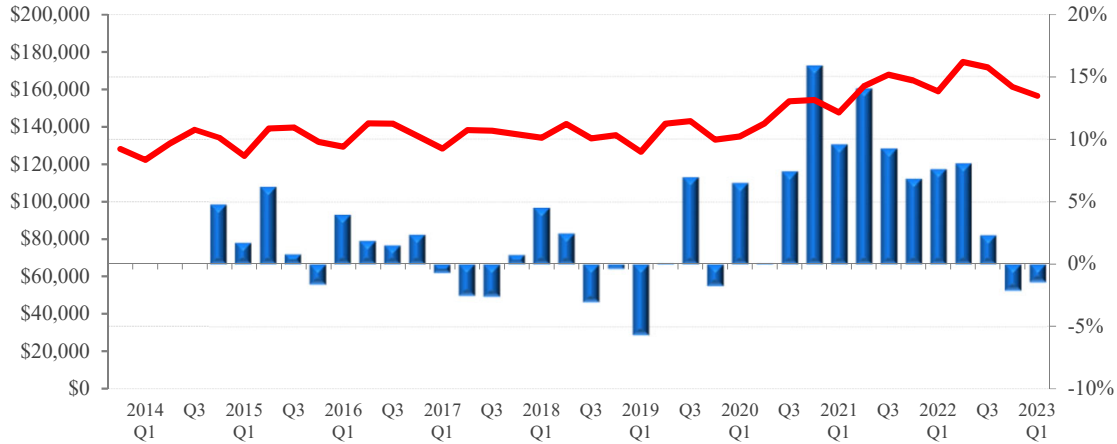


## Charleston Area

### Local Market Report, First Quarter 2023

## Today's Market...

**Median Price (Red Line) and One-year Price Growth**



Local Price Trends			
Price Activity	Charleston	U.S.	Local Trend
Current Median Home Price (2023 Q1)	\$156,600	\$366,733	Prices are still down from a year ago, but the trend is improving
1-year (4-quarter) Appreciation (2023 Q1)	-1.4%	0.3%	
3-year (12-quarter) Appreciation (2023 Q1)	16.2%	34.6%	
3-year (12-quarter) Housing Equity Gain*	\$21,800	\$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*	\$27,300	\$151,000	
9-year (36 quarters) Housing Equity Gain*	\$34,300	\$175,733	

\*Note: Equity gain reflects price appreciation only

	Charleston	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>	22%	not comparable	

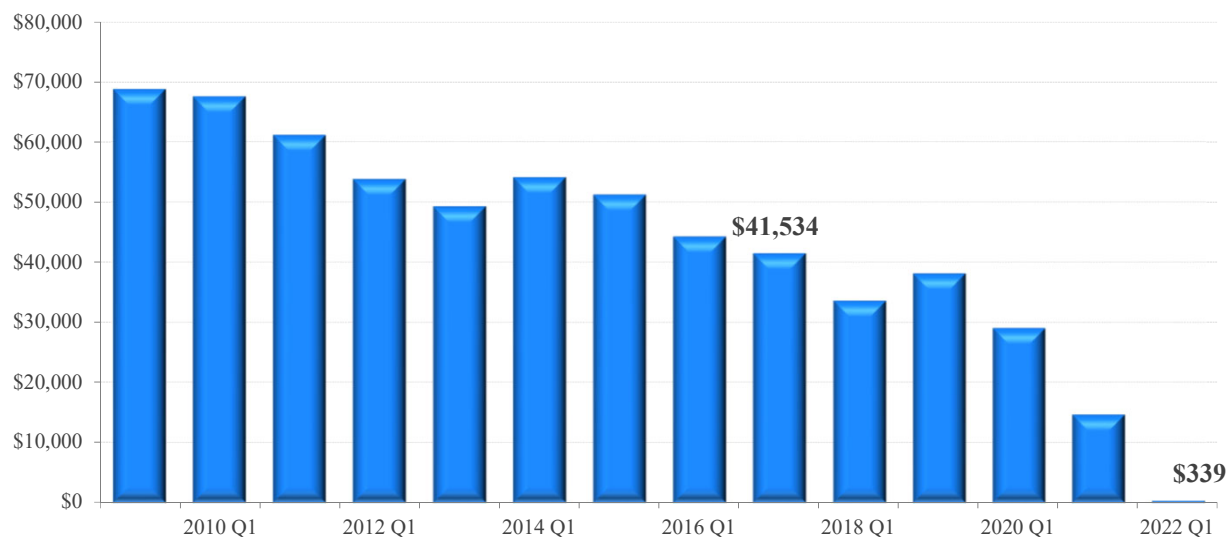
Note: limits are current and include the changes made on January 1st 2023.

#### Local NAR Leadership

The Charleston market is part of region 3 in the NAR governance system, which includes all of Delaware, Maryland, District of Columbia, Virginia, and West Virginia. The 2023 NAR Regional Vice President representing region 3 is Gail Renulfi.

## 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)	\$339	\$7,042	Price trends in the last three years have undercut the steady post-recession home equity growth despite owners paying down principle
3-year (12-quarter)*	\$29,085	\$108,992	
5-year (20-quarter)*	\$33,614	\$143,305	
7-year (28 quarters)*	\$44,278	\$179,328	
9-year (36 quarters)*	\$54,150	\$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...

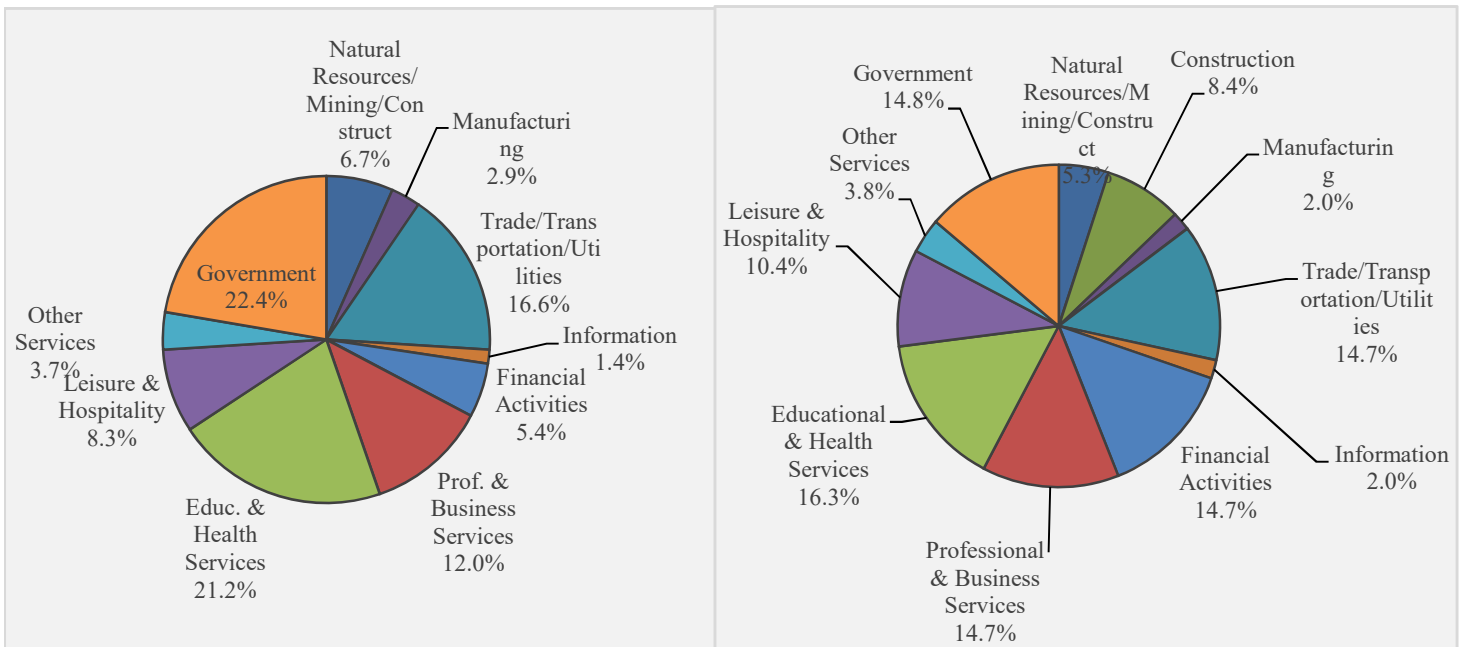


Local Economic Outlook	Charleston	U.S.	
12-month Job Change (Mar)	-600	Not Comparable	Employment continues to decline and will weigh on demand in some areas
12-month Job Change (Feb)	-500	Not Comparable	
36-month Job Change (Mar)	-4,000	Not Comparable	Unemployment in Charleston is better than the national average and improving
Current Unemployment Rate (Mar)	3.5%	3.5%	
Year-ago Unemployment Rate	4.2%	3.6%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	-0.6%	3.8%	

## Share of Total Employment by Industry

Charleston Area

U.S.



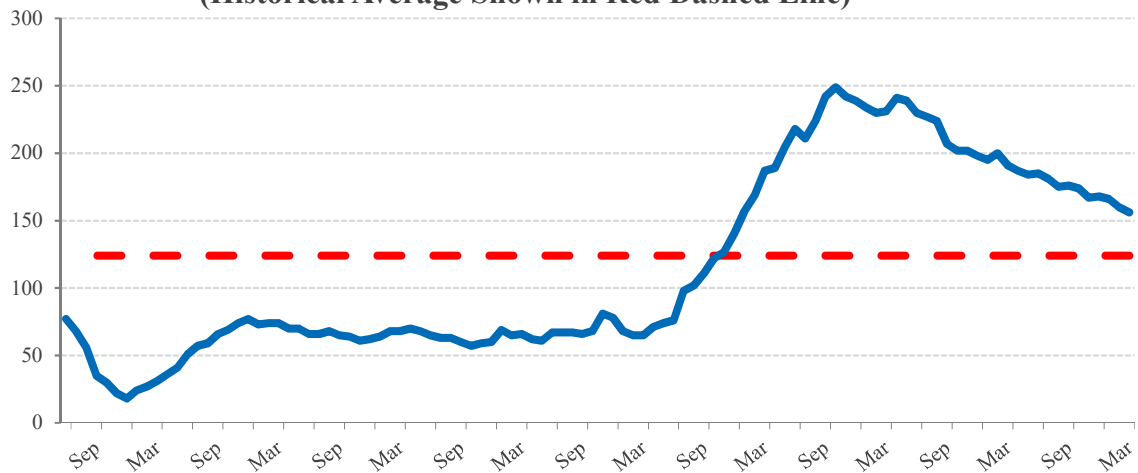
### 12-month Employment Change by Industry (Mar - 2023)

Goods Producing	NA	Information	0
Natural Resources/Mining/Construction	-400	Financial Activities	0
Natural Resources and Mining	NA	Prof. & Business Services	-700
Construction	NA	Educ. & Health Services	700
Manufacturing	0	Leisure & Hospitality	100
Service Providing Excluding Government	NA	Other Services	100
Trade/Transportation/Utilities	300	Government	-600

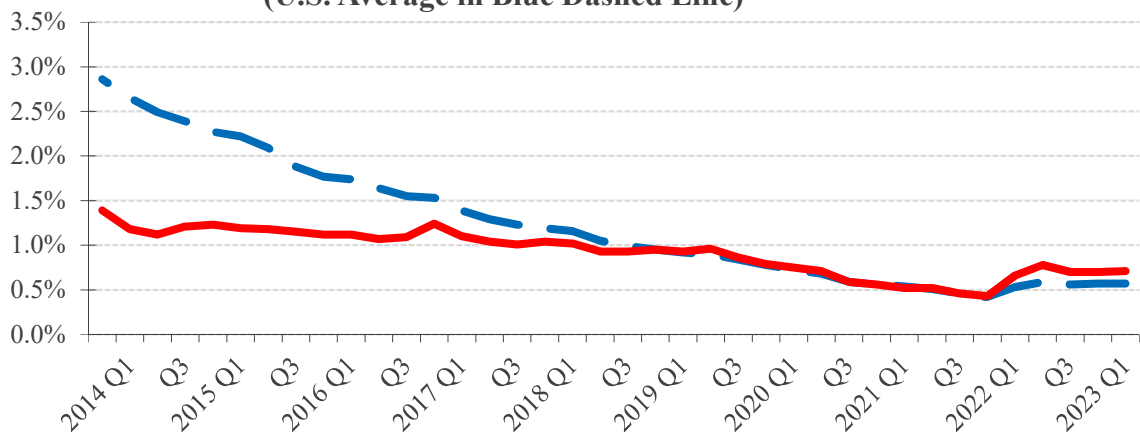
State Economic Activity Index	West Virginia	U.S.	
12-month change (2023 - Mar)	2.7%	3.8%	The economy of West Virginia is growing more slowly than the rest of the nation, but improved modestly from last month's 1.80% change
36-month change (2023 - Mar)	11.7%	6.7%	

New Housing Construction			
Local Fundamentals	Charleston	U.S.	
12-month Sum of 1-unit Building Permits through Mar	156	not comparable	The current level of construction is 25.8% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	124	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	-18.3%	-21.2%	Construction is down from last year, but appears to have bottomed.

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

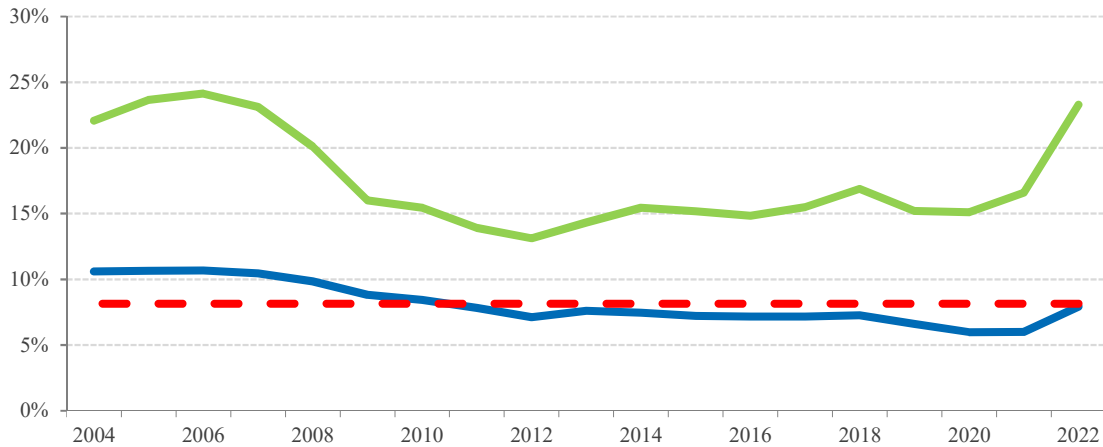


**State Total Foreclosure Rate vs. U.S. Average**  
(U.S. Average in Blue Dashed Line)



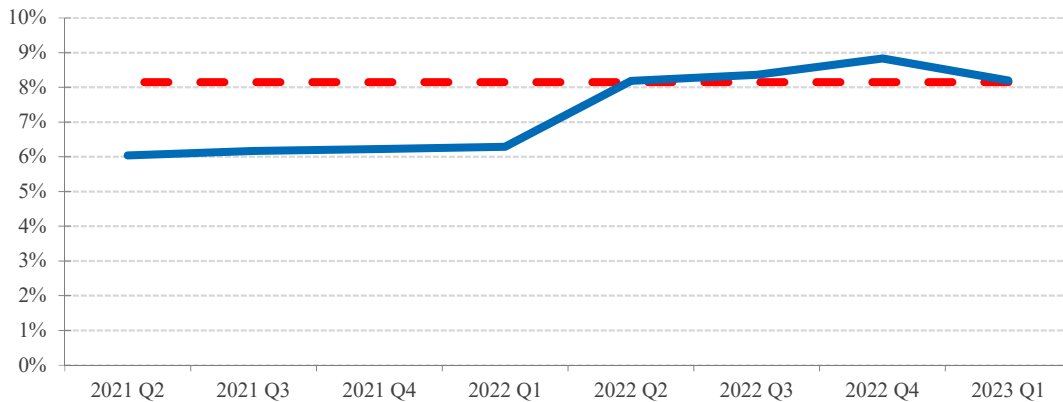
# Affordability

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

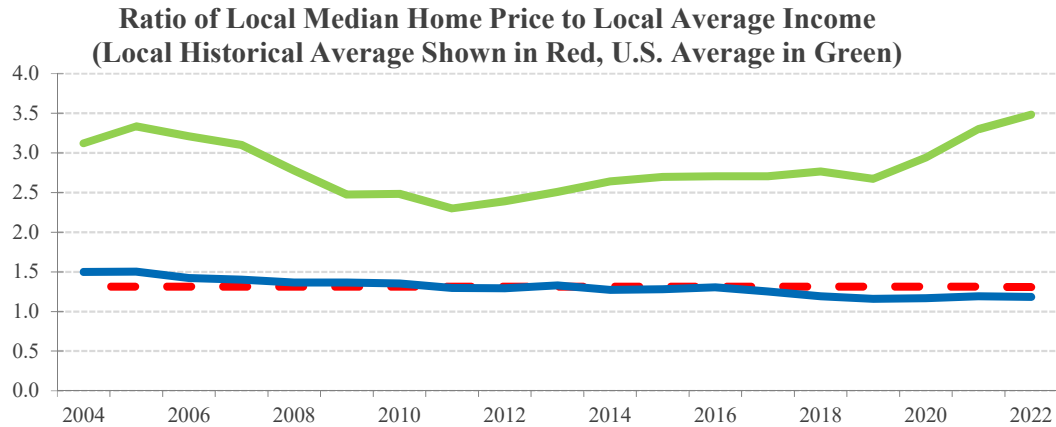


Monthly Mortgage Payment to Income	Charleston	U.S.	
Ratio for 2022	7.9%	23.3%	Weak by local standards, but better than the fourth quarter of 2022
Ratio for 2023 Q1	8.2%	23.3%	
Historical Average	8.1%	17.8%	More affordable than most markets

**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	1.2	3.5	The price-to-income ratio has fallen and is below the historical average
Ratio for 2023 Q1	1.1	3.1	
Historical Average	1.3	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 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:

Boone County, Clay County, and Kanawha 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/)

