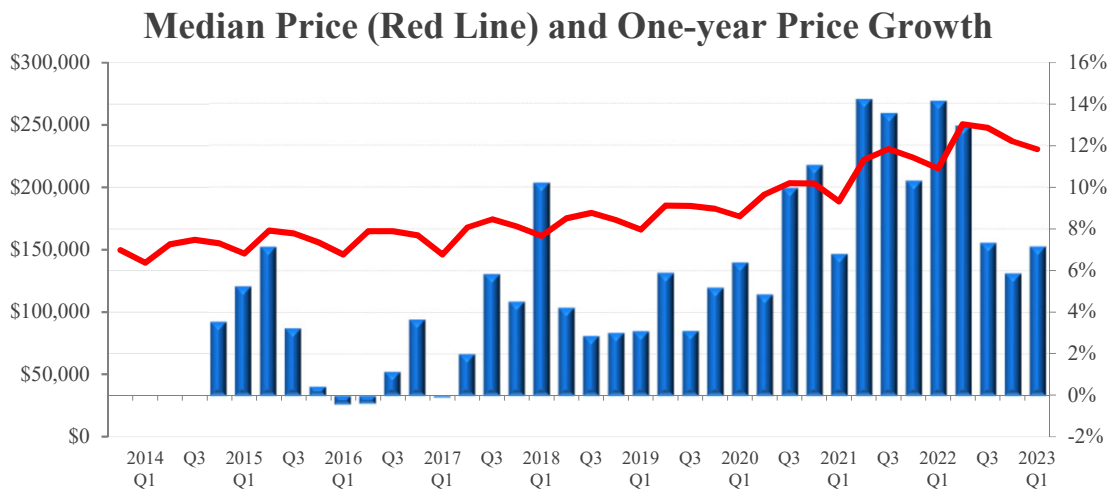


## Harrisburg - Carlisle Area

### Local Market Report, First Quarter 2023

## Today's Market...



Local Price Trends			
Price Activity	Harrisburg	U.S.	Local Trend
Current Median Home Price (2023 Q1)	\$230,600	\$366,733	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2023 Q1)	7.2%	0.3%	
3-year (12-quarter) Appreciation (2023 Q1)	30.6%	34.6%	
3-year (12-quarter) Housing Equity Gain*	\$54,000	\$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*	\$84,400	\$151,000	
9-year (36 quarters) Housing Equity Gain*	\$91,100	\$175,733	

\*Note: Equity gain reflects price appreciation only

	Harrisburg	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>	32%	not comparable	

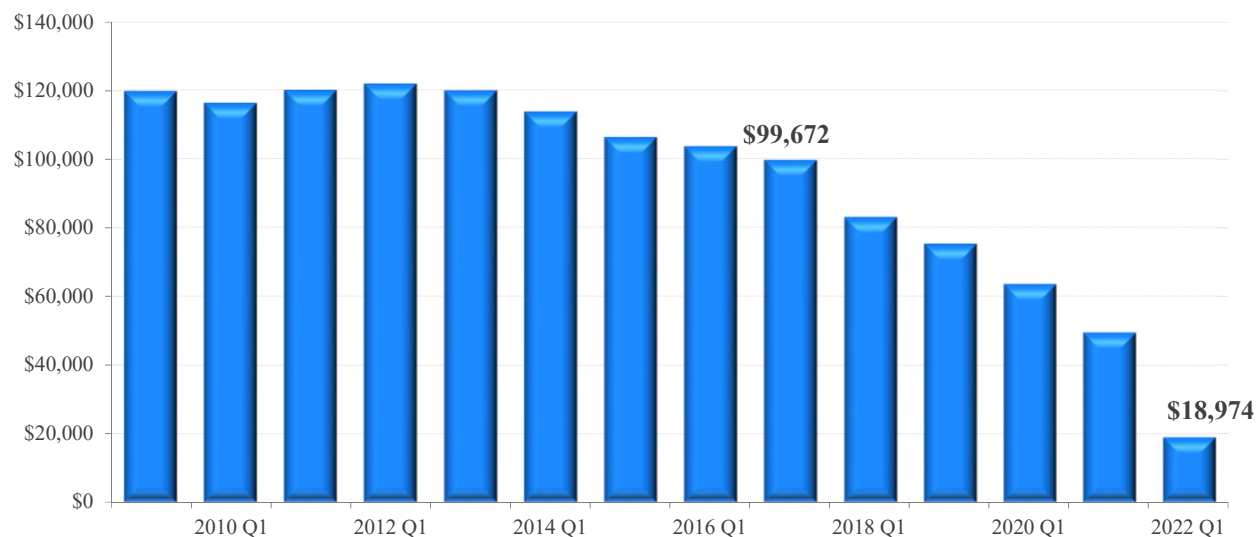
Note: limits are current and include the changes made on January 1st 2023.

#### Local NAR Leadership

The Harrisburg - Carlisle 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	Harrisburg	U.S.	Local Trend
1-year (4-quarter)	\$18,974	\$7,042	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$63,544	\$108,992	
5-year (20-quarter)*	\$83,053	\$143,305	
7-year (28 quarters)*	\$103,597	\$179,328	
9-year (36 quarters)*	\$113,742	\$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...

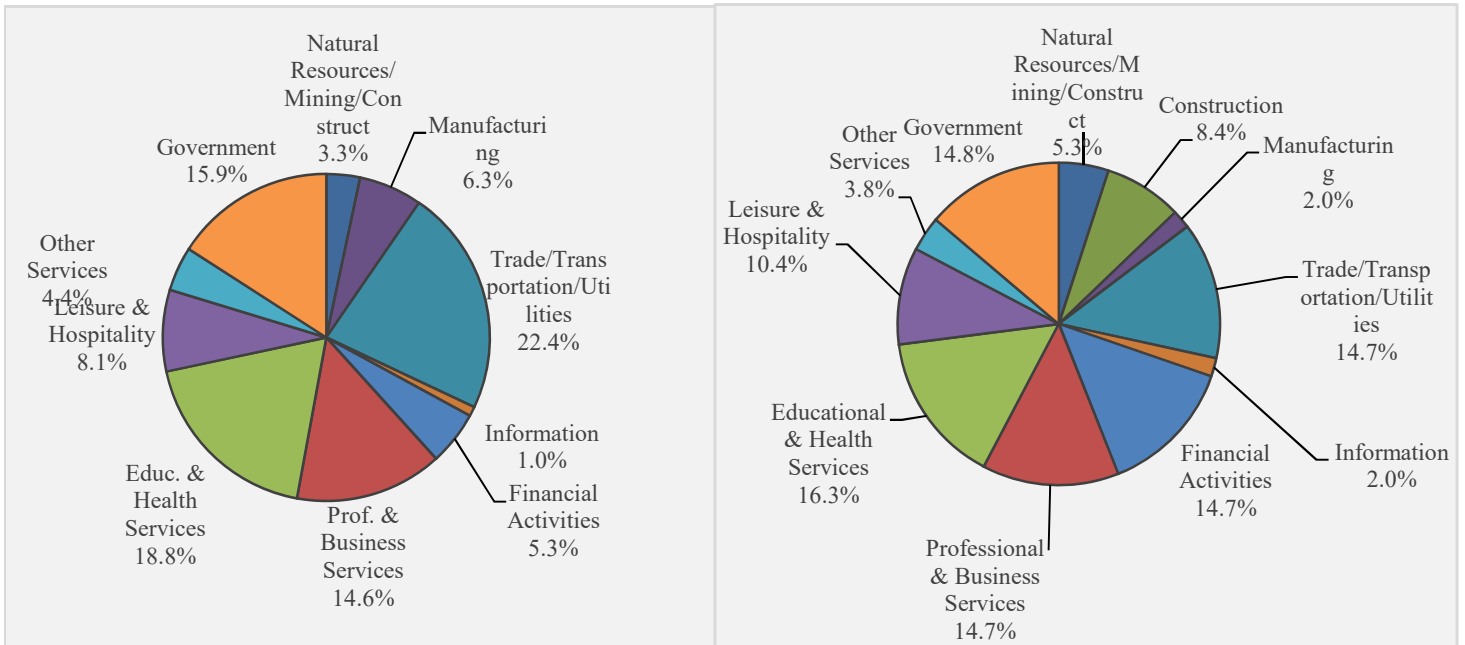


Local Economic Outlook	Harrisburg	U.S.	
12-month Job Change (Mar)	12,800	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Feb)	12,900	Not Comparable	
36-month Job Change (Mar)	10,800	Not Comparable	Unemployment in Harrisburg is better than the national average and improving
Current Unemployment Rate (Mar)	3.0%	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	3.7%	3.8%	

## Share of Total Employment by Industry

Harrisburg - Carlisle Area

U.S.



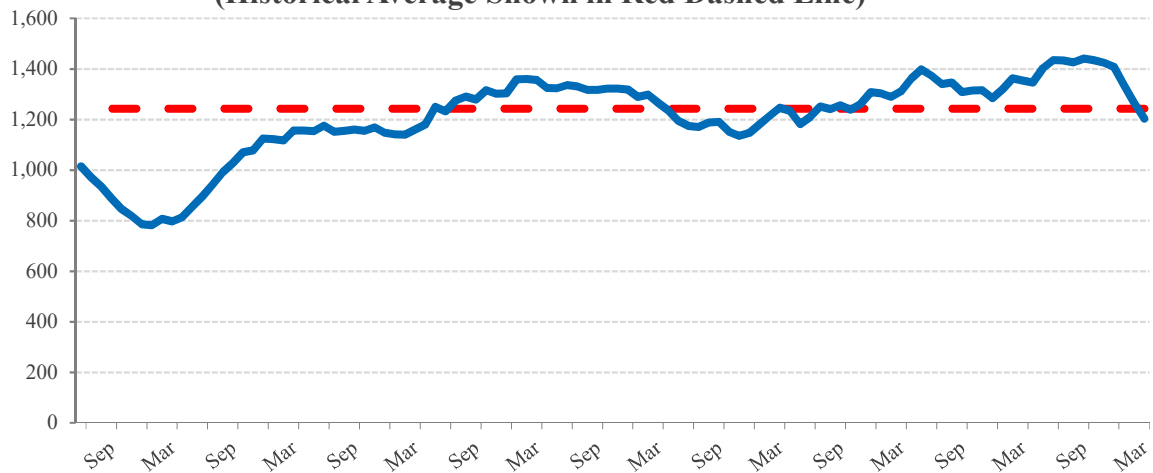
### 12-month Employment Change by Industry (Mar - 2023)

Goods Producing	NA	Information	0
Natural Resources/Mining/Construction	200	Financial Activities	300
Natural Resources and Mining	NA	Prof. & Business Services	700
Construction	NA	Educ. & Health Services	4,500
Manufacturing	400	Leisure & Hospitality	2,600
Service Providing Excluding Government	NA	Other Services	1,000
Trade/Transportation/Utilities	3,200	Government	0

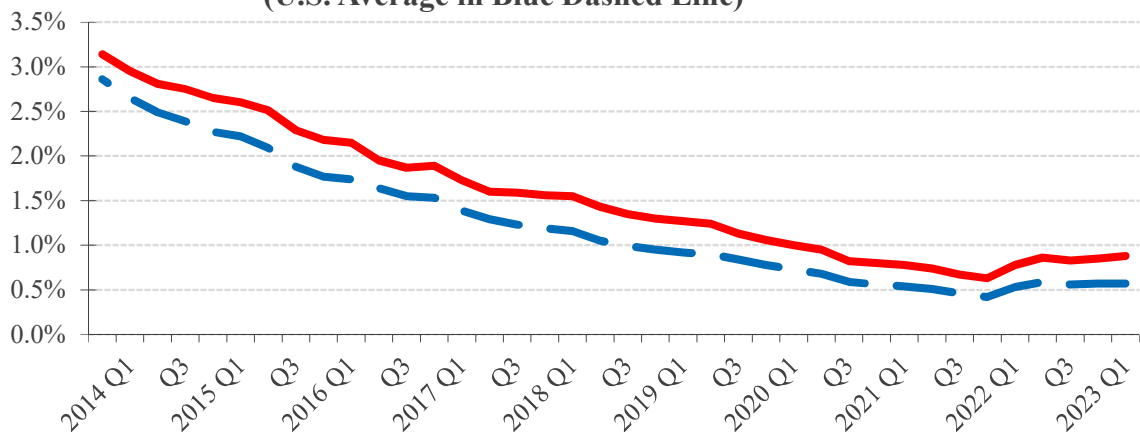
State Economic Activity Index	Pennsylvania	U.S.	
12-month change (2023 - Mar)	3.4%	3.8%	The economy of Pennsylvania is growing more slowly than the rest of the nation, but improved modestly from last month's 2.95% change
36-month change (2023 - Mar)	6.0%	6.7%	

New Housing Construction			
Local Fundamentals	Harrisburg	U.S.	
12-month Sum of 1-unit Building Permits through Mar	1,204	not comparable	The current level of construction is 3.1% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	1,243	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	-11.1%	-21.2%	Construction continues to decline from last year

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

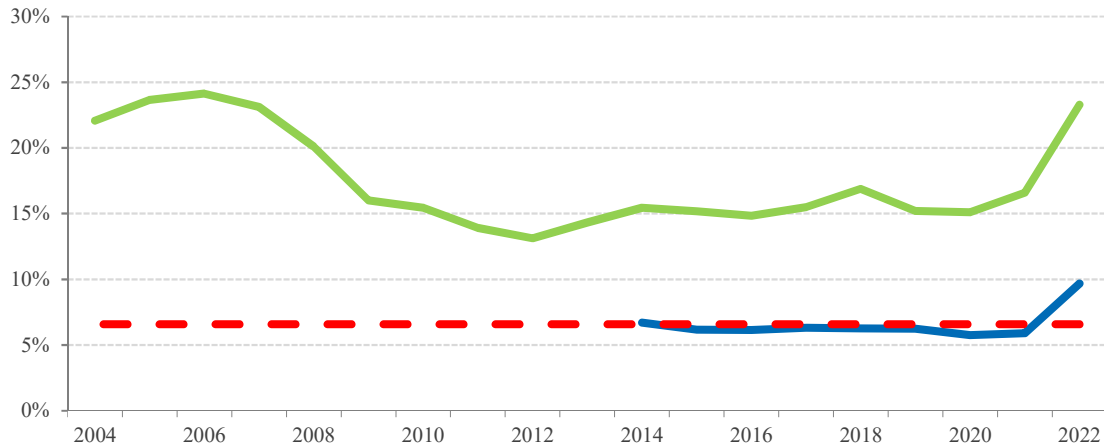


**State Total Foreclosure Rate vs. U.S Average**  
(U.S. Average in Blue Dashed Line)



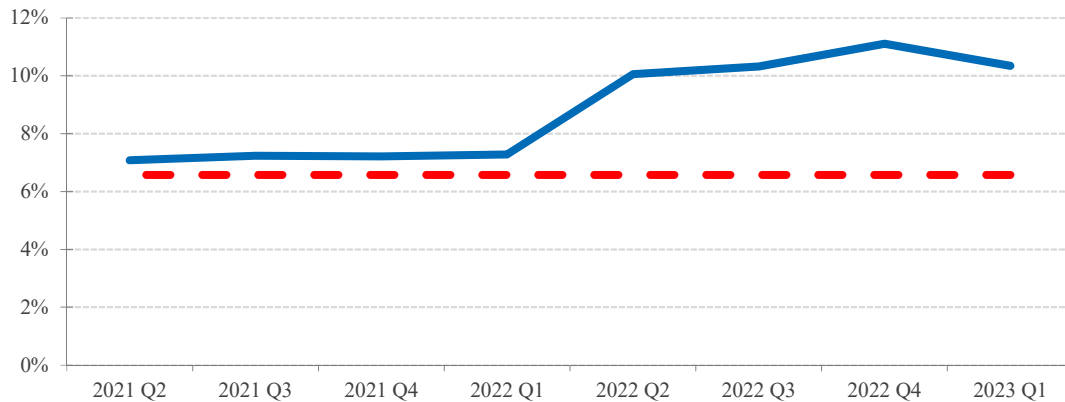
# Affordability

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

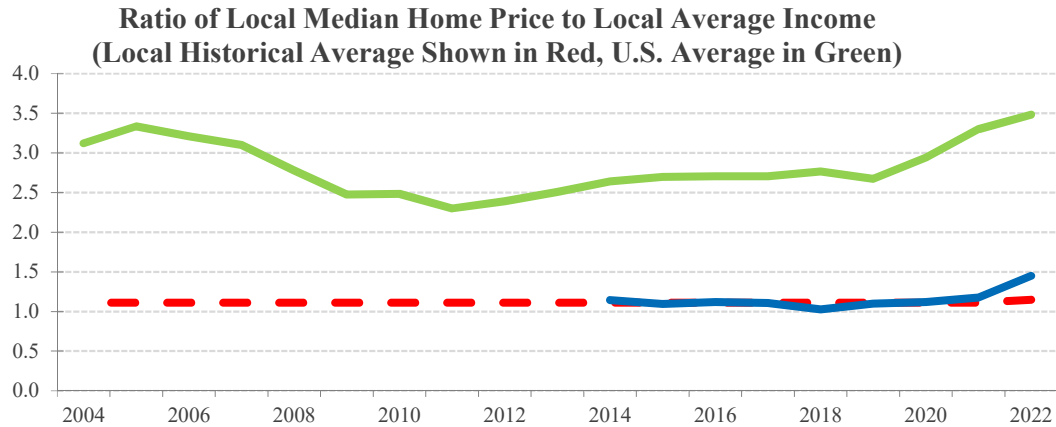


Monthly Mortgage Payment to Income	Harrisburg	U.S.	
Ratio for 2022	9.7%	23.3%	Weak by local standards and could weigh on demand
Ratio for 2023 Q1	10.3%	23.3%	
Historical Average	6.6%	17.8%	More affordable than most markets

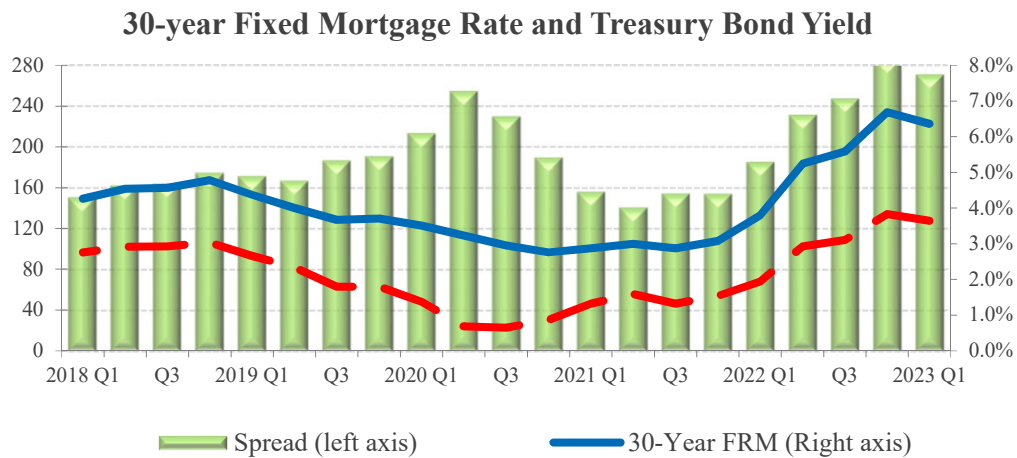
**Recent Trend - Local Mortgage Servicing Cost to Income**  
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Harrisburg	U.S.	
Ratio for 2022	1.4	3.5	The price-to-income ratio eased, but could be better
Ratio for 2023 Q1	1.4	3.1	
Historical Average	1.1	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 Harrisburg area referred to in this report covers the geographic area of the Harrisburg - Carlisle 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:

Cumberland County, Dauphin County, Perry 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/)

