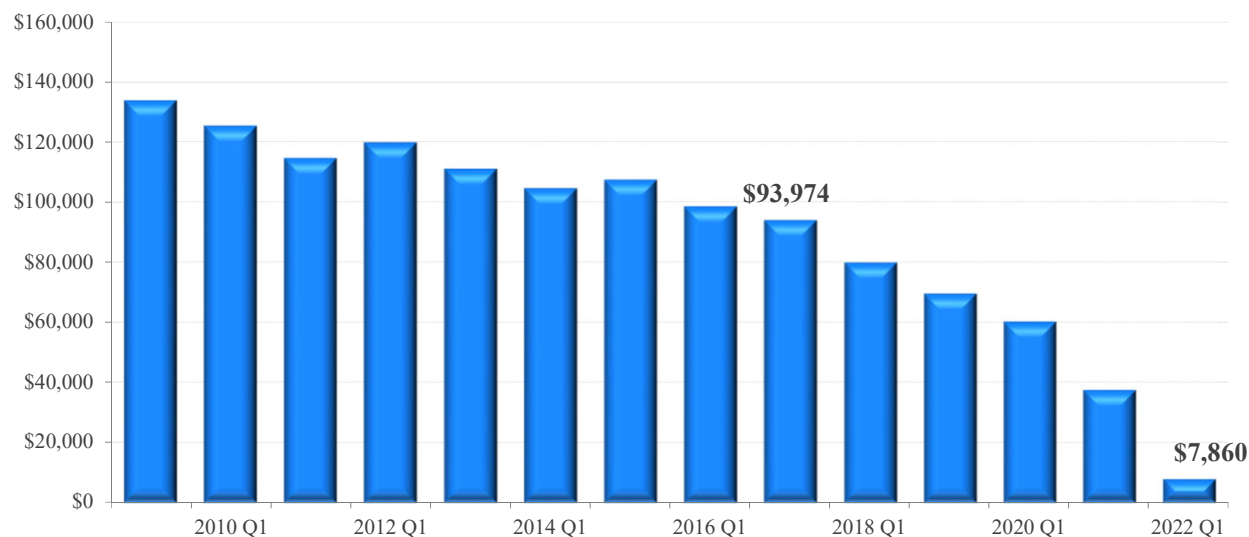
Note: limits are current and include the changes made on January 1st 2023.

Local NAR Leadership

The Buffalo-Cheektowaga-Niagara Falls market is part of region 2 in the NAR governance system, which includes all of New York, New Jersey, and Pennsylvania. The 2023 NAR Regional Vice President representing region 2 is Ilene Horowitz.

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	Buffalo	U.S.	Local Trend
1-year (4-quarter)	\$7,860	\$7,042	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$60,271	\$108,992	
5-year (20-quarter)*	\$79,965	\$143,305	
7-year (28 quarters)*	\$98,648	\$179,328	
9-year (36 quarters)*	\$104,602	\$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...

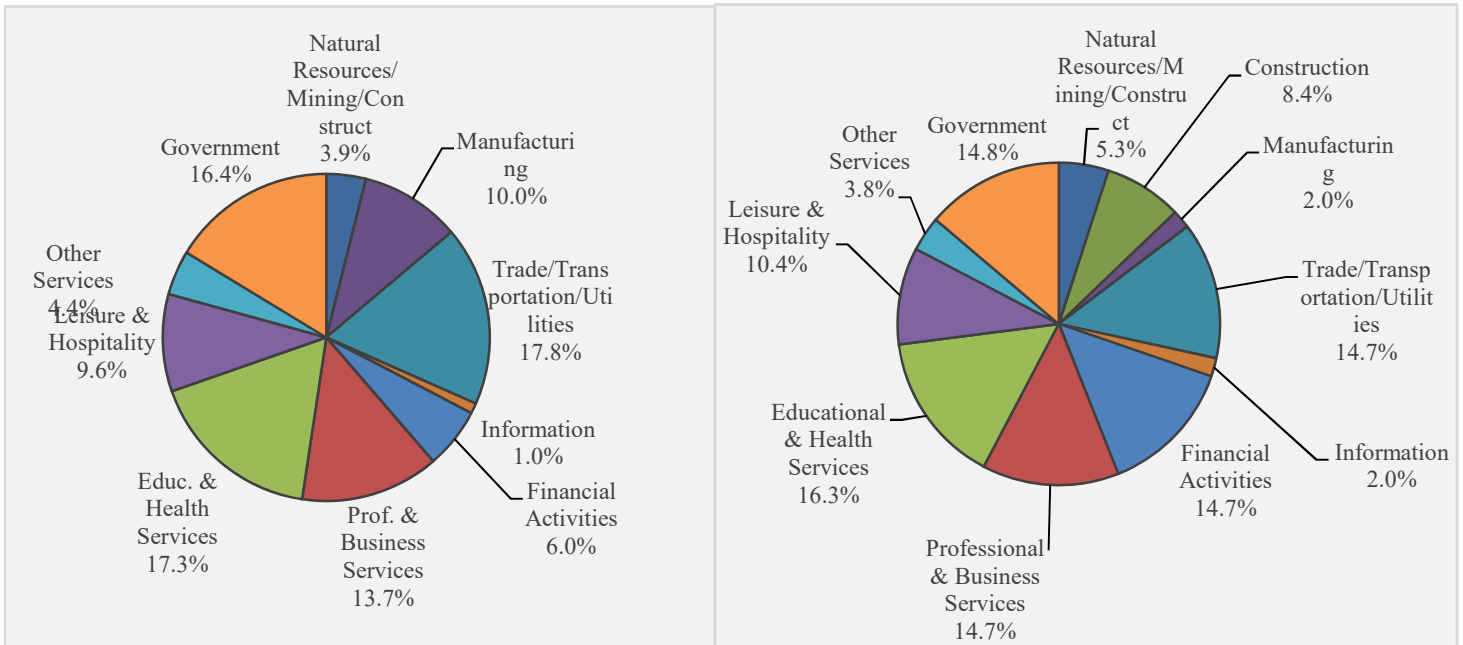


Local Economic Outlook	Buffalo	U.S.	
12-month Job Change (Mar)	8,900	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Feb)	10,500	Not Comparable	
36-month Job Change (Mar)	-9,500	Not Comparable	Buffalo's unemployment rate lags the national average, but has improved relative to the same period last year
Current Unemployment Rate (Mar)	3.6%	3.5%	
Year-ago Unemployment Rate	4.0%	3.6%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	1.7%	3.8%	

Share of Total Employment by Industry

Buffalo-Cheektowaga-Niagara Falls Area

U.S.



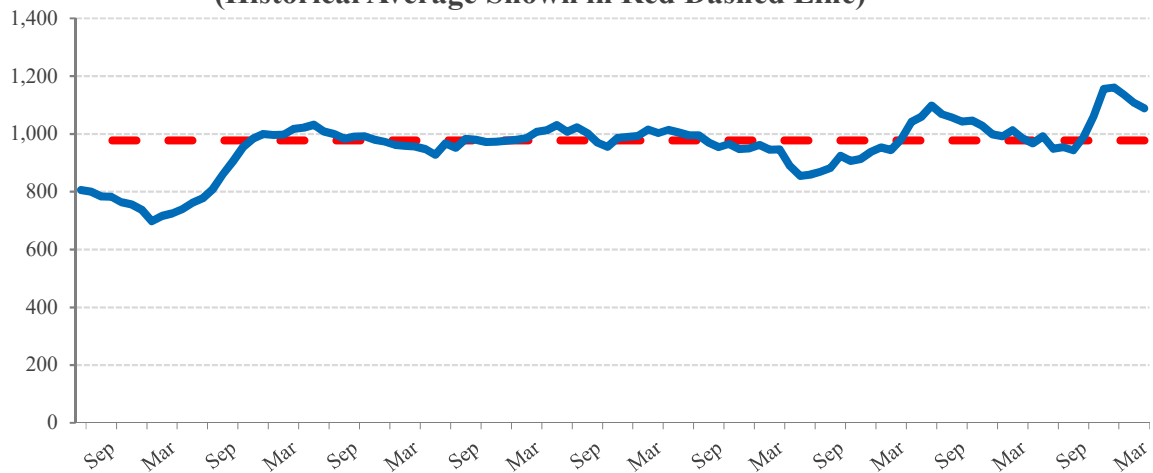
12-month Employment Change by Industry (Mar - 2023)

Goods Producing	NA	Information	-300
Natural Resources/Mining/Construction	1,800	Financial Activities	-500
Natural Resources and Mining	NA	Prof. & Business Services	2,900
Construction	NA	Educ. & Health Services	400
Manufacturing	1,900	Leisure & Hospitality	1,900
Service Providing Excluding Government	NA	Other Services	800
Trade/Transportation/Utilities	-600	Government	2,200

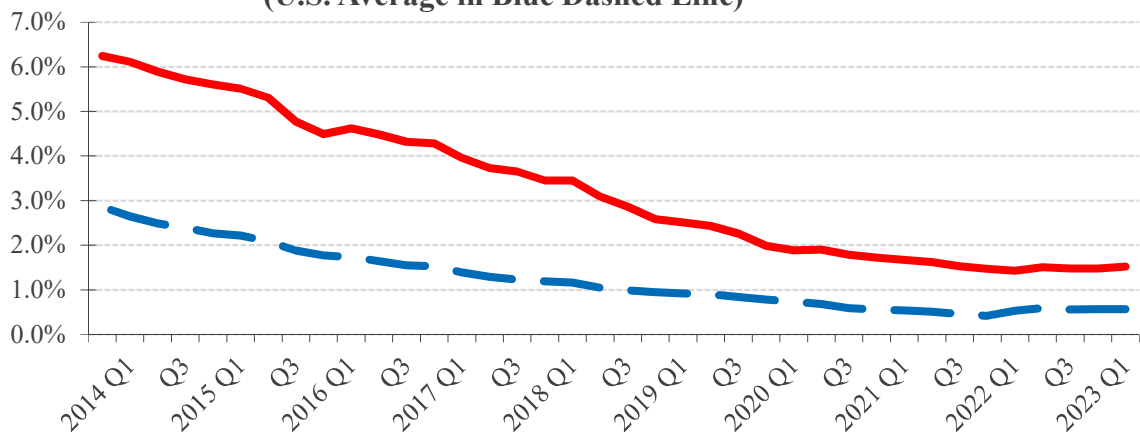
State Economic Activity Index	New York	U.S.	
12-month change (2023 - Mar)	2.9%	3.8%	New York's economy is growing, but decelerated from last month's 3.38% change and lags the rest of the nation
36-month change (2023 - Mar)	5.7%	6.7%	

New Housing Construction			
Local Fundamentals	Buffalo	U.S.	
12-month Sum of 1-unit Building Permits through Mar	1,088	not comparable	The current level of construction is 11.3% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	977	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	10.6%	-21.2%	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)

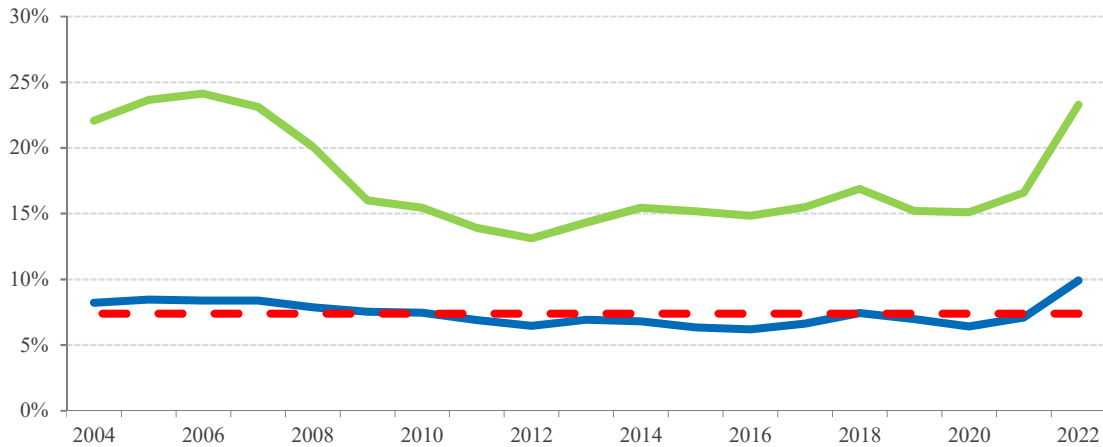


State Total Foreclosure Rate vs. U.S Average
(U.S. Average in Blue Dashed Line)



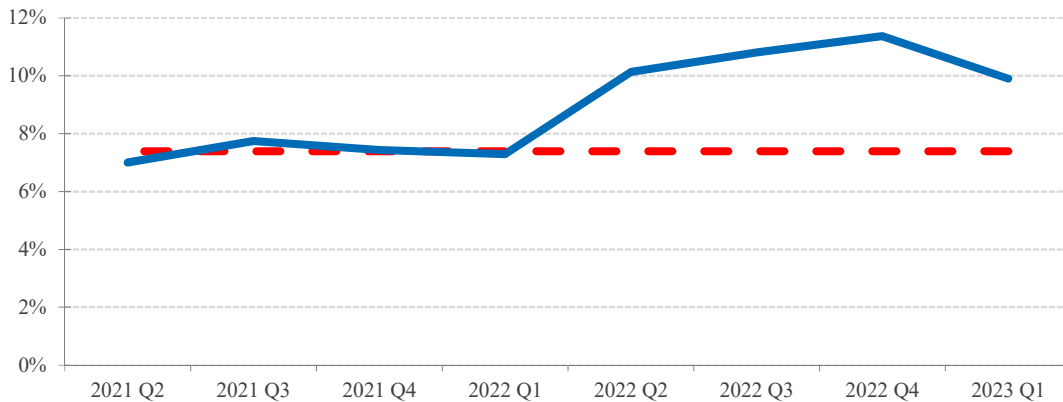
Affordability

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

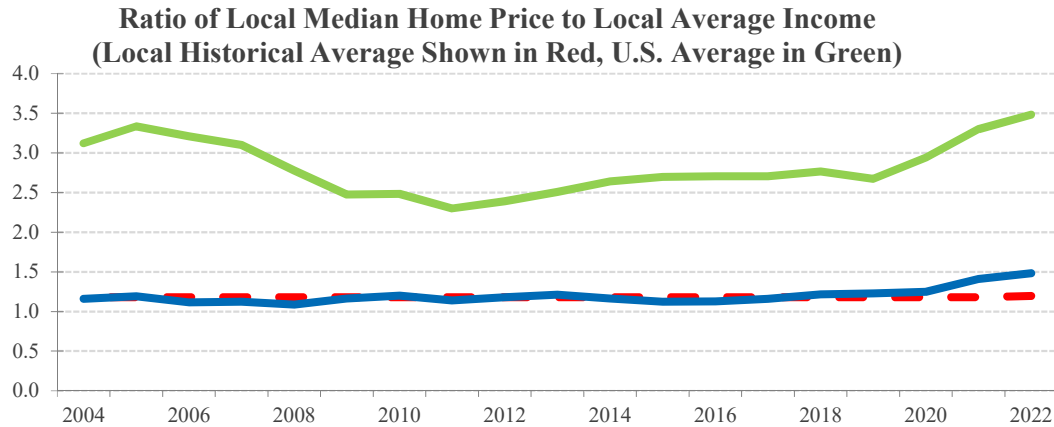


Monthly Mortgage Payment to Income	Buffalo	U.S.	
Ratio for 2022	9.9%	23.3%	Weak by local standards, but better than the fourth quarter of 2022
Ratio for 2023 Q1	9.9%	23.3%	
Historical Average	7.4%	17.8%	More affordable than most markets

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



Median Home Price to Income	Buffalo	U.S.	
Ratio for 2022	1.5	3.5	The price-to-income ratio eased, but could be better
Ratio for 2023 Q1	1.3	3.1	
Historical Average	1.2	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 Buffalo area referred to in this report covers the geographic area of the Buffalo-Cheektowaga-Niagara Falls 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:

Erie County and Niagara County

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

