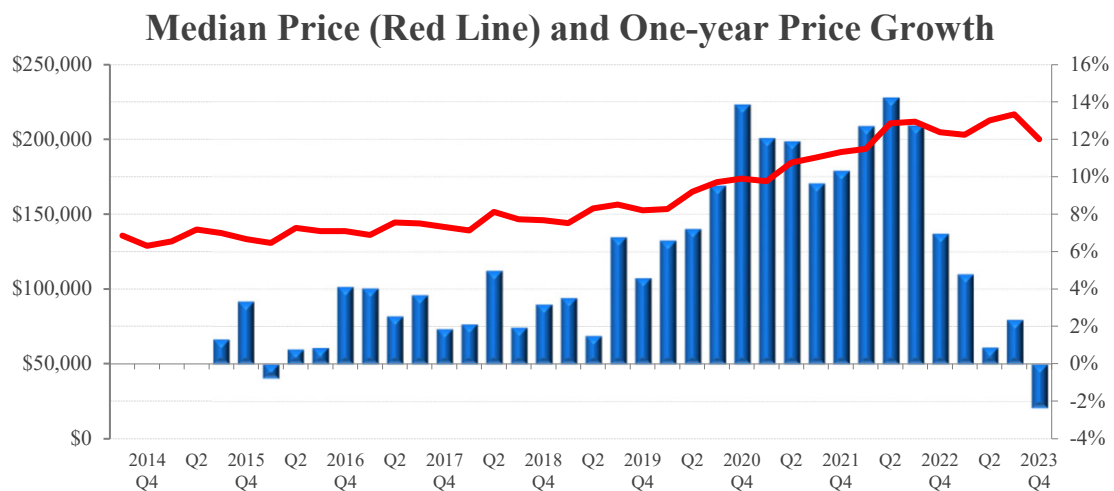


Little Rock-North Little Rock-Conway Area

Local Market Report, Fourth Quarter 2023

Today's Market...



Local Price Trends			
Price Activity	Little Rock	U.S.	Local Trend
Current Median Home Price (2023 Q4)	\$200,000	\$387,300	Year-over-year price growth swung negative this quarter after growing last quarter
1-year (4-quarter) Appreciation (2023 Q4)	-2.3%	3.9%	
3-year (12-quarter) Appreciation (2023 Q4)	15.2%	24.5%	
3-year (12-quarter) Housing Equity Gain*	\$26,400	\$76,300	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$61,300	\$153,367	
9-year (36 quarters) Housing Equity Gain*	\$71,100	\$179,667	

*Note: Equity gain reflects price appreciation only

	Little Rock	U.S.	
Conforming Loan Limit**	\$766,550	\$1,149,825	Most buyers in this market have access to government-backed financing
FHA Loan Limit	\$498,257	\$1,149,825	
Local Median to Conforming Limit Ratio	26%	not comparable	

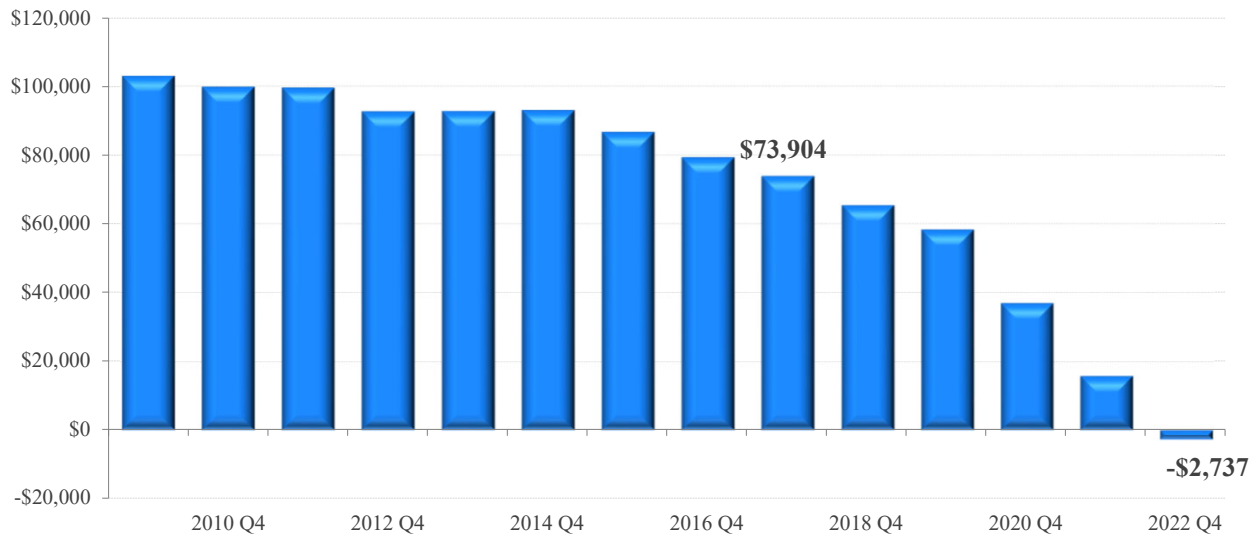
Note: limits are current and include the changes made on January 1st 2024.

Local NAR Leadership

The Little Rock-North Little Rock-Conway market is part of region 9 in the NAR governance system, which includes all of Missouri, Kansas, Arkansas, and Oklahoma. The 2024 NAR Regional Vice President representing region 9 is Amy Bladow.

Benefits of Ownership: Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained through 2023 Q4 from quarter in which home was of purchased**

Price Activity	LittleRock	U.S.	Local Trend
1-year (4-quarter)	\$2,737	\$18,387	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)*	\$36,926	\$95,158	
5-year (20-quarter)*	\$65,483	\$151,356	
7-year (28 quarters)*	\$79,332	\$183,780	
9-year (36 quarters)*	\$93,082	\$215,076	

*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

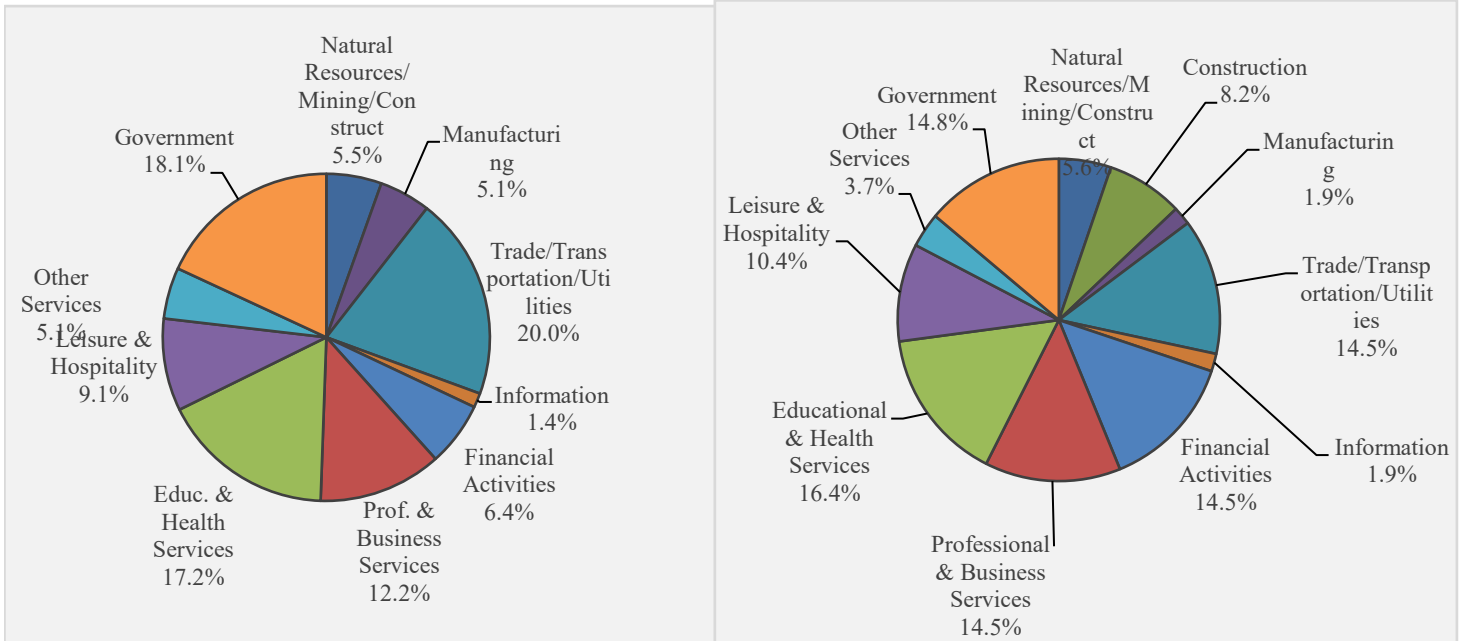
Drivers of Local Supply and Demand...

Local Economic Outlook	Little Rock	U.S.	
12-month Job Change (Dec)	6,200	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Nov)	5,900	Not Comparable	
36-month Job Change (Dec)	31,200	Not Comparable	Unemployment has risen since the same period last year, but Little Rock's labor market has been more resilient than the national average
Current Unemployment Rate (Dec)	3.2%	3.7%	
Year-ago Unemployment Rate	2.7%	3.5%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	1.6%	2.3%	

Share of Total Employment by Industry

Little Rock-North Little Rock-Conway Area

U.S.



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

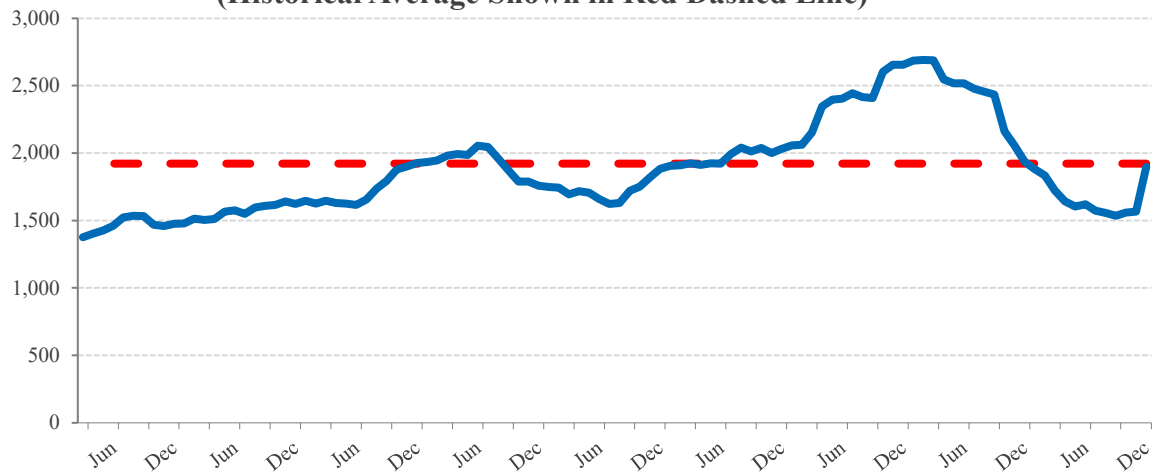
Goods Producing	NA	Information	-300
Natural Resources/Mining/Construction	2,200	Financial Activities	-200
Natural Resources and Mining	NA	Prof. & Business Services	-500
Construction	NA	Educ. & Health Services	3,400
Manufacturing	-100	Leisure & Hospitality	2,100
Service Providing Excluding Government	NA	Other Services	500
Trade/Transportation/Utilities	-1,400	Government	200

State Economic Activity Index	Arkansas	U.S.	
12-month change (2023 - Dec)	2.4%	3.0%	The economy of Arkansas is growing more slowly than the rest of the nation, but improved modestly from last month's 2.37% change
36-month change (2023 - Dec)	10.3%	14.3%	

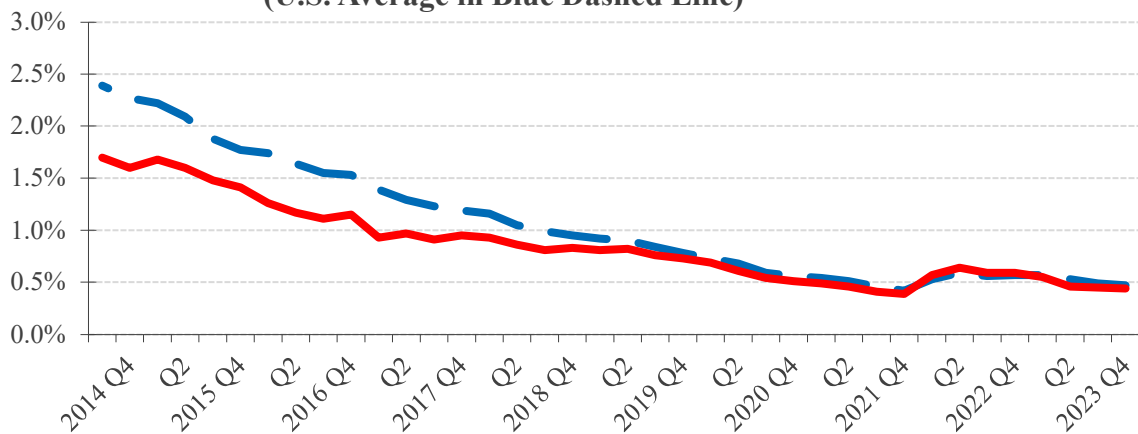
New Housing Construction

Local Fundamentals	Little Rock	U.S.	
12-month Sum of 1-unit Building Permits through Dec	1,897	not comparable	The current level of construction is 1.4% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	1,923	not comparable	Reduced construction will limit new supply to the market, allowing demand to catch up with inventory more quickly
Single-Family Housing Permits (Dec) 12-month sum vs. a year ago	-2.0%	-6.1%	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)

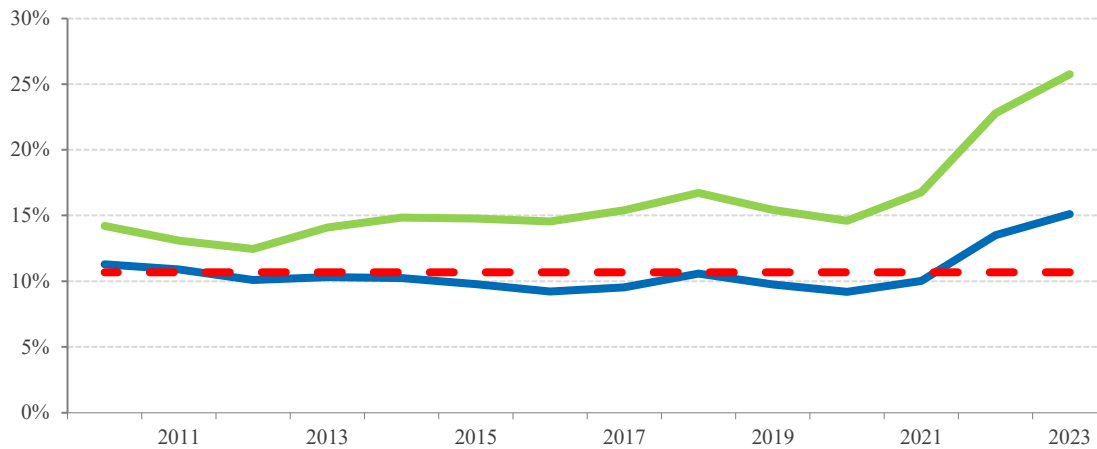


State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



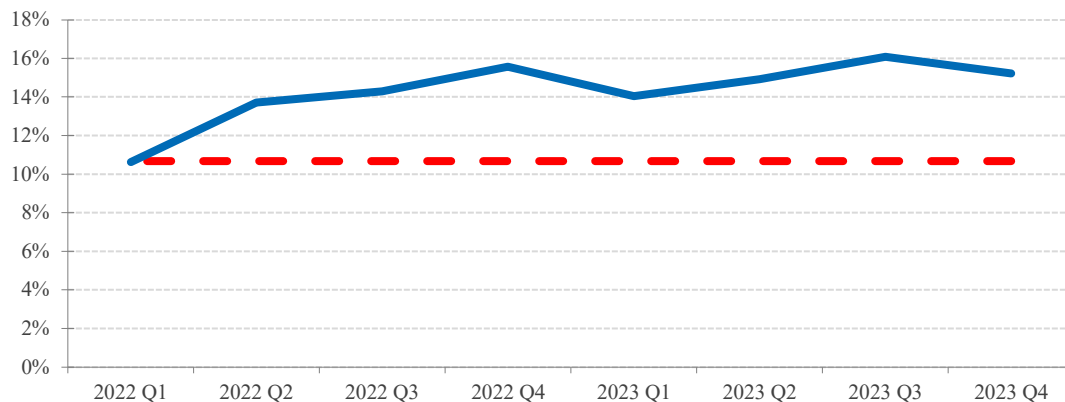
Affordability

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

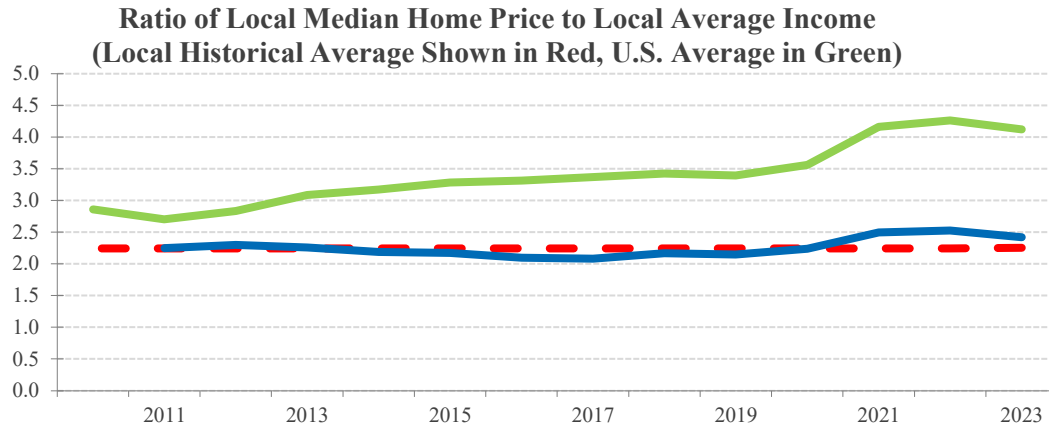


Monthly Mortgage Payment to Income	Little Rock	U.S.	
Ratio for 2023	15.1%	25.8%	Weak by local standards and could weigh on demand
Ratio for 2023 Q4	15.2%	25.5%	
Historical Average	10.7%	17.0%	More affordable than most markets

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



Median Home Price to Income	Little Rock	U.S.	
Ratio for 2023	2.4	4.1	The price-to-income ratio eased, but could be better
Ratio for 2023 Q4	2.3	3.9	
Historical Average	2.3	3.4	Affordable compared to most markets



The Mortgage Market



Throughout much of the final quarter of the year, mortgage rates remained elevated near 7.5 percent. According to the mortgage provider Freddie Mac, the 30-year fixed mortgage rate rose to 7.3 percent in the fourth quarter of 2023 from 6.7 percent the previous year. Nevertheless, rates fell below 7 percent at the end of year as the Federal Reserve continued to halt its interest rates hikes. With lower interest rates on the horizon, mortgage rates are expected to continue their downward trend in 2024, thereby enhancing affordability for potential homebuyers.

NAR forecasts the 30-year fixed mortgage rate to average 6.8 percent in the first quarter of 2024, with a further decline expected to bring them below 6.6% by the end of the first half.

Geographic Coverage for this Report

The Little Rock area referred to in this report covers the geographic area of the Little Rock-North Little Rock-Conway 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:

Faulkner County, Grant County, Lonoke County, Perry County, Pulaski County, and Saline County

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

