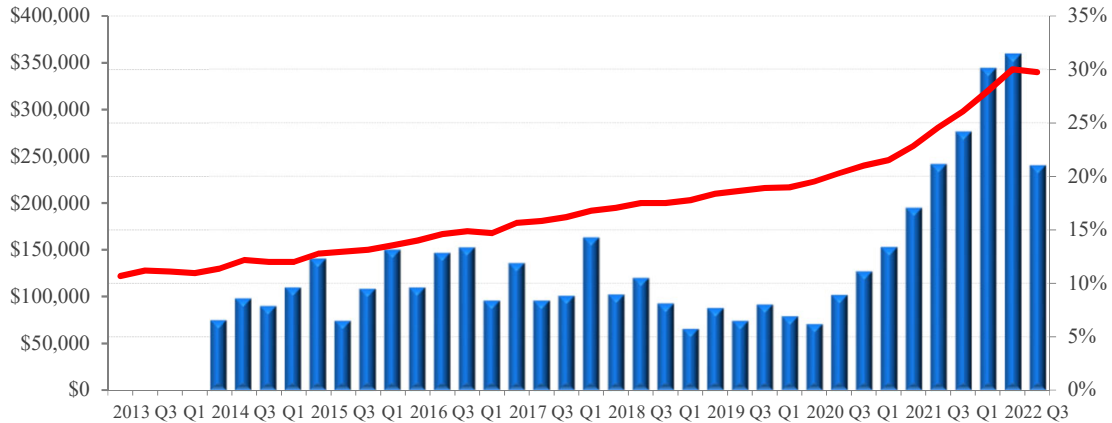


## Lakeland-Winter Haven, FL Area Local Market Report, Third Quarter 2022

### Today's Market...

**Median Price (Red Line) and One-year Price Growth**



<b>Local Price Trends</b>			
Price Activity	Lakeland	U.S.	<b>Local Trend</b>
Current Median Home Price (2022 Q3)	\$340,000	\$391,467	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2022 Q3)	21.0%	8.6%	
3-year (12-quarter) Appreciation (2022 Q3)	59.6%	41.4%	
3-year (12-quarter) Housing Equity Gain*	\$127,000	\$114,567	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$192,000	\$164,133	
9-year (36 quarters) Housing Equity Gain*	\$212,000	\$184,600	

\*Note: Equity gain reflects price appreciation only

	Lakeland	U.S.	
<b>Conforming Loan Limit**</b>	\$726,200	\$1,089,300	Most buyers in this market have access to government-backed financing
<b>FHA Loan Limit</b>	\$472,030	\$1,089,300	
<b>Local Median to Conforming Limit Ratio</b>	47%	not comparable	

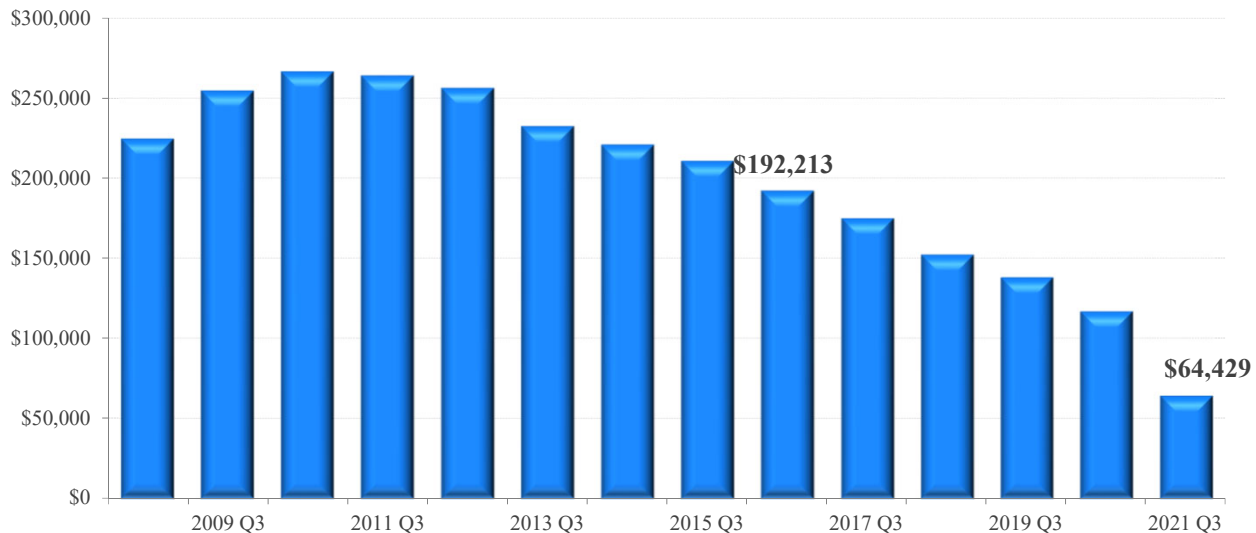
Note: limits are current and include the changes made on January 1st 2023.

#### Local NAR Leadership

The Lakeland-Winter Haven, FL 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 2022 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 Q3 from quarter in which home was of purchased

Price Activity	Lakeland	U.S.	Local Trend
1-year (4-quarter)	\$64,429	\$38,029	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$138,241	\$129,179	
5-year (20-quarter)*	\$174,996	\$160,886	
7-year (28 quarters)*	\$210,887	\$193,144	
9-year (36 quarters)*	\$232,555	\$217,820	

\*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...

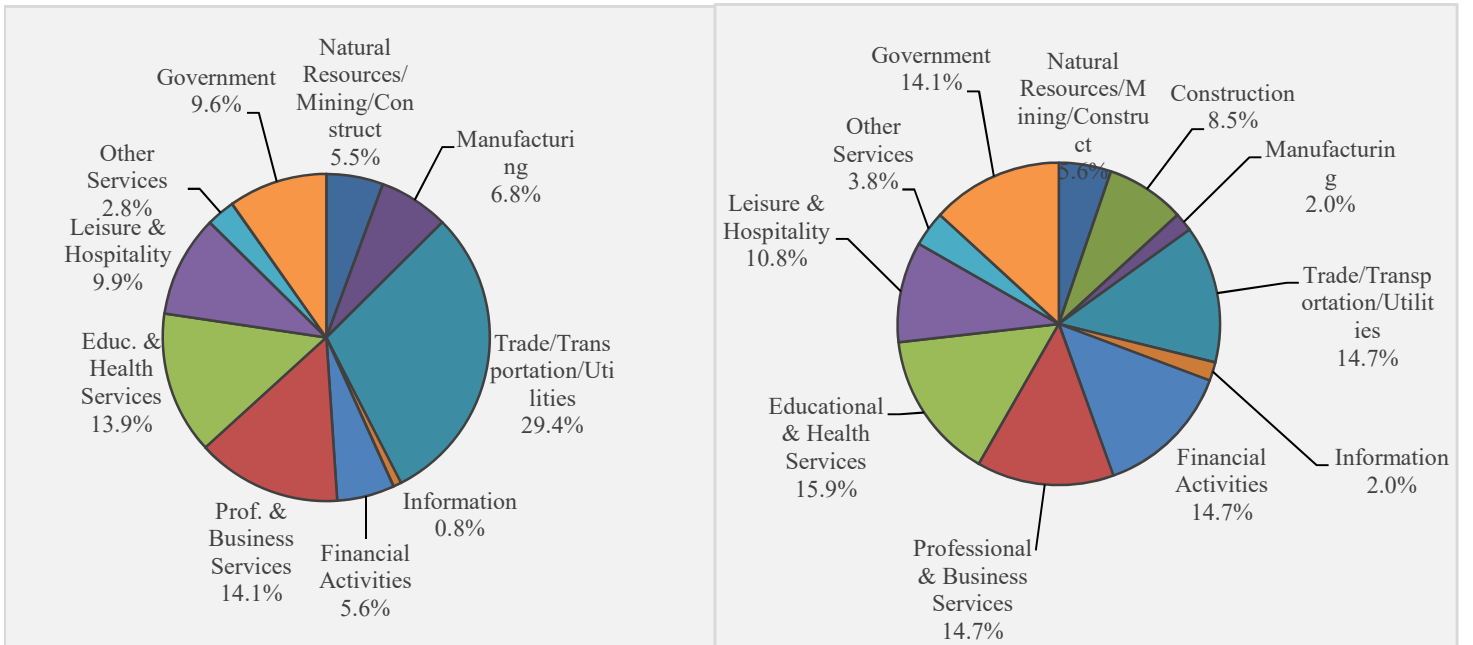


Local Economic Outlook	Lakeland	U.S.	
12-month Job Change (Sep)	9,100	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Aug)	9,500	Not Comparable	
36-month Job Change (Sep)	29,300	Not Comparable	Unemployment in Lakeland is better than the national average and improving
Current Unemployment Rate (Sep)	3.2%	3.5%	
Year-ago Unemployment Rate	4.7%	4.7%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	3.5%	4.3%	

## Share of Total Employment by Industry

Lakeland-Winter Haven, FL Area

U.S.



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

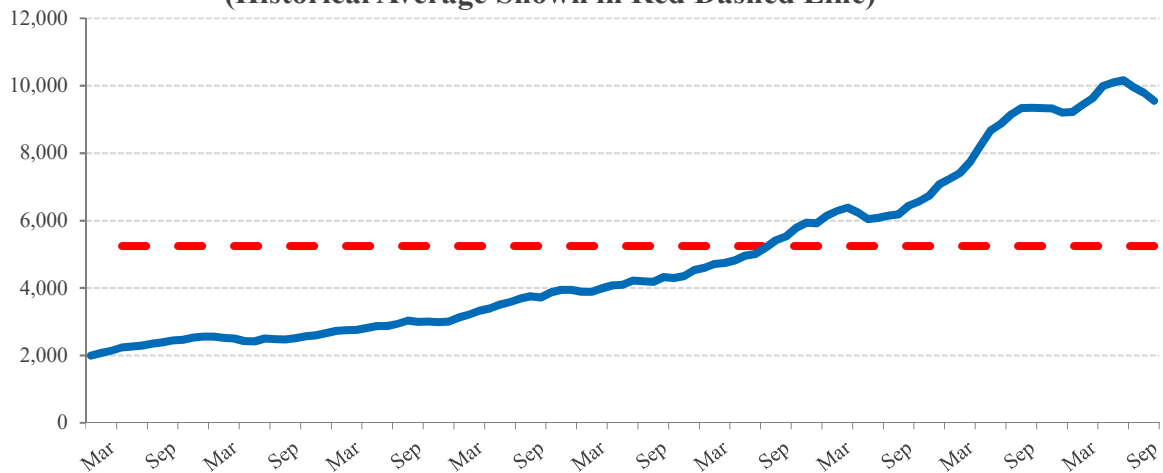
Goods Producing	NA	Information	0
Natural Resources/Mining/Construction	-600	Financial Activities	200
Natural Resources and Mining	NA	Prof. & Business Services	1,300
Construction	NA	Educ. & Health Services	2,400
Manufacturing	100	Leisure & Hospitality	1,600
Service Providing Excluding Government	NA	Other Services	600
Trade/Transportation/Utilities	3,700	Government	200

State Economic Activity Index	Florida	U.S.	
12-month change (2022 - Sep)	6.3%	4.9%	Florida's economy is stronger than the nation's, but slowed from last month's 6.69% change
36-month change (2022 - Sep)	10.9%	5.2%	

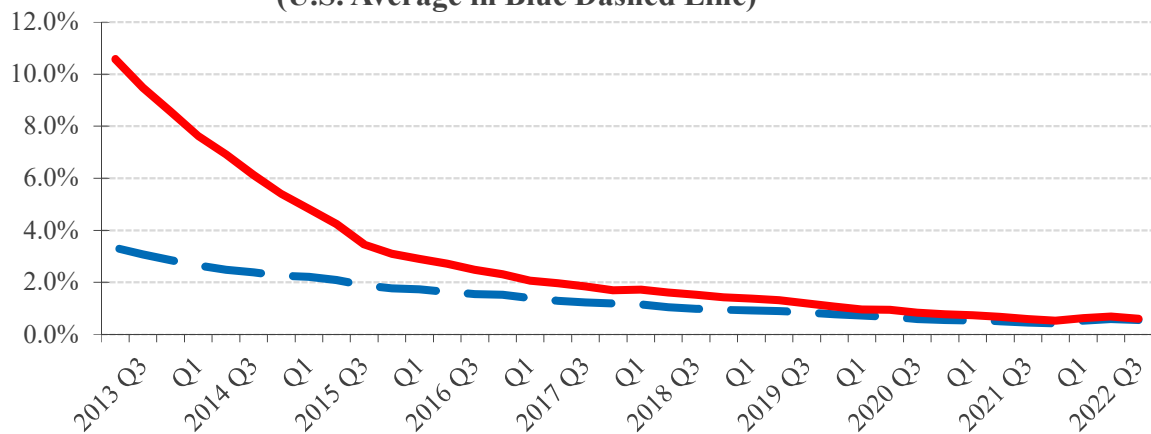
## New Housing Construction

Local Fundamentals	Lakeland	U.S.	
12-month Sum of 1-unit Building Permits through Sep	9,556	not comparable	The current level of construction is 82.2% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	5,244	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 (Sep) 12-month sum vs. a year ago	2.2%	-7.7%	Construction is on the rise relative to last year, suggesting that the local inventory has stabilized

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

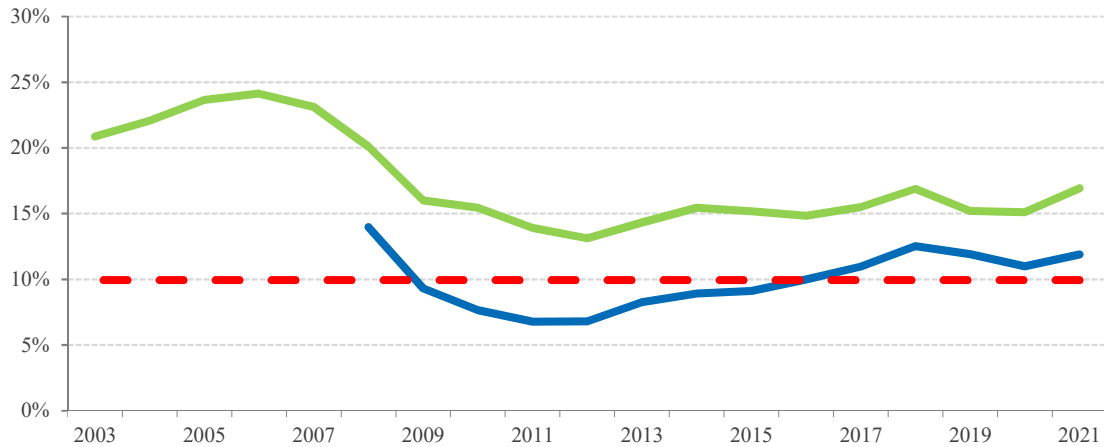


**State Total Foreclosure Rate vs. U.S Average  
(U.S. Average in Blue Dashed Line)**



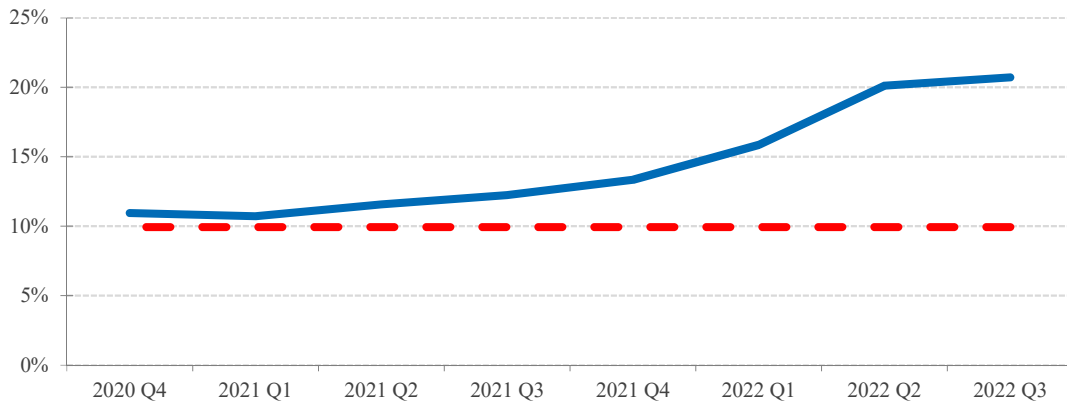
# Affordability

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

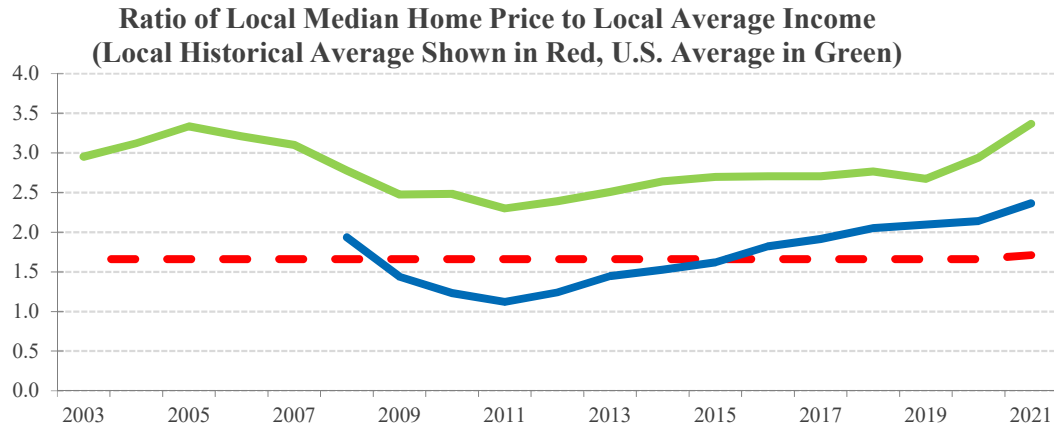


Monthly Mortgage Payment to Income	Lakeland	U.S.	
Ratio for 2021	11.9%	16.9%	Weak by local standards and could weigh on demand
Ratio for 2022 Q3	20.7%	24.4%	
Historical Average	9.9%	18.1%	More affordable than most markets

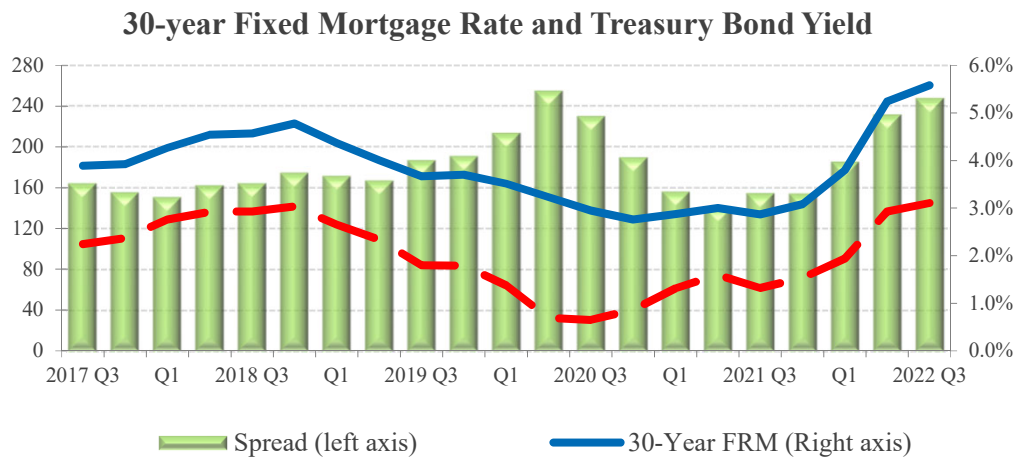
**Recent Trend - Local Mortgage Servicing Cost to Income**  
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Lakeland	U.S.	
Ratio for 2021	2.4	3.4	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2022 Q3	3.0	3.6	
Historical Average	1.7	2.7	Affordable compared to most markets



## The Mortgage Market



Mortgage rates continued their upward trek in the third quarter of the year. Due to elevated inflation, the Federal Reserve raised twice its short-term interest rates by 75 basis points each time. While both rising inflation and higher interest rates typically move up mortgage rates, the 30-year fixed mortgage rate surpassed the 6.5 percent threshold moving closer to 7 percent. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate rose to 5.6 percent in Q3 2022 from 2.9 percent a year earlier. As long as inflation remains elevated, mortgage rates will continue to rise. NAR forecasts the 30-year fixed mortgage rate to average 6.5 percent at the end of the year.

## Geographic Coverage for this Report

The Lakeland area referred to in this report covers the geographic area of the Lakeland-Winter Haven, FL 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:

Polk 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/)

