

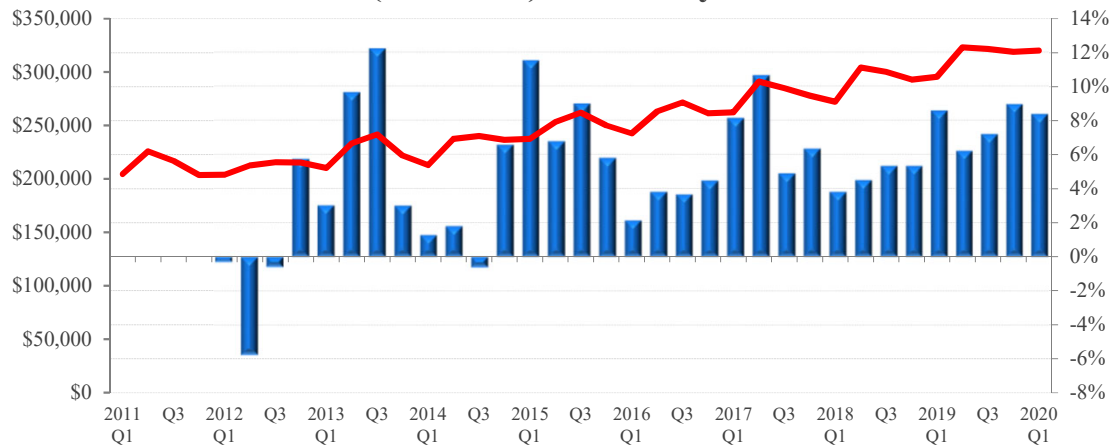
# Manchester-Nashua Area

## 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	Manchester	U.S.	Local Trend
Current Median Home Price (2020 Q1)	\$320,200	\$272,433	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2020 Q1)	8.4%	7.7%	
3-year (12-quarter) Appreciation (2020 Q1)	22.1%	18.1%	
3-year (12-quarter) Housing Equity Gain*	\$58,000	\$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*	\$110,000	\$96,500	
9-year (36 quarters) Housing Equity Gain*	\$115,600	\$114,500	

\*Note: Equity gain reflects price appreciation only

	Manchester	U.S.	
Conforming Loan Limit**	\$484,350	\$726,525	Most buyers in this market have access to government-backed financing
FHA Loan Limit	\$322,000	\$726,525	
Local Median to Conforming Limit Ratio	66%	not comparable	

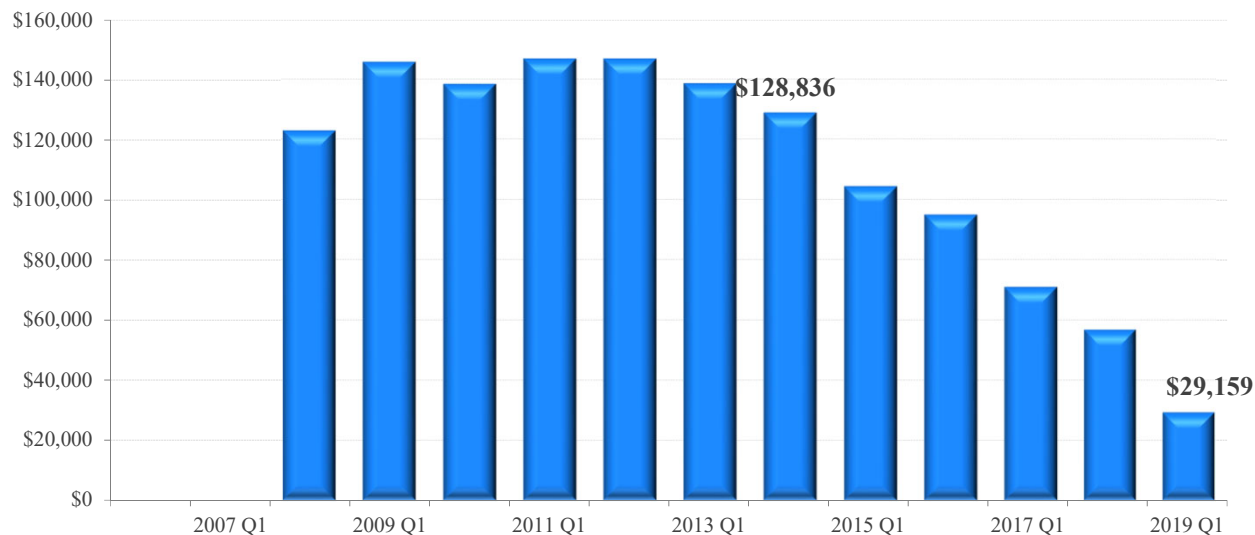
Note: limits are current and include the changes made on January 1st 2019.

#### Local NAR Leadership

The Manchester-Nashua market is part of region 1 in the NAR governance system, which includes all of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut. The 2020 NAR Regional Vice President representing region 1 is Gene Fercodini.

# 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	Manchester	U.S.	Local Trend
1-year (4-quarter)	\$29,159	\$23,185	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$70,780	\$52,978	
5-year (20-quarter)*	\$104,266	\$87,425	
7-year (28 quarters)*	\$138,496	\$120,351	
9-year (36 quarters)*	\$146,764	\$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

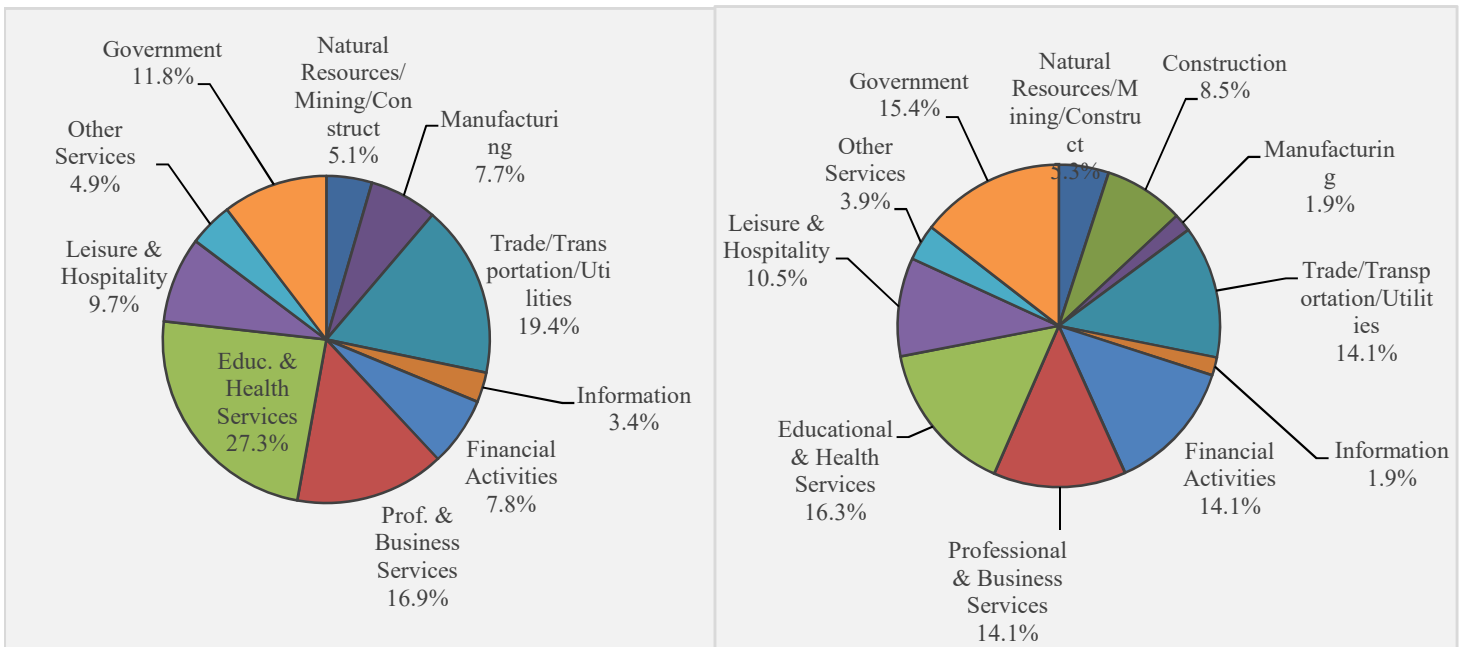
# Drivers of Local Supply and Demand...

Local Economic Outlook	Manchester	U.S.	
12-month Job Change (Mar)	-2,400	Not Comparable	Employment continues to decline and will weigh on demand in some areas
12-month Job Change (Feb)	100	Not Comparable	
36-month Job Change (Mar)	700	Not Comparable	Unemployment in Manchester is better than the national average and improving
Current Unemployment Rate (Mar)	2.5%	4.4%	
Year-ago Unemployment Rate	2.7%	3.8%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	-2.0%	1.3%	

## Share of Total Employment by Industry

Manchester-Nashua Area

U.S.



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

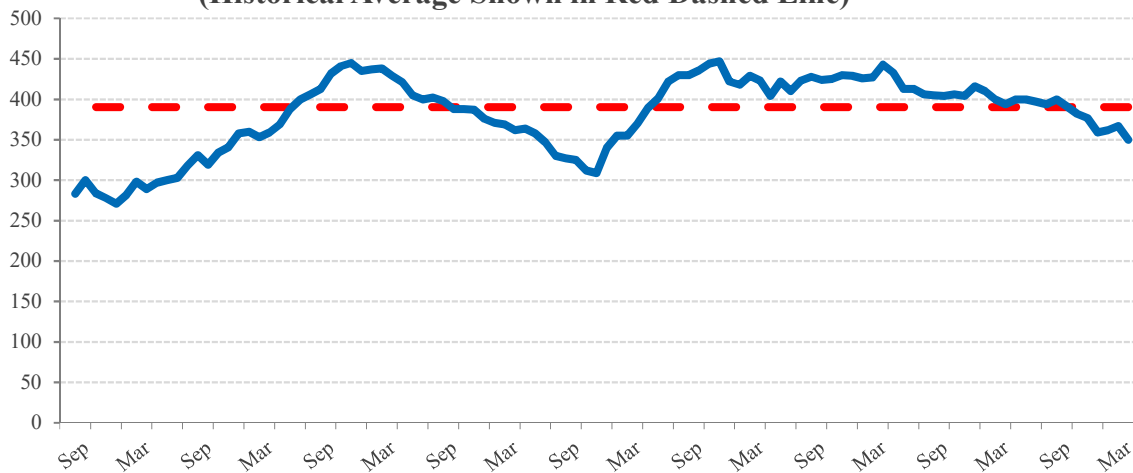
Goods Producing	NA	Information	100
Natural Resources/Mining/Construction	100	Financial Activities	-100
Natural Resources and Mining	NA	Prof. & Business Services	200
Construction	NA	Educ. & Health Services	-100
Manufacturing	-100	Leisure & Hospitality	-200
Service Providing Excluding Government	NA	Other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

State Economic Activity Index	New Hampshire	U.S.	
12-month change (2020 - Mar)	5.9%	1.2%	The economy of New Hampshire has outpaced the rest of the nation and improved modestly from last month's - 25.88% change
36-month change (2020 - Mar)	NA	7.0%	

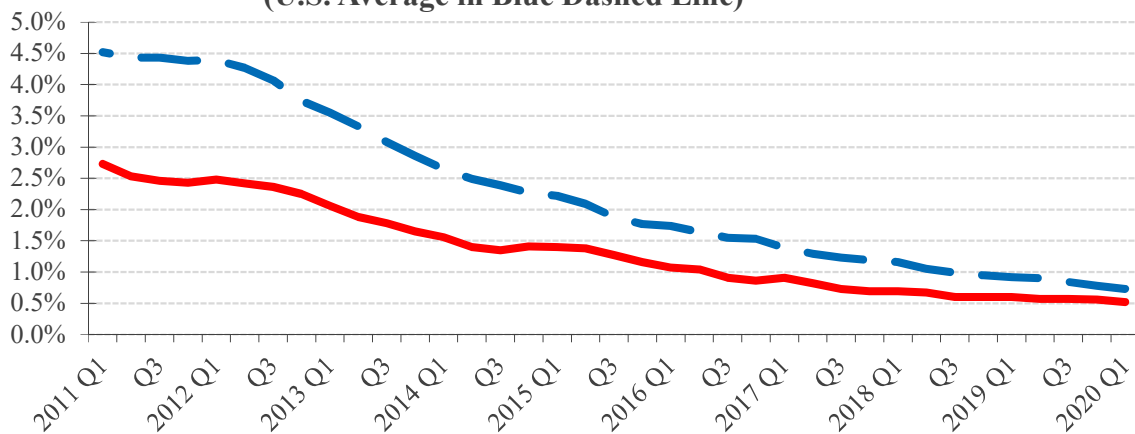
## New Housing Construction

Local Fundamentals	Manchester	U.S.	
12-month Sum of 1-unit Building Permits through Mar	350	not comparable	The current level of construction is 10.4% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	390	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	-11.2%	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)



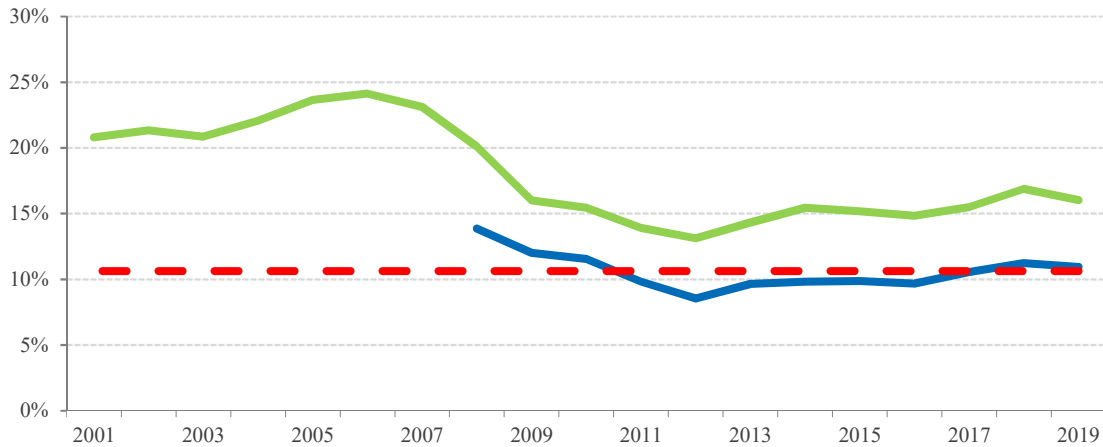
**State Total Foreclosure Rate vs. U.S. Average**  
(U.S. Average in Blue Dashed Line)



# Affordability

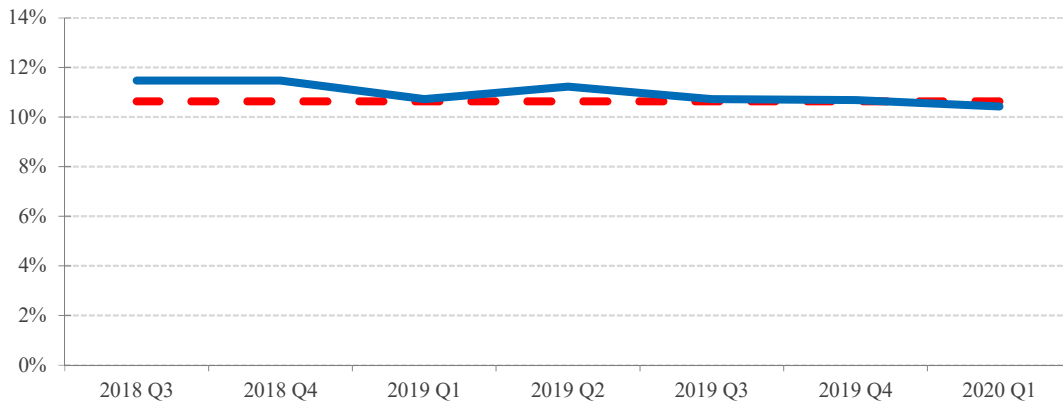


**Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income**  
(Local Historical Average Shown in Red, U.S. Average in Green)



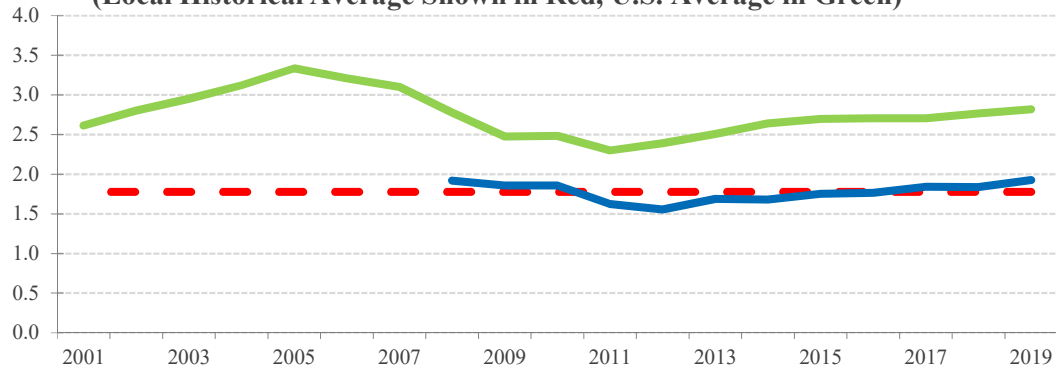
Monthly Mortgage Payment to Income	Manchester	U.S.	
Ratio for 2019	10.9%	16.0%	Historically strong, but weaker than the fourth quarter of 2019
Ratio for 2020 Q1	10.4%	14.6%	
Historical Average	10.6%	18.4%	More affordable than most markets

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



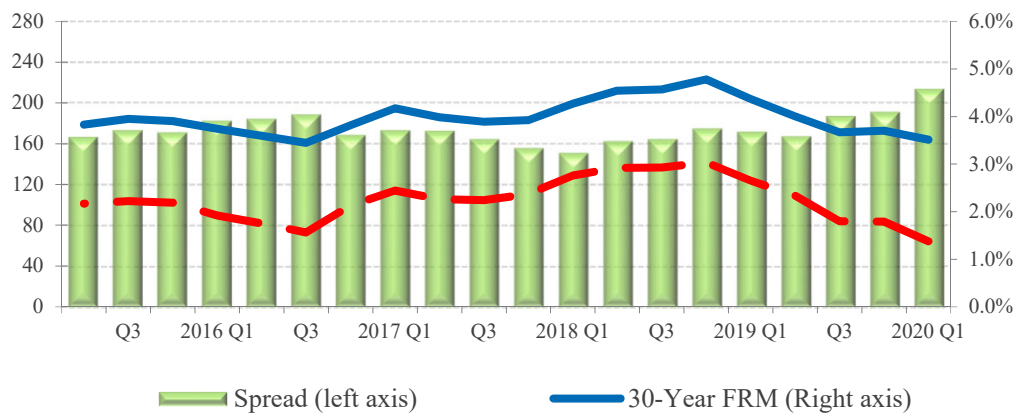
Median Home Price to Income	Manchester	U.S.	
Ratio for 2019	1.9	2.8	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2020 Q1	1.9	2.7	
Historical Average	1.8	2.7	Affordable compared to most markets

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



## The Mortgage Market

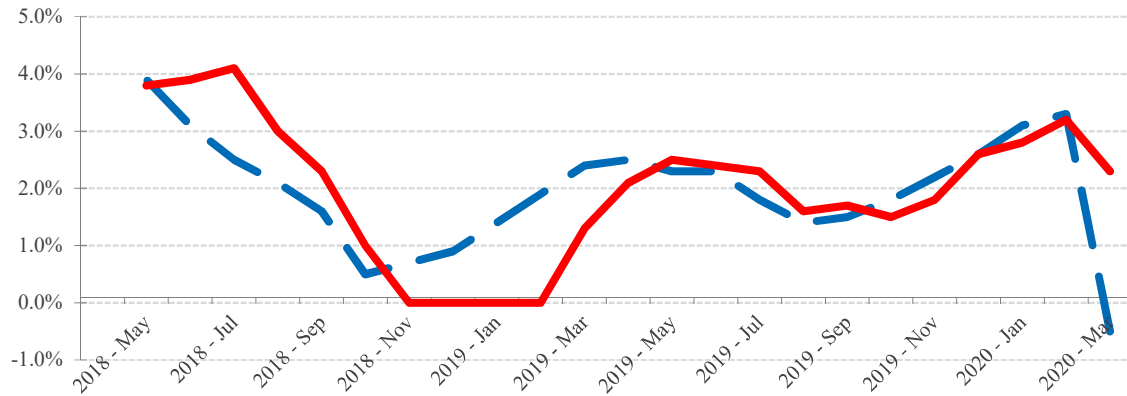
**30-year Fixed Mortgage Rate and Treasury Bond Yield**



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	New Hampshire	U.S.	
2020 - Mar	2.3%	-0.5%	REALTORS® expect higher price growth in New Hampshire than in the U.S. in the next 12 months. Their price expectations are also higher than a year ago.
Prior 12 months	1.3%	2.4%	

## Geographic Coverage for this Report

The Manchester area referred to in this report covers the geographic area of the Manchester-Nashua 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:

### Hillsborough County

More information on the OMB's geographic definitions can be found at [https://obamawhitehouse.archives.gov/omb/bulletins\\_default/](https://obamawhitehouse.archives.gov/omb/bulletins_default/)