

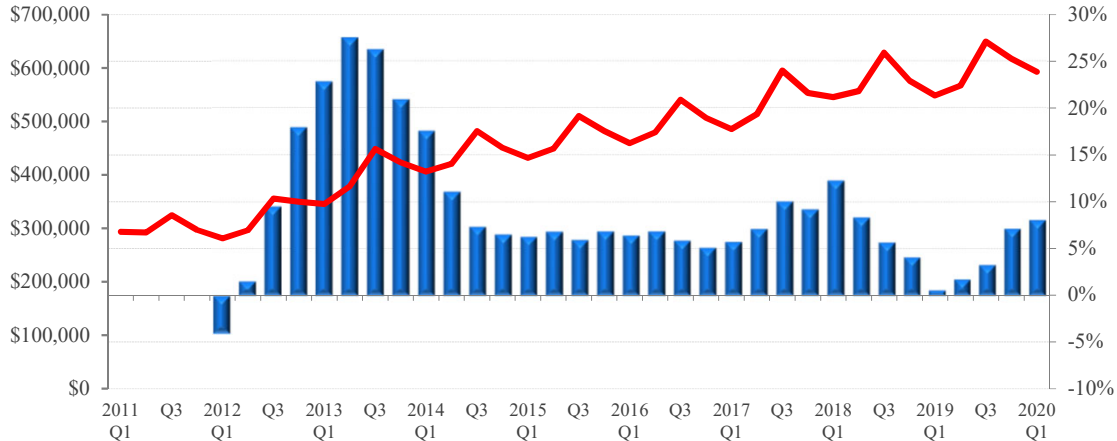
Los Angeles-Long Beach-Glendale Area

Local Market Report, First Quarter 2020

including the impact of COVID-19 on the local economy

Today's Market...

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



Local Price Trends			
Price Activity	Los Angeles	U.S.	Local Trend
Current Median Home Price (2020 Q1)	\$592,800	\$272,433	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2020 Q1)	8.1%	7.7%	
3-year (12-quarter) Appreciation (2020 Q1)	22.0%	18.1%	
3-year (12-quarter) Housing Equity Gain*	\$107,000	\$41,733	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$247,300	\$96,500	
9-year (36 quarters) Housing Equity Gain*	\$299,500	\$114,500	

*Note: Equity gain reflects price appreciation only

	Los Angeles	U.S.	
Conforming Loan Limit**	\$726,525	\$726,525	Not all buyers have access to government-backed financing in this market
FHA Loan Limit	\$726,525	\$726,525	
Local Median to Conforming Limit Ratio	82%	not comparable	

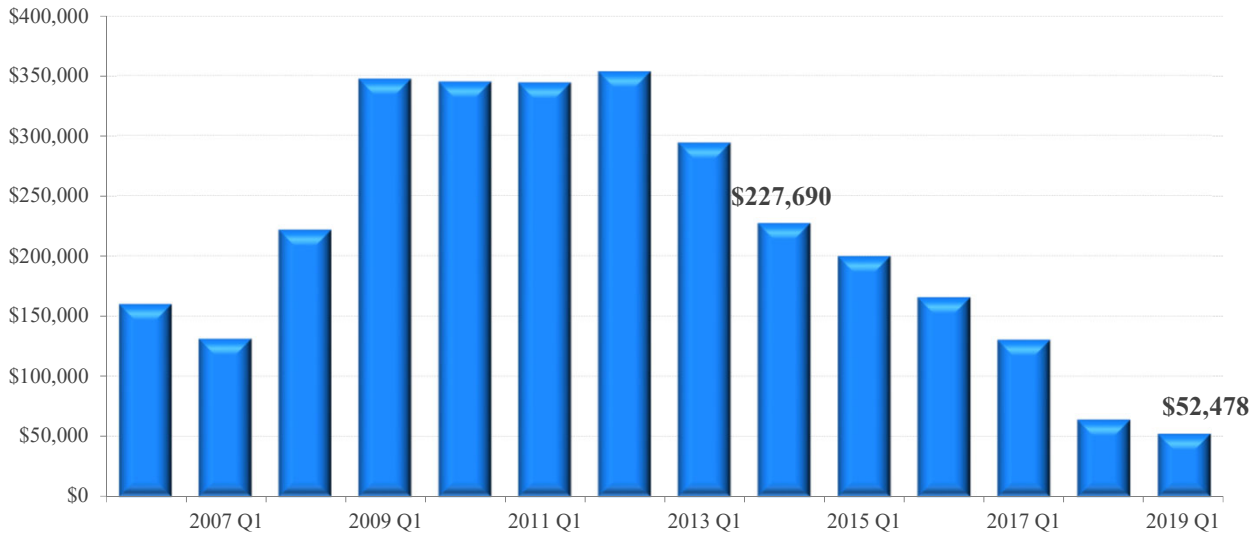
Note: limits are current and include the changes made on January 1st 2019.

Local NAR Leadership

The Los Angeles-Long Beach-Glendale market is part of region 13 in the NAR governance system, which includes all of California, Hawaii, and Guam. The 2020 NAR Regional Vice President representing region 13 is Kevin Brown.

Benefits of Ownership: Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained through 2020 Q1 from quarter in which home was of purchased**

Price Activity	Los Angeles	U.S.	Local Trend
1-year (4-quarter)	\$52,478	\$23,185	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$130,679	\$52,978	
5-year (20-quarter)*	\$200,135	\$87,425	
7-year (28 quarters)*	\$294,138	\$120,351	
9-year (36 quarters)*	\$344,174	\$138,556	

*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

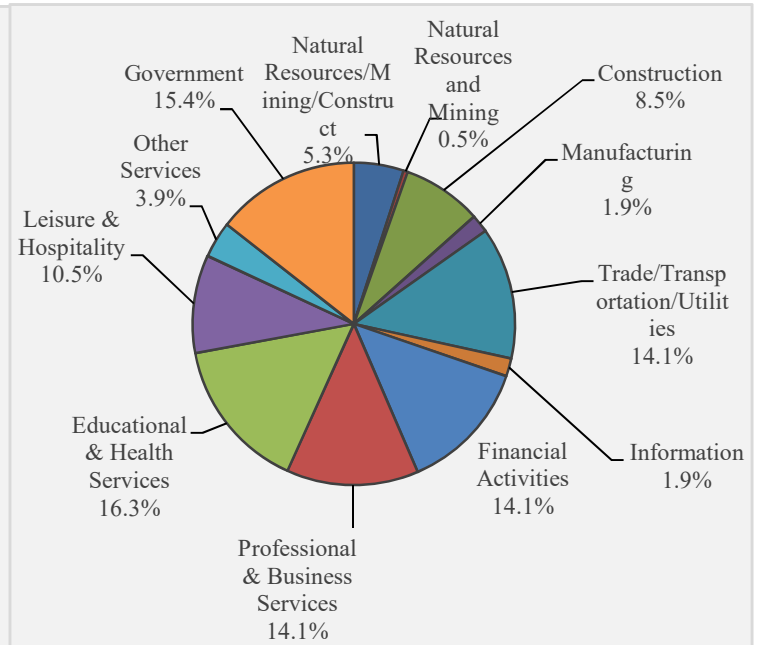
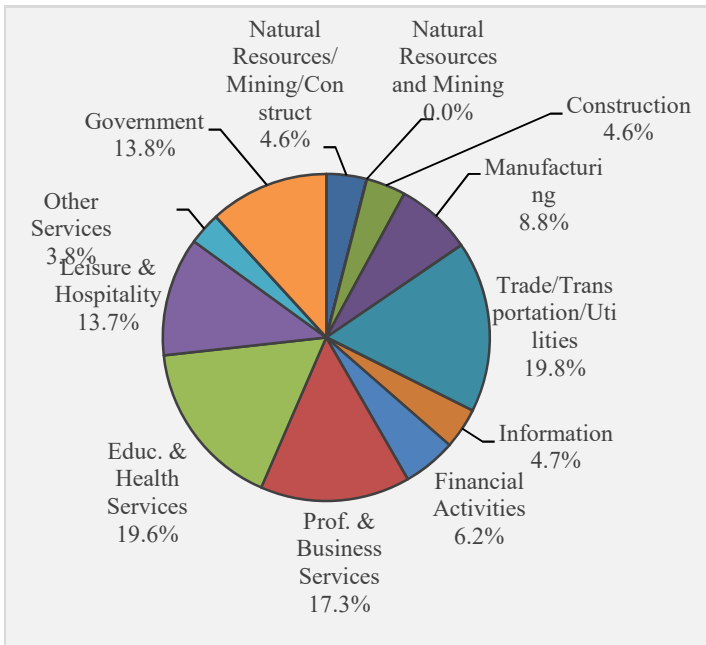
Drivers of Local Supply and Demand...

Local Economic Outlook	Los Angeles	U.S.	
12-month Job Change (Mar)	-11,500	Not Comparable	Employment continues to decline and will weigh on demand in some areas
12-month Job Change (Feb)	103,100	Not Comparable	
36-month Job Change (Mar)	180,700	Not Comparable	Los Angeles's unemployment situation is worse than the national average and weighs on confidence
Current Unemployment Rate (Mar)	5.9%	4.4%	
Year-ago Unemployment Rate	4.1%	3.8%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	-0.2%	1.3%	

Share of Total Employment by Industry

Los Angeles-Long Beach-Glendale Area

U.S.



12-month Employment Change by Industry in the Los Angeles-Long Beach-Glendale Area (Mar - 2020)

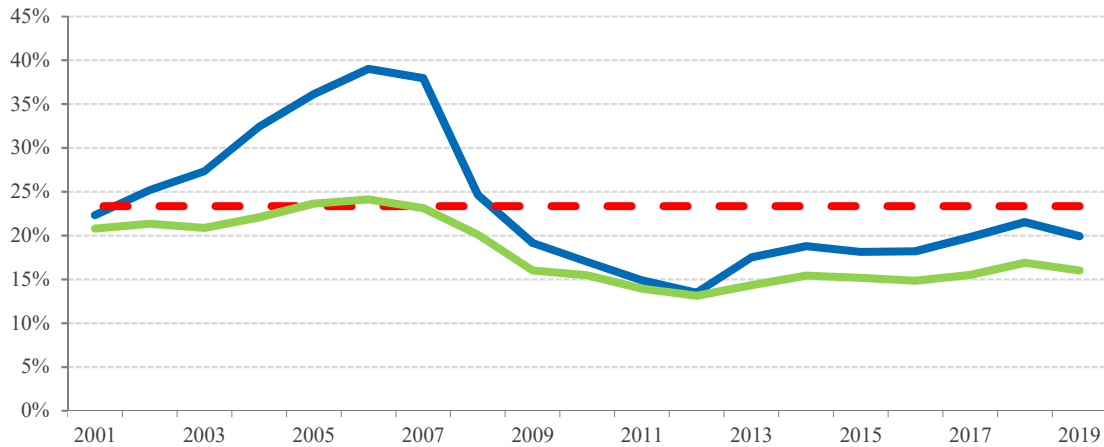
Goods Producing	NA	Information	7,200
Natural Resources/Mining/Construction	8,600	Financial Activities	6,800
Natural Resources and Mining	-100	Prof. & Business Services	12,300
Construction	8,700	Educ. & Health Services	31,400
Manufacturing	-4,900	Leisure & Hospitality	15,300
Service Providing Excluding Government	NA	Other Services	3,200
Trade/Transportation/Utilities	10,600	Government	12,600

State Economic Activity Index	California	U.S.	
12-month change (2020 - Mar)	0.3%	1.2%	The economy of California is growing more slowly than the rest of the nation, but improved modestly from last month's - 18.51% change
36-month change (2020 - Mar)	NA	7.0%	

Affordability

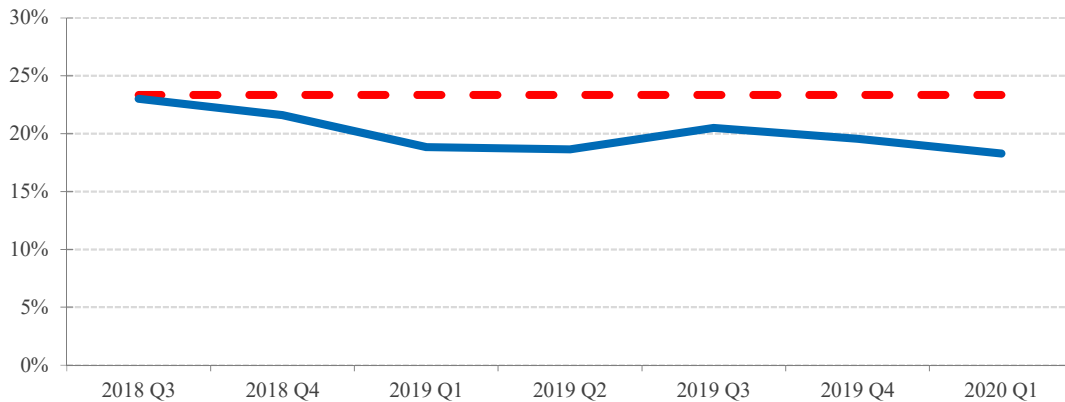


Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income
(Local Historical Average Shown in Red, U.S. Average in Green)



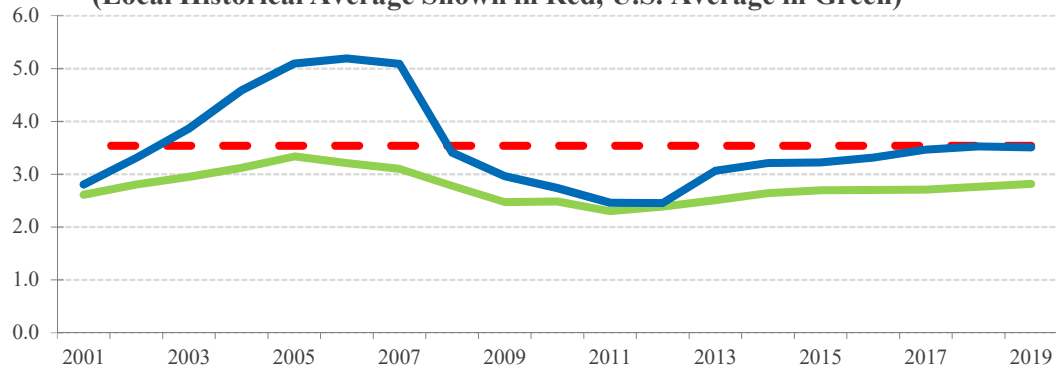
Monthly Mortgage Payment to Income	Los Angeles	U.S.	
Ratio for 2019	19.9%	16.0%	Historically strong, but weaker than the fourth quarter of 2019
Ratio for 2020 Q1	18.3%	14.6%	
Historical Average	23.3%	18.4%	Weaker affordability than most markets

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



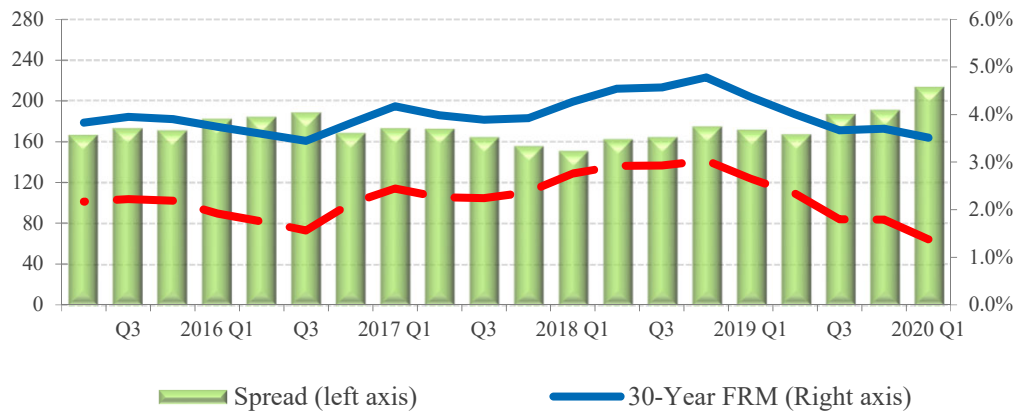
Median Home Price to Income	Los Angeles	U.S.	
Ratio for 2019	3.5	2.8	The price-to-income ratio rose, but is better than the historic average
Ratio for 2020 Q1	3.4	2.7	
Historical Average	3.5	2.7	Less affordable than most markets

**Ratio of Local Median Home Price to Local Average Income
(Local Historical Average Shown in Red, U.S. Average in Green)**



The Mortgage Market

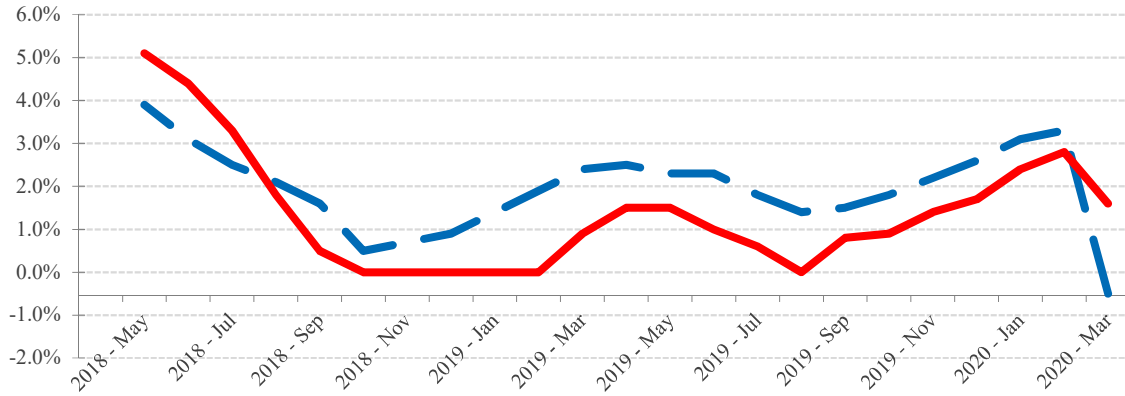
30-year Fixed Mortgage Rate and Treasury Bond Yield



The first quarter of the year mostly encompassed a pre-pandemic economy that was characterized by low unemployment and a robust economy. Nevertheless, as a result of the COVID-19 outbreak, mortgage rates reached a then-historical low in March of 2020 fueling an increase in refinance activities. Specifically, at the end of the first quarter, mortgage rates declined 90 basis points compared to a year earlier. According to the mortgage finance provider Freddie Mac, the 30-year fixed rate mortgage dropped to 3.51 percent in Q1 2020 from 4.37 percent in Q1 2019. Looking ahead, NAR is forecasting the 30-year fixed rate mortgage to average 3.20 percent for 2020.

REALTOR® Price Expectations

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



Source: NAR

REALTOR® Price Expectations	California	U.S.	
2020 - Mar	1.6%	-0.5%	REALTORS® expect higher price growth in California than in the U.S. in the next 12 months. Their price expectations are also higher than a year ago.
Prior 12 months	0.9%	2.4%	

Geographic Coverage for this Report

The Los Angeles area referred to in this report covers the geographic area of the Los Angeles-Long Beach-Glendale 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:

Los Angeles County

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