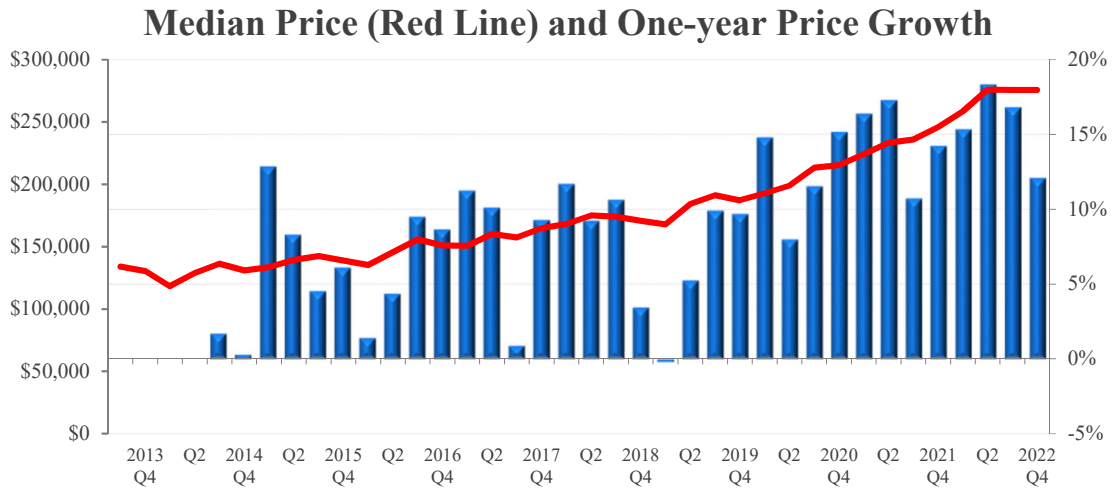
Spartanburg Area

Local Market Report, Fourth Quarter 2022

Today's Market…



Local Price Trends			
Price Activity	**Spartanburg**	**U.S.**	**Local Trend**
Current Median Home Price (2022 Q4)	$275,700	$372,667	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2022 Q4)	12.1%	4.2%	
3-year (12-quarter) Appreciation (2022 Q4)	47.4%	36.9%	
3-year (12-quarter) Housing Equity Gain*	$88,600	$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*	$136,800	$151,900	
9-year (36 quarters) Housing Equity Gain*	$145,200	$175,767	
*Note: Equity gain reflects price appreciation only			

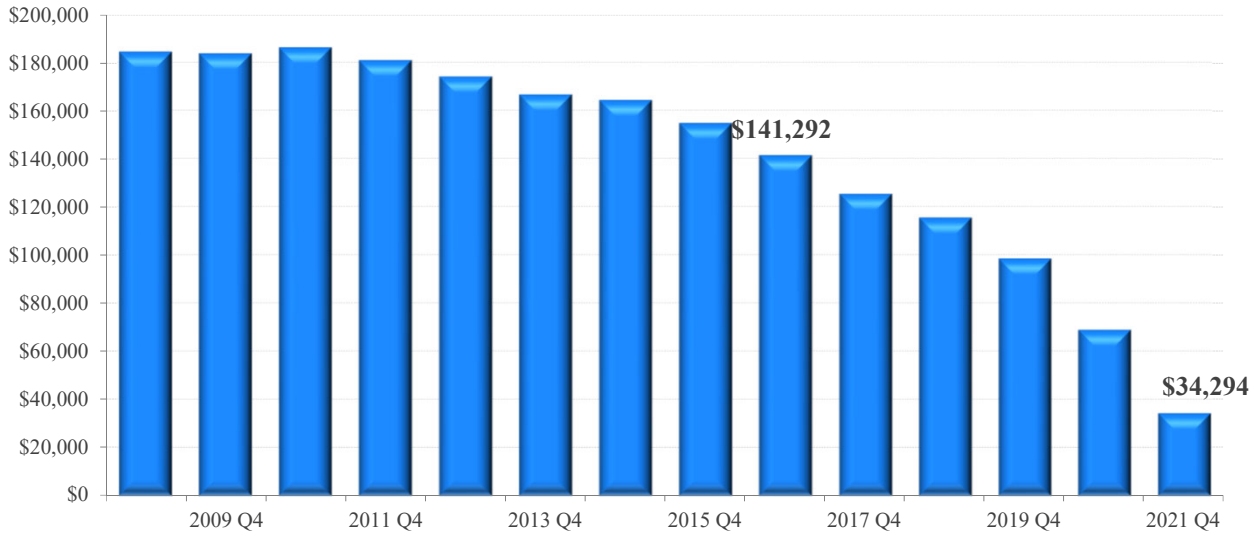
	Spartanburg	**U.S.**	
Conforming Loan Limit**	$726,200	$1,089,300	Most buyers in this market have access to government-backed financing
FHA Loan Limit	$472,030	$1,089,300	
Local Median to Conforming Limit Ratio	38%	not comparable	
Note: limits are current and include the changes made on January 1st 2023.			

Local NAR Leadership

The Spartanburg 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	**Spartanburg**	**U.S.**	**Local Trend**
1-year (4-quarter)	$34,294	$21,777	
3-year (12-quarter)*	$98,418	$114,655	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
5-year (20-quarter)*	$125,295	$147,773	
7-year (28 quarters)*	$154,647	$180,265	
9-year (36 quarters)*	$166,526	$207,943	

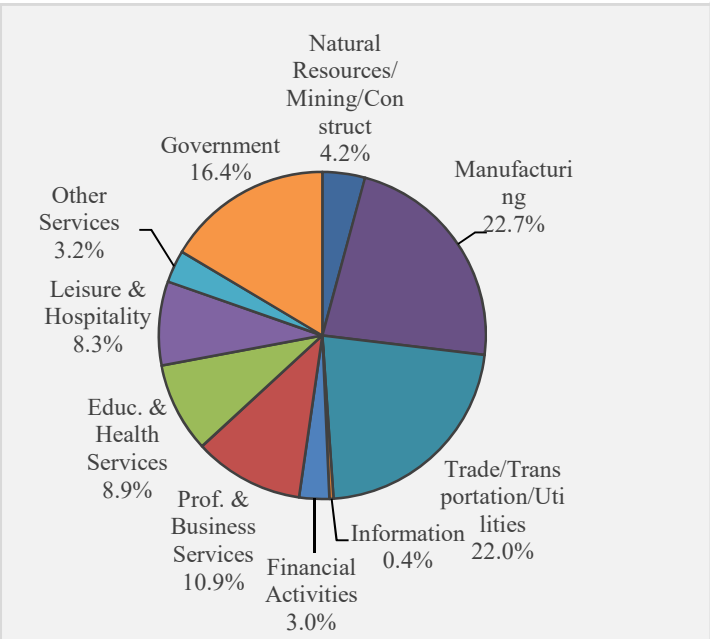
*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

Drivers of Local Supply and Demand…

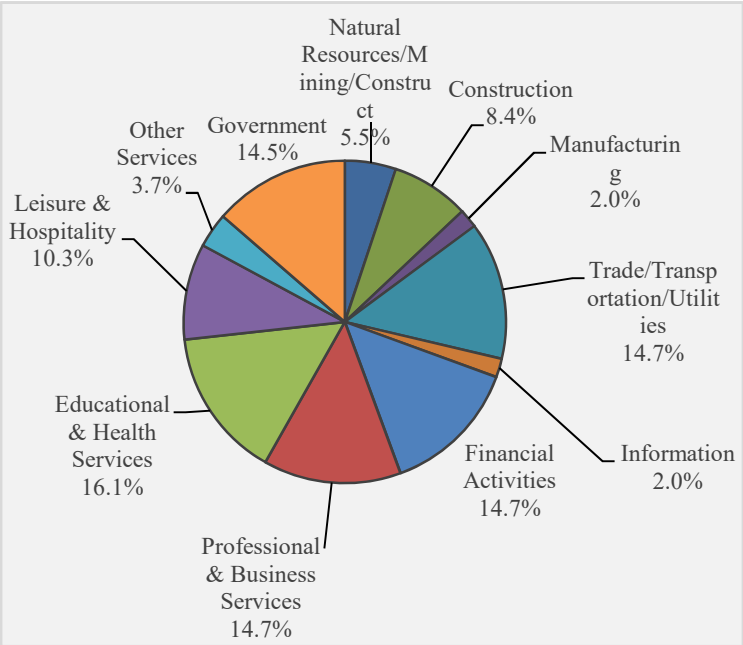
Local Economic Outlook	Spartanburg	U.S.	
12-month Job Change (Dec)	4,100	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Nov)	5,700	Not Comparable	
36-month Job Change (Dec)	3,300	Not Comparable	Unemployment in Spartanburg is better than the national average and improving
Current Unemployment Rate (Dec)	2.9%	3.5%	
Year-ago Unemployment Rate	3.3%	3.9%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	2.5%	4.3%	

Share of Total Employment by Industry

Spartanburg Area



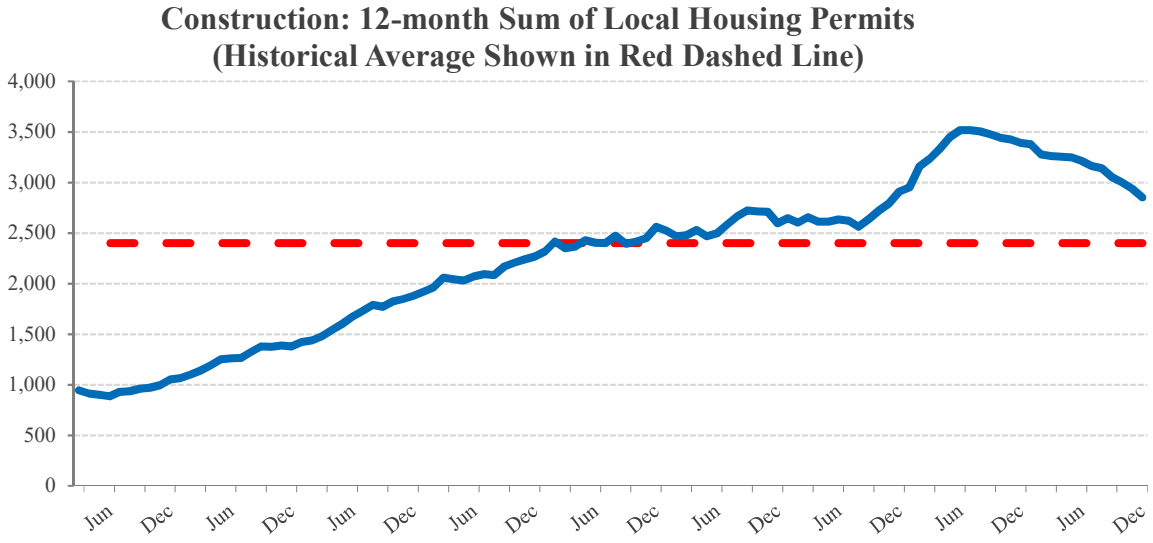
U.S.

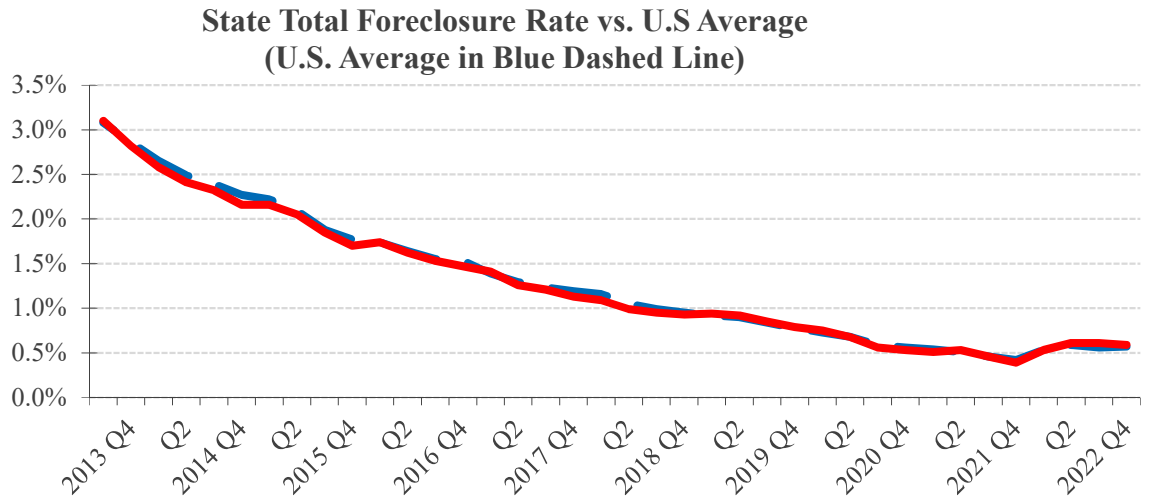


12-month Employment Change by Industry (Dec - 2022)			
Goods Producing	NA	Information	0
Natural Resources/Mining/Construction	0	Financial Activities	100
Natural Resources and Mining	NA	Prof. & Business Services	400
Construction	NA	Educ. & Health Services	500
Manufacturing	1,700	Leisure & Hospitality	800
Service Providing Excluding Government	NA	Other Services	300
Trade/Transportation/Utilities	900	Government	1,000

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%	

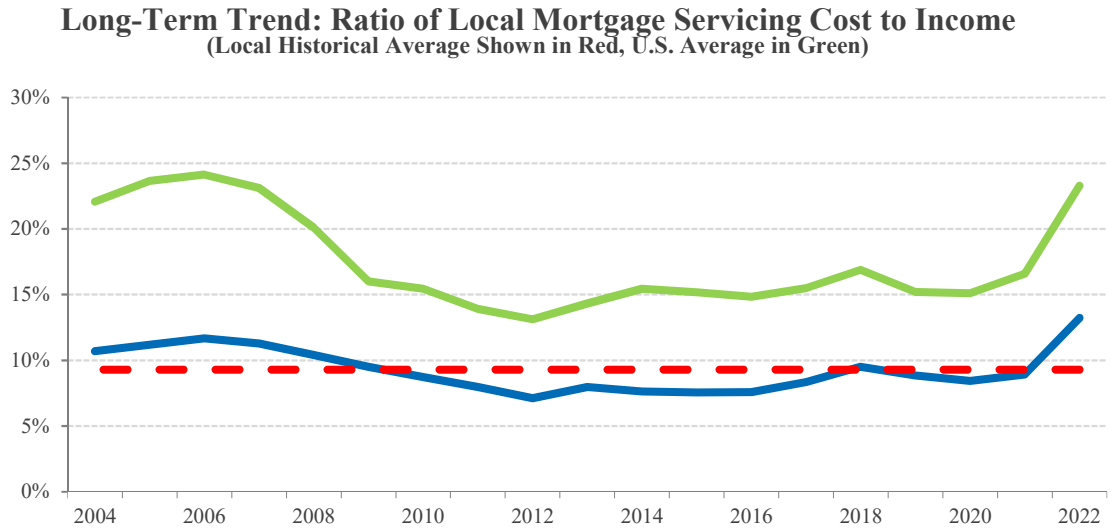
New Housing Construction			
Local Fundamentals	**Spartanburg**	**U.S.**	
12-month Sum of 1-unit Building Permits through Dec	2,854	not comparable	The current level of construction is 18.9% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	2,401	not comparable	Production 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	-15.9%	-13.2%	Construction continues to decline from last year



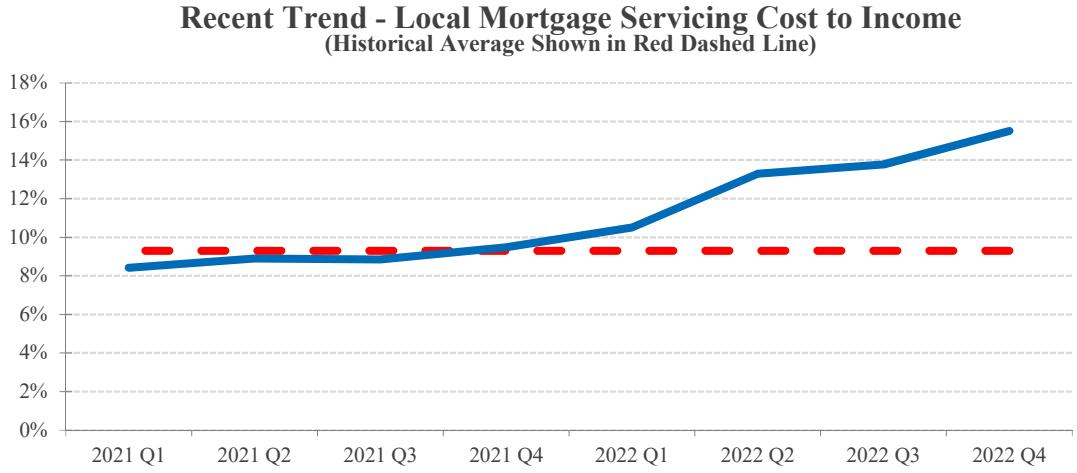


Source: Mortgage Bankers' Association

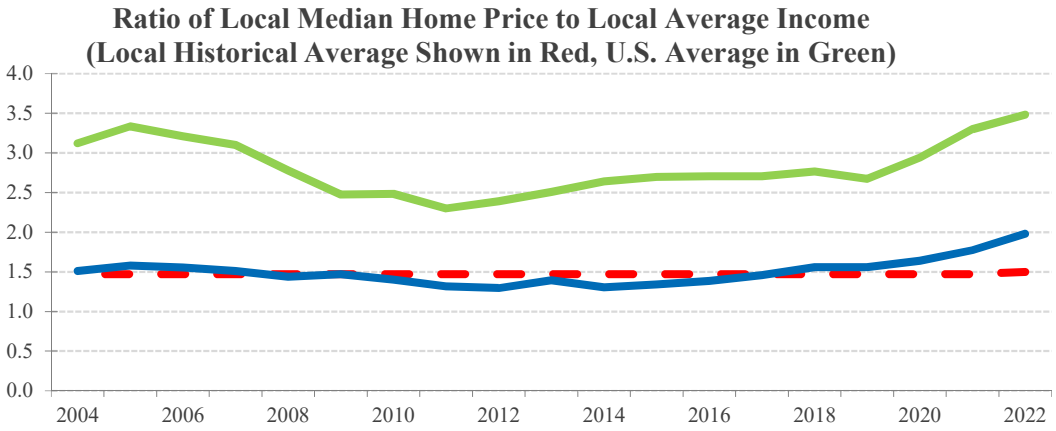
Affordability



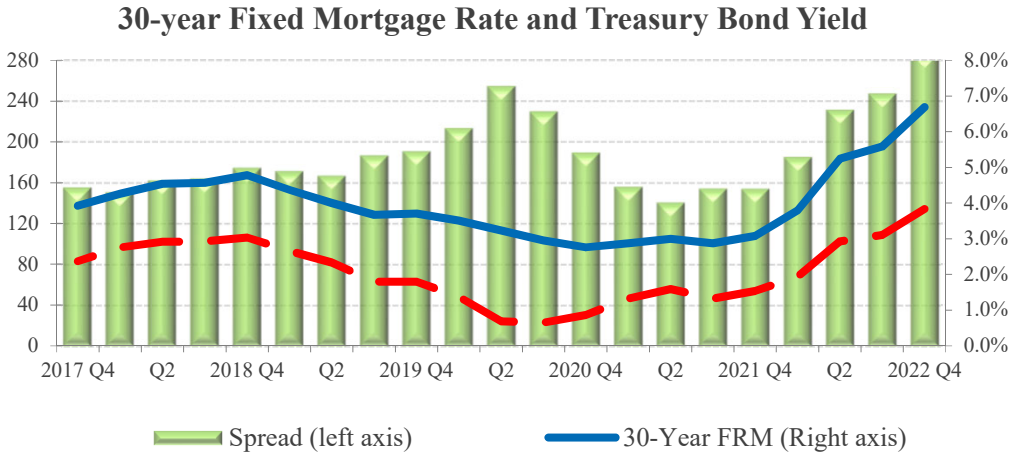
Monthly Mortgage Payment to Income	Spartanburg	U.S.	
Ratio for 2022	13.2%	23.3%	Weak by local standards and could weigh on demand
Ratio for 2022 Q4	15.5%	24.5%	
Historical Average	9.3%	17.8%	More affordable than most markets



Median Home Price to Income	Spartanburg	U.S.	
Ratio for 2022	2.0	3.5	The price-to-income ratio eased, but could be better
Ratio for 2022 Q4	2.0	3.2	
Historical Average	1.5	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 Spartanburg area referred to in this report covers the geographic area of the Spartanburg 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:

Spartanburg County and Union County

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