

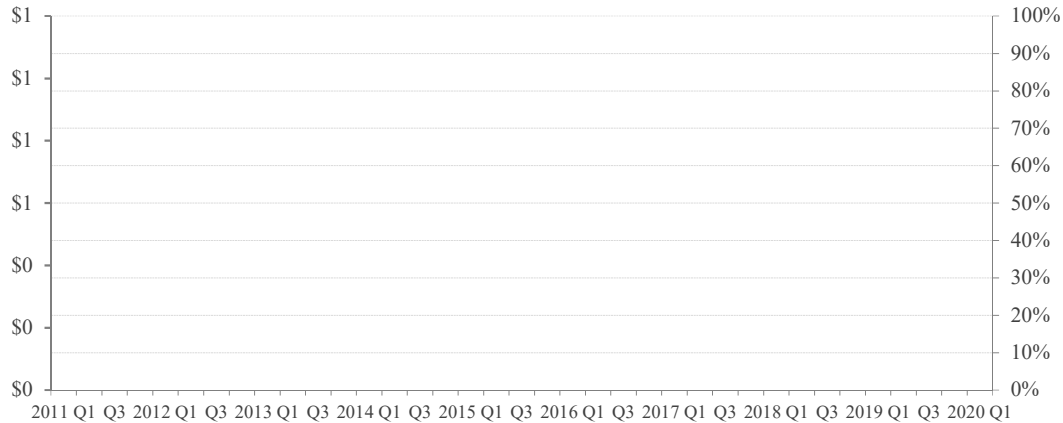
Saginaw Area

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	Saginaw	U.S.	Local Trend
Current Median Home Price (2020 Q1)	NA	\$272,433	NA
1-year (4-quarter) Appreciation (2020 Q1)	NA	7.7%	
3-year (12-quarter) Appreciation (2020 Q1)	NA	18.1%	
3-year (12-quarter) Housing Equity Gain*	NA	\$41,733	Information on the long-term trend is not available
7-year (28 quarters) Housing Equity Gain*	NA	\$96,500	
9-year (36 quarters) Housing Equity Gain*	NA	\$114,500	

*Note: Equity gain reflects price appreciation only

	Saginaw	U.S.	
Conforming Loan Limit**	\$484,350	\$726,525	NA
FHA Loan Limit	\$314,827	\$726,525	
Local Median to Conforming Limit Ratio	NA	not comparable	

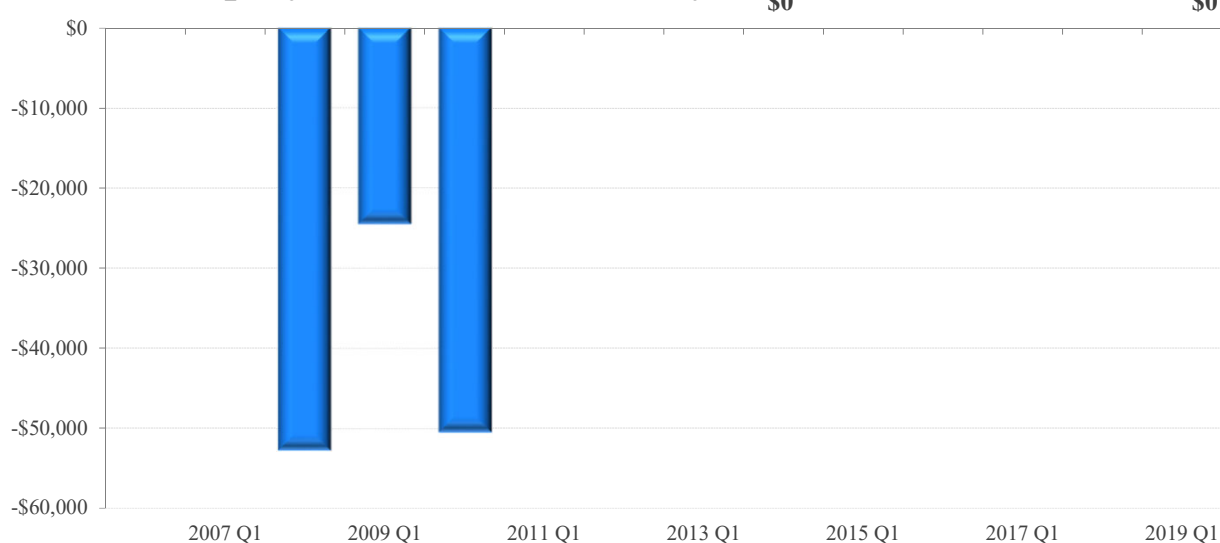
Note: limits are current and include the changes made on January 1st 2019.

Local NAR Leadership

The Saginaw market is part of region 6 in the NAR governance system, which includes all of Ohio and Michigan. The 2020 NAR Regional Vice President representing region 6 is Greg Hrabcak.

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	Saginaw	U.S.	Local Trend
1-year (4-quarter)	NA	\$23,185	Information on the long-term trend is not available
3-year (12-quarter)*	NA	\$52,978	
5-year (20-quarter)*	NA	\$87,425	
7-year (28 quarters)*	NA	\$120,351	
9-year (36 quarters)*	NA	\$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

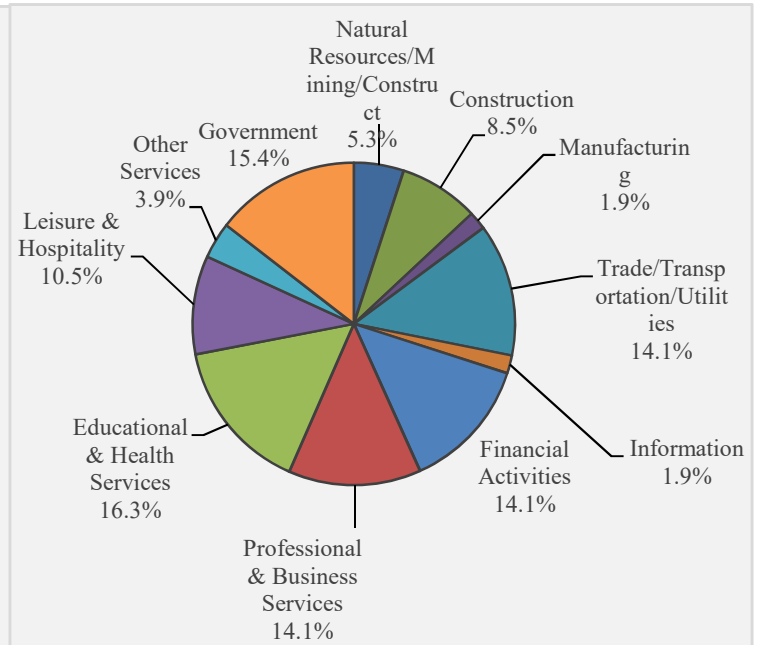
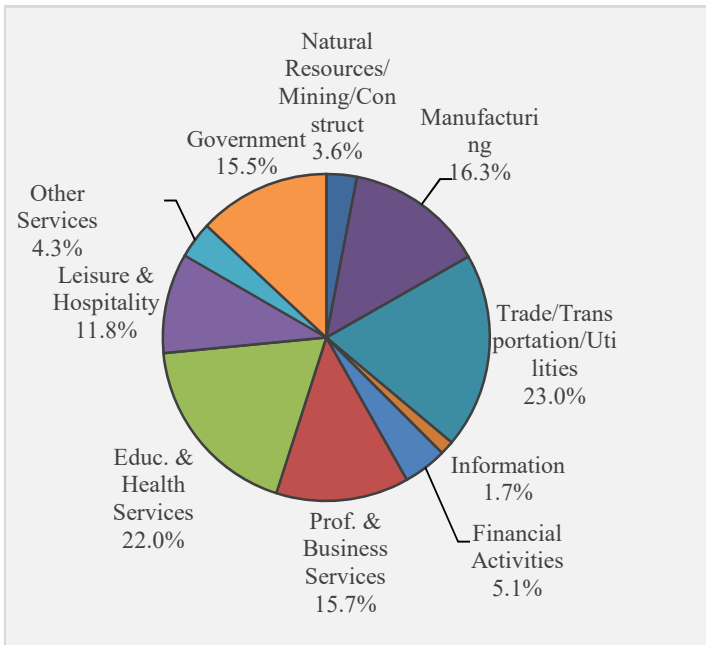
Drivers of Local Supply and Demand...

Local Economic Outlook	Saginaw	U.S.	
12-month Job Change (Mar)	-600	Not Comparable	Job losses are a problem and will weigh on demand, but layoffs are declining, a trend that could help buyer confidence
12-month Job Change (Feb)	-700	Not Comparable	
36-month Job Change (Mar)	-1,300	Not Comparable	Unemployment in Saginaw is better than the national average and improving
Current Unemployment Rate (Mar)	4.3%	4.4%	
Year-ago Unemployment Rate	5.4%	3.8%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	-0.7%	1.3%	

Share of Total Employment by Industry

Saginaw Area

U.S.



12-month Employment Change by Industry in the Saginaw Area (Mar - 2020)

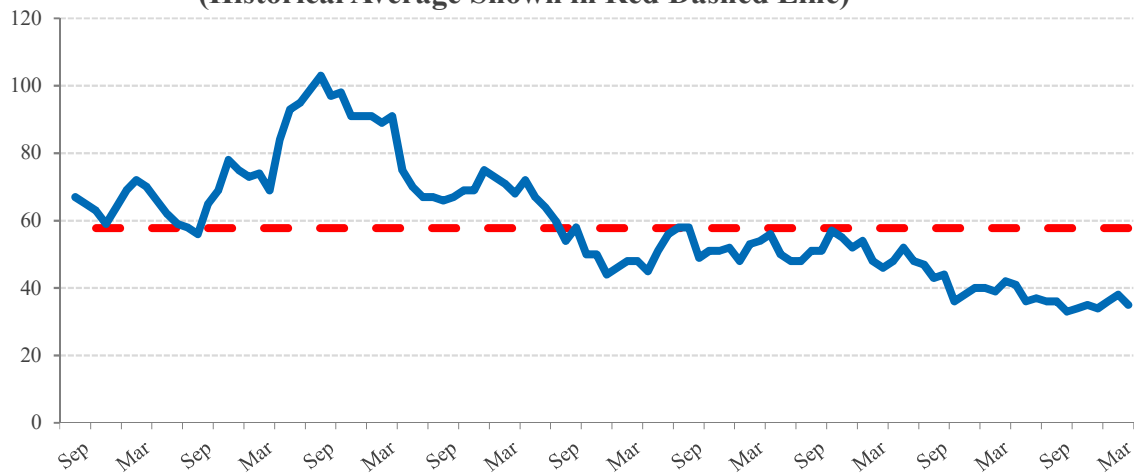
Goods Producing	NA	Information	-100
Natural Resources/Mining/Construction	-100	Financial Activities	0
Natural Resources and Mining	NA	Prof. & Business Services	200
Construction	NA	Educ. & Health Services	100
Manufacturing	-700	Leisure & Hospitality	-300
Service Providing Excluding Government	NA	Other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

State Economic Activity Index	Michigan	U.S.	
12-month change (2020 - Mar)	2.1%	1.2%	The economy of Michigan has outpaced the rest of the nation and improved modestly from last month's -43.06% change
36-month change (2020 - Mar)	NA	7.0%	

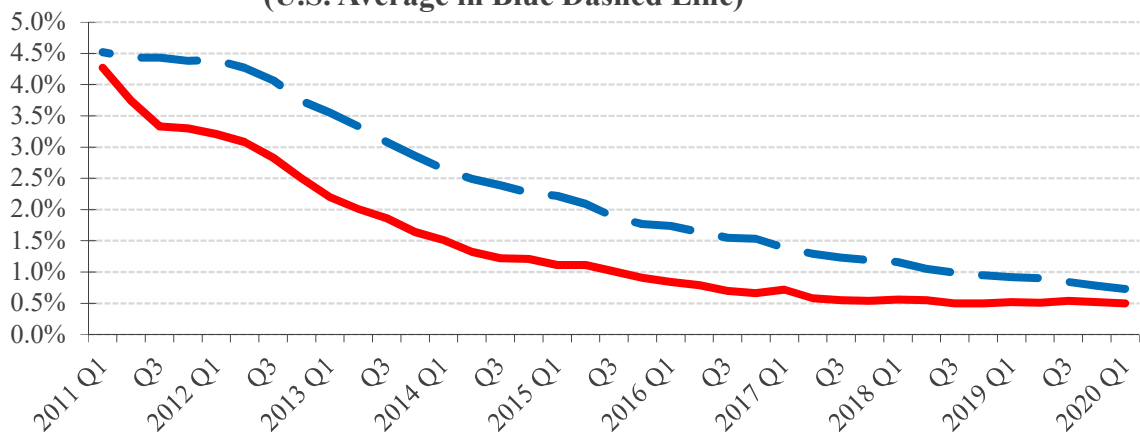
New Housing Construction

Local Fundamentals	Saginaw	U.S.	
12-month Sum of 1-unit Building Permits through Mar	35	not comparable	The current level of construction is 39.4% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	58	not comparable	Reduced construction will limit new supply to the market, allowing demand to catch up with inventory more quickly
Single-Family Housing Permits (Mar) 12-month sum vs. a year ago	-16.7%	5.5%	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)



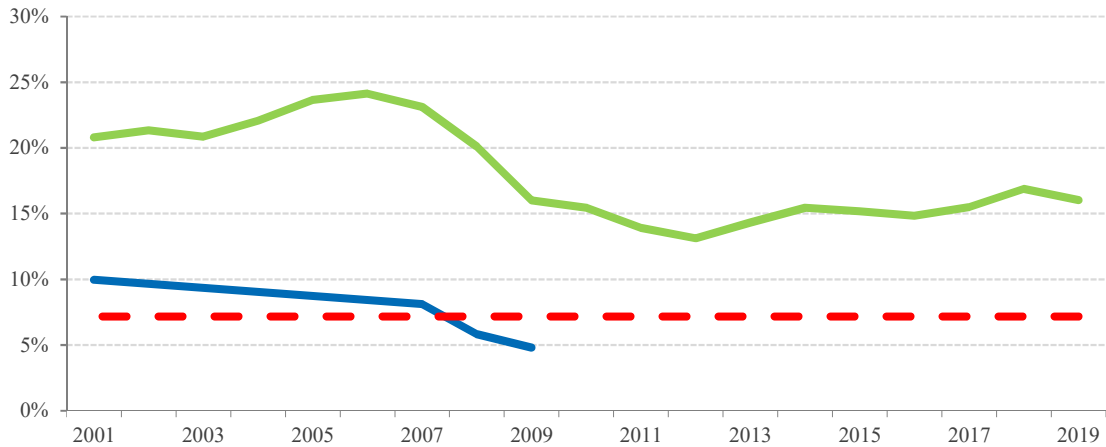
State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



Affordability

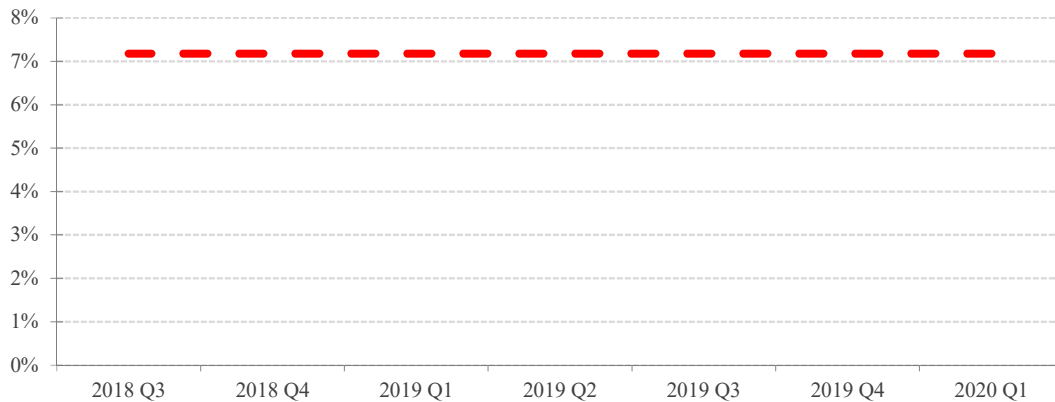


Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income
(Local Historical Average Shown in Red, U.S. Average in Green)



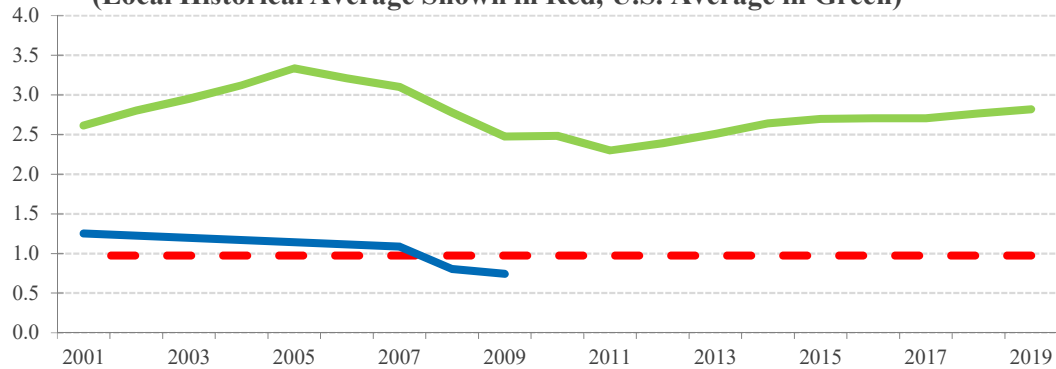
Monthly Mortgage Payment to Income	Saginaw	U.S.	
Ratio for 2019	NA	16.0%	NA
Ratio for 2020 Q1	NA	14.6%	
Historical Average	7.2%	18.4%	More affordable than most markets

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



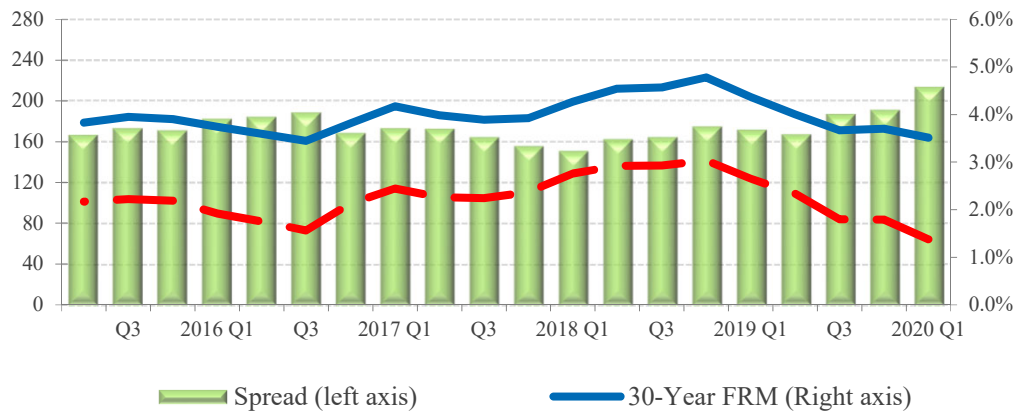
Median Home Price to Income	Saginaw	U.S.	
Ratio for 2019	NA	2.8	NA
Ratio for 2020 Q1	NA	2.7	
Historical Average	1.0	2.7	Affordable compared to most markets

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



The Mortgage Market

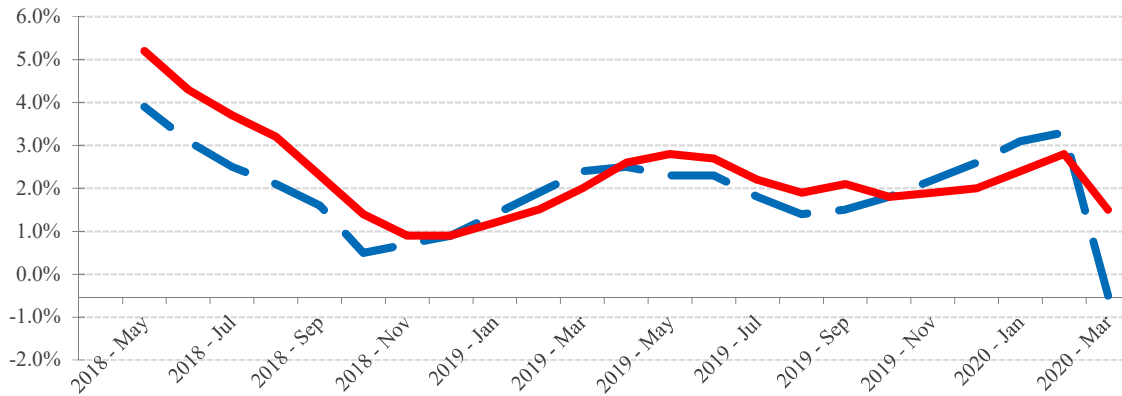
30-year Fixed Mortgage Rate and Treasury Bond Yield



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	Michigan	U.S.	
2020 - Mar	1.5%	-0.5%	REALTORS® expect higher price growth in Michigan than in the U.S. in the next 12 months. However, their price expectations for the local market are more modest than a year ago.
Prior 12 months	2.0%	2.4%	

Geographic Coverage for this Report

The Saginaw area referred to in this report covers the geographic area of the Saginaw 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:

Saginaw County

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