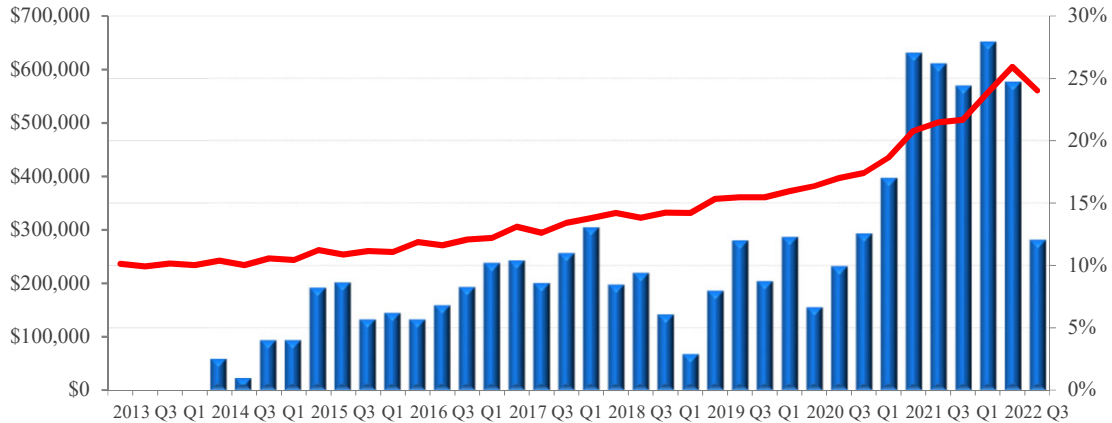


Salt Lake City Area

Local Market Report, Third Quarter 2022

Today's Market...

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



| Local Price Trends | | | |
|--|----------------|-----------|--|
| Price Activity | Salt Lake City | U.S. | Local Trend |
| Current Median Home Price (2022 Q3) | \$561,200 | \$391,467 | Prices are up from a year ago, but price growth is slowing |
| 1-year (4-quarter) Appreciation (2022 Q3) | 12.1% | 8.6% | |
| 3-year (12-quarter) Appreciation (2022 Q3) | 55.5% | 41.4% | |
| 3-year (12-quarter) Housing Equity Gain* | \$200,200 | \$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* | \$307,200 | \$164,133 | |
| 9-year (36 quarters) Housing Equity Gain* | \$329,700 | \$184,600 | |

*Note: Equity gain reflects price appreciation only

| | Salt Lake City | U.S. | |
|---|----------------|----------------|--|
| Conforming Loan Limit** | \$726,200 | \$1,089,300 | Not all buyers have access to government-backed financing in this market |
| FHA Loan Limit | \$619,850 | \$1,089,300 | |
| Local Median to Conforming Limit Ratio | 77% | not comparable | |

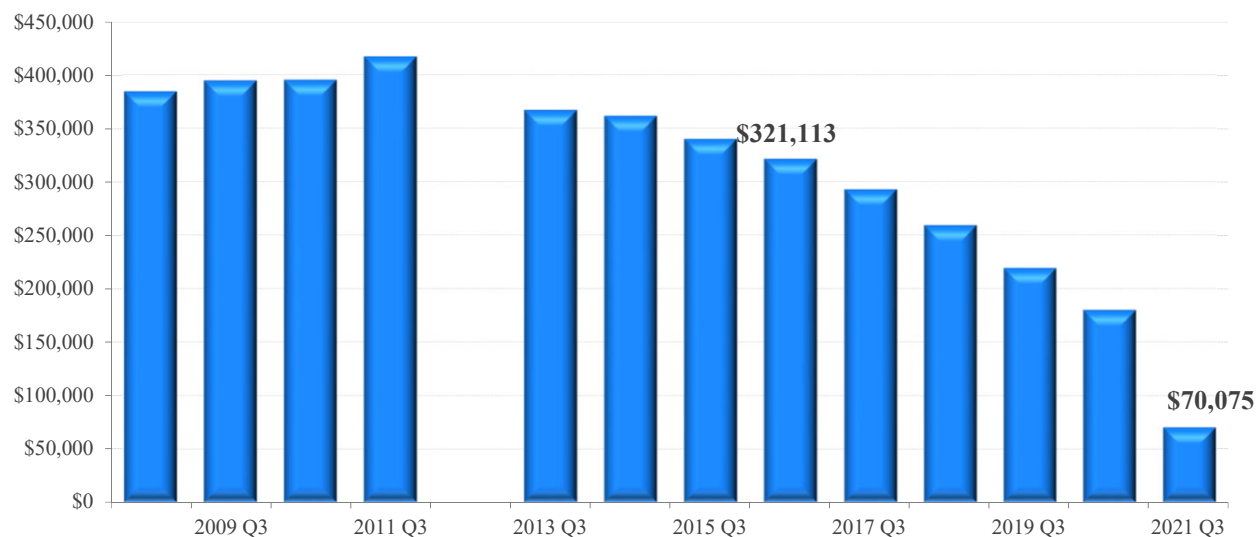
Note: limits are current and include the changes made on January 1st 2023.

Local NAR Leadership

The Salt Lake City market is part of region 11 in the NAR governance system, which includes all of Wyoming, Colorado, New Mexico, Arizona, Utah, and Nevada. The 2022 NAR Regional Vice President representing region 11 is Kevin Sigstad.

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 | SaltLakeCity | U.S. | Local Trend |
|-----------------------|--------------|-----------|--|
| 1-year (4-quarter) | \$70,075 | \$38,029 | Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession |
| 3-year (12-quarter)* | \$219,251 | \$129,179 | |
| 5-year (20-quarter)* | \$292,635 | \$160,886 | |
| 7-year (28 quarters)* | \$339,614 | \$193,144 | |
| 9-year (36 quarters)* | \$366,876 | \$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...

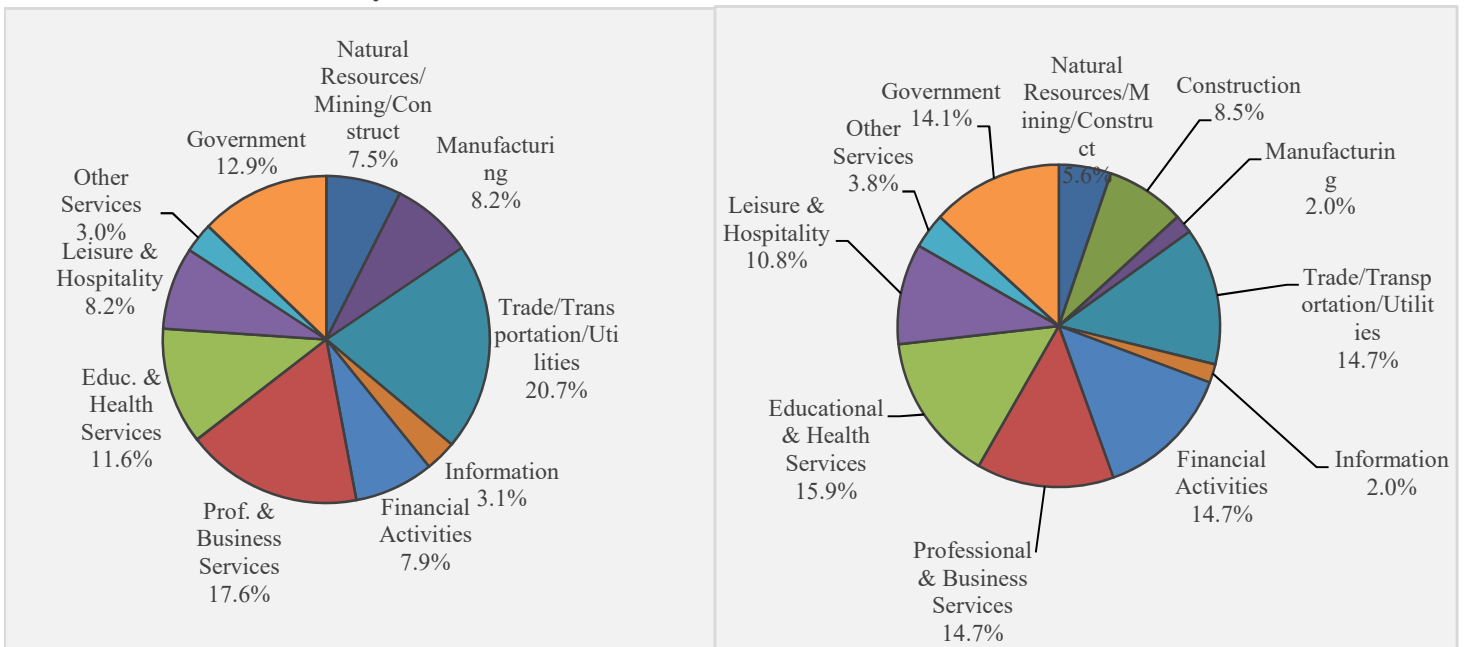


| Local Economic Outlook | Salt Lake City | U.S. | |
|-----------------------------------|----------------|----------------|--|
| 12-month Job Change (Sep) | 17,200 | Not Comparable | Employment growth has eased, but remains positive |
| 12-month Job Change (Aug) | 21,200 | Not Comparable | |
| 36-month Job Change (Sep) | 31,400 | Not Comparable | Unemployment in Salt Lake City is better than the national average and improving |
| Current Unemployment Rate (Sep) | 1.9% | 3.5% | |
| Year-ago Unemployment Rate | 2.2% | 4.7% | Local employment growth is poor and needs to improve |
| 1-year (12 month) Job Growth Rate | 2.2% | 4.3% | |

Share of Total Employment by Industry

Salt Lake City Area

U.S.



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

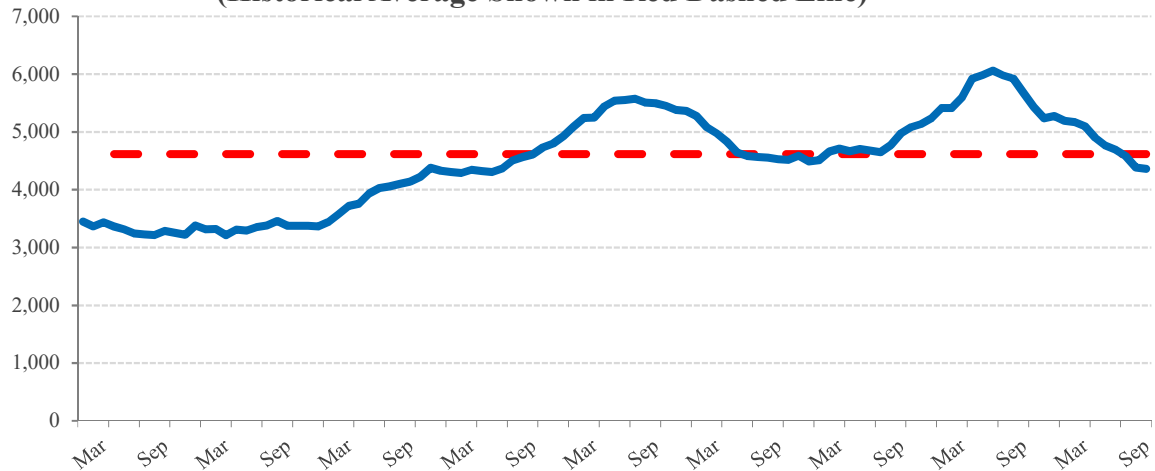
| | | | |
|--|-------|---------------------------|--------|
| Goods Producing | NA | Information | 2,600 |
| Natural Resources/Mining/Construction | 5,900 | Financial Activities | -2,200 |
| Natural Resources and Mining | NA | Prof. & Business Services | 100 |
| Construction | NA | Educ. & Health Services | 3,100 |
| Manufacturing | 2,700 | Leisure & Hospitality | 4,000 |
| Service Providing Excluding Government | NA | Other Services | 400 |
| Trade/Transportation/Utilities | 7,200 | Government | -2,600 |

| State Economic Activity Index | Utah | U.S. | |
|-------------------------------|-------|------|---|
| 12-month change (2022 - Sep) | 4.1% | 4.9% | Utah's economy is growing, but decelerated from last month's 4.25% change and lags the rest of the nation |
| 36-month change (2022 - Sep) | 11.6% | 5.2% | |

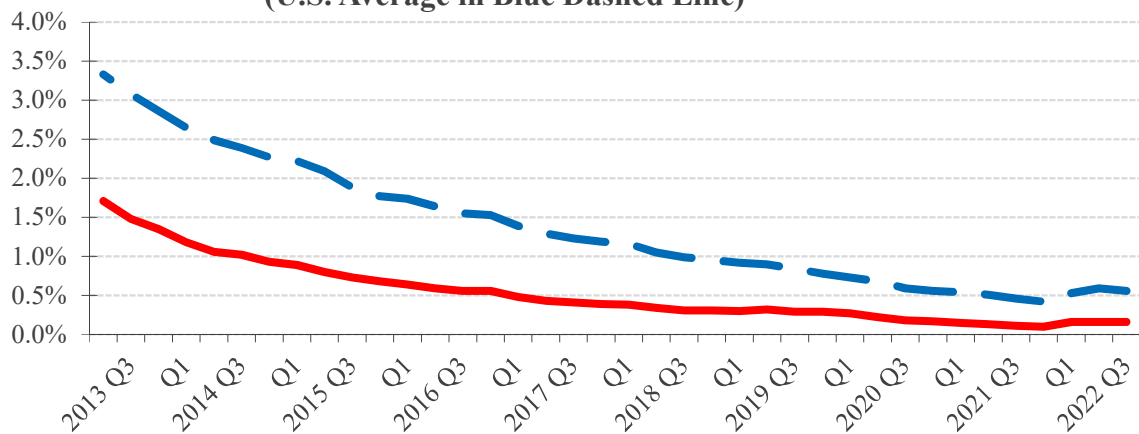
New Housing Construction

| Local Fundamentals | Salt Lake City | U.S. | |
|--|----------------|----------------|---|
| 12-month Sum of 1-unit Building Permits through Sep | 4,362 | not comparable | The current level of construction is 5.5% below the long-term average |
| 8-year average for 12-month Sum of 1-Unit Building Permits | 4,617 | not comparable | Reduced construction will limit new supply to the market, allowing demand to catch up with inventory more quickly |
| Single-Family Housing Permits (Sep) 12-month sum vs. a year ago | -23.2% | -7.7% | Construction is down from last year, but appears to have bottomed. |

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

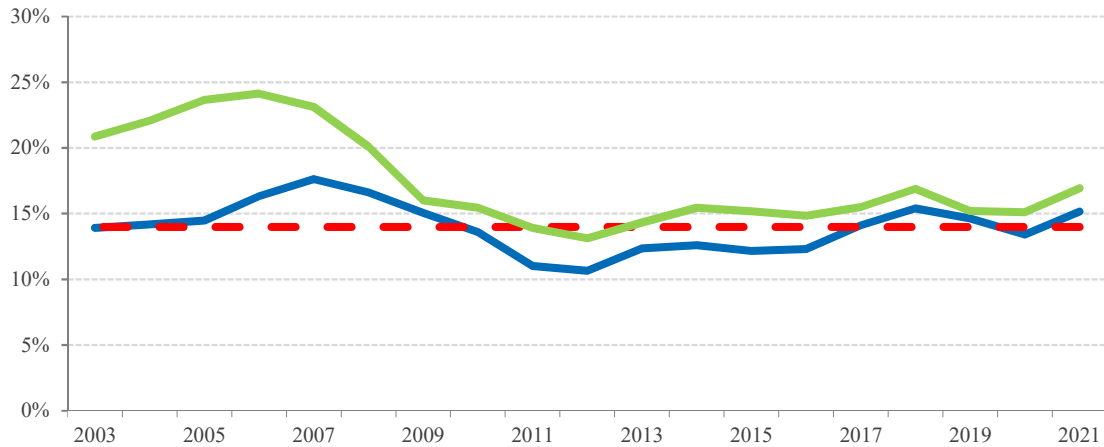


**State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)**



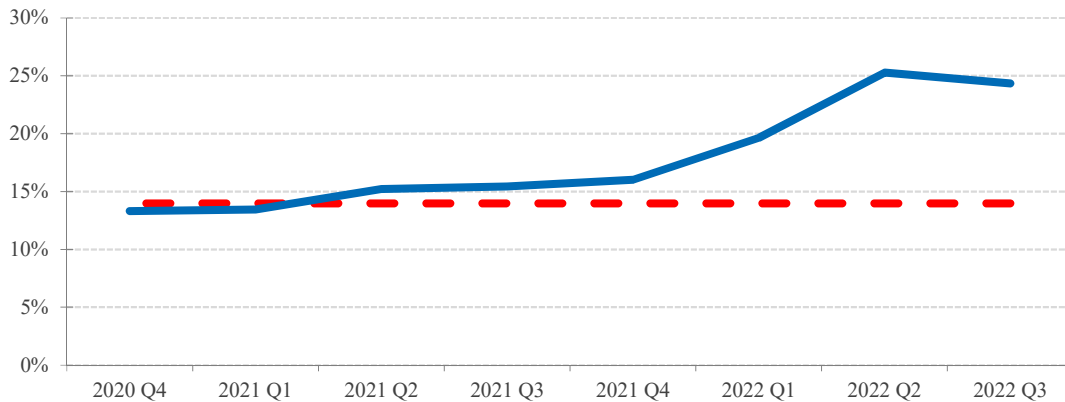
Affordability

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

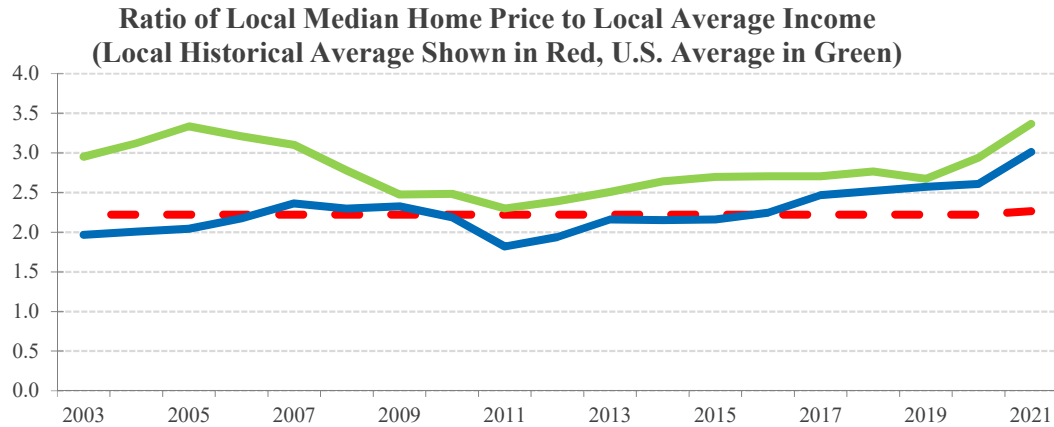


| Monthly Mortgage Payment to Income | Salt Lake City | U.S. | |
|------------------------------------|----------------|-------|---|
| Ratio for 2021 | 15.2% | 16.9% | Weak by local standards and could weigh on demand |
| Ratio for 2022 Q3 | 24.3% | 24.4% | |
| Historical Average | 14.0% | 18.1% | More affordable than most markets |

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



| Median Home Price to Income | Salt Lake City | U.S. | |
|-----------------------------|----------------|------|---|
| Ratio for 2021 | 3.0 | 3.4 | The price-to-income ratio is high by historic standards and getting worse |
| Ratio for 2022 Q3 | 3.5 | 3.6 | |
| Historical Average | 2.3 | 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 Salt Lake City area referred to in this report covers the geographic area of the Salt Lake City 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:

Salt Lake County and Tooele County

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

