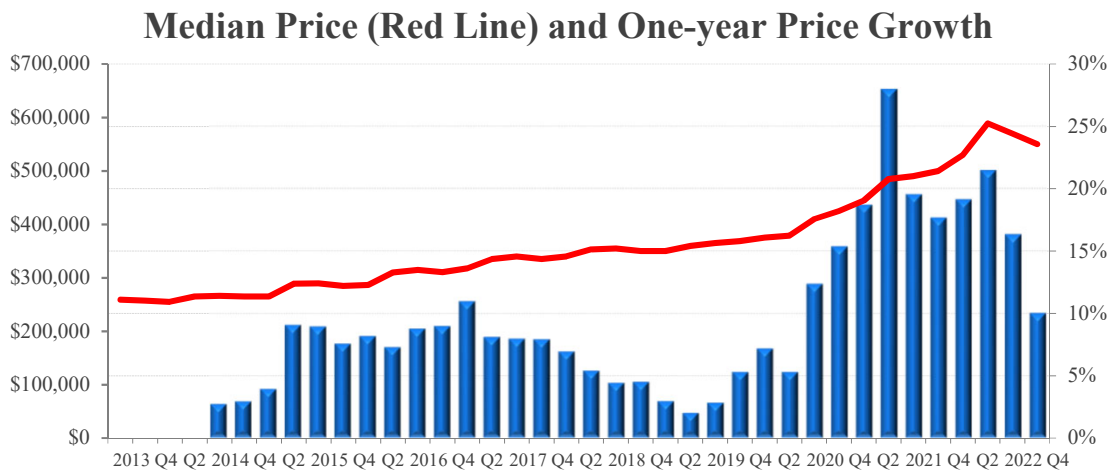


# Miami-Fort Lauderdale-West Palm Beach Area

## Local Market Report, Fourth Quarter 2022

### Today's Market...



Local Price Trends			
Price Activity	Miami	U.S.	Local Trend
Current Median Home Price (2022 Q4)	\$550,000	\$372,667	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2022 Q4)	10.0%	4.2%	
3-year (12-quarter) Appreciation (2022 Q4)	49.3%	36.9%	
3-year (12-quarter) Housing Equity Gain*	\$181,500	\$100,367	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$265,000	\$151,900	
9-year (36 quarters) Housing Equity Gain*	\$292,500	\$175,767	

\*Note: Equity gain reflects price appreciation only

	Miami	U.S.	
<b>Conforming Loan Limit**</b>	\$726,200	\$1,089,300	Not all buyers have access to government-backed financing in this market
<b>FHA Loan Limit</b>	\$472,030	\$1,089,300	
<b>Local Median to Conforming Limit Ratio</b>	76%	not comparable	

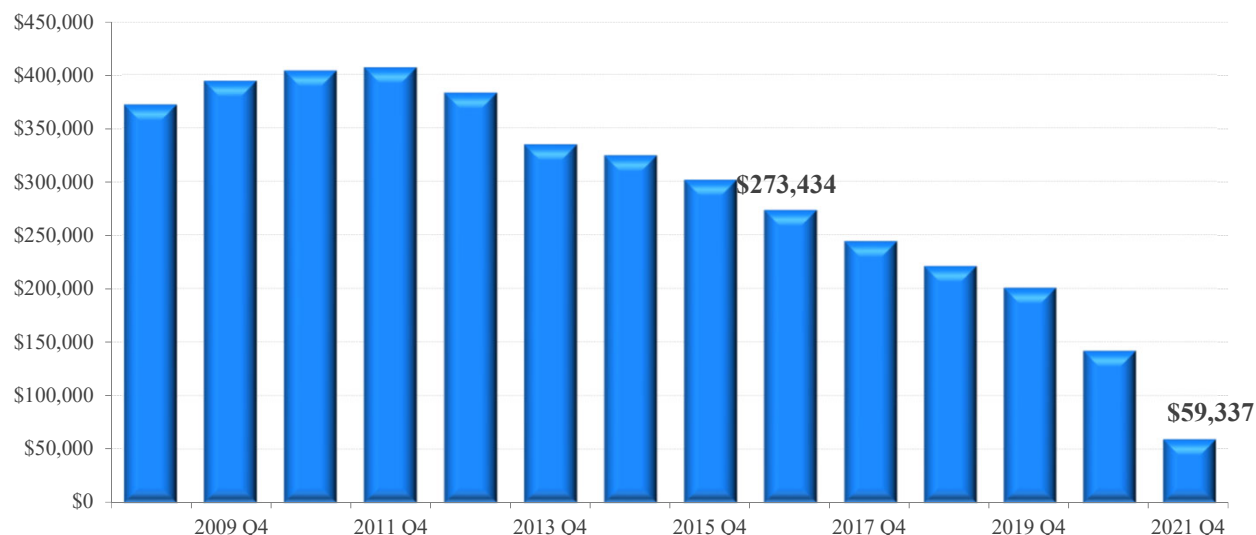
Note: limits are current and include the changes made on January 1st 2023.

#### Local NAR Leadership

The Miami-Fort Lauderdale-West Palm Beach market is part of region 5 in the NAR governance system, which includes all of Georgia, Florida, Alabama, Mississippi, Virgin Islands, and Puerto Rico. The 2023 NAR Regional Vice President representing region 5 is Eric Sain.

## Benefits of Ownership: Total Equity Appreciation

### Total Equity Accrued to Owner by Year and Quarter of Purchase



### Total Equity Gained\*\* through 2022 Q4 from quarter in which home was of purchased

Price Activity	Miami	U.S.	Local Trend
1-year (4-quarter)	\$59,337	\$21,777	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$200,836	\$114,655	
5-year (20-quarter)*	\$244,447	\$147,773	
7-year (28 quarters)*	\$301,618	\$180,265	
9-year (36 quarters)*	\$334,580	\$207,943	

\*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...

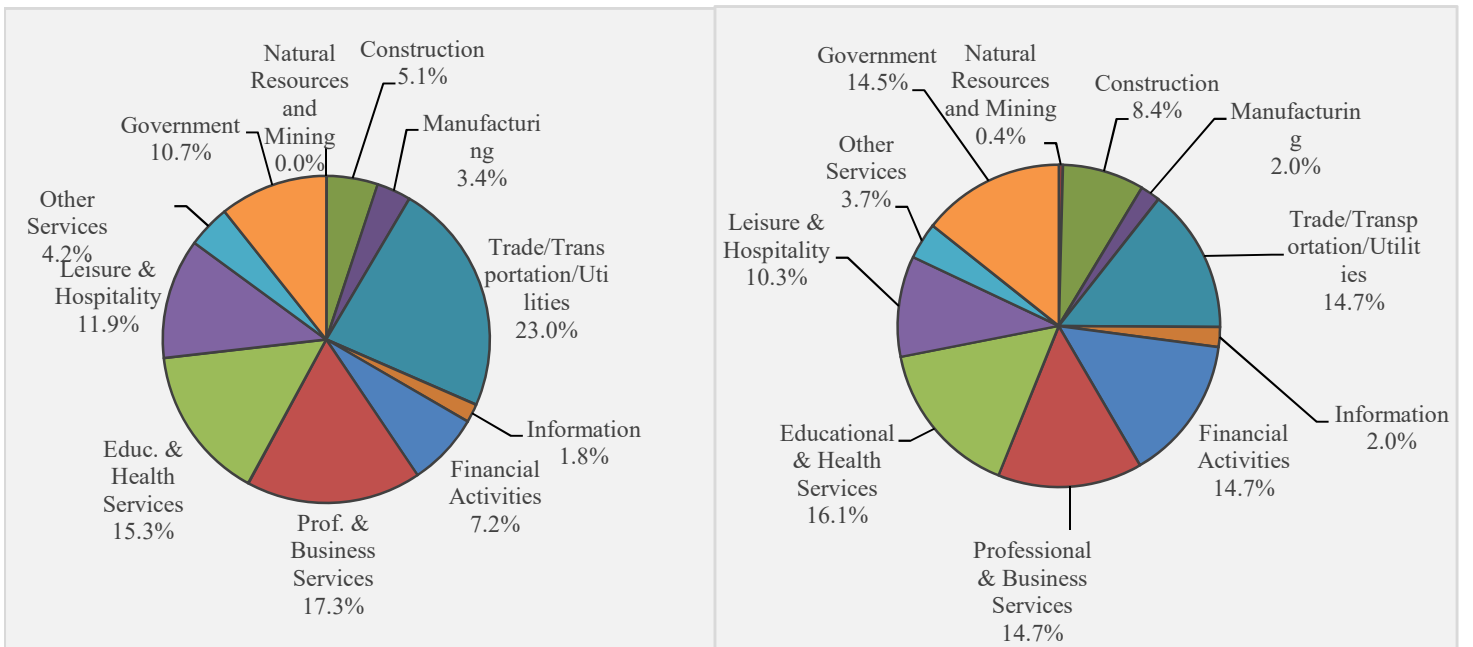


Local Economic Outlook	Miami	U.S.	
12-month Job Change (Dec)	115,600	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Nov)	125,900	Not Comparable	
36-month Job Change (Dec)	84,400	Not Comparable	Unemployment in Miami is better than the national average and improving
Current Unemployment Rate (Dec)	1.9%	3.5%	
Year-ago Unemployment Rate	2.9%	3.9%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	4.2%	4.3%	

## Share of Total Employment by Industry

Miami-Fort Lauderdale-West Palm Beach Area

U.S.



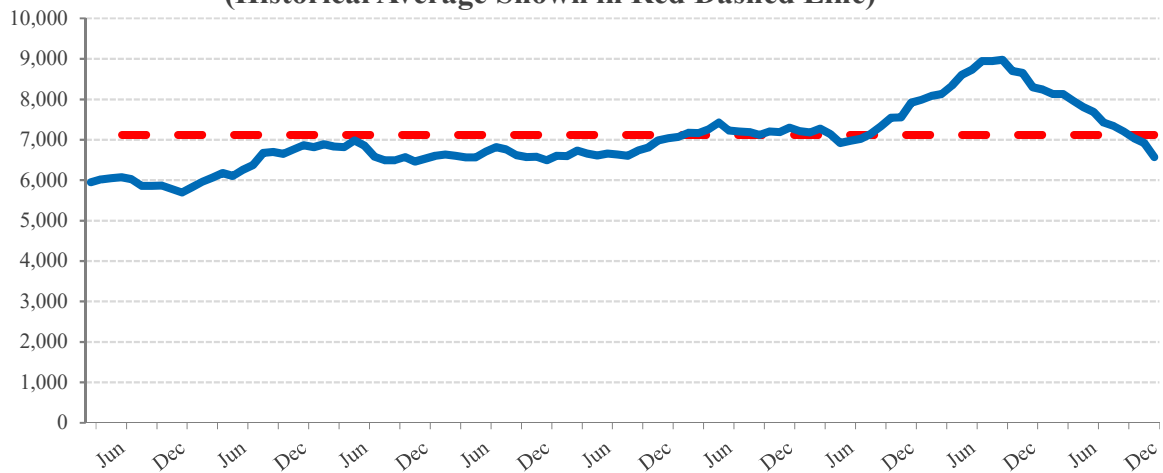
### 12-month Employment Change by Industry (Dec - 2022)

Goods Producing	NA	Information	200
Natural Resources/Mining/Construction	NA	Financial Activities	5,700
Natural Resources and Mining	100	Prof. & Business Services	16,000
Construction	3,200	Educ. & Health Services	22,100
Manufacturing	6,300	Leisure & Hospitality	33,400
Service Providing Excluding Government	NA	Other Services	8,300
Trade/Transportation/Utilities	31,000	Government	-400

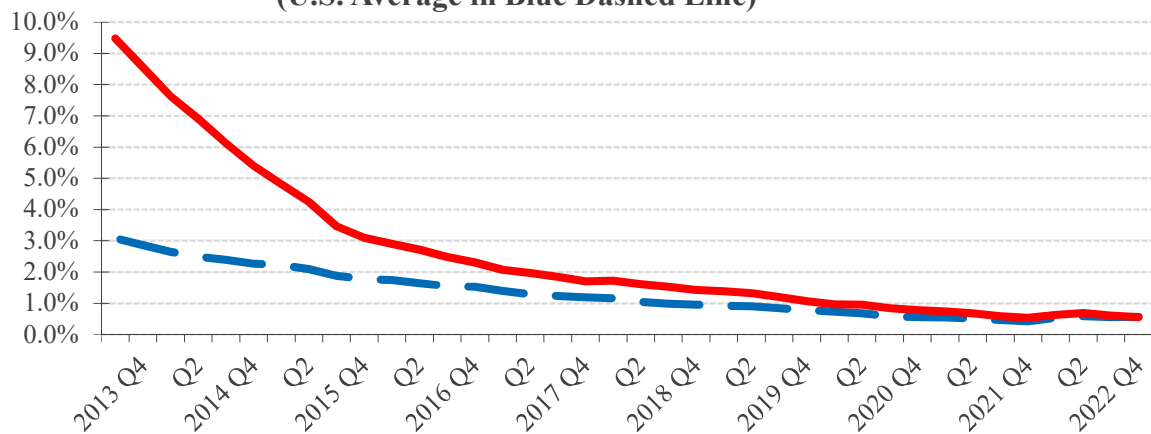
State Economic Activity Index	Florida	U.S.	
12-month change (2022 - Dec)	5.5%	4.1%	The economy of Florida has outpaced the rest of the nation and improved modestly from last month's 5.24% change
36-month change (2022 - Dec)	10.5%	5.4%	

New Housing Construction			
Local Fundamentals	Miami	U.S.	
12-month Sum of 1-unit Building Permits through Dec	6,573	not comparable	The current level of construction is 7.7% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	7,120	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	-20.7%	-13.2%	Construction continues to decline from last year

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

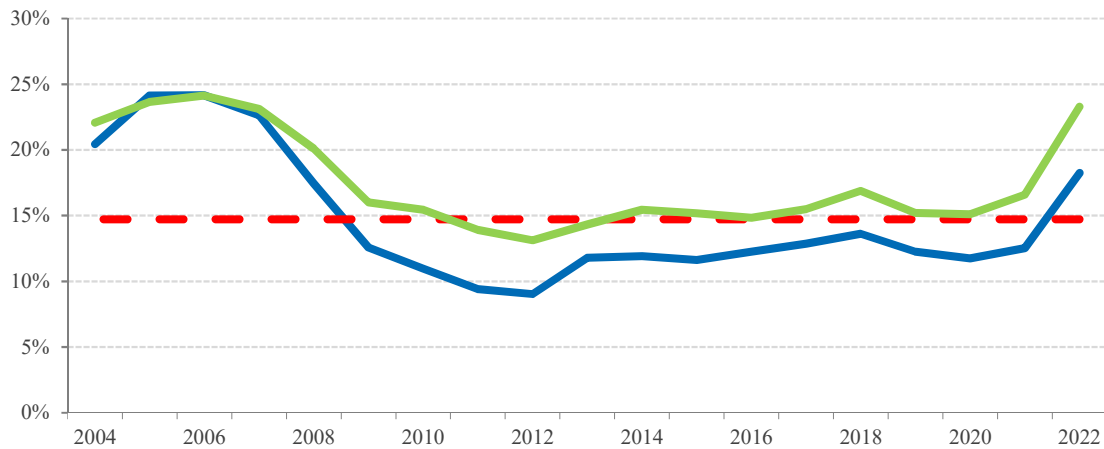


**State Total Foreclosure Rate vs. U.S. Average**  
(U.S. Average in Blue Dashed Line)



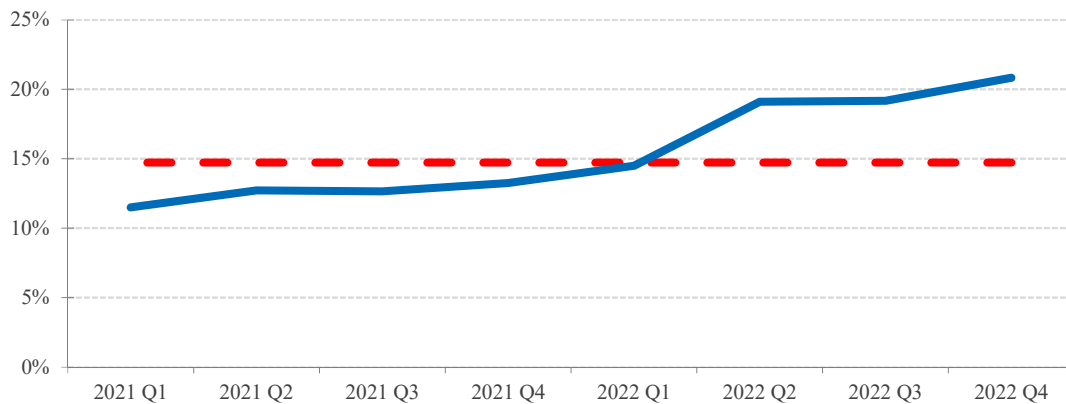
# Affordability

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

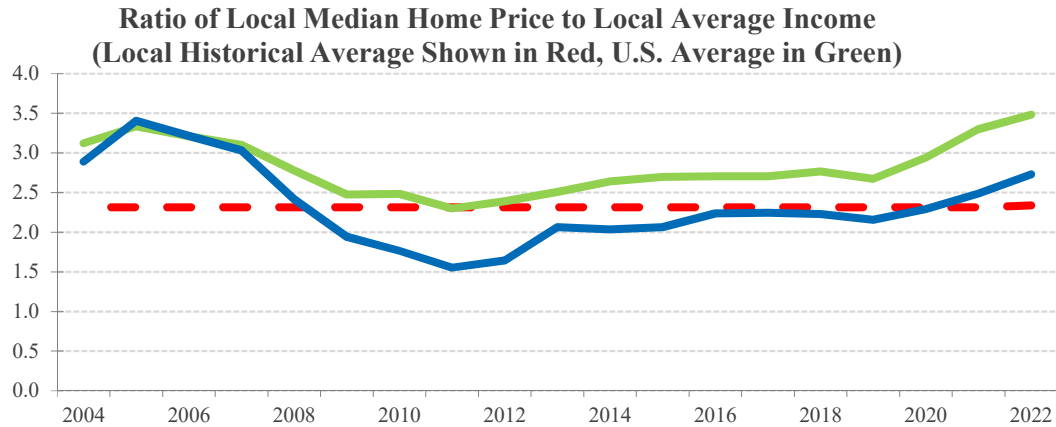


Monthly Mortgage Payment to Income	Miami	U.S.	
Ratio for 2022	18.2%	23.3%	Weak by local standards and could weigh on demand
Ratio for 2022 Q4	20.8%	24.5%	
Historical Average	14.7%	17.8%	More affordable than most markets

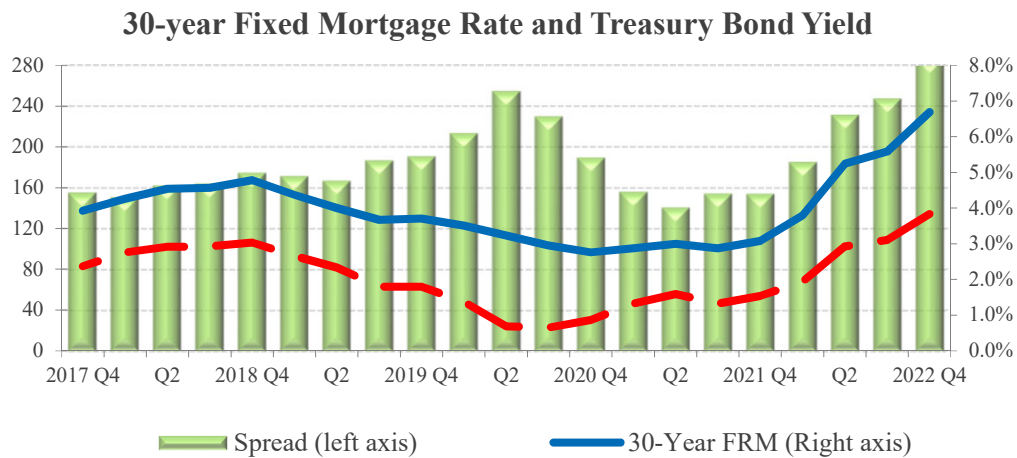
**Recent Trend - Local Mortgage Servicing Cost to Income**  
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Miami	U.S.	
Ratio for 2022	2.7	3.5	The price-to-income ratio eased, but could be better
Ratio for 2022 Q4	2.7	3.2	
Historical Average	2.3	2.8	Affordable compared to most markets



## The Mortgage Market



In the last quarter of 2022, mortgage rates surpassed twice the 7 percent threshold. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate rose to 6.7 percent in Q4 2022 from 3.1 percent a year earlier. However, rates started to move down in December as inflation slowed down. For the first-time in the last couple of years, inflation rate was lower than a year ago. Prices continue to increase but slower than the previous year. As long as inflation eases, mortgage rates will continue to drop. NAR forecasts the 30-year fixed mortgage rate to average 6.1 percent in Q1 2023.

## Geographic Coverage for this Report

The Miami area referred to in this report covers the geographic area of the Miami-Fort Lauderdale-West Palm Beach 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:

**Broward County, Miami-Dade County, and Palm Beach 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/)

