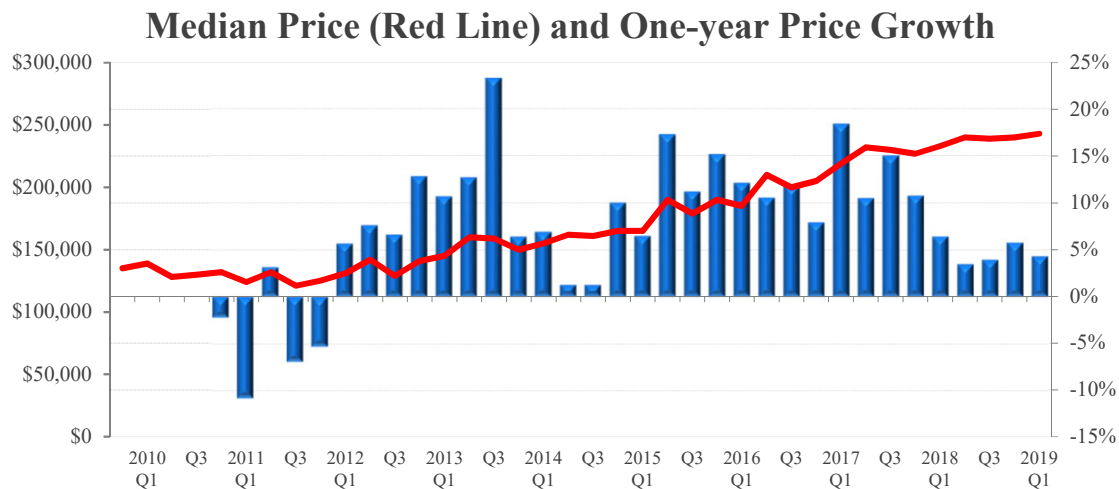


Sebastian-Vero Beach, FL Area Local Market Report, First Quarter 2019

Today's Market...



Local Price Trends			
Price Activity	Vero Beach	U.S.	Local Trend
Current Median Home Price (2019 Q1)	\$243,000	\$253,033	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2019 Q1)	4.3%	3.8%	
3-year (12-quarter) Appreciation (2019 Q1)	31.4%	17.3%	
3-year (12-quarter) Housing Equity Gain*	\$58,000	\$37,300	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$112,000	\$94,700	
9-year (36 quarters) Housing Equity Gain*	\$104,000	\$86,667	

*Note: Equity gain reflects price appreciation only

	Vero Beach	U.S.	
Conforming Loan Limit**	\$484,350	\$726,525	Most buyers in this market have access to government-backed financing
FHA Loan Limit	\$314,827	\$726,525	
Local Median to Conforming Limit Ratio	50%	not comparable	

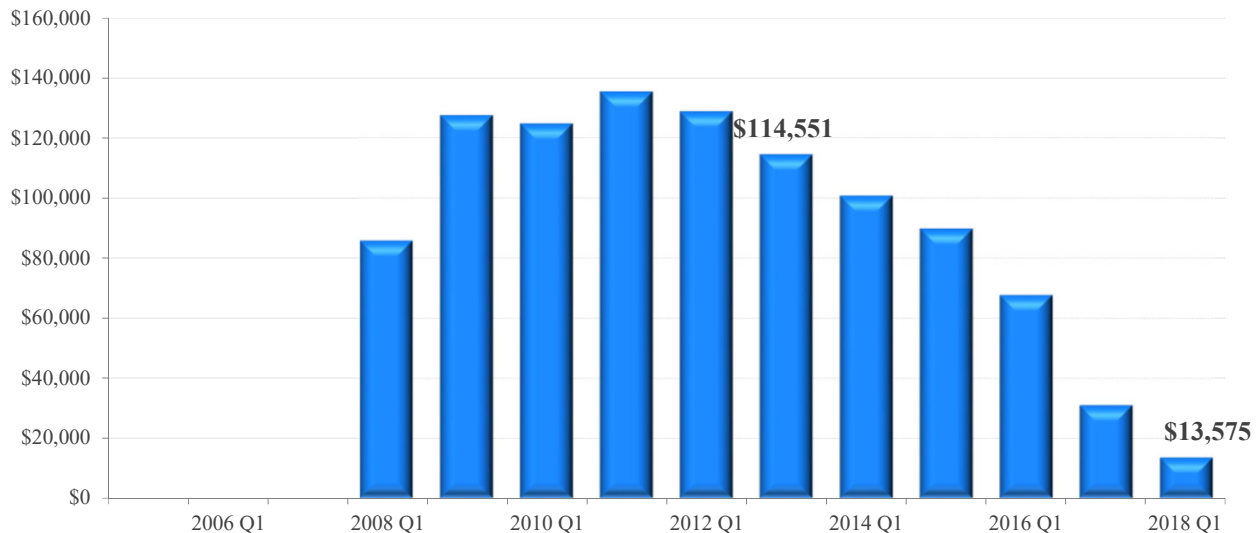
Note: limits are current and include the changes made on January 1st 2019.

Local NAR Leadership

The Sebastian-Vero Beach, 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 2019 NAR Regional Vice President representing region 5 is Maria Wells.

Benefits of Ownership: Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained** through 2019 Q1 from quarter in which home was of purchased

Price Activity	VeroBeach	U.S.	Local Trend
1-year (4-quarter)	\$13,575	\$12,975	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$67,652	\$48,556	
5-year (20-quarter)*	\$100,780	\$75,592	
7-year (28 quarters)*	\$128,786	\$105,940	
9-year (36 quarters)*	\$124,771	\$98,477	
If purchase in 2005, the national price peak	NA	\$70,013	

*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

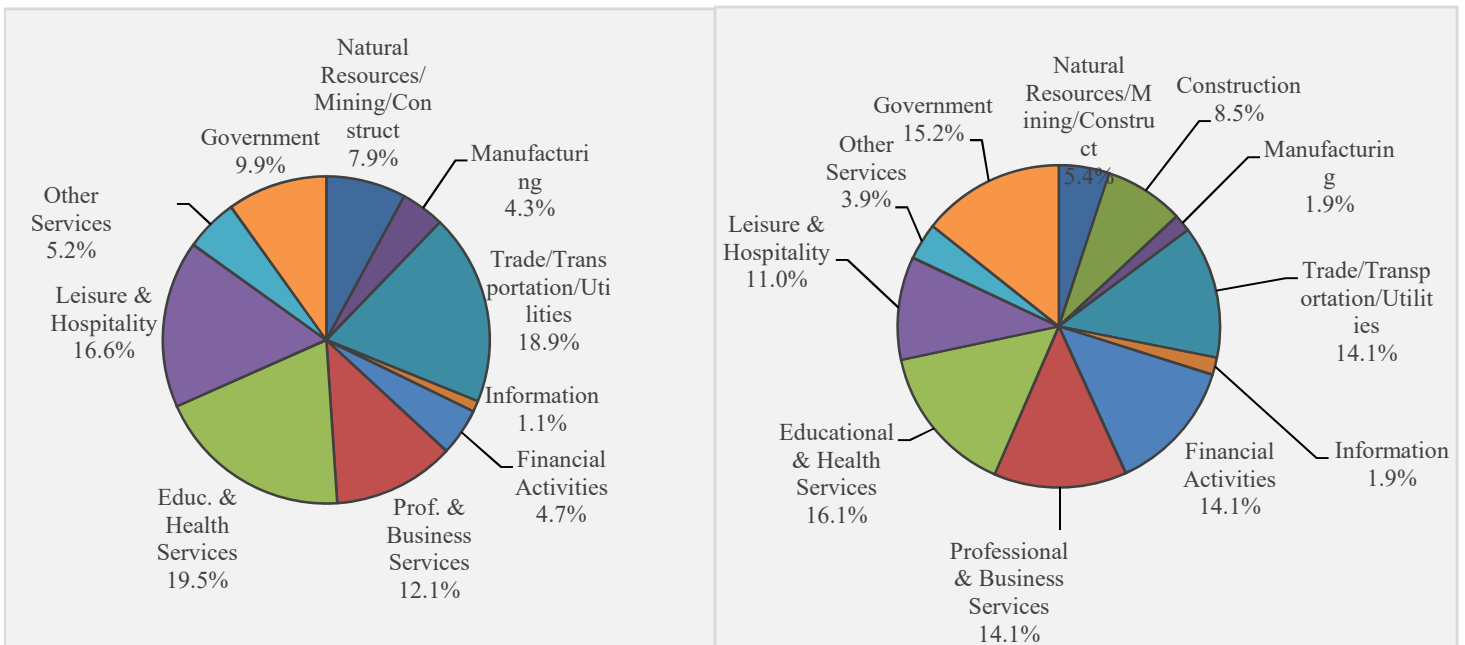
Drivers of Local Supply and Demand...

Local Economic Outlook	Vero Beach	U.S.	
12-month Job Change (Mar)	1,900	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Feb)	1,600	Not Comparable	
36-month Job Change (Mar)	4,600	Not Comparable	Unemployment in Vero Beach is better than the national average and improving
Current Unemployment Rate (Mar)	3.7%	3.8%	
Year-ago Unemployment Rate	4.2%	4.0%	Local employment growth is strong compared to other markets
1-year (12 month) Job Growth Rate	3.5%	1.7%	

Share of Total Employment by Industry

Sebastian-Vero Beach, FL Area

U.S.



12-month Employment Change by Industry in the Sebastian-Vero Beach, FL Area (Mar - 2019)

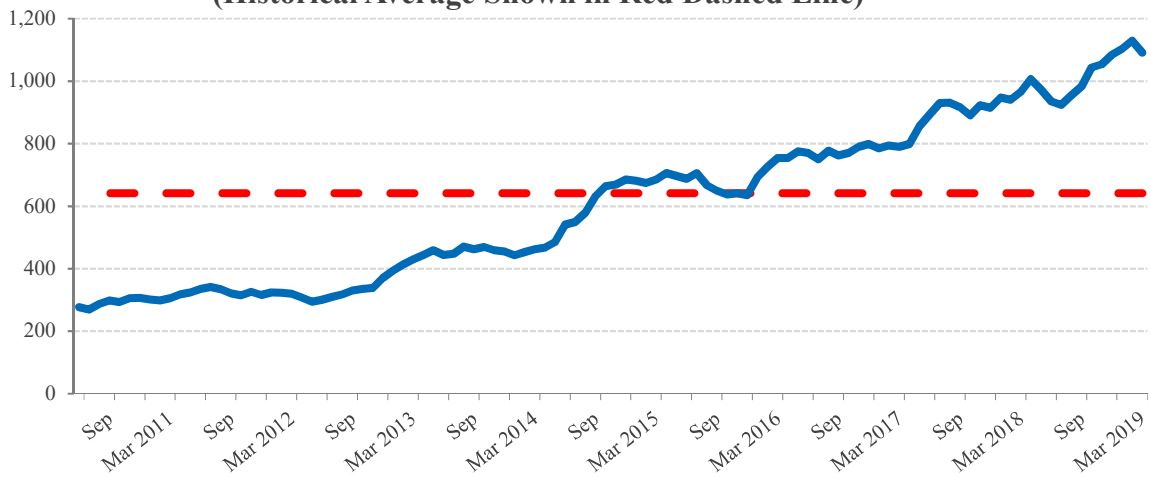
Goods Producing	NA	Information	0
Natural Resources/Mining/Construction	100	Financial Activities	0
Natural Resources and Mining	NA	Prof. & Business Services	500
Construction	NA	Educ. & Health Services	300
Manufacturing	200	Leisure & Hospitality	500
Service Providing Excluding Government	NA	Other Services	0
Trade/Transportation/Utilities	-100	Government	100

State Economic Activity Index	Florida	U.S.	
12-month change (2019 - Mar)	3.6%	3.0%	Florida's economy is stronger than the nation's, but slowed from last month's 3.81% change
36-month change (2019 - Mar)	12.3%	9.2%	

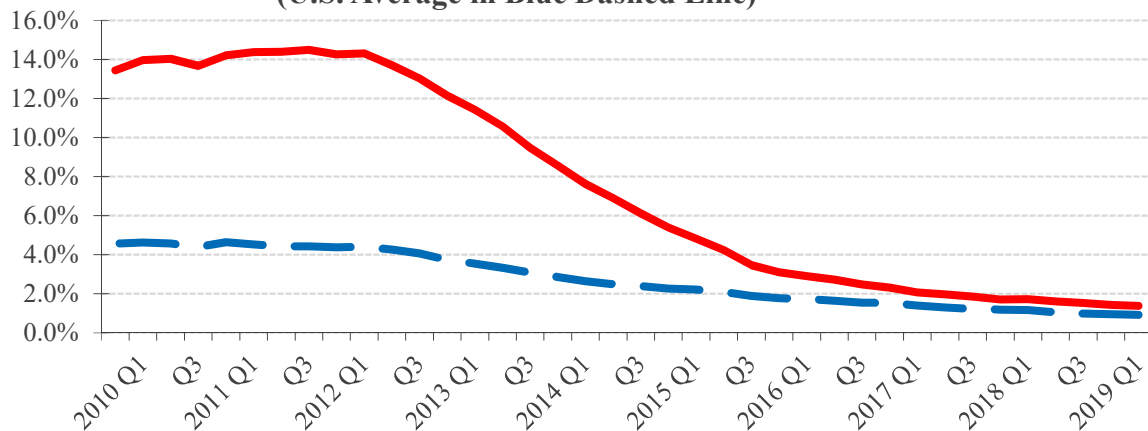
New Housing Construction

Local Fundamentals	Vero Beach	U.S.	
12-month Sum of 1-unit Building Permits through Mar 2019	1,091	not comparable	The current level of construction is 70.2% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	641	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 (Mar 2019) 12-month sum vs. a year ago	12.9%	1.0%	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)**



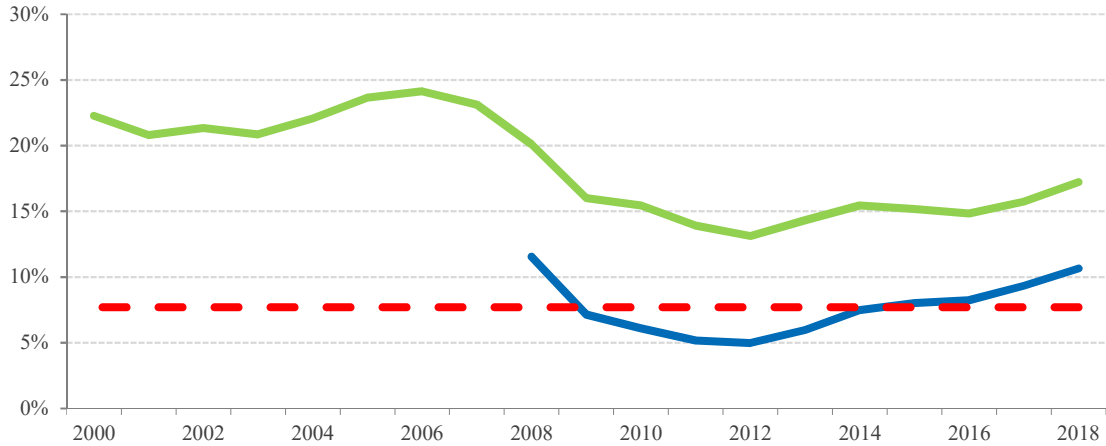
**State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)**



Affordability

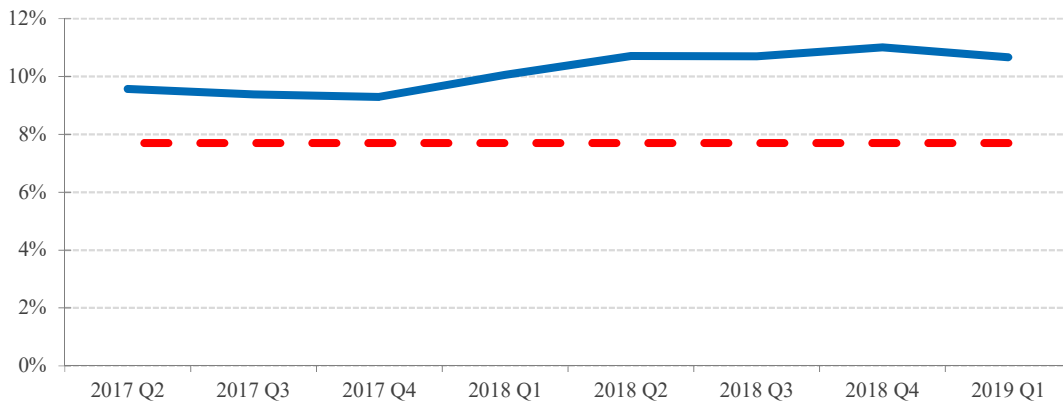


Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income
(Local Historical Average Shown in Red, U.S. Average in Green)

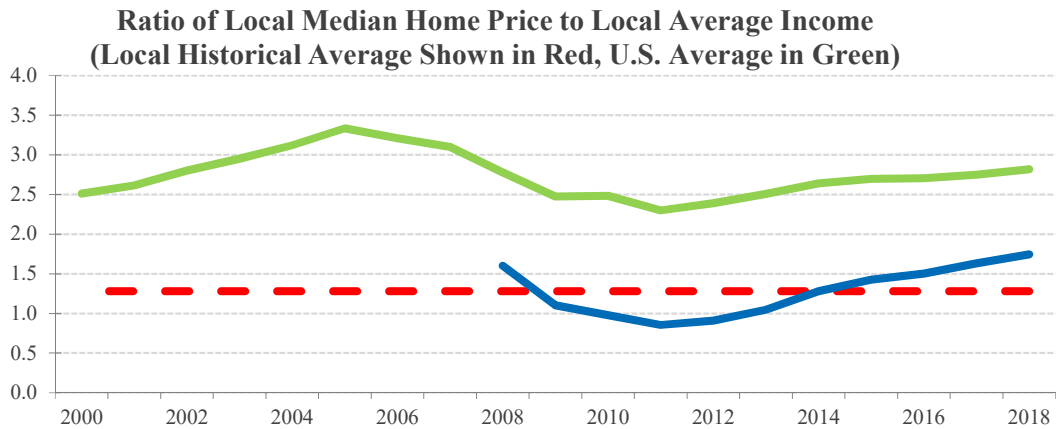


Monthly Mortgage Payment to Income	Vero Beach	U.S.	
Ratio for 2018	10.7%	17.2%	Weak by local standards, but better than the fourth quarter of 2018
Ratio for 2019 Q1	10.7%	15.9%	
Historical Average	7.7%	18.6%	More affordable than most markets

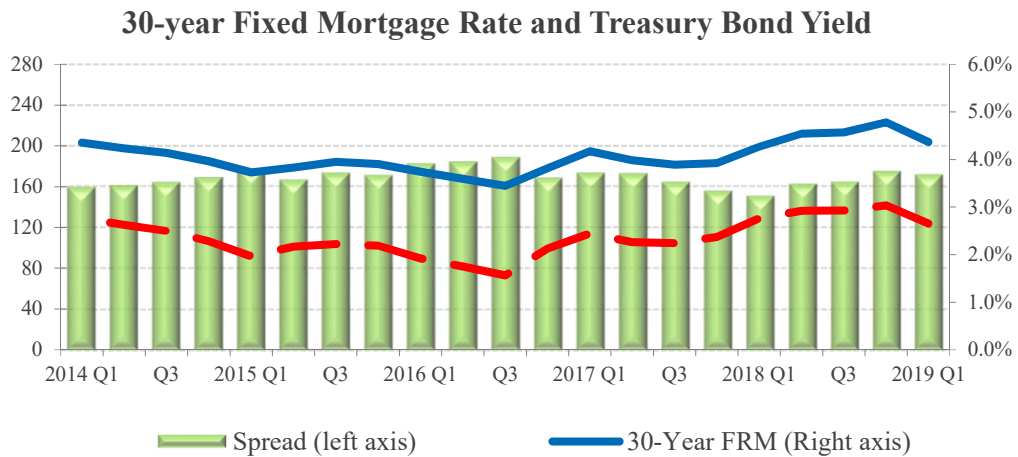
Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Vero Beach	U.S.	
Ratio for 2018	1.7	2.8	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2019 Q1	1.8	2.7	
Historical Average	1.3	2.7	Affordable compared to most markets



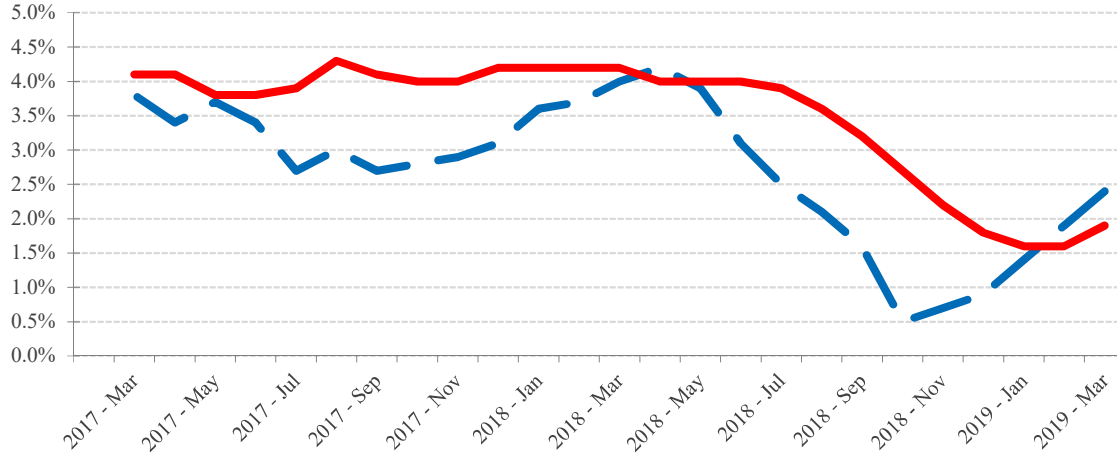
The Mortgage Market



Mortgage rates started off 2019 at very good levels. In fact, mortgage rates declined, starting the new year with the 30-year fixed rate mortgage dipping to 4.37 percent in Q1 2019 from 4.78 percent in the Q4 2018, according to mortgage finance provider Freddie Mac. After a year of gradual increases, mortgage rates are declining. Stock market volatility, global trade worries and the government shutdown are pushing rates down to their lowest levels since August. The government's 10-year Treasury note declined to 2.65 percent in Q1 2019 from 2.76 in Q1 2018. Looking ahead, NAR is forecasting the 30-year fixed rate mortgage to average 4.3 percent for 2019 and 4.6 percent for 2020, respectively.

REALTOR® Price Expectations

REALTOR® Price Expectations for the Next 12 Months
(U.S. Average in Blue Dashed Line)



Source: NAR

REALTOR® Price Expectations	Florida	U.S.	
2019 - Mar	1.9%	2.4%	REALTORS® expect weaker price growth in Florida than in the U.S. in the next 12 months. Their price expectations for the local market are more modest than a year ago.
Prior 12 months	4.2%	4.0%	

Geographic Coverage for this Report

The Vero Beach area referred to in this report covers the geographic area of the Sebastian-Vero Beach, 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:

Indian River County

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