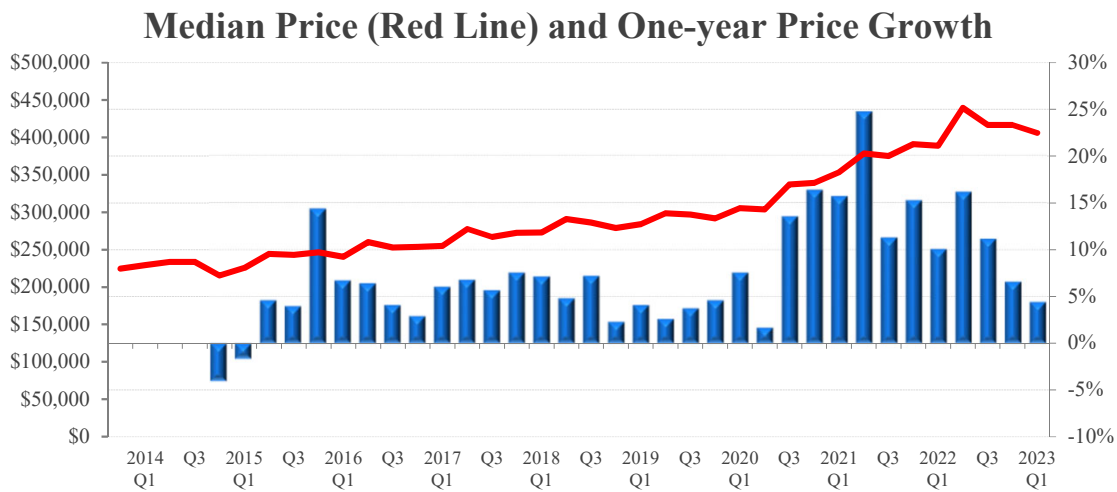


Charleston-North Charleston Area Local Market Report, First Quarter 2023

Today's Market...



| Local Price Trends | | | |
|--|------------|-----------|--|
| Price Activity | Charleston | U.S. | Local Trend |
| Current Median Home Price (2023 Q1) | \$406,000 | \$366,733 | Prices are up from a year ago, but price growth is slowing |
| 1-year (4-quarter) Appreciation (2023 Q1) | 4.4% | 0.3% | |
| 3-year (12-quarter) Appreciation (2023 Q1) | 32.9% | 34.6% | |
| 3-year (12-quarter) Housing Equity Gain* | \$100,400 | \$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* | \$165,500 | \$151,000 | |
| 9-year (36 quarters) Housing Equity Gain* | \$176,800 | \$175,733 | |

*Note: Equity gain reflects price appreciation only

| | Charleston | U.S. | |
|---|------------|----------------|---|
| Conforming Loan Limit** | \$726,200 | \$1,089,300 | Most buyers in this market have access to government-backed financing |
| FHA Loan Limit | \$538,200 | \$1,089,300 | |
| Local Median to Conforming Limit Ratio | 56% | not comparable | |

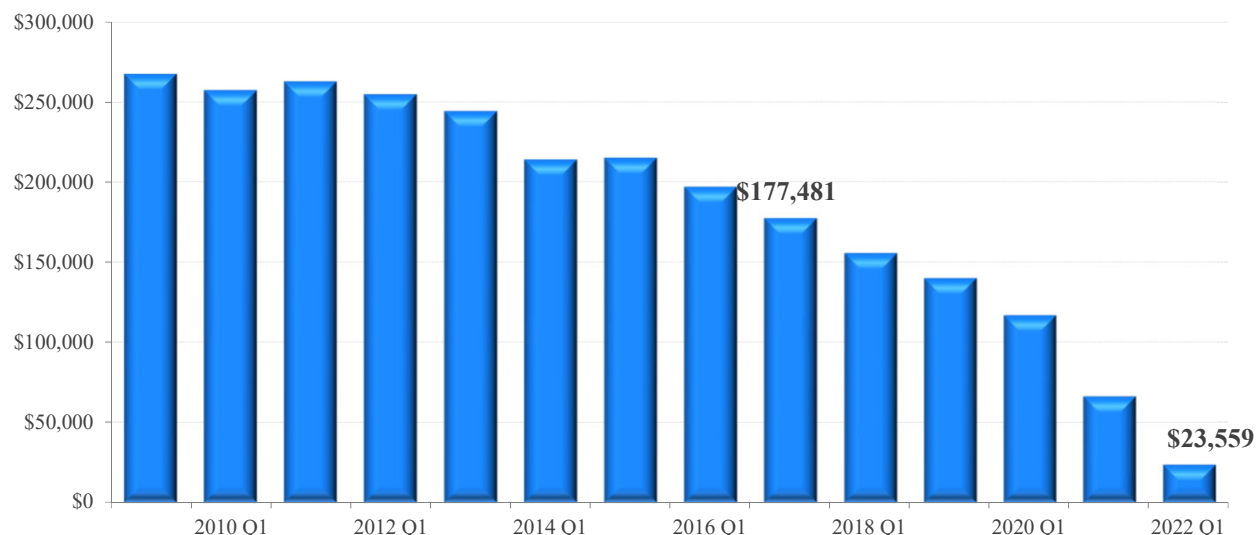
Note: limits are current and include the changes made on January 1st 2023.

Local NAR Leadership

The Charleston-North Charleston market is part of region 4 in the NAR governance system, which includes all of North Carolina, South Carolina, Kentucky, and Tennessee. The 2023 NAR Regional Vice President representing region 4 is Amy Hedgecock.

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 | Charleston | U.S. | Local Trend |
|-----------------------|------------|-----------|--|
| 1-year (4-quarter) | \$23,559 | \$7,042 | Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession |
| 3-year (12-quarter)* | \$116,916 | \$108,992 | |
| 5-year (20-quarter)* | \$155,720 | \$143,305 | |
| 7-year (28 quarters)* | \$197,080 | \$179,328 | |
| 9-year (36 quarters)* | \$214,001 | \$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...

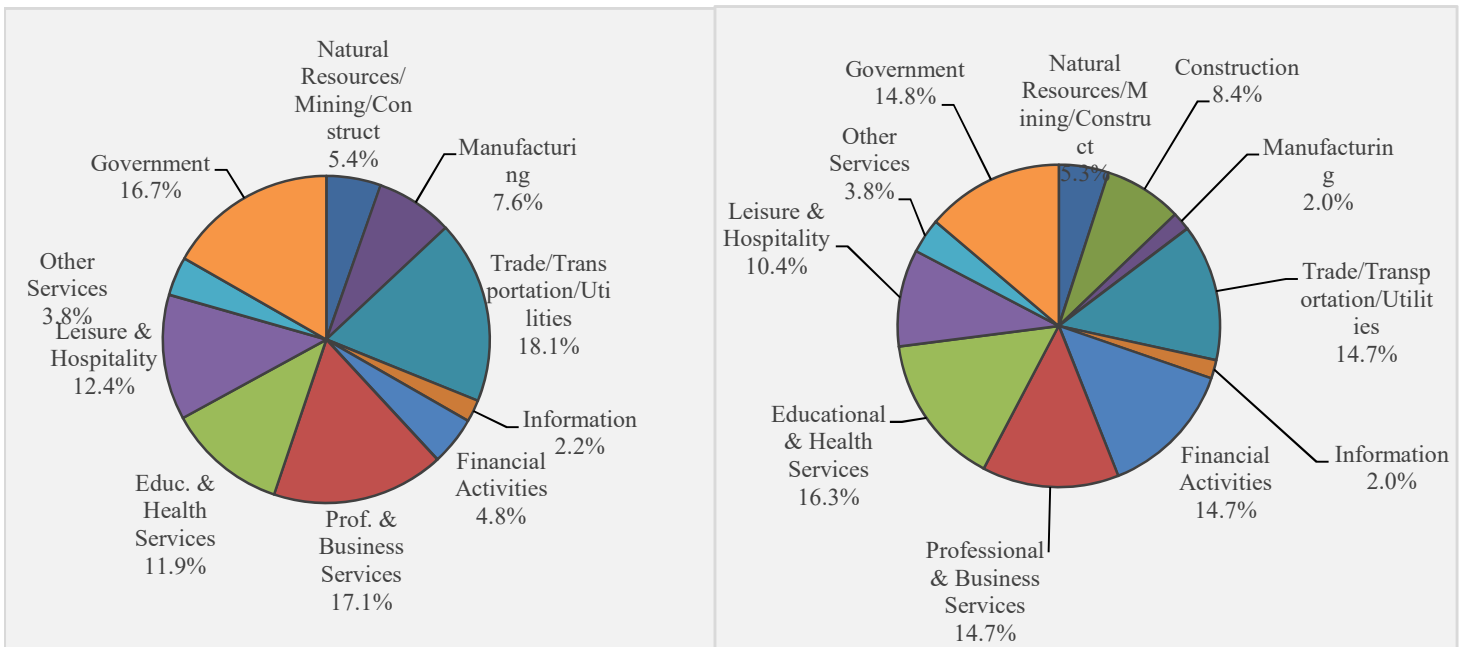


| Local Economic Outlook | Charleston | U.S. | |
|-----------------------------------|------------|----------------|---|
| 12-month Job Change (Mar) | 24,400 | Not Comparable | Employment has held up and is on an upward trend |
| 12-month Job Change (Feb) | 20,300 | Not Comparable | |
| 36-month Job Change (Mar) | 34,400 | Not Comparable | Unemployment has risen since the same period last year, but Charleston's labor market has been more resilient than the national average |
| Current Unemployment Rate (Mar) | 2.9% | 3.5% | |
| Year-ago Unemployment Rate | 2.8% | 3.6% | Local employment growth is strong compared to other markets |
| 1-year (12 month) Job Growth Rate | 6.3% | 3.8% | |

Share of Total Employment by Industry

Charleston-North Charleston Area

U.S.



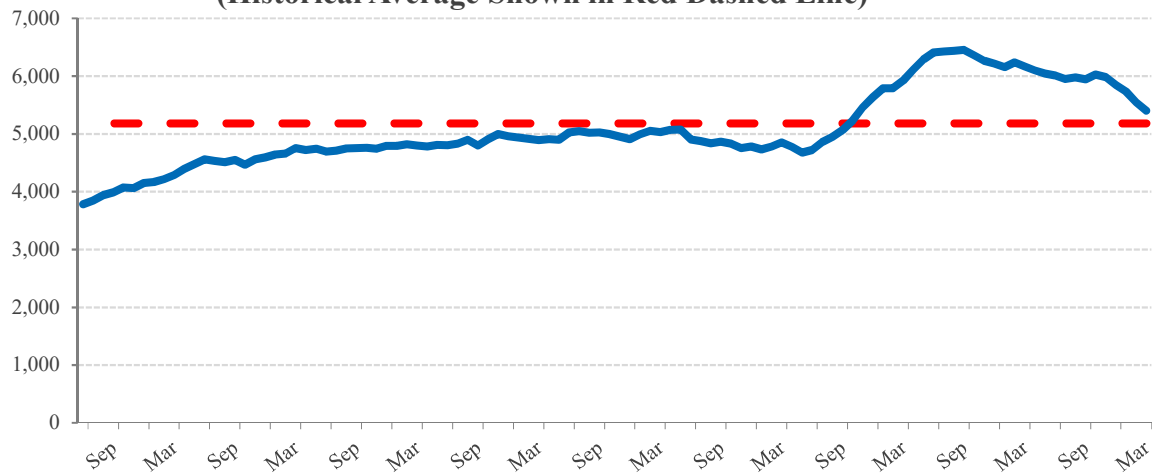
12-month Employment Change by Industry (Mar - 2023)

| | | | |
|--|-------|---------------------------|-------|
| Goods Producing | NA | Information | 500 |
| Natural Resources/Mining/Construction | 500 | Financial Activities | 2,200 |
| Natural Resources and Mining | NA | Prof. & Business Services | 7,800 |
| Construction | NA | Educ. & Health Services | 3,200 |
| Manufacturing | 1,600 | Leisure & Hospitality | 1,500 |
| Service Providing Excluding Government | NA | Other Services | 200 |
| Trade/Transportation/Utilities | 1,400 | Government | 1,400 |

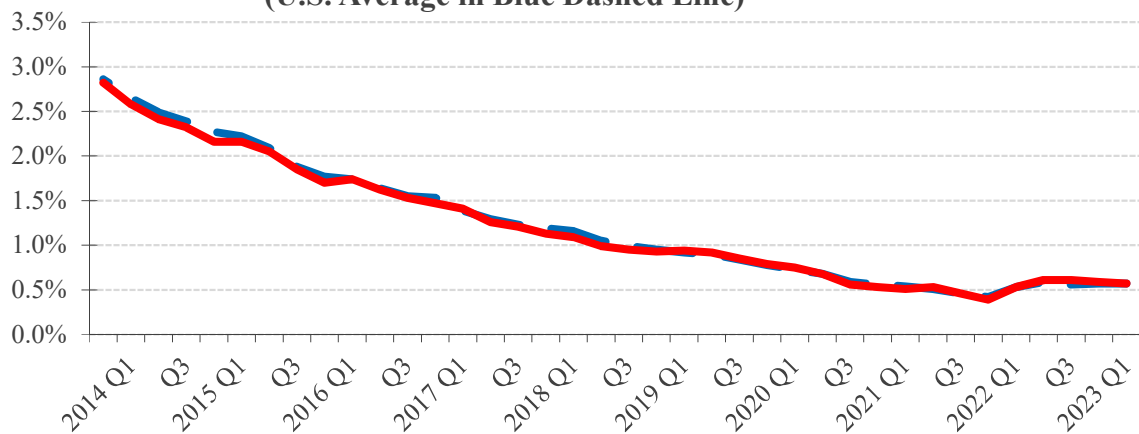
| State Economic Activity Index | South Carolina | U.S. | |
|-------------------------------|----------------|------|---|
| 12-month change (2023 - Mar) | 2.6% | 3.8% | South Carolina's economy is growing, but decelerated from last month's 2.84% change and lags the rest of the nation |
| 36-month change (2023 - Mar) | 7.9% | 6.7% | |

| New Housing Construction | | | |
|--|-------------------|----------------|--|
| Local Fundamentals | Charleston | U.S. | |
| 12-month Sum of 1-unit Building Permits through Mar | 5,404 | not comparable | The current level of construction is 4.2% above the long-term average |
| 8-year average for 12-month Sum of 1-Unit Building Permits | 5,184 | 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 | -12.4% | -21.2% | Construction continues to decline from last year |

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

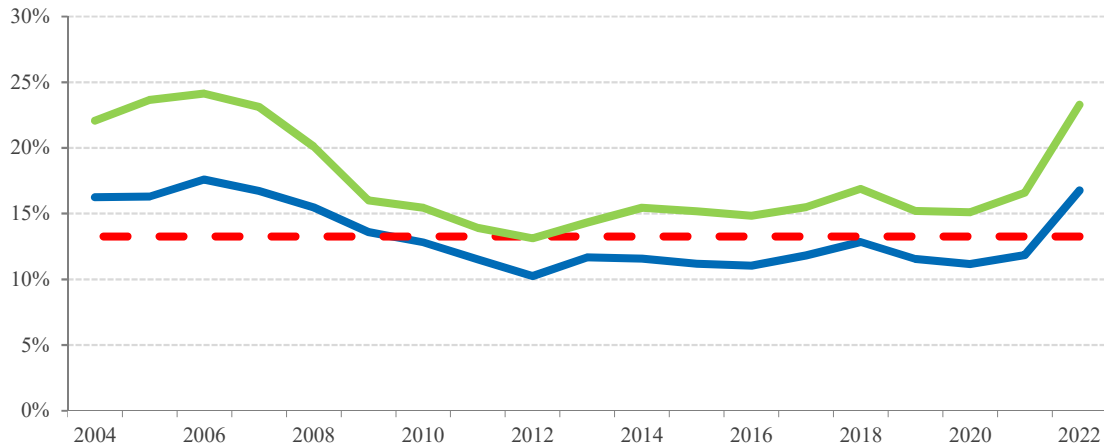


**State Total Foreclosure Rate vs. U.S Average
(U.S. Average in Blue Dashed Line)**



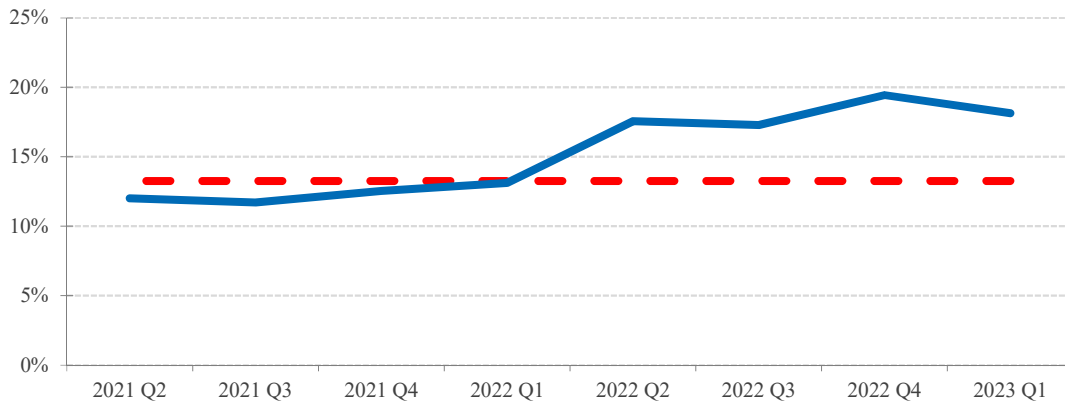
Affordability

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

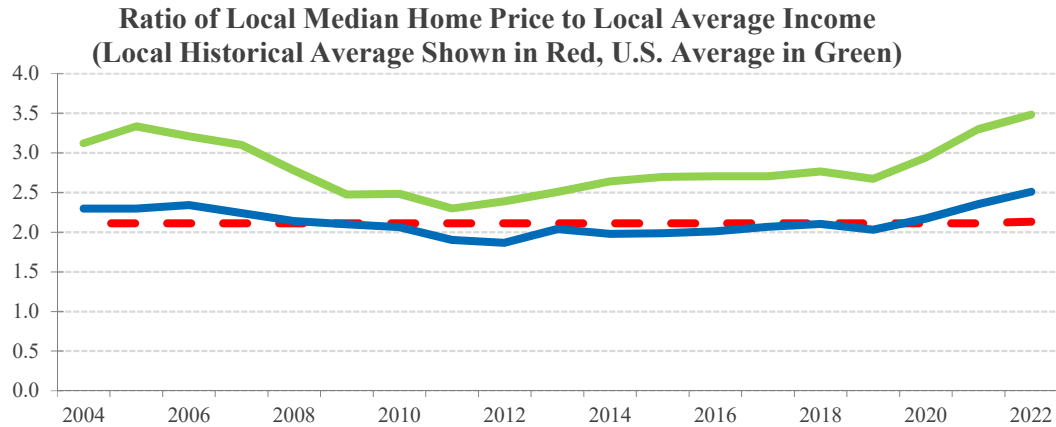


| Monthly Mortgage Payment to Income | Charleston | U.S. | |
|------------------------------------|------------|-------|---|
| Ratio for 2022 | 16.8% | 23.3% | Weak by local standards and could weigh on demand |
| Ratio for 2023 Q1 | 18.1% | 23.3% | |
| Historical Average | 13.3% | 17.8% | More affordable than most markets |

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



| Median Home Price to Income | Charleston | U.S. | |
|-----------------------------|------------|------|--|
| Ratio for 2022 | 2.5 | 3.5 | The price-to-income ratio eased, but could be better |
| Ratio for 2023 Q1 | 2.4 | 3.1 | |
| Historical Average | 2.1 | 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 Charleston area referred to in this report covers the geographic area of the Charleston-North Charleston 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:

Berkeley County, Charleston County, and Dorchester County

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

