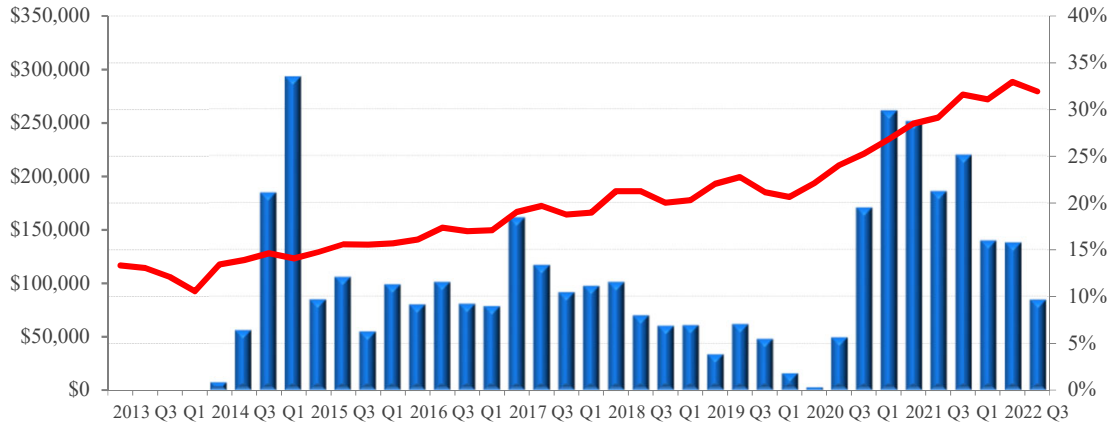


Sherman-Denison Area

Local Market Report, Third Quarter 2022

Today's Market...

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



Local Price Trends			
Price Activity	Sherman-Denison	U.S.	Local Trend
Current Median Home Price (2022 Q3)	\$279,600	\$391,467	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2022 Q3)	9.6%	8.6%	
3-year (12-quarter) Appreciation (2022 Q3)	40.4%	41.4%	
3-year (12-quarter) Housing Equity Gain*	\$80,400	\$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*	\$143,200	\$164,133	
9-year (36 quarters) Housing Equity Gain*	\$165,200	\$184,600	

*Note: Equity gain reflects price appreciation only

	Sherman-Denison	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	39%	not comparable	

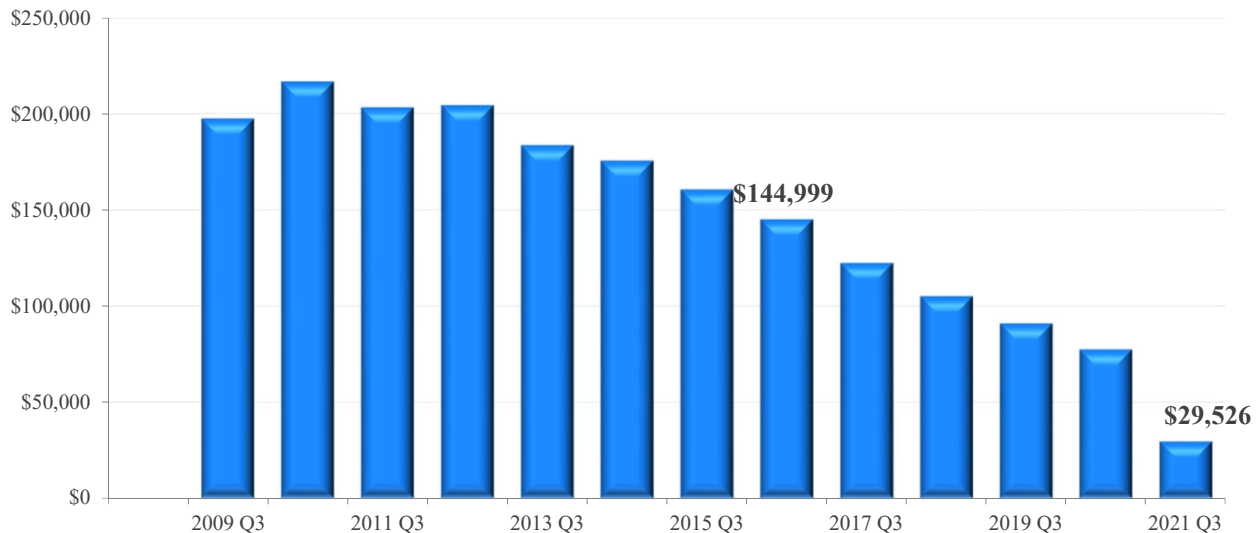
Note: limits are current and include the changes made on January 1st 2023.

Local NAR Leadership

The Sherman-Denison market is part of region 10 in the NAR governance system, which includes all of Louisiana and Texas. The 2022 NAR Regional Vice President representing region 10 is Cindi Bulla.

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	Sherman-Denison	U.S.	Local Trend
1-year (4-quarter)	\$29,526	\$38,029	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$90,912	\$129,179	
5-year (20-quarter)*	\$122,436	\$160,886	
7-year (28 quarters)*	\$160,606	\$193,144	
9-year (36 quarters)*	\$183,571	\$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...

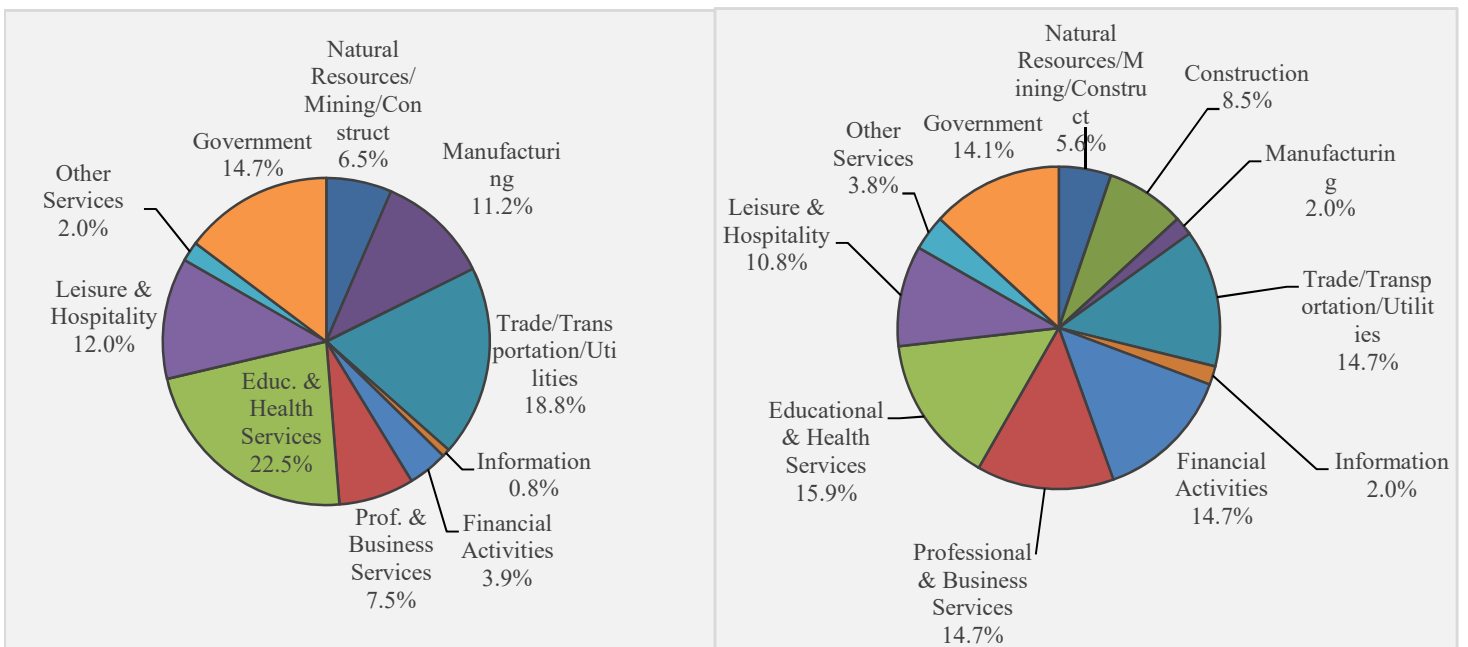


Local Economic Outlook	Sherman-Denison	U.S.	
12-month Job Change (Sep)	1,700	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Aug)	1,500	Not Comparable	
36-month Job Change (Sep)	2,500	Not Comparable	Unemployment in Sherman-Denison is better than the national average and improving
Current Unemployment Rate (Sep)	3.4%	3.5%	
Year-ago Unemployment Rate	4.3%	4.7%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	3.4%	4.3%	

Share of Total Employment by Industry

Sherman-Denison Area

U.S.



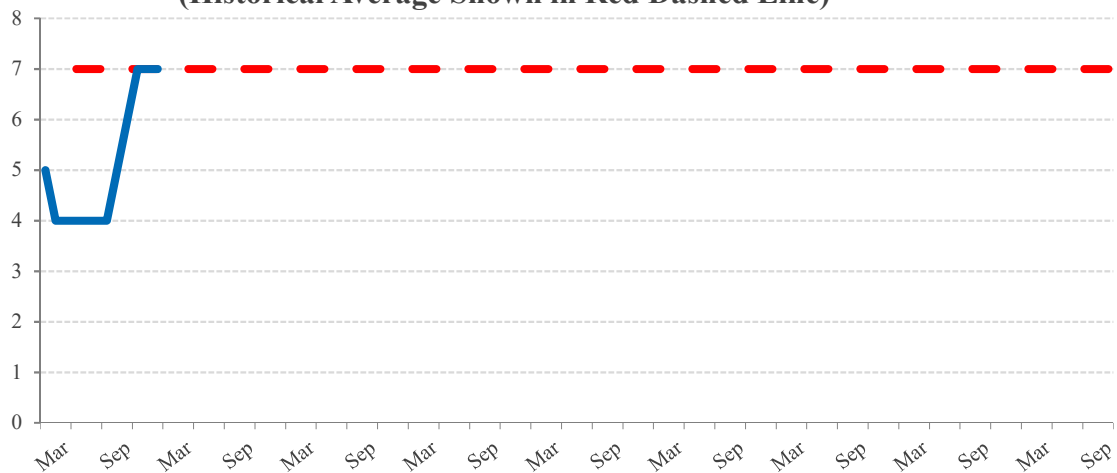
12-month Employment Change by Industry (Sep - 2022)

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

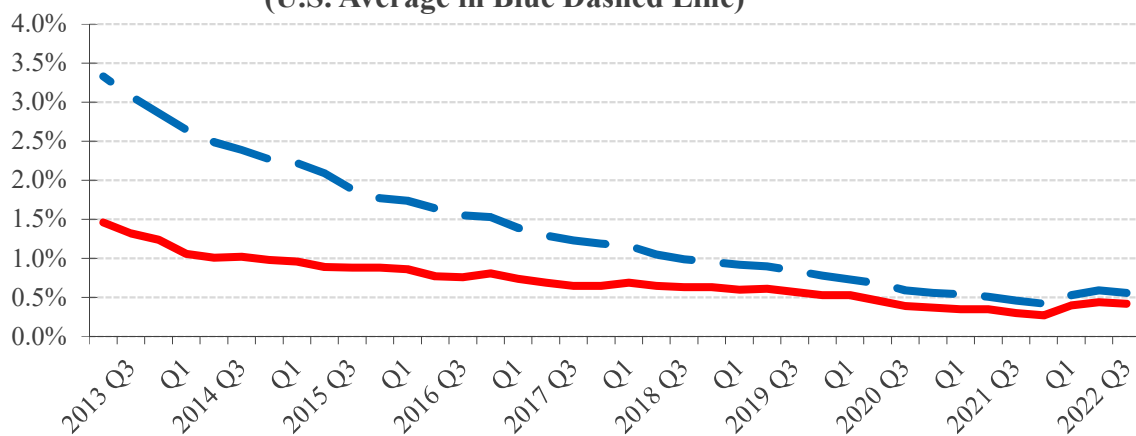
State Economic Activity Index	Texas	U.S.	
12-month change (2022 - Sep)	5.9%	4.9%	Texas's economy is stronger than the nation's, but slowed from last month's 6.09% change
36-month change (2022 - Sep)	9.3%	5.2%	

New Housing Construction			
Local Fundamentals	Sherman-Denison	U.S.	
12-month Sum of 1-unit Building Permits through Sep	NA	not comparable	Local Data Not Available
8-year average for 12-month Sum of 1-Unit Building Permits	7	not comparable	Local Data Not Available
Single-Family Housing Permits (Sep) 12-month sum vs. a year ago	NA	-7.7%	Local Data Not Available

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

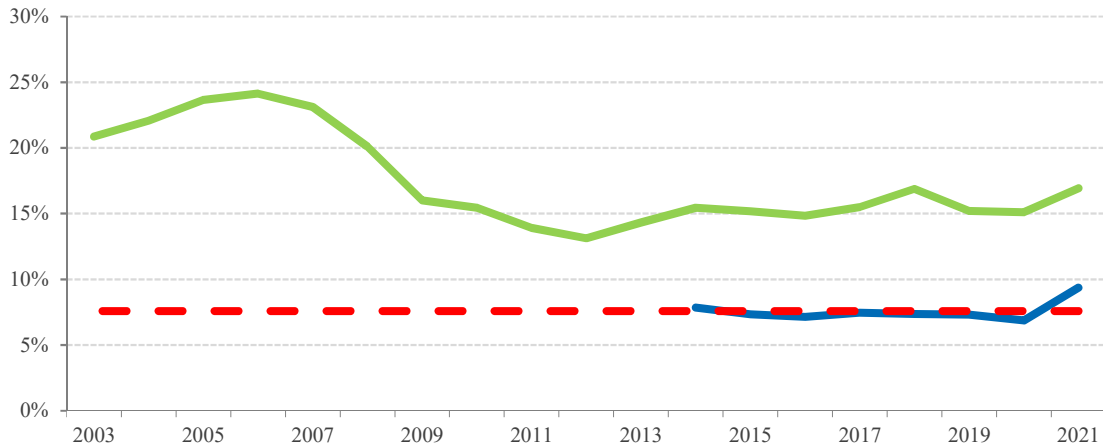


State Total Foreclosure Rate vs. U.S Average
(U.S. Average in Blue Dashed Line)



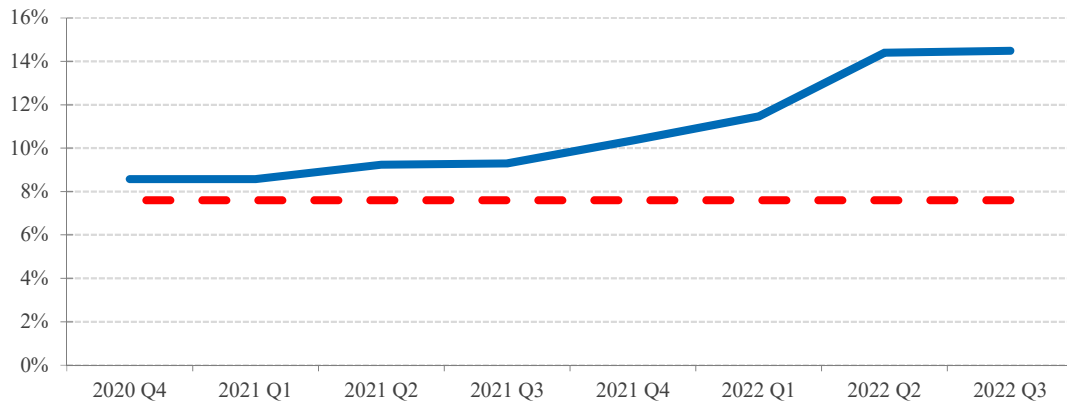
Affordability

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

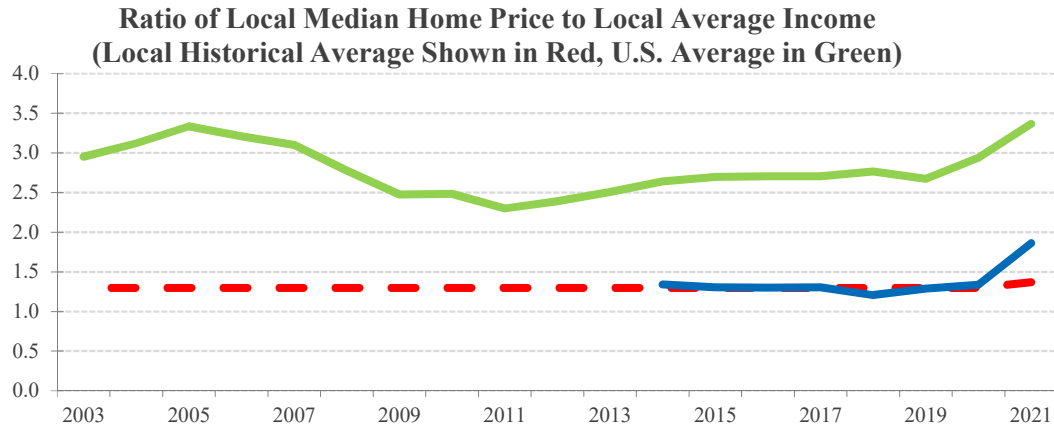


Monthly Mortgage Payment to Income	Sherman-Denison	U.S.	
Ratio for 2021	9.4%	16.9%	Weak by local standards and could weigh on demand
Ratio for 2022 Q3	14.5%	24.4%	
Historical Average	7.6%	18.1%	More affordable than most markets

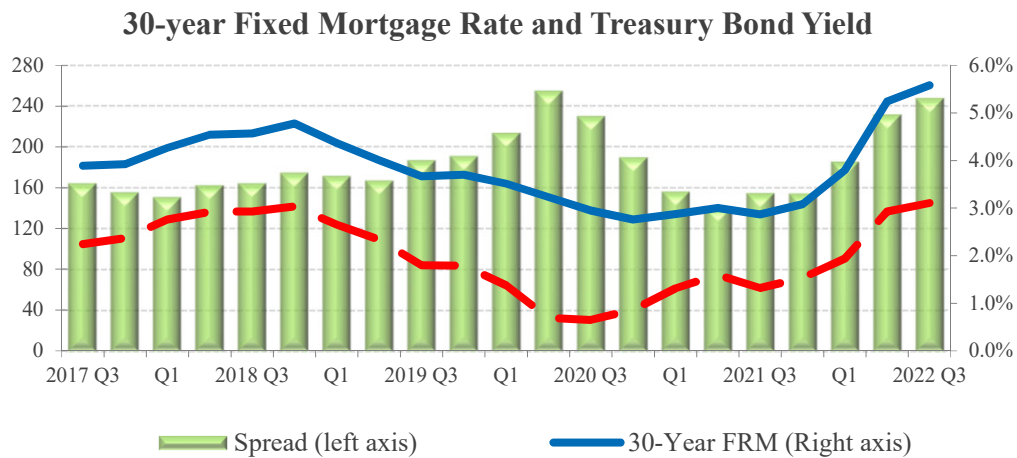
Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Sherman-Denison	U.S.	
Ratio for 2021	1.9	3.4	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2022 Q3	2.1	3.6	
Historical Average	1.4	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 Sherman-Denison area referred to in this report covers the geographic area of the Sherman-Denison 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:

Grayson County

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

