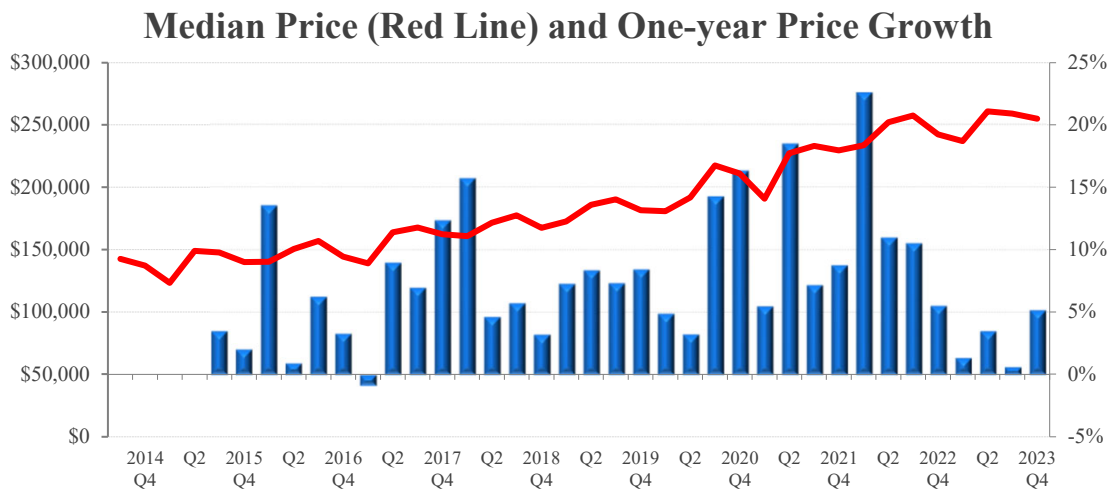


Gary-Hammond Area

Local Market Report, Fourth Quarter 2023

Today's Market...



Local Price Trends			
Price Activity	Gary	U.S.	Local Trend
Current Median Home Price (2023 Q4)	\$254,800	\$387,300	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2023 Q4)	5.2%	3.9%	
3-year (12-quarter) Appreciation (2023 Q4)	20.7%	24.5%	
3-year (12-quarter) Housing Equity Gain*	\$43,700	\$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*	\$110,400	\$153,367	
9-year (36 quarters) Housing Equity Gain*	\$117,800	\$179,667	

*Note: Equity gain reflects price appreciation only

	Gary	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	33%	not comparable	

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

Local NAR Leadership

The Gary-Hammond market is part of region 7 in the NAR governance system, which includes all of Indiana, Illinois, and Wisconsin. The 2024 NAR Regional Vice President representing region 7 is Bernice Helman.

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	Gary	U.S.	Local Trend
1-year (4-quarter)	\$14,941	\$18,387	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$56,500	\$95,158	
5-year (20-quarter)*	\$100,354	\$151,356	
7-year (28 quarters)*	\$129,173	\$183,780	
9-year (36 quarters)*	\$141,164	\$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

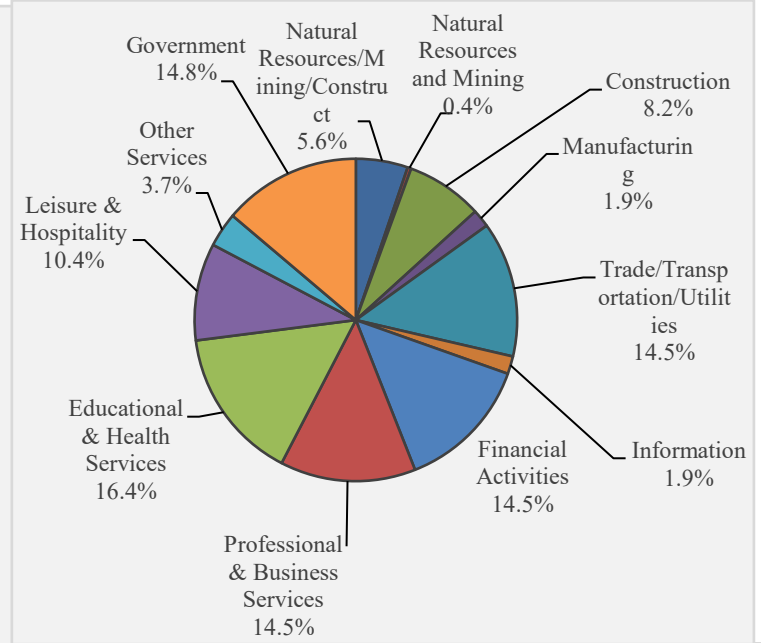
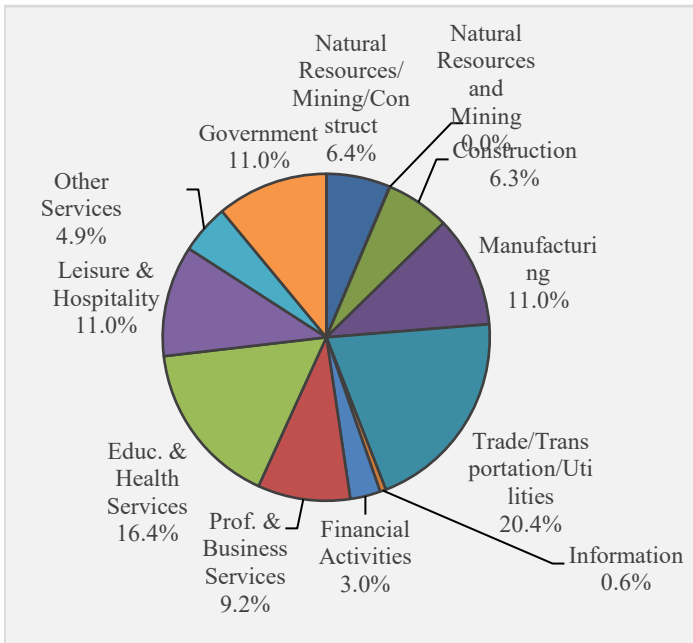
Drivers of Local Supply and Demand...

Local Economic Outlook	Gary	U.S.	
12-month Job Change (Dec)	5,300	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Nov)	4,900	Not Comparable	
36-month Job Change (Dec)	23,200	Not Comparable	Gary's unemployment situation is worse than the national average and weighs on confidence
Current Unemployment Rate (Dec)	4.2%	3.7%	
Year-ago Unemployment Rate	3.9%	3.5%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	1.9%	2.3%	

Share of Total Employment by Industry

Gary-Hammond Area

U.S.



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

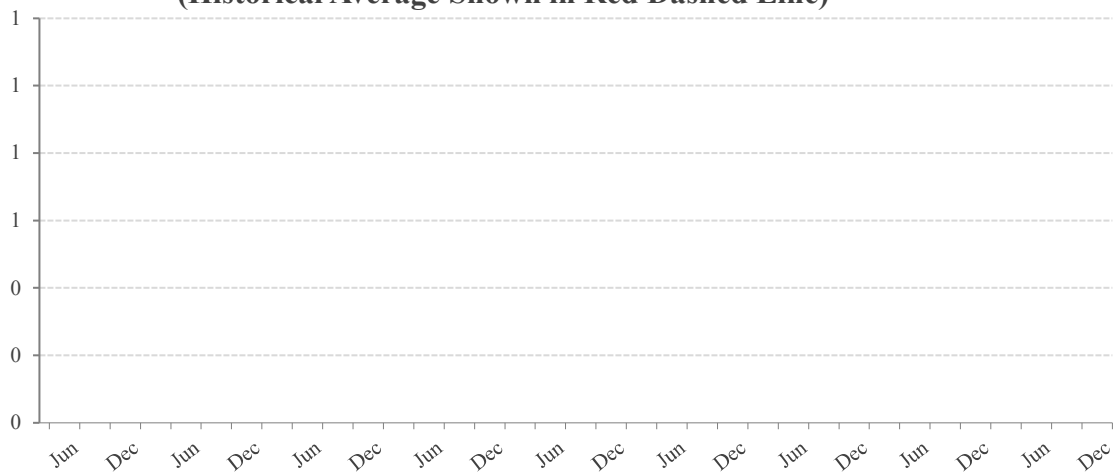
Goods Producing	NA	Information	-100
Natural Resources/Mining/Construction	300	Financial Activities	100
Natural Resources and Mining	0	Prof. & Business Services	300
Construction	300	Educ. & Health Services	1,800
Manufacturing	-300	Leisure & Hospitality	600
Service Providing Excluding Government	NA	Other Services	400
Trade/Transportation/Utilities	800	Government	1,000

State Economic Activity Index	Indiana	U.S.	
12-month change (2023 - Dec)	1.6%	3.0%	The economy of Indiana is growing more slowly than the rest of the nation, but improved modestly from last month's 1.45% change
36-month change (2023 - Dec)	11.1%	14.3%	

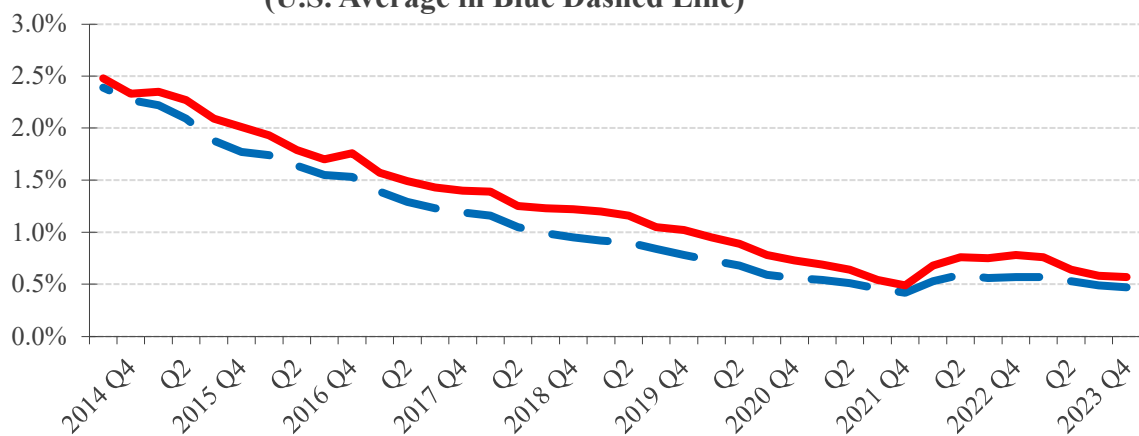
New Housing Construction

Local Fundamentals	Gary	U.S.	
12-month Sum of 1-unit Building Permits through Dec	NA	not comparable	Local Data Not Available
8-year average for 12-month Sum of 1-Unit Building Permits	NA	not comparable	Local Data Not Available
Single-Family Housing Permits (Dec) 12-month sum vs. a year ago	NA	-6.1%	Local Data Not Available

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



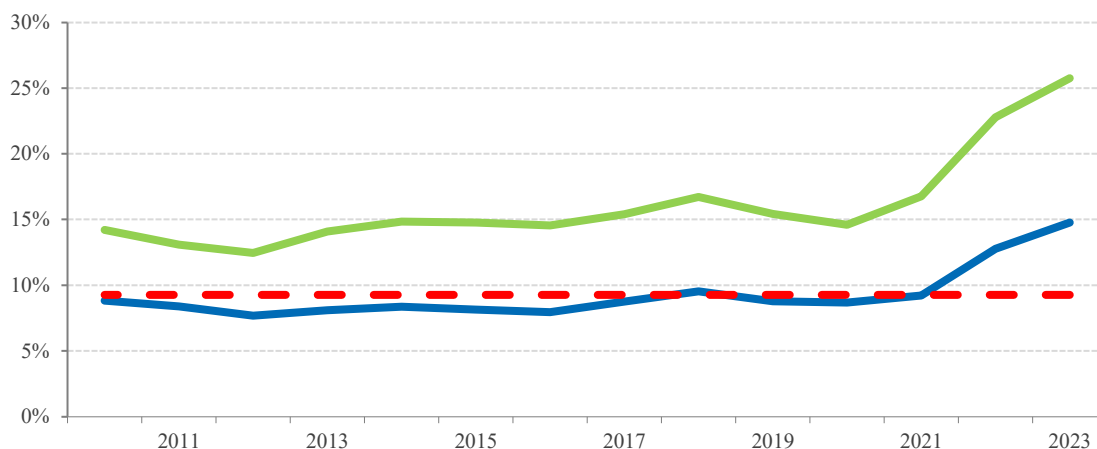
State Total Foreclosure Rate vs. U.S. Average (U.S. Average in Blue Dashed Line)



Source: Mortgage Bankers' Association

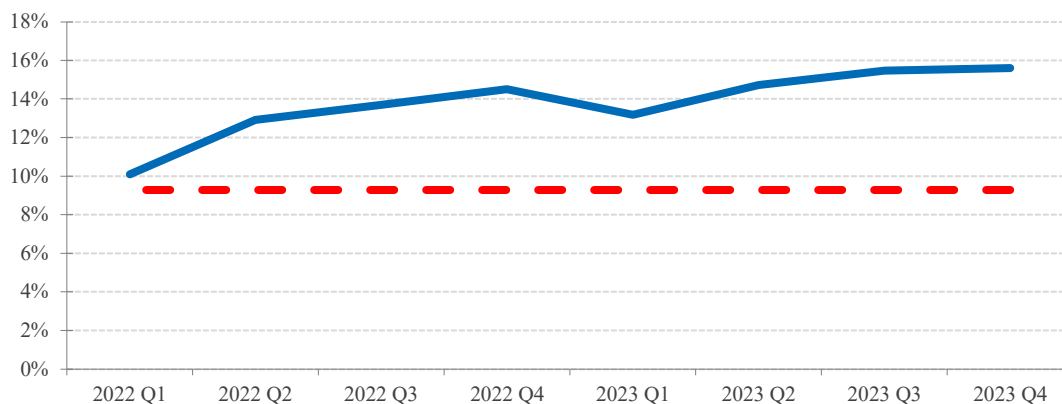
Affordability

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

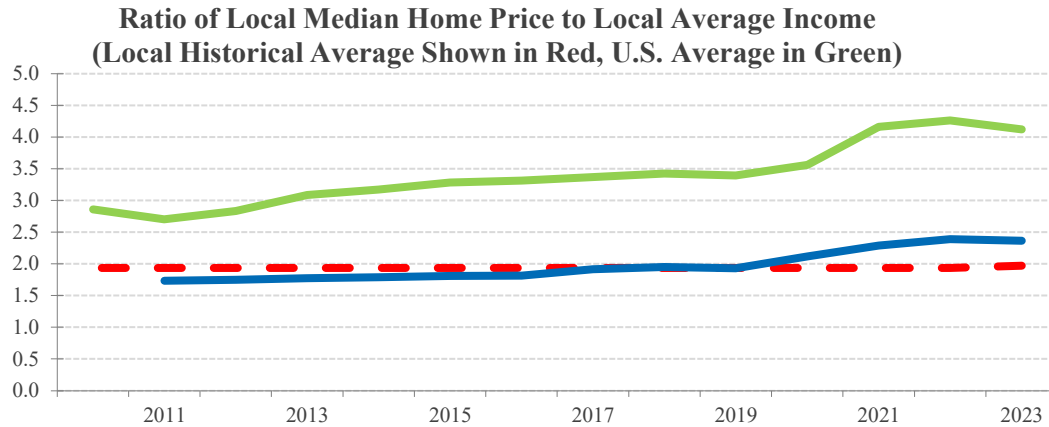


Monthly Mortgage Payment to Income	Gary	U.S.	
Ratio for 2023	14.8%	25.8%	Weak by local standards and could weigh on demand
Ratio for 2023 Q4	15.6%	25.5%	
Historical Average	9.3%	17.0%	More affordable than most markets

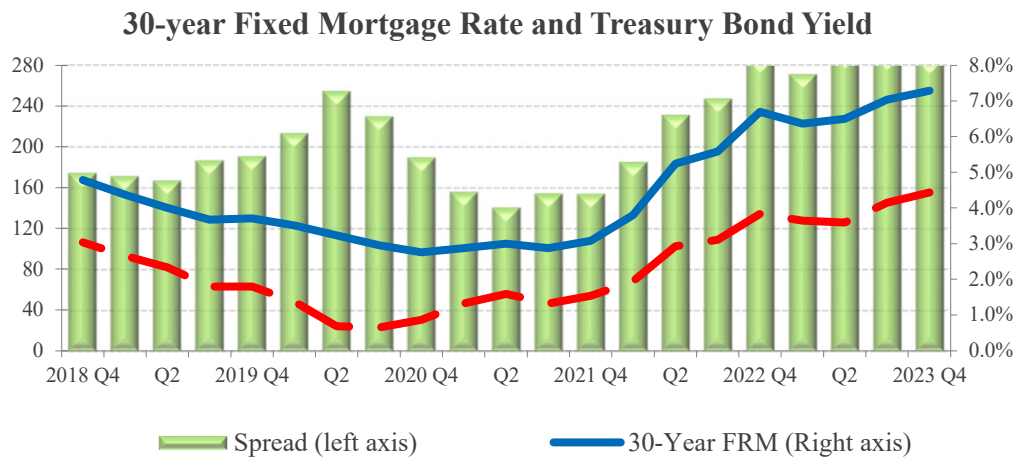
Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Gary	U.S.	
Ratio for 2023	2.4	4.1	The price-to-income ratio eased, but could be better
Ratio for 2023 Q4	2.4	3.9	
Historical Average	2.0	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 Gary area referred to in this report covers the geographic area of the Gary-Hammond 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:

Lake County, Jasper County, Newton County, and Porter County

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

