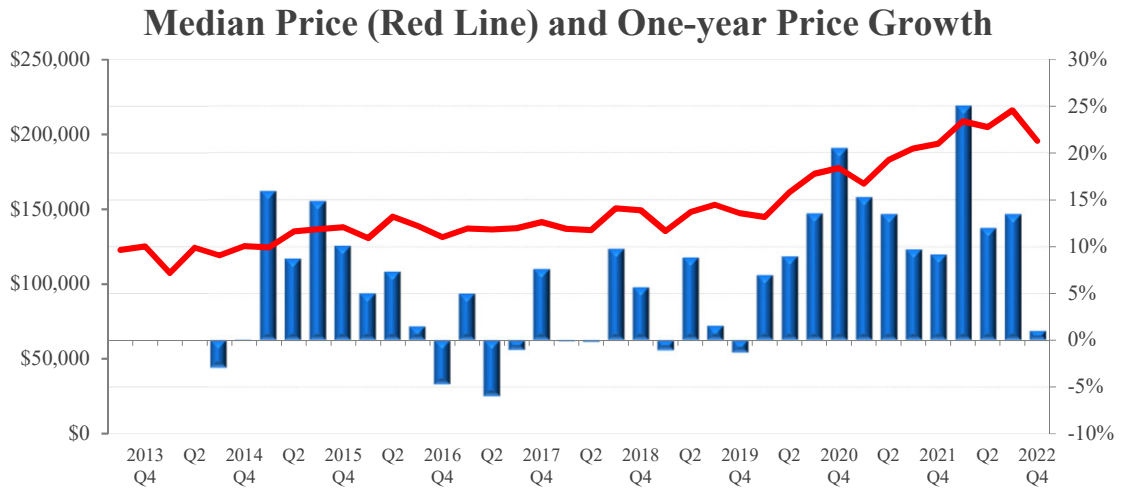
Florence Area

Local Market Report, Fourth Quarter 2022

Today's Market…



Local Price Trends			
Price Activity	**Florence**	**U.S.**	**Local Trend**
Current Median Home Price (2022 Q4)	$195,700	$372,667	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2022 Q4)	1.0%	4.2%	
3-year (12-quarter) Appreciation (2022 Q4)	32.8%	36.9%	
3-year (12-quarter) Housing Equity Gain*	$48,300	$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*	$57,800	$151,900	
9-year (36 quarters) Housing Equity Gain*	$70,500	$175,767	
*Note: Equity gain reflects price appreciation only			

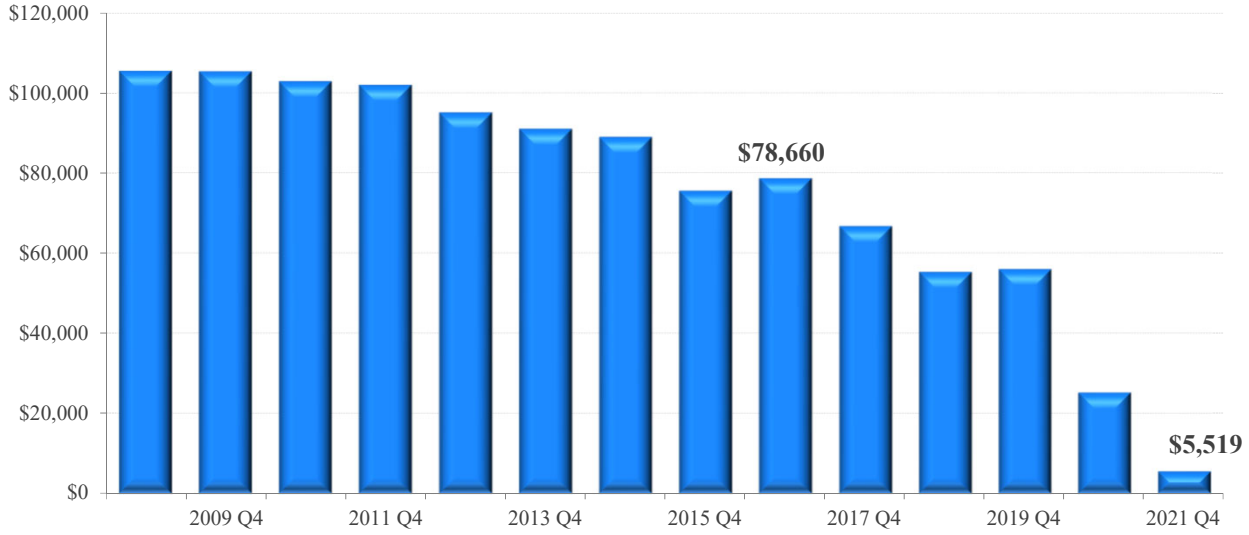
	Florence	**U.S.**	
Conforming Loan Limit**	$726,200	$1,089,300	Most buyers in this market have access to government-backed financing
FHA Loan Limit	$472,030	$1,089,300	
Local Median to Conforming Limit Ratio	27%	not comparable	
Note: limits are current and include the changes made on January 1st 2023.			

Local NAR Leadership

The Florence market is part of region 4 in the NAR governance system, which includes all of North Carolina, South Carolina, Kentucky, and Tennessee. The 2023 NAR Regional Vice President representing region 4 is Amy Hedgecock.

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	**Florence**	**U.S.**	**Local Trend**
1-year (4-quarter)	$5,519	$21,777	
3-year (12-quarter)*	$56,034	$114,655	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
5-year (20-quarter)*	$66,729	$147,773	
7-year (28 quarters)*	$75,518	$180,265	
9-year (36 quarters)*	$90,960	$207,943	

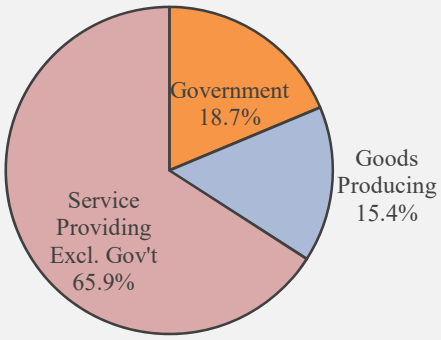
*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

Drivers of Local Supply and Demand…

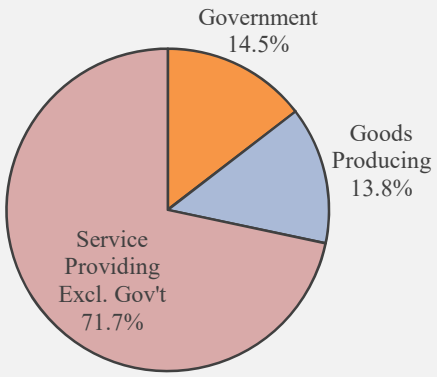
Local Economic Outlook	Florence	U.S.	
12-month Job Change (Dec)	800	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Nov)	-100	Not Comparable	
36-month Job Change (Dec)	-1,300	Not Comparable	Unemployment in Florence is better than the national average and improving
Current Unemployment Rate (Dec)	3.0%	3.5%	
Year-ago Unemployment Rate	3.5%	3.9%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	0.9%	4.3%	

Share of Total Employment by Industry

Florence Area



U.S.



12-month Employment Change by Industry (Dec - 2022)			
Goods Producing	-100	Information	NA
Natural Resources/Mining/Construction	NA	Financial Activities	NA
Natural Resources and Mining	NA	Prof. & Business Services	NA
Construction	NA	Educ. & Health Services	NA
Manufacturing	NA	Leisure & Hospitality	NA
Service Providing Excluding Government	0	Other Services	NA
Trade/Transportation/Utilities	NA	Government	-200

State Economic Activity Index	South Carolina	U.S.	
12-month change (2022 - Dec)	3.4%	4.1%	South Carolina's economy is growing, but decelerated from last month's 3.44% change and lags the rest of the nation
36-month change (2022 - Dec)	6.0%	5.4%	

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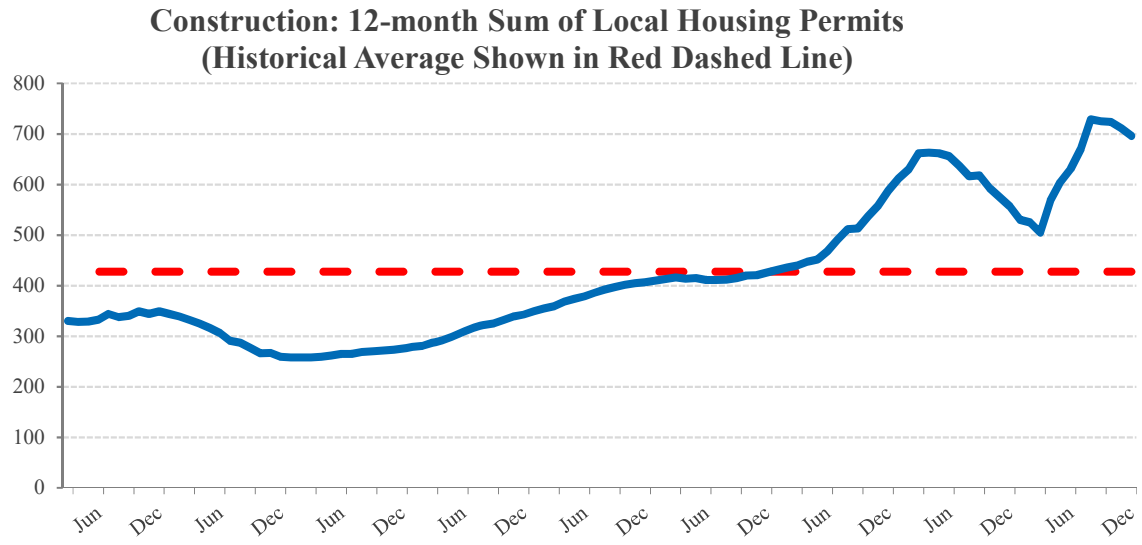
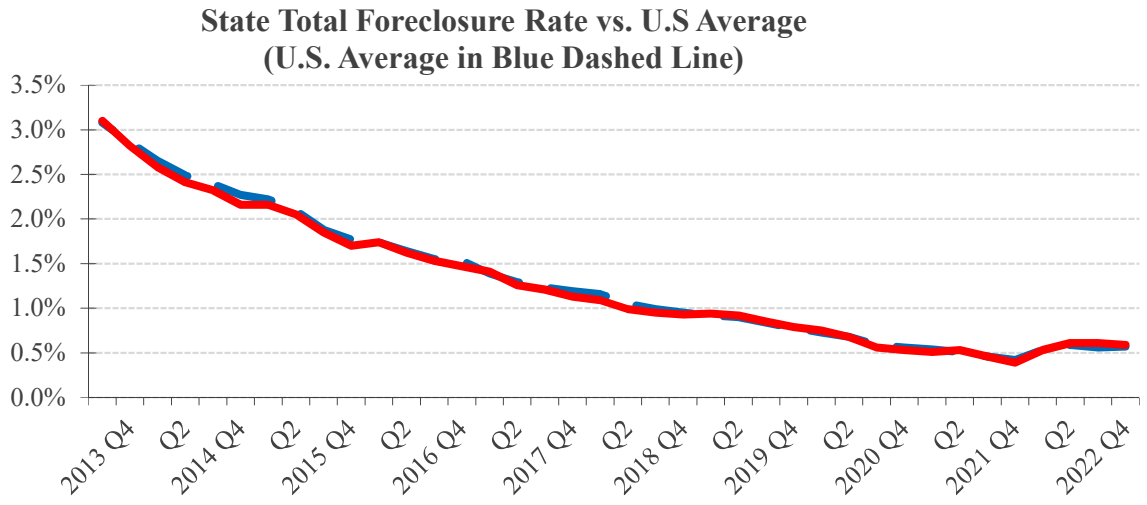
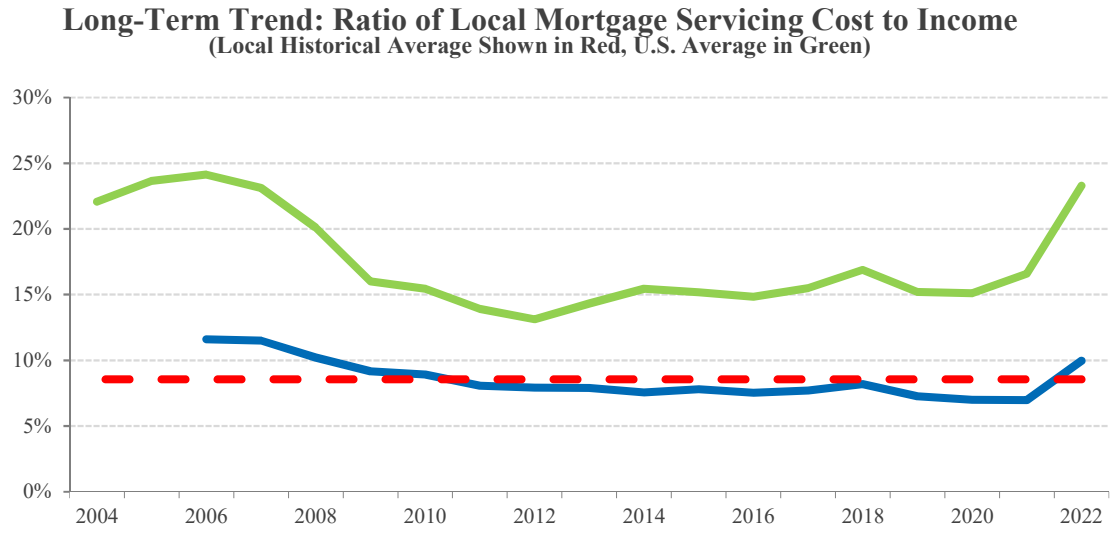
New Housing Construction			
Local Fundamentals	**Florence**	**U.S.**	
12-month Sum of 1-unit Building Permits through Dec	696	not comparable	The current level of construction is 62.8% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	428	not comparable	Production 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	25.0%	-13.2%	Construction is on the rise relative to last year, suggesting that the local inventory has stabilized



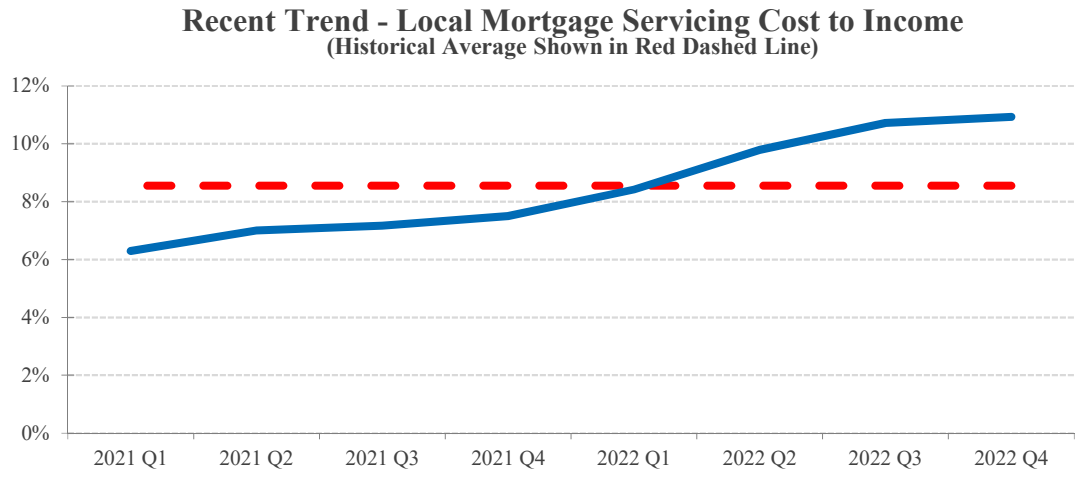


Source: Mortgage Bankers' Association

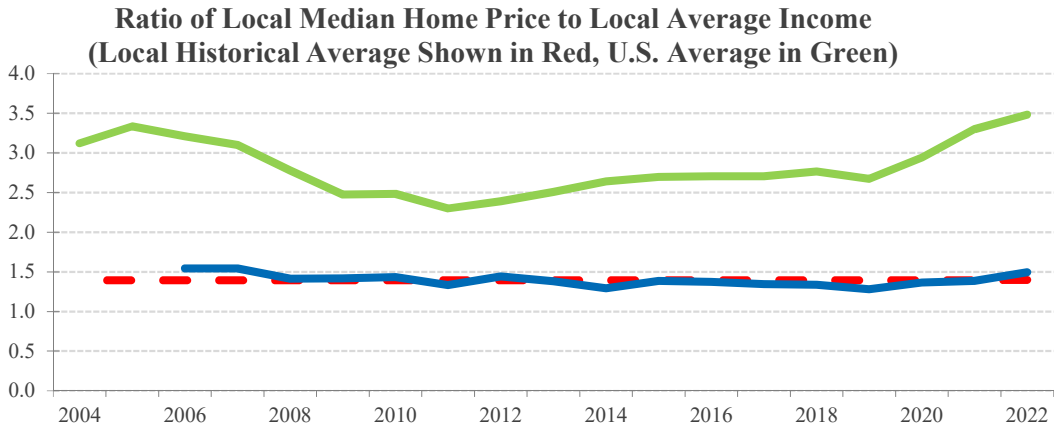
Affordability



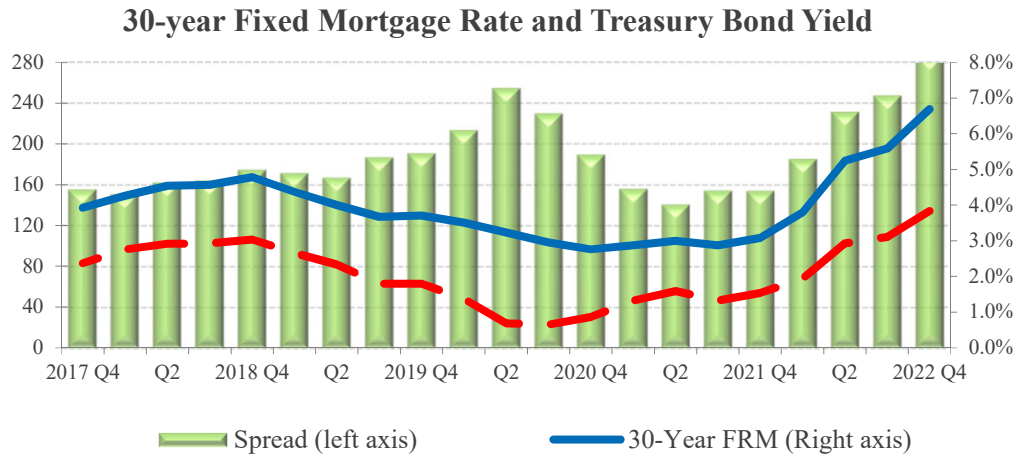
Monthly Mortgage Payment to Income	Florence	U.S.	
Ratio for 2022	10.0%	23.3%	Weak by local standards and could weigh on demand
Ratio for 2022 Q4	10.9%	24.5%	
Historical Average	8.6%	17.8%	More affordable than most markets



Median Home Price to Income	Florence	U.S.	
Ratio for 2022	1.5	3.5	The price-to-income ratio eased, but could be better
Ratio for 2022 Q4	1.4	3.2	
Historical Average	1.4	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 Florence area referred to in this report covers the geographic area of the Florence 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:

Darlington County and Florence County

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