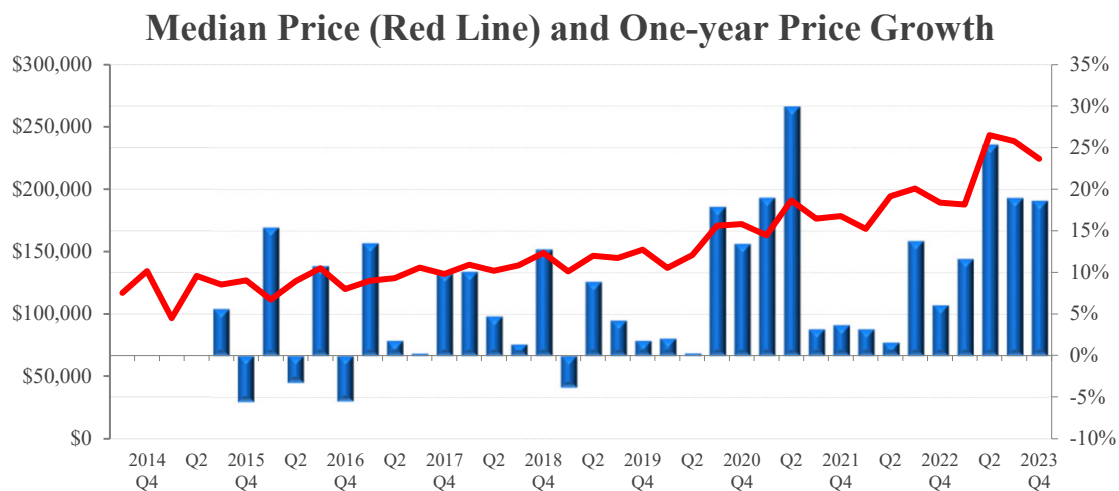


Fond du Lac Area

Local Market Report, Fourth Quarter 2023

Today's Market...



Local Price Trends			
Price Activity	Fond du Lac	U.S.	Local Trend
Current Median Home Price (2023 Q4)	\$224,400	\$387,300	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2023 Q4)	18.6%	3.9%	
3-year (12-quarter) Appreciation (2023 Q4)	30.5%	24.5%	
3-year (12-quarter) Housing Equity Gain*	\$52,500	\$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*	\$104,400	\$153,367	
9-year (36 quarters) Housing Equity Gain*	\$90,100	\$179,667	

*Note: Equity gain reflects price appreciation only

	Fond du Lac	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	29%	not comparable	

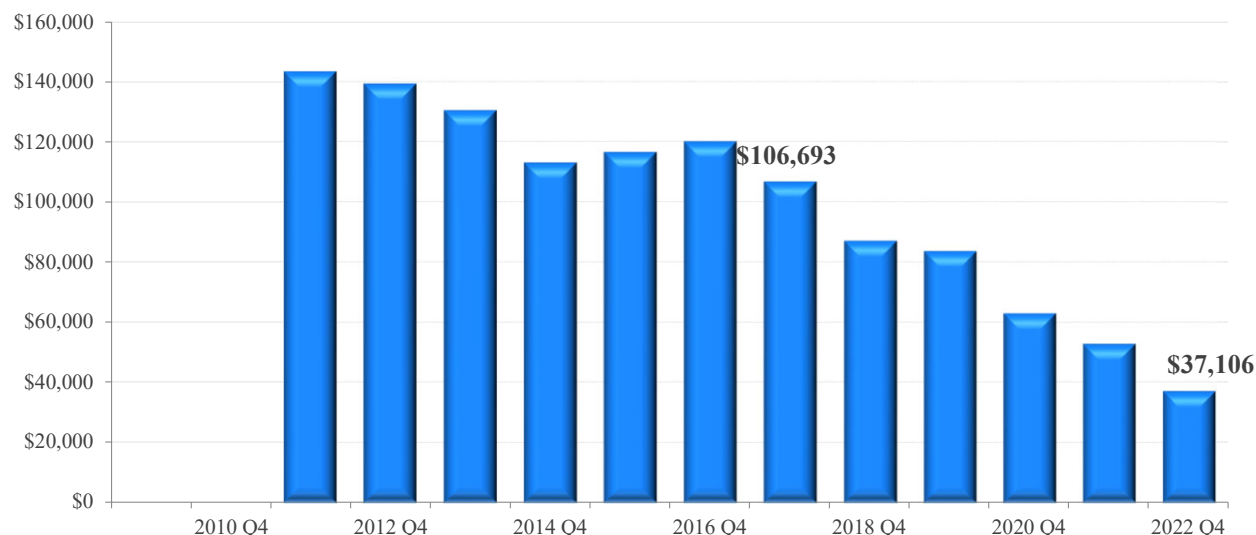
Note: limits are current and include the changes made on January 1st 2024.

Local NAR Leadership

The Fond du Lac 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	Fond du Lac	U.S.	Local Trend
1-year (4-quarter)	\$37,106	\$18,387	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$62,923	\$95,158	
5-year (20-quarter)*	\$87,115	\$151,356	
7-year (28 quarters)*	\$120,001	\$183,780	
9-year (36 quarters)*	\$113,003	\$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

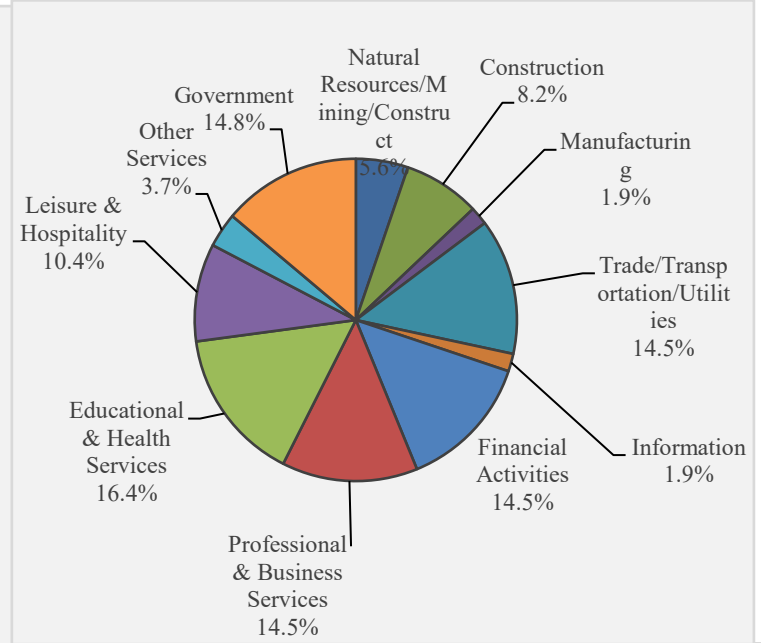
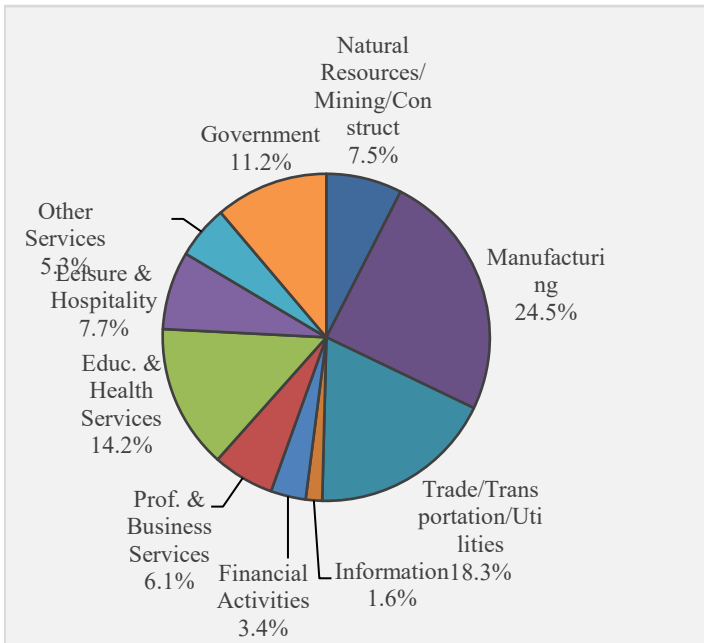
Drivers of Local Supply and Demand...

Local Economic Outlook	Fond du Lac	U.S.	
12-month Job Change (Dec)	1,100	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Nov)	900	Not Comparable	
36-month Job Change (Dec)	3,200	Not Comparable	Unemployment has risen since the same period last year, but Fond du Lac's labor market has been more resilient than the national average
Current Unemployment Rate (Dec)	2.2%	3.7%	
Year-ago Unemployment Rate	1.8%	3.5%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	2.3%	2.3%	

Share of Total Employment by Industry

Fond du Lac Area

U.S.



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

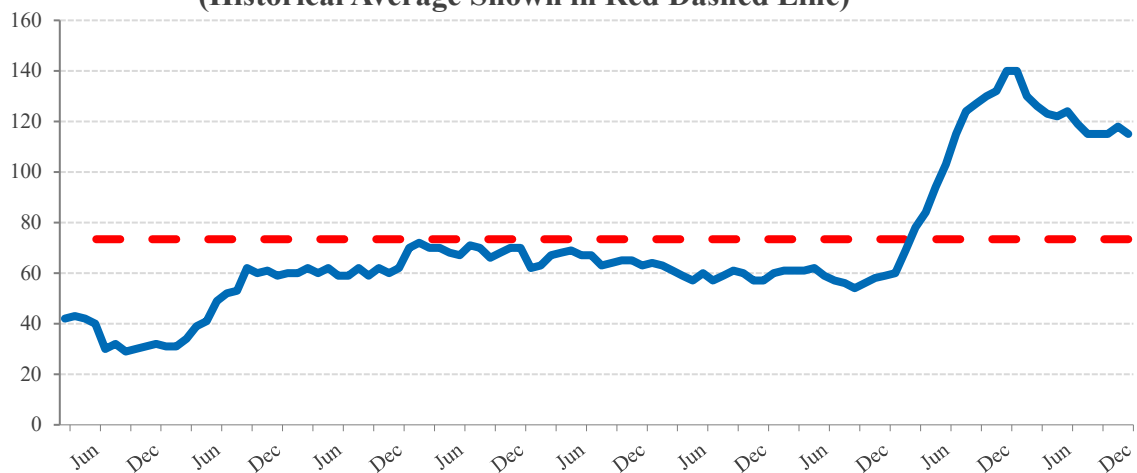
Goods Producing	NA	Information	0
Natural Resources/Mining/Construction	300	Financial Activities	0
Natural Resources and Mining	NA	Prof. & Business Services	100
Construction	NA	Educ. & Health Services	100
Manufacturing	300	Leisure & Hospitality	0
Service Providing Excluding Government	NA	Other Services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

State Economic Activity Index	Wisconsin	U.S.	
12-month change (2023 - Dec)	1.7%	3.0%	The economy of Wisconsin is growing more slowly than the rest of the nation, but improved modestly from last month's 1.50% change
36-month change (2023 - Dec)	9.8%	14.3%	

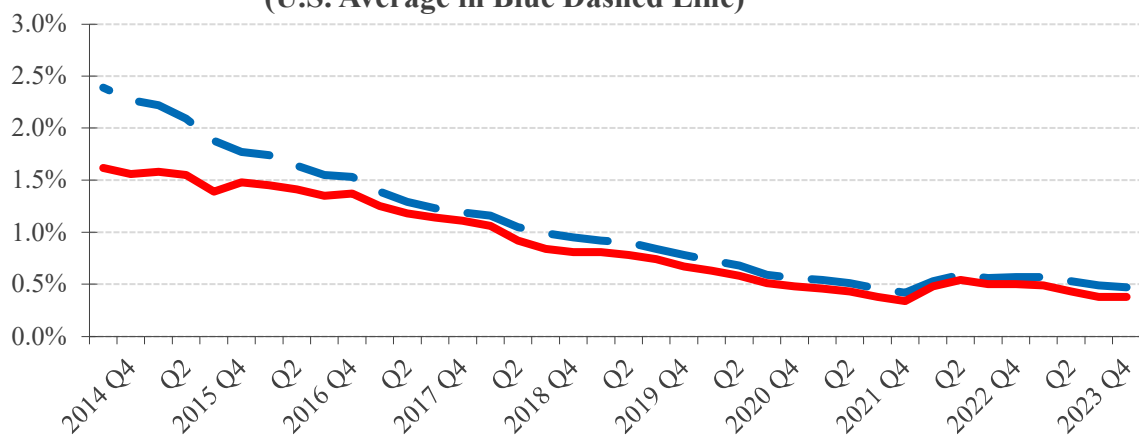
New Housing Construction

Local Fundamentals	Fond du Lac	U.S.	
12-month Sum of 1-unit Building Permits through Dec	115	not comparable	The current level of construction is 56.6% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	73	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) 12-month sum vs. a year ago	-17.9%	-6.1%	Construction continues to decline from last year

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

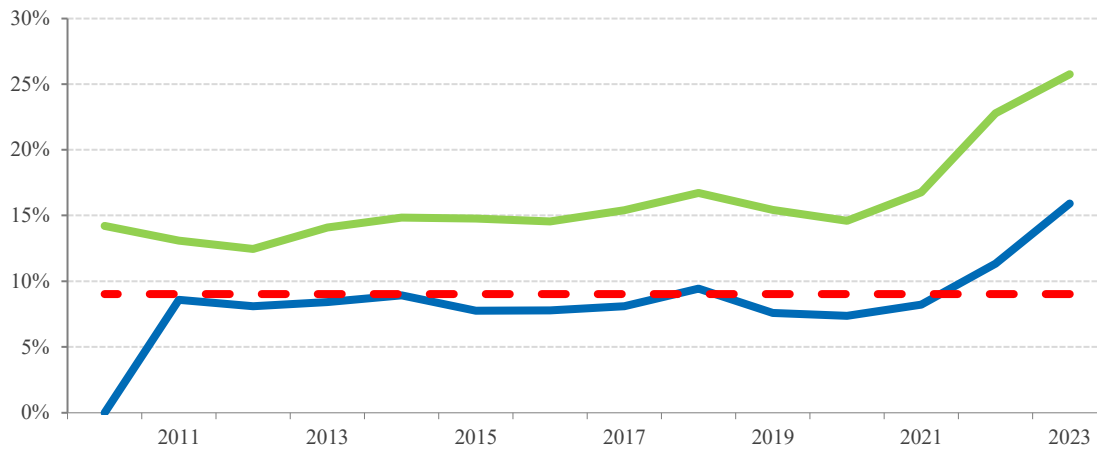


State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



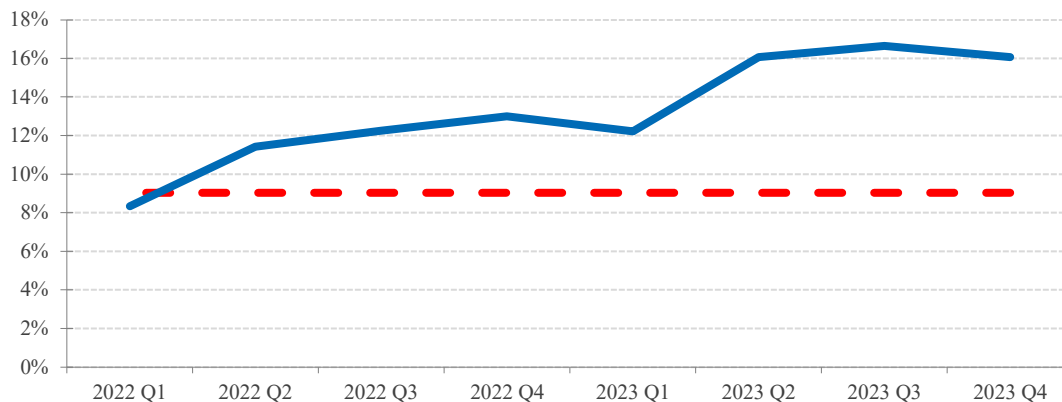
Affordability

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

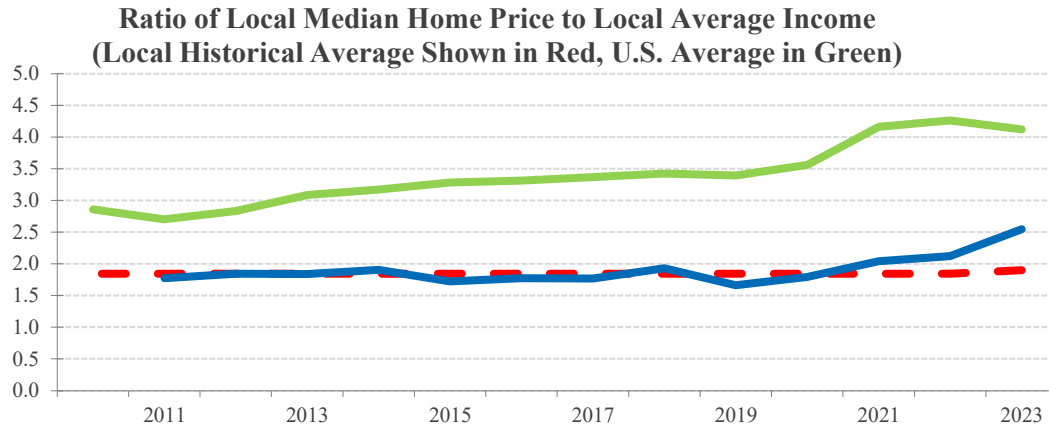


Monthly Mortgage Payment to Income	Fond du Lac	U.S.	
Ratio for 2023	15.9%	25.8%	Weak by local standards and could weigh on demand
Ratio for 2023 Q4	16.1%	25.5%	
Historical Average	9.0%	17.0%	More affordable than most markets

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



Median Home Price to Income	Fond du Lac	U.S.	
Ratio for 2023	2.5	4.1	The price-to-income ratio eased, but could be better
Ratio for 2023 Q4	2.4	3.9	
Historical Average	1.9	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 Fond du Lac area referred to in this report covers the geographic area of the Fond du Lac 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:

Fond du Lac County

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

