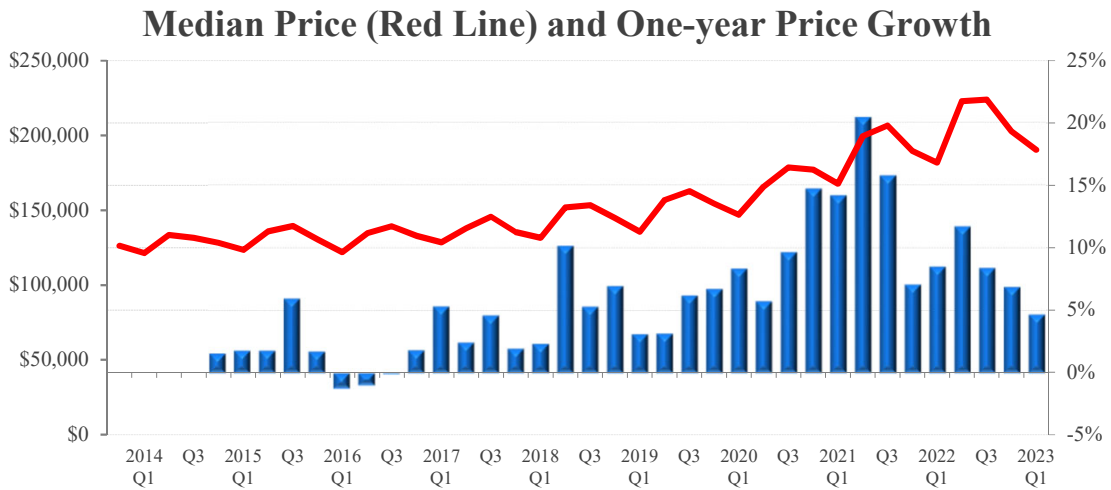


# Rochester Area

## Local Market Report, First Quarter 2023

### Today's Market...



Local Price Trends			
Price Activity	Rochester	U.S.	Local Trend
Current Median Home Price (2023 Q1)	\$190,400	\$366,733	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2023 Q1)	4.7%	0.3%	
3-year (12-quarter) Appreciation (2023 Q1)	29.6%	34.6%	
3-year (12-quarter) Housing Equity Gain*	\$43,500	\$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*	\$68,400	\$151,000	
9-year (36 quarters) Housing Equity Gain*	\$69,100	\$175,733	

\*Note: Equity gain reflects price appreciation only

	Rochester	U.S.	
<b>Conforming Loan Limit**</b>	\$726,200	\$1,089,300	Most buyers in this market have access to government-backed financing
<b>FHA Loan Limit</b>	\$472,030	\$1,089,300	
<b>Local Median to Conforming Limit Ratio</b>	26%	not comparable	

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

#### Local NAR Leadership

The Rochester 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	Rochester	U.S.	Local Trend
1-year (4-quarter)	\$11,521	\$7,042	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$51,439	\$108,992	
5-year (20-quarter)*	\$69,888	\$143,305	
7-year (28 quarters)*	\$84,420	\$179,328	
9-year (36 quarters)*	\$88,788	\$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...

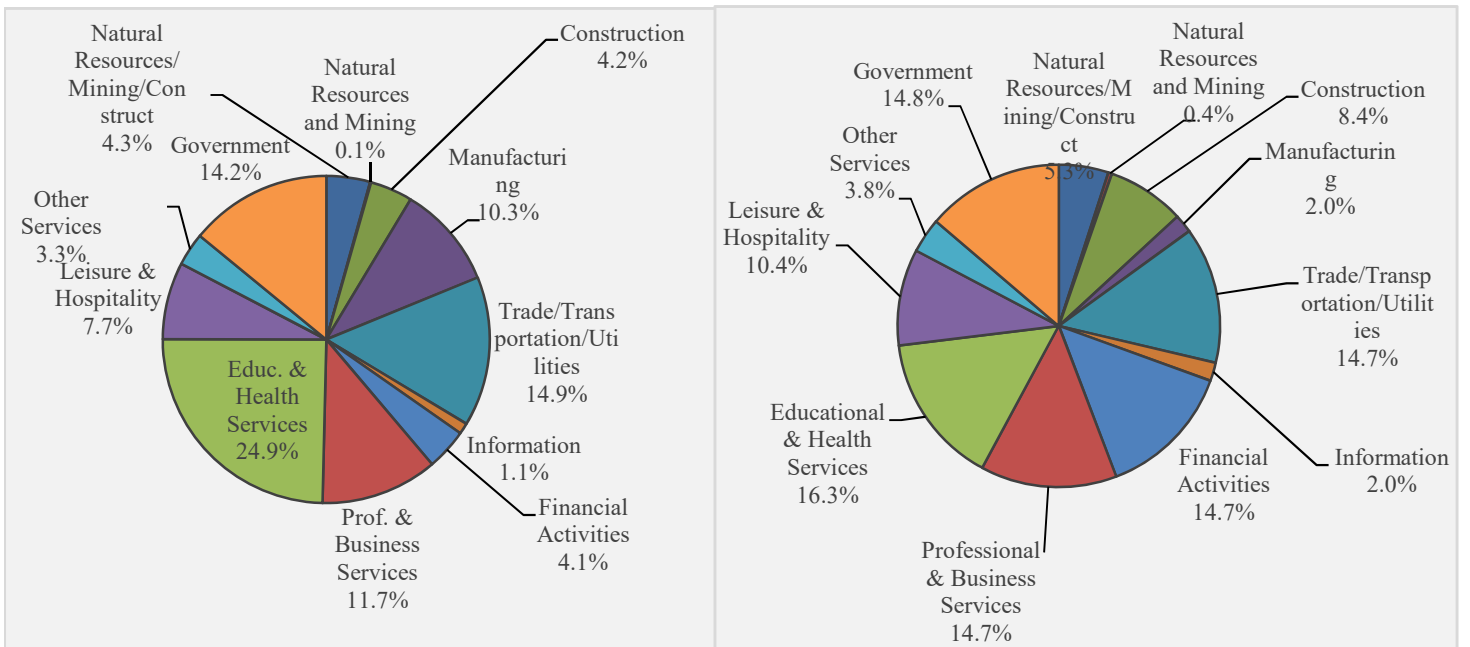


Local Economic Outlook	Rochester	U.S.	
12-month Job Change (Mar)	5,300	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Feb)	4,700	Not Comparable	
36-month Job Change (Mar)	-8,300	Not Comparable	Unemployment in Rochester is better than the national average and improving
Current Unemployment Rate (Mar)	3.3%	3.5%	
Year-ago Unemployment Rate	3.6%	3.6%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	1.0%	3.8%	

## Share of Total Employment by Industry

Rochester Area

U.S.



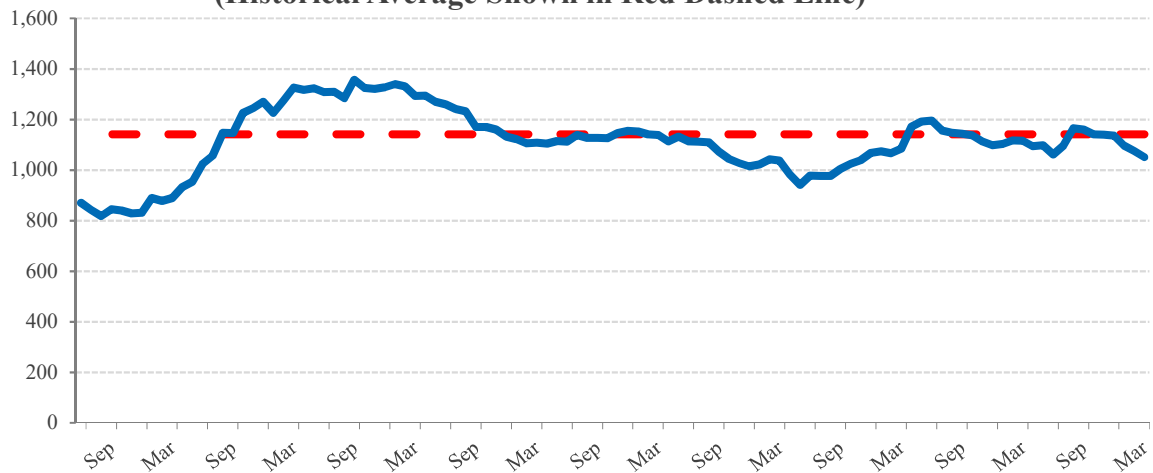
### 12-month Employment Change by Industry (Mar - 2023)

Goods Producing	NA	Information	-300
Natural Resources/Mining/Construction	100	Financial Activities	300
Natural Resources and Mining	0	Prof. & Business Services	-1,600
Construction	100	Educ. & Health Services	3,600
Manufacturing	800	Leisure & Hospitality	1,300
Service Providing Excluding Government	NA	Other Services	300
Trade/Transportation/Utilities	-300	Government	500

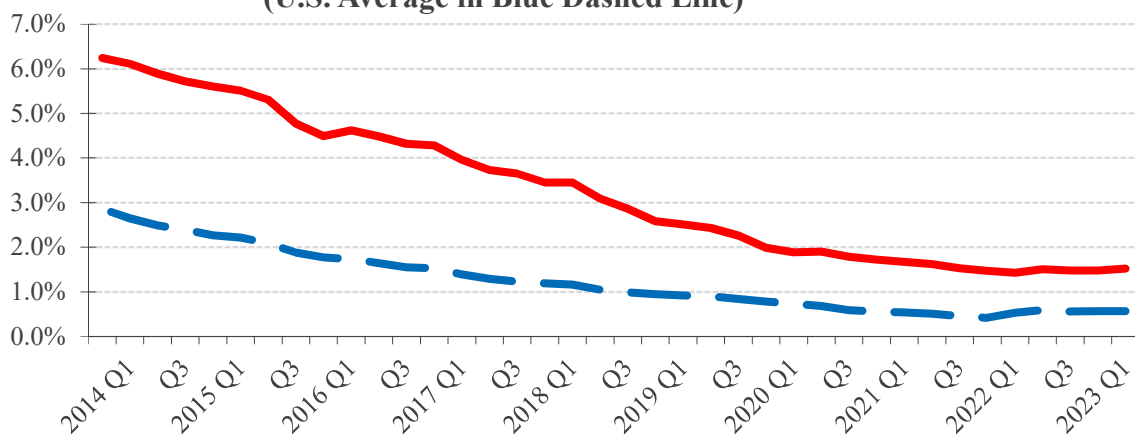
State Economic Activity Index	New York	U.S.	
12-month change (2023 - Mar)	2.9%	3.8%	New York's economy is growing, but decelerated from last month's 3.38% change and lags the rest of the nation
36-month change (2023 - Mar)	5.7%	6.7%	

New Housing Construction			
Local Fundamentals	Rochester	U.S.	
12-month Sum of 1-unit Building Permits through Mar	1,051	not comparable	The current level of construction is 7.9% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	1,142	not comparable	Reduced construction will limit new supply to the market, allowing demand to catch up with inventory more quickly
Single-Family Housing Permits (Mar) 12-month sum vs. a year ago	-5.8%	-21.2%	Construction continues to decline from last year

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

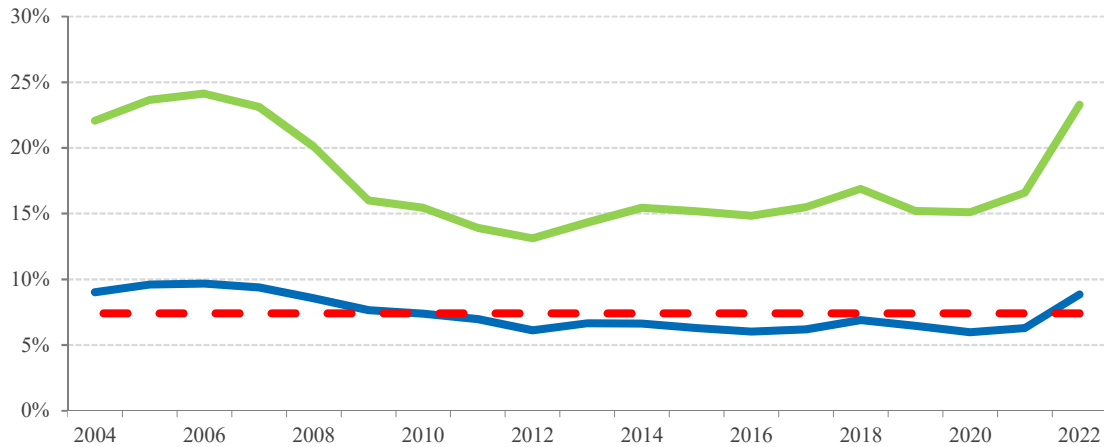


**State Total Foreclosure Rate vs. U.S Average  
(U.S. Average in Blue Dashed Line)**



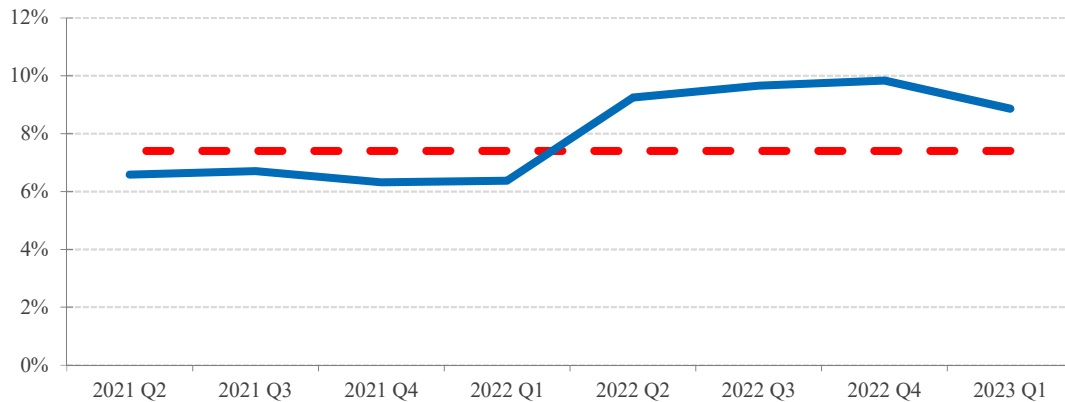
# Affordability

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

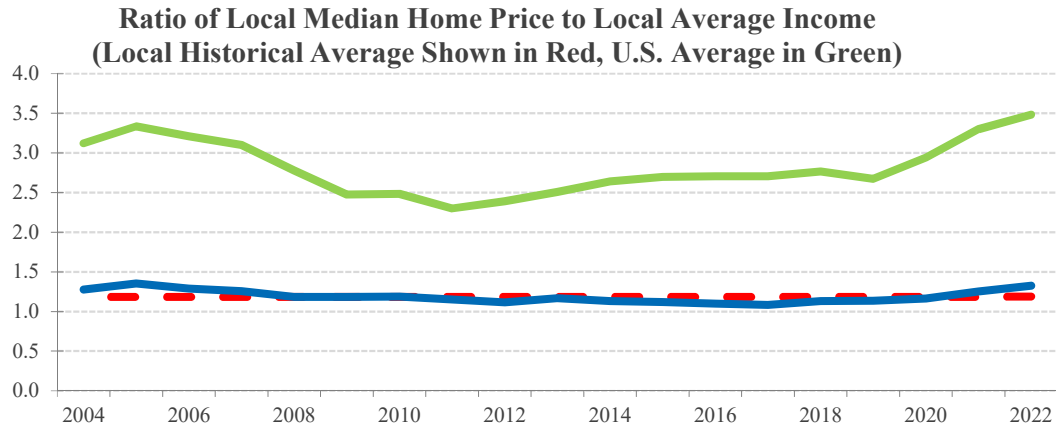


Monthly Mortgage Payment to Income	Rochester	U.S.	
Ratio for 2022	8.8%	23.3%	Weak by local standards, but better than the fourth quarter of 2022
Ratio for 2023 Q1	8.9%	23.3%	
Historical Average	7.4%	17.8%	More affordable than most markets

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



Median Home Price to Income	Rochester	U.S.	
Ratio for 2022	1.3	3.5	The price-to-income ratio has fallen and is below the historical average
Ratio for 2023 Q1	1.2	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 Rochester area referred to in this report covers the geographic area of the Rochester 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:

Livingston County, Monroe County, Ontario County, Orleans County, Wayne County, and Yates 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/)

