

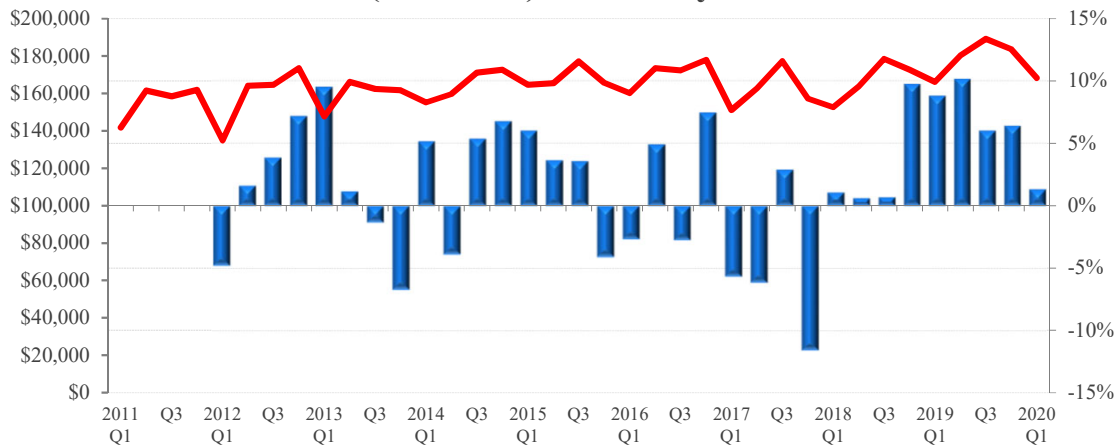
## Glens Falls Area

### 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	Glens Falls	U.S.	Local Trend
Current Median Home Price (2020 Q1)	\$168,300	\$272,433	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2020 Q1)	1.3%	7.7%	
3-year (12-quarter) Appreciation (2020 Q1)	11.4%	18.1%	
3-year (12-quarter) Housing Equity Gain*	\$17,200	\$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*	\$20,600	\$96,500	
9-year (36 quarters) Housing Equity Gain*	\$26,600	\$114,500	

\*Note: Equity gain reflects price appreciation only

	Glens Falls	U.S.	
<b>Conforming Loan Limit**</b>	\$484,350	\$726,525	Most buyers in this market have access to government-backed financing
<b>FHA Loan Limit</b>	\$314,827	\$726,525	
<b>Local Median to Conforming Limit Ratio</b>	35%	not comparable	

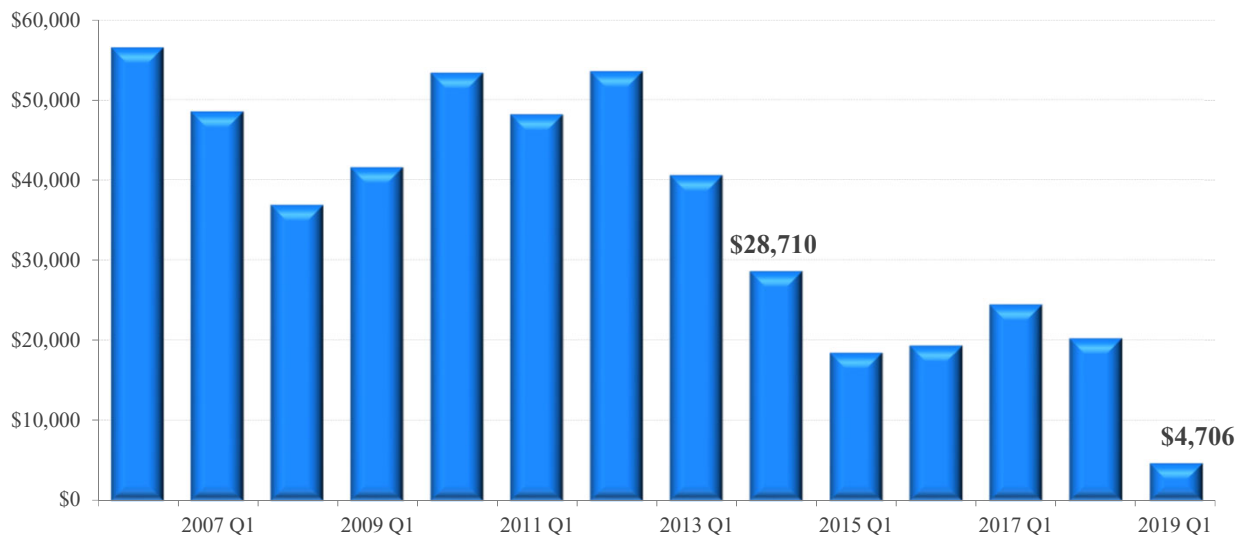
Note: limits are current and include the changes made on January 1st 2019.

#### Local NAR Leadership

The Glens Falls market is part of region 2 in the NAR governance system, which includes all of New York, New Jersey, and Pennsylvania. The 2020 NAR Regional Vice President representing region 2 is Drew Fishman.

# 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	GlensFalls	U.S.	Local Trend
1-year (4-quarter)	\$4,706	\$23,185	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$24,565	\$52,978	
5-year (20-quarter)*	\$18,583	\$87,425	
7-year (28 quarters)*	\$40,623	\$120,351	
9-year (36 quarters)*	\$48,183	\$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

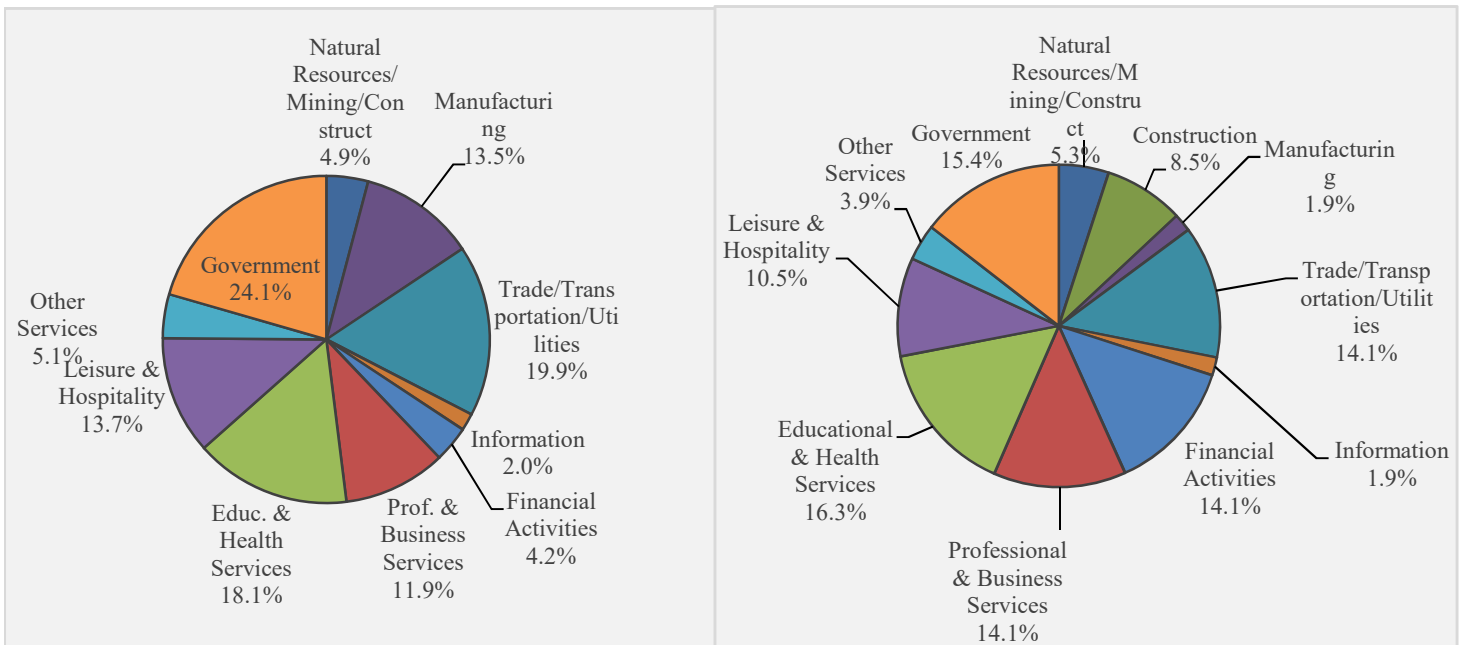
# Drivers of Local Supply and Demand...

Local Economic Outlook	Glens Falls	U.S.	
12-month Job Change (Mar)	200	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Feb)	800	Not Comparable	
36-month Job Change (Mar)	-1,100	Not Comparable	Glens Falls's unemployment rate lags the national average, but has improved relative to the same period last year
Current Unemployment Rate (Mar)	5.3%	4.4%	
Year-ago Unemployment Rate	5.3%	3.8%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	0.4%	1.3%	

## Share of Total Employment by Industry

Glens Falls Area

U.S.



### 12-month Employment Change by Industry in the Glens Falls Area (Mar - 2020)

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

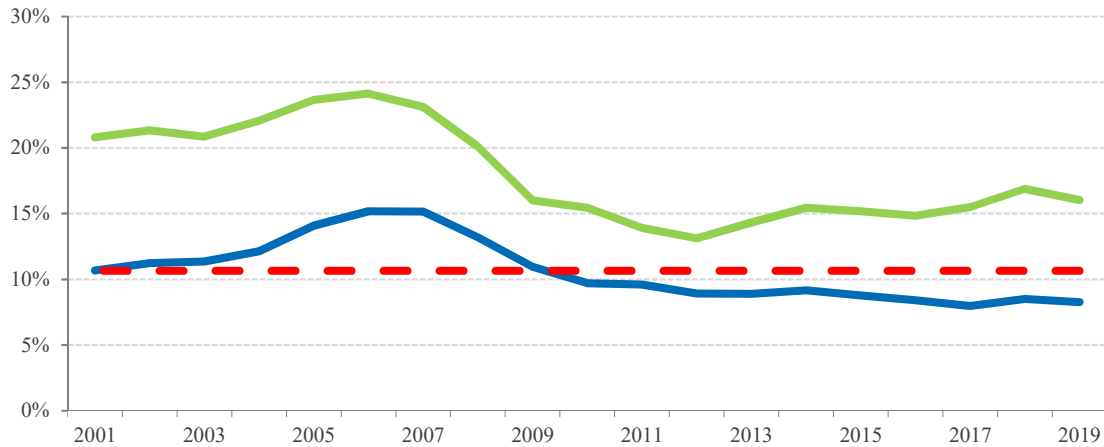
State Economic Activity Index	New York	U.S.	
12-month change (2020 - Mar)	-0.9%	1.2%	The economy of New York is still in recession, but improved modestly from last month's -25.16% change
36-month change (2020 - Mar)	NA	7.0%	



# Affordability

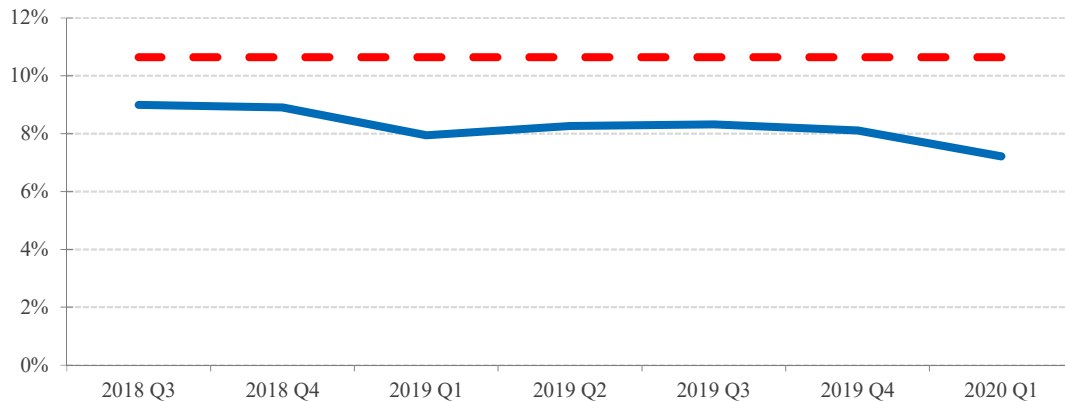


**Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income**  
(Local Historical Average Shown in Red, U.S. Average in Green)



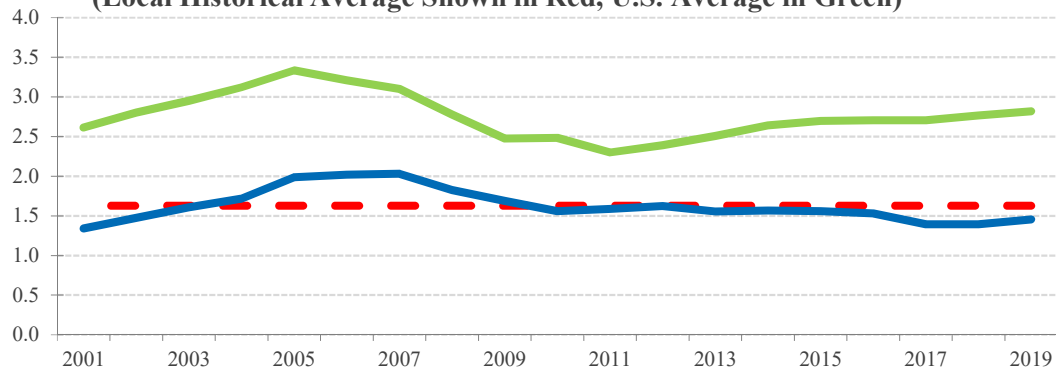
Monthly Mortgage Payment to Income	Glens Falls	U.S.	
Ratio for 2019	8.3%	16.0%	Historically strong, but weaker than the fourth quarter of 2019
Ratio for 2020 Q1	7.2%	14.6%	
Historical Average	10.6%	18.4%	More affordable than most markets

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



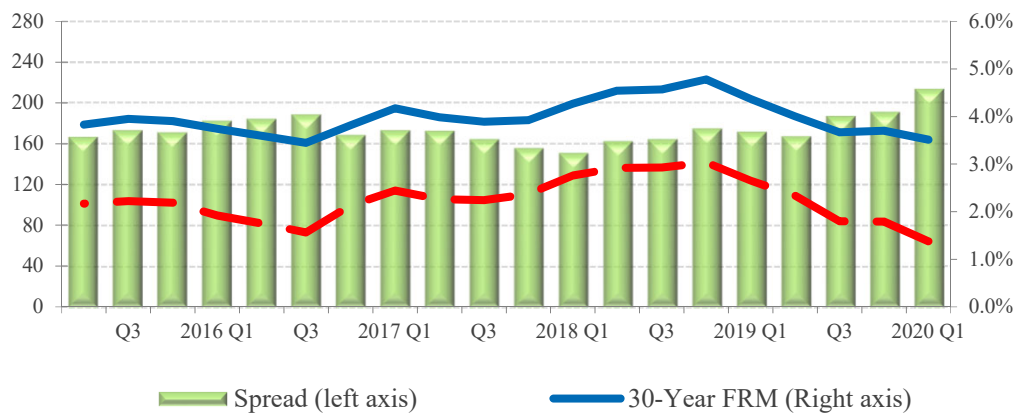
Median Home Price to Income	Glens Falls	U.S.	
Ratio for 2019	1.5	2.8	The price-to-income ratio rose, but is better than the historic average
Ratio for 2020 Q1	1.3	2.7	
Historical Average	1.6	2.7	Affordable compared to most markets

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



## The Mortgage Market

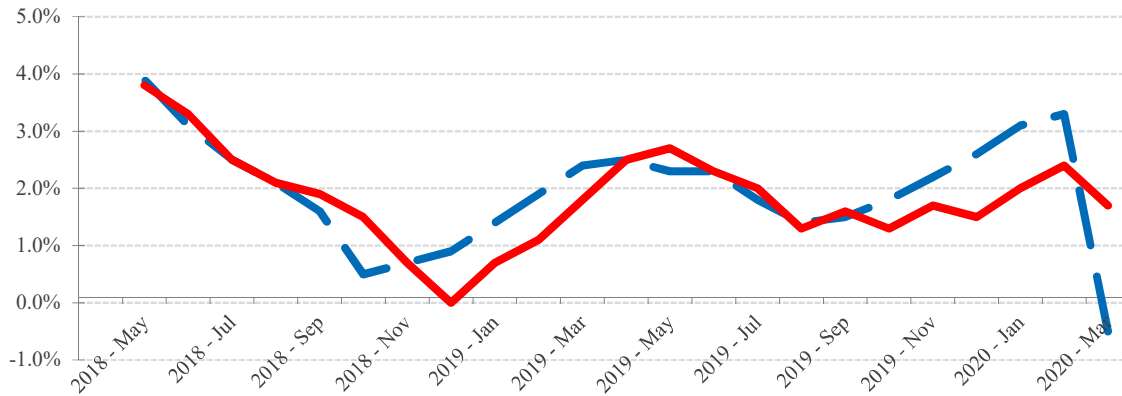
**30-year Fixed Mortgage Rate and Treasury Bond Yield**



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 York	U.S.	
2020 - Mar	1.7%	-0.5%	REALTORS® expect higher price growth in New York 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	1.8%	2.4%	



## Geographic Coverage for this Report

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

Warren County and Washington 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/)