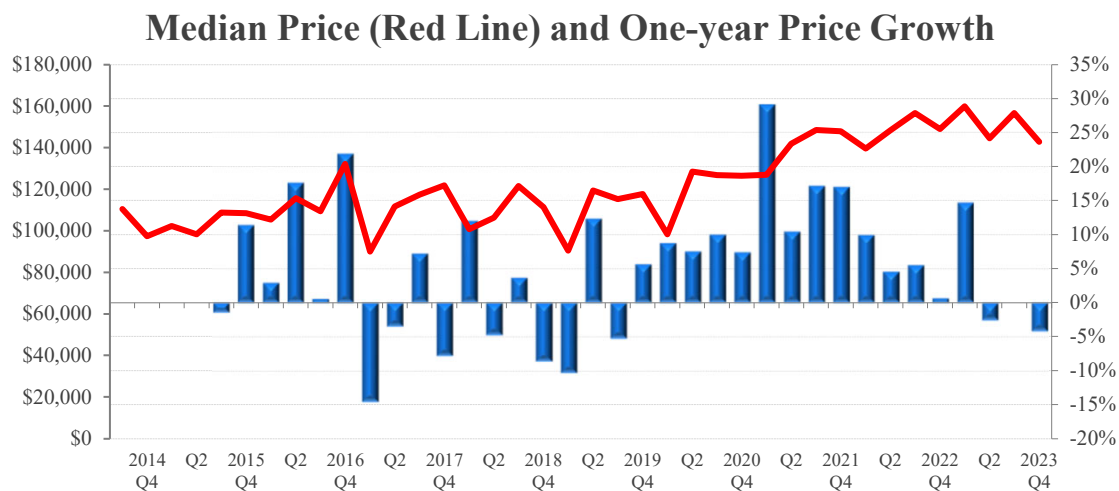


## Elmira Area

### Local Market Report, Fourth Quarter 2023

## Today's Market...



| Local Price Trends                         |           |           |  |
|--|-----------|-----------|--|
| Price Activity                             | Elmira    | U.S.      | Local Trend  |
| Current Median Home Price (2023 Q4)        | \$142,700 | \$387,300 | Year-over-year price growth swung negative this quarter after growing last quarter             |
| 1-year (4-quarter) Appreciation (2023 Q4)  | -4.2%     | 3.9%      |  |
| 3-year (12-quarter) Appreciation (2023 Q4) | 12.9%     | 24.5%     |  |
| 3-year (12-quarter) Housing Equity Gain*   | \$16,300  | \$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*  | \$10,500  | \$153,367 |  |
| 9-year (36 quarters) Housing Equity Gain*  | \$45,300  | \$179,667 |  |

\*Note: Equity gain reflects price appreciation only

|  | Elmira    | 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 | 19%       | not comparable |   |

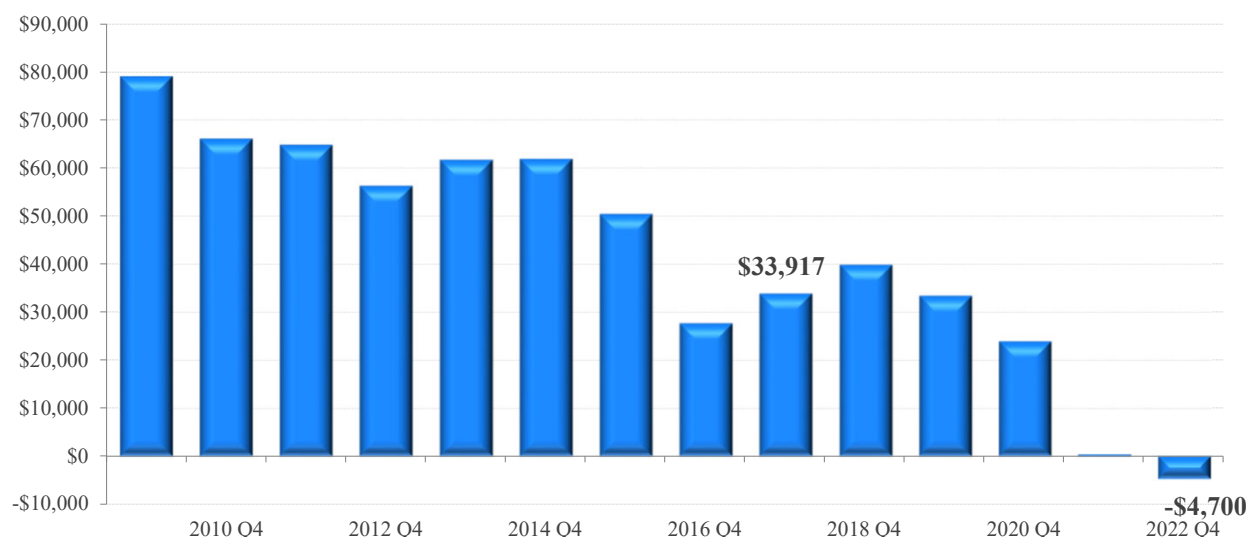
Note: limits are current and include the changes made on January 1st 2024.

### Local NAR Leadership

The Elmira market is part of region 2 in the NAR governance system, which includes all of New York, New Jersey, and Pennsylvania. The 2024 NAR Regional Vice President representing region 2 is Jennifer Stevenson.

## 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        | Elmira   | U.S.      | Local Trend  |
|-----------------------|----------|-----------|--|
| 1-year (4-quarter)    | \$4,700  | \$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)*  | \$23,964 | \$95,158  |  |
| 5-year (20-quarter)*  | \$39,921 | \$151,356 |  |
| 7-year (28 quarters)* | \$27,687 | \$183,780 |  |
| 9-year (36 quarters)* | \$61,910 | \$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

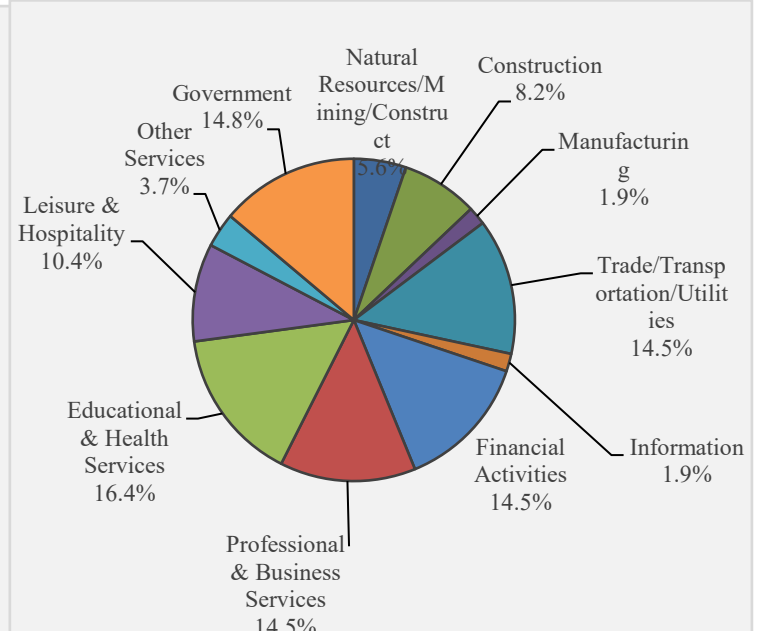
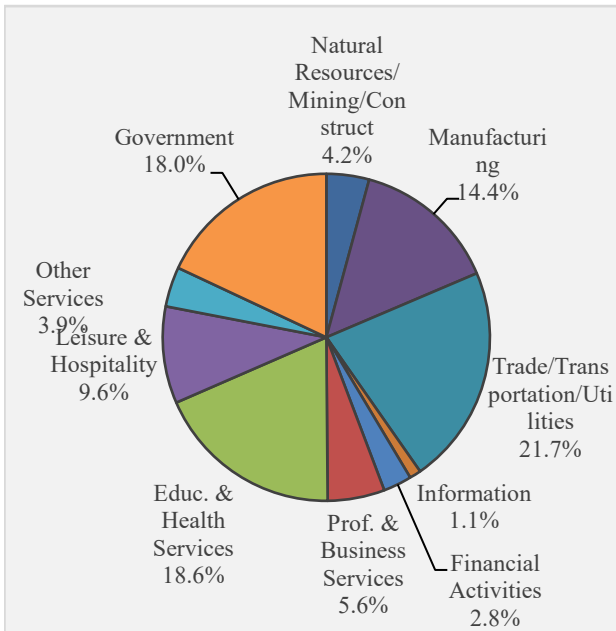
# Drivers of Local Supply and Demand...

| Local Economic Outlook            | Elmira | U.S.           |   |
|-----------------------------------|--------|----------------|---|
| 12-month Job Change (Dec)         | 0      | Not Comparable | Employment growth has eased, but remains positive   |
| 12-month Job Change (Nov)         | 100    | Not Comparable |   |
| 36-month Job Change (Dec)         | 1,000  | Not Comparable | Elmira's unemployment situation is worse than the national average and weighs on confidence |
| Current Unemployment Rate (Dec)   | 4.5%   | 3.7%           |   |
| Year-ago Unemployment Rate        | 3.5%   | 3.5%           | Local employment growth is poor and needs to improve  |
| 1-year (12 month) Job Growth Rate | 0.0%   | 2.3%           |   |

## Share of Total Employment by Industry

**Elmira Area**

**U.S.**



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

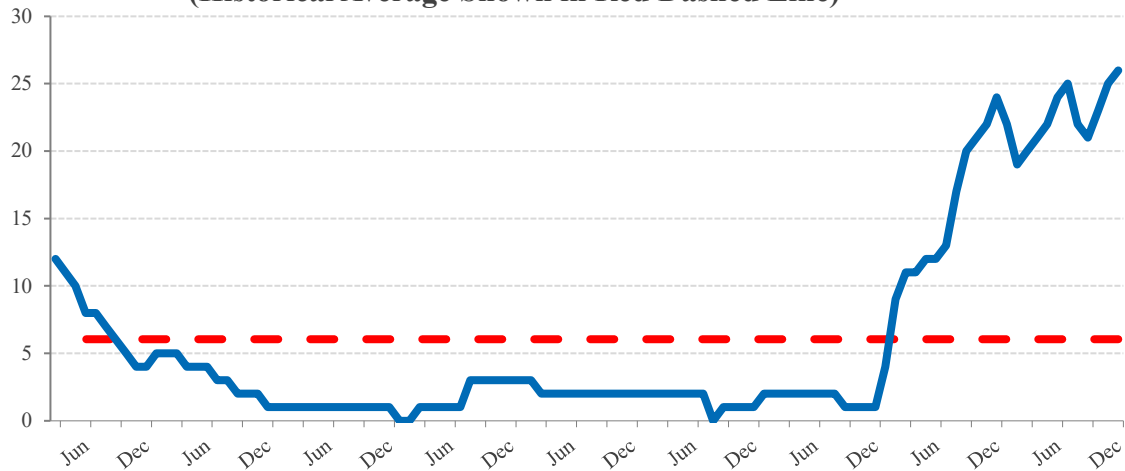
|  |      |                           |      |
|--|------|---------------------------|------|
| Goods Producing                        | NA   | Information               | 0    |
| Natural Resources/Mining/Construction  | 0    | Financial Activities      | 0    |
| Natural Resources and Mining           | NA   | Prof. & Business Services | -100 |
| Construction                           | NA   | Educ. & Health Services   | 200  |
| Manufacturing                          | -100 | Leisure & Hospitality     | 0    |
| Service Providing Excluding Government | NA   | Other Services            | 0    |
| Trade/Transportation/Utilities         | -100 | Government                | 200  |

| State Economic Activity Index | New York | U.S.  |   |
|-------------------------------|----------|-------|---|
| 12-month change (2023 - Dec)  | 1.0%     | 3.0%  | New York's economy is growing, but decelerated from last month's 1.44% change and lags the rest of the nation |
| 36-month change (2023 - Dec)  | 17.1%    | 14.3% |   |

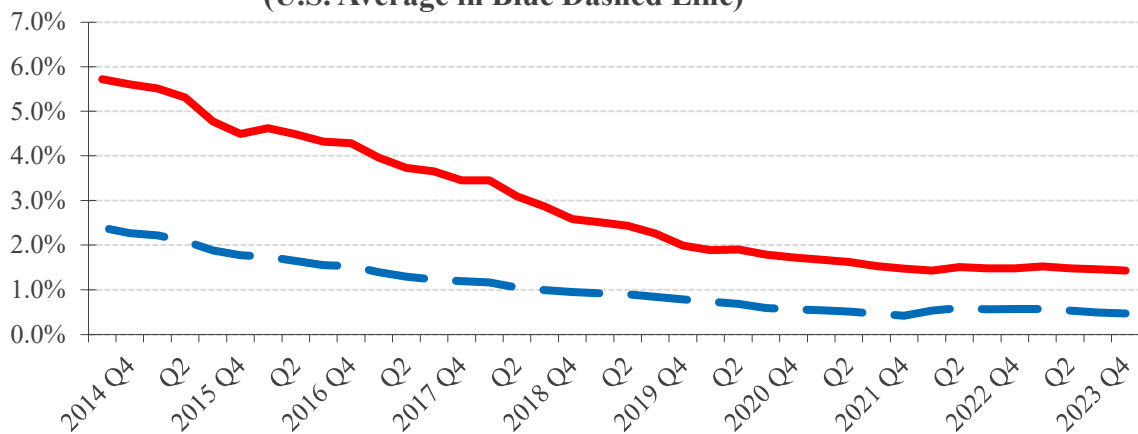
## New Housing Construction

| Local Fundamentals   | Elmira | U.S.           |  |
|--|--------|----------------|--|
| 12-month Sum of 1-unit Building Permits through Dec                | 26     | not comparable | The current level of construction is 328.9% above the long-term average  |
| 8-year average for 12-month Sum of 1-Unit Building Permits         | 6      | 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 (Dec)<br>12-month sum vs. a year ago | 8.3%   | -6.1%          | Construction is on the rise relative to last year, suggesting that the local inventory has stabilized          |

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

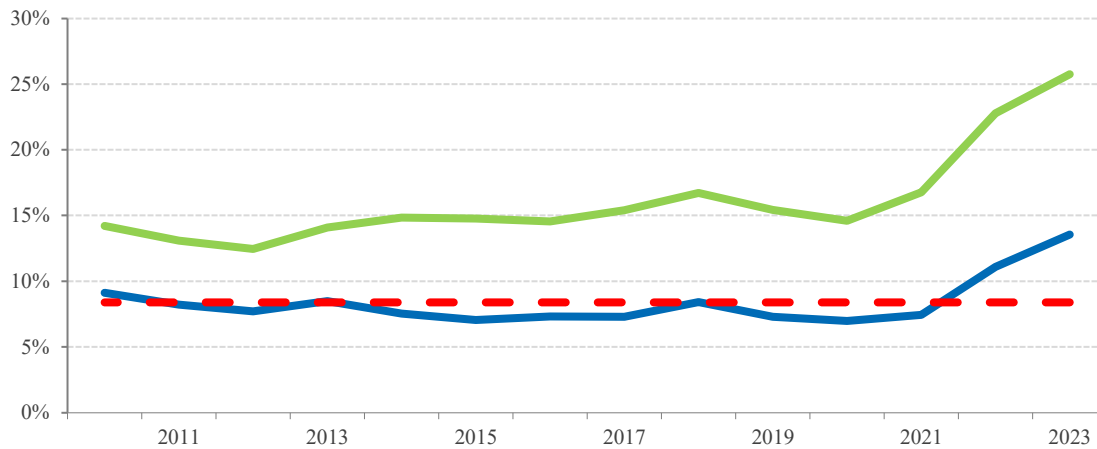


**State Total Foreclosure Rate vs. U.S. Average**  
(U.S. Average in Blue Dashed Line)



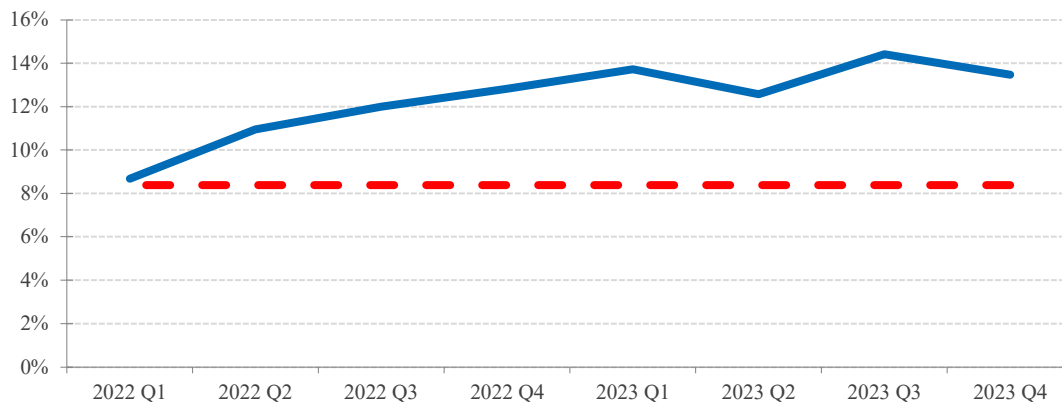
# Affordability

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

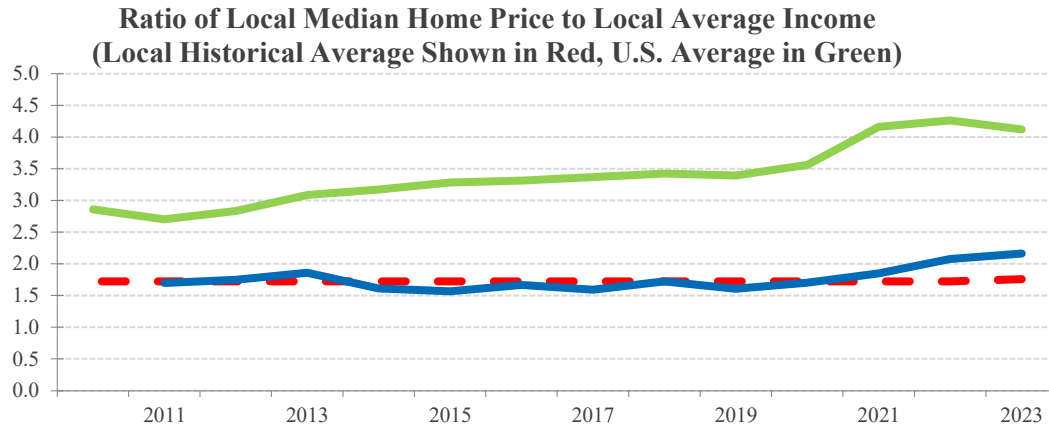


| Monthly Mortgage Payment to Income | Elmira | U.S.  |   |
|------------------------------------|--------|-------|---|
| Ratio for 2023                     | 13.6%  | 25.8% | Weak by local standards and could weigh on demand |
| Ratio for 2023 Q4                  | 13.5%  | 25.5% |   |
| Historical Average                 | 8.4%   | 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 | Elmira | U.S. |  |
|-----------------------------|--------|------|--|
| Ratio for 2023              | 2.2    | 4.1  | The price-to-income ratio eased, but could be better |
| Ratio for 2023 Q4           | 2.0    | 3.9  |  |
| Historical Average          | 1.8    | 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 Elmira area referred to in this report covers the geographic area of the Elmira 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:

Chemung 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/)

