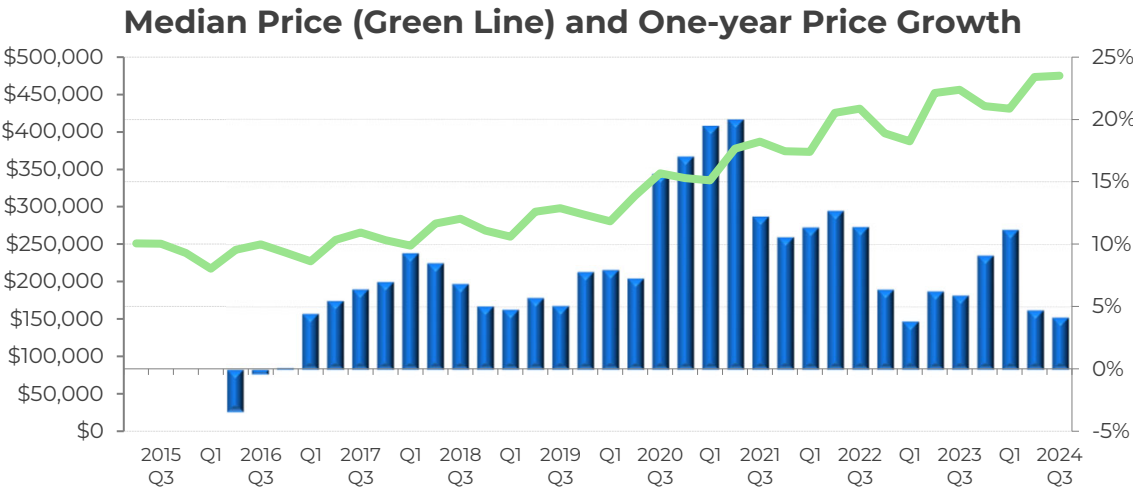


# Worcester Area

## Local Market Report, Third Quarter 2024

### Today's Market...



Local Price Trends			
Price Activity	Worcester	U.S.	Local Trend
Current Median Home Price (2024 Q3)	\$475,500	\$414,100	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2024 Q3)	4.2%	3.3%	
3-year (12-quarter) Appreciation (2024 Q3)	22.9%	14.9%	
3-year (12-quarter) Housing Equity Gain*	\$88,600	\$53,700	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$209,900	\$161,167	
9-year (36 quarters) Housing Equity Gain*	\$224,900	\$186,767	
*Note: Equity gain reflects price appreciation only			

	Worcester	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	62%	not comparable	

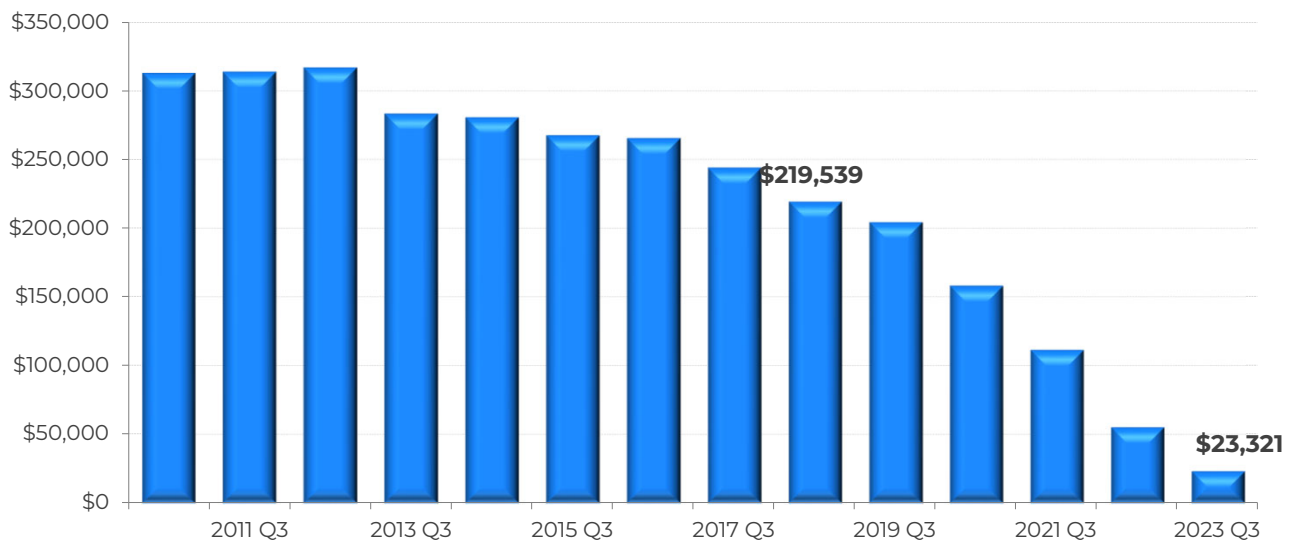
Note: limits are current and include the changes made on January 1st 2024.

### Local NAR Leadership

The Worcester market is part of region 1 in the NAR governance system, which includes all of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut. The 2024 NAR Regional Vice President representing region 1 is Steve Medeiros.

## Benefits of Ownership: Total Equity Appreciation

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



**Total Equity Gained\*\* through 2024 Q3 from quarter in which home was of purchased**

Price Activity	Worcester	U.S.	Local Trend
1-year (4-quarter)	\$23,321	\$17,061	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$111,673	\$75,193	
5-year (20-quarter)*	\$204,513	\$162,469	
7-year (28 quarters)*	\$244,088	\$193,724	
9-year (36 quarters)*	\$267,727	\$225,617	

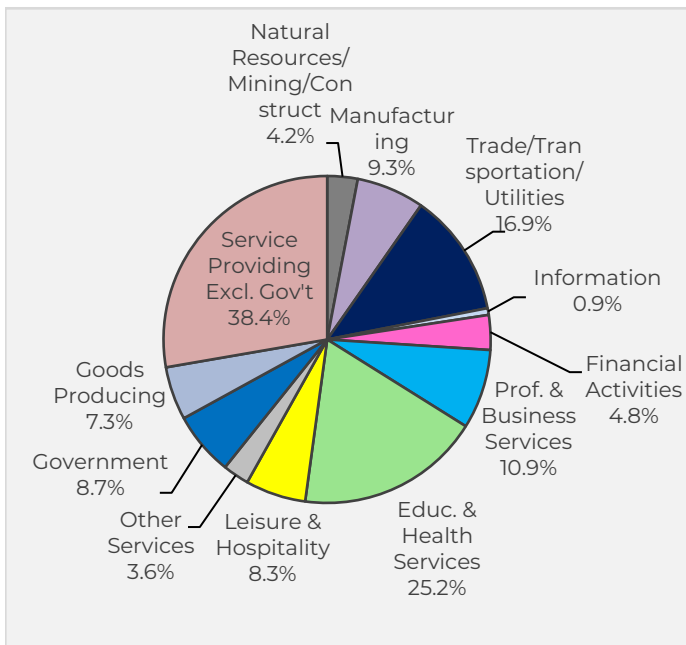
\*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

## Drivers of Local Supply and Demand...

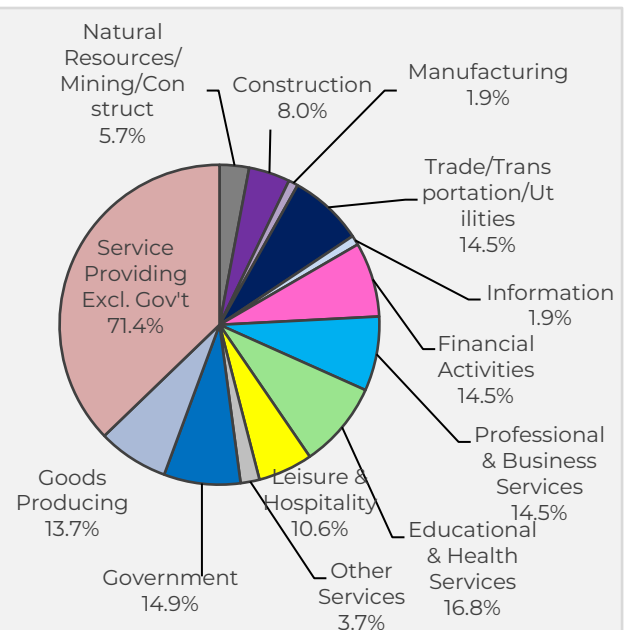
Local Economic Outlook	Worcester	U.S.	
12-month Job Change (Oct)	4,000	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Sep)	3,600	Not Comparable	
36-month Job Change (Oct)	11,700	Not Comparable	Unemployment has risen since the same period last year, but Worcester's labor market has been more resilient than the national average
Current Unemployment Rate (Oct)	3.6%	4.1%	
Year-ago Unemployment Rate	3.2%	3.8%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	1.4%	1.7%	

## Share of Total Employment by Industry

**Worcester Area**



**U.S.**

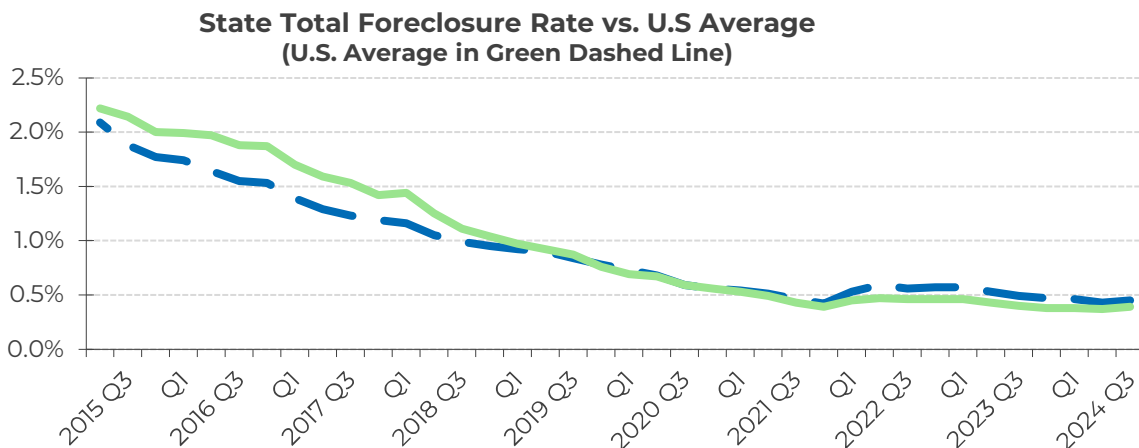
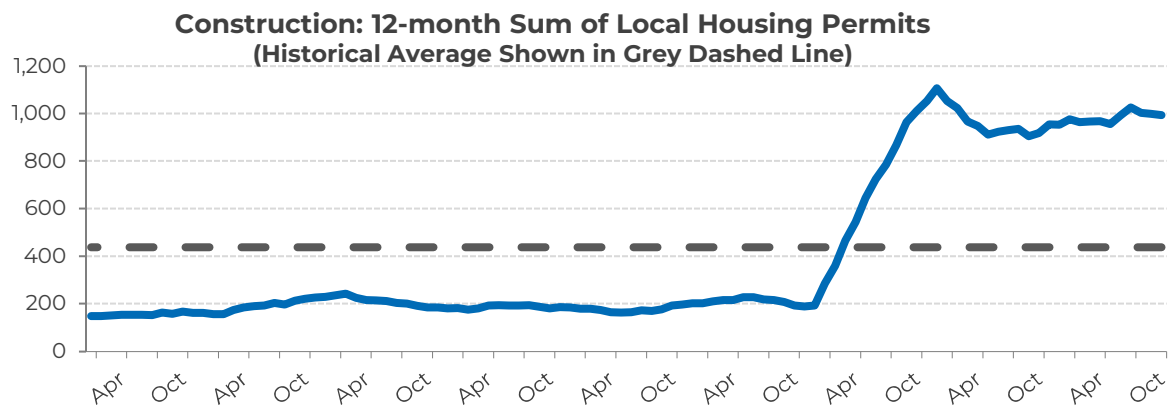


## 12-month Employment Change by Industry (Oct - 2024)

Goods Producing	-400	Information	-100
Natural Resources/Mining/Construction	-100	Financial Activities	0
Natural Resources and Mining	NA	Prof. & Business Services	-300
Construction	NA	Educ. & Health Services	3,300
Manufacturing	-300	Leisure & Hospitality	-400
Service Providing Excluding Government	4,000	Other Services	300
Trade/Transportation/Utilities	-200	Government	1,400

State Economic Activity Index	Massachusetts	U.S.	Massachusetts's economy is growing, but decelerated from last month's 0.65% change and lags the rest of the nation
12-month change (2024 - Oct)	0.5%	2.5%	
36-month change (2024 - Oct)	9.8%	10.3%	

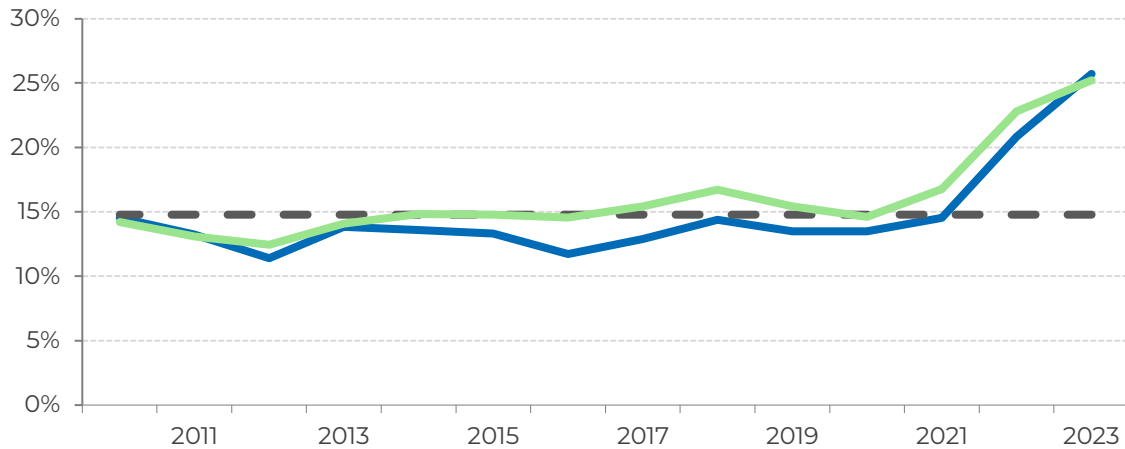
New Housing Construction			
Local Fundamentals	Worcester	U.S.	
12-month Sum of 1-unit Building Permits through Oct	993	not comparable	The current level of construction is 126.4% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	439	not comparable	Production above trend for an extended period of time could cause prices to moderate as inventory is built up.
Single-Family Housing Permits (Oct) 12-month sum vs. a year ago	8.2%	12.0%	Construction is on the rise relative to last year, suggesting that the local inventory has stabilized



Source: Mortgage Bankers' Association

# Affordability

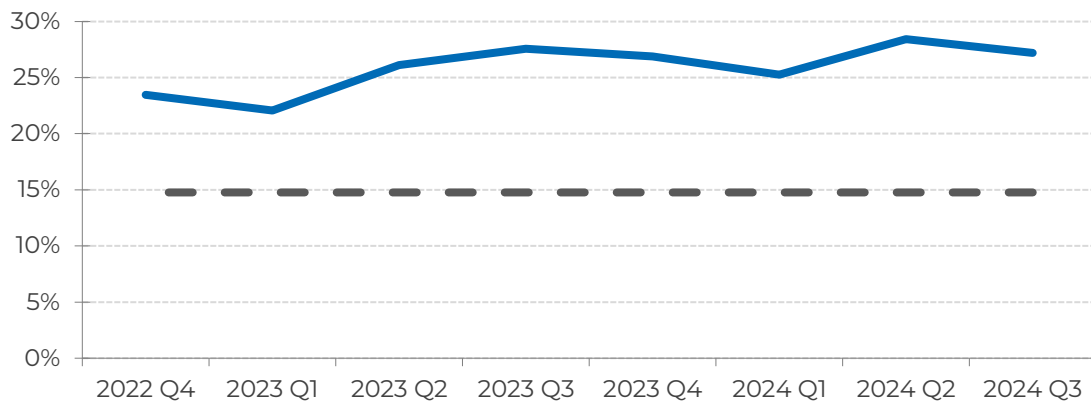
**Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income**  
(Local Historical Average Shown in Grey, U.S. Average in Green)



Monthly Mortgage Payment to Income*	Worcester	U.S.	
Ratio for 2023	25.7%	25.2%	Weak by local standards and could weigh on demand
Ratio for 2024 Q3	27.2%	24.9%	
Historical Average	14.8%	17.0%	More affordable than most markets

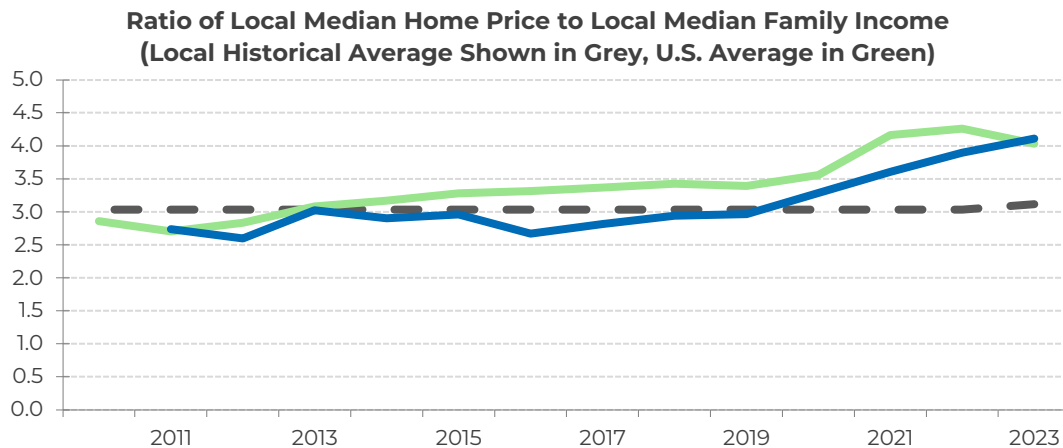
\*The median family Income was included for the calculation of the mortgage payment to income ratio

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

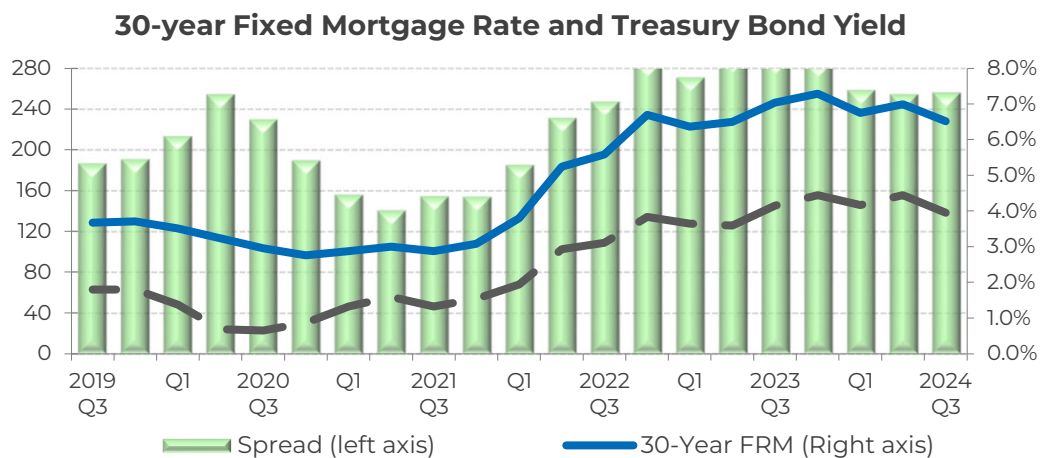


Median Home Price to Income*	Worcester	U.S.	
Ratio for 2023	4.1	4.0	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2024 Q3	4.5	4.1	
Historical Average	3.1	3.4	Affordable compared to most markets

\*The median family Income was included for the calculation of the median home price to income ratio



## The Mortgage Market



In anticipation of the Federal Reserve's rate cuts, mortgage rates dropped significantly in the third quarter, nearing 6% - particularly toward the end of the quarter. According to the mortgage provider Freddie Mac, the 30-year fixed mortgage rate fell to 6.51% in the third quarter from 7.04% a year earlier. This decline in mortgage rates improved housing affordability, offering some relief to homebuyers after several months of strained affordability. While the housing market typically takes a couple of months to respond to such changes, homebuying activity slowed down further during the third quarter. However, as the Federal Reserve implements further rate cuts, affordability is expected to improve, which will help the housing market regain momentum in the coming months.

## Geographic Coverage for this Report

The Worcester area referred to in this report covers the geographic area of the Worcester 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:

Windham County, CT; Worcester County, MA

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/)