

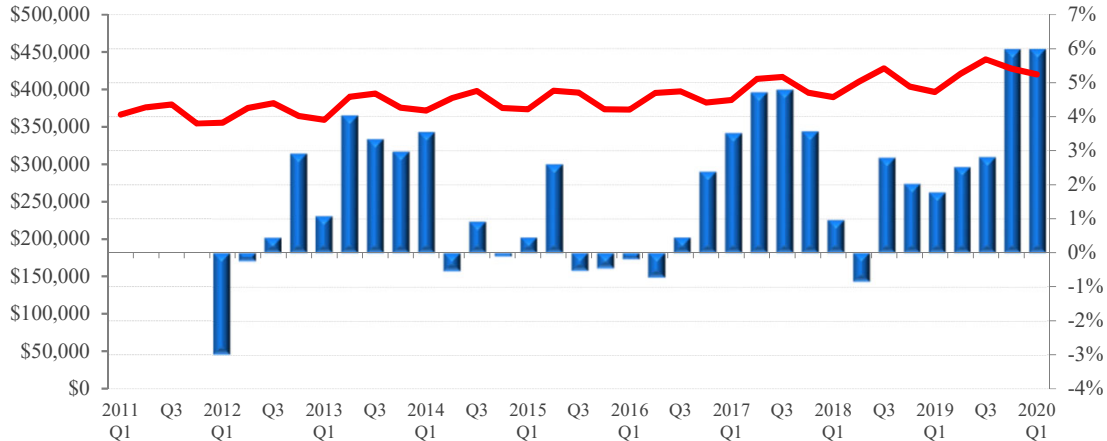
# New York-Newark-Jersey City Area

## 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	New York	U.S.	Local Trend
Current Median Home Price (2020 Q1)	\$420,300	\$272,433	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2020 Q1)	6.0%	7.7%	
3-year (12-quarter) Appreciation (2020 Q1)	8.9%	18.1%	
3-year (12-quarter) Housing Equity Gain*	\$34,300	\$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*	\$61,100	\$96,500	
9-year (36 quarters) Housing Equity Gain*	\$54,000	\$114,500	

\*Note: Equity gain reflects price appreciation only

	New York	U.S.	
<b>Conforming Loan Limit**</b>	\$726,525	\$726,525	Most buyers in this market have access to government-backed financing
<b>FHA Loan Limit</b>	\$726,525	\$726,525	
<b>Local Median to Conforming Limit Ratio</b>	58%	not comparable	

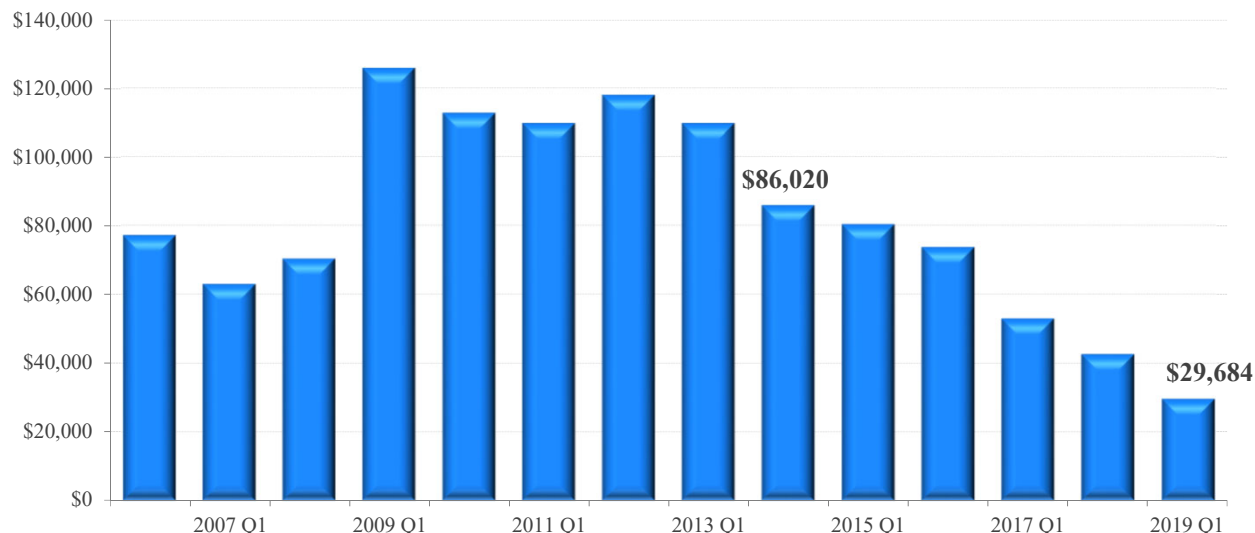
Note: limits are current and include the changes made on January 1st 2019.

#### Local NAR Leadership

The New York-Newark-Jersey City 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	NewYorkNJLI	U.S.	Local Trend
1-year (4-quarter)	\$29,684	\$23,185	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$53,115	\$52,978	
5-year (20-quarter)*	\$80,481	\$87,425	
7-year (28 quarters)*	\$109,796	\$120,351	
9-year (36 quarters)*	\$109,793	\$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

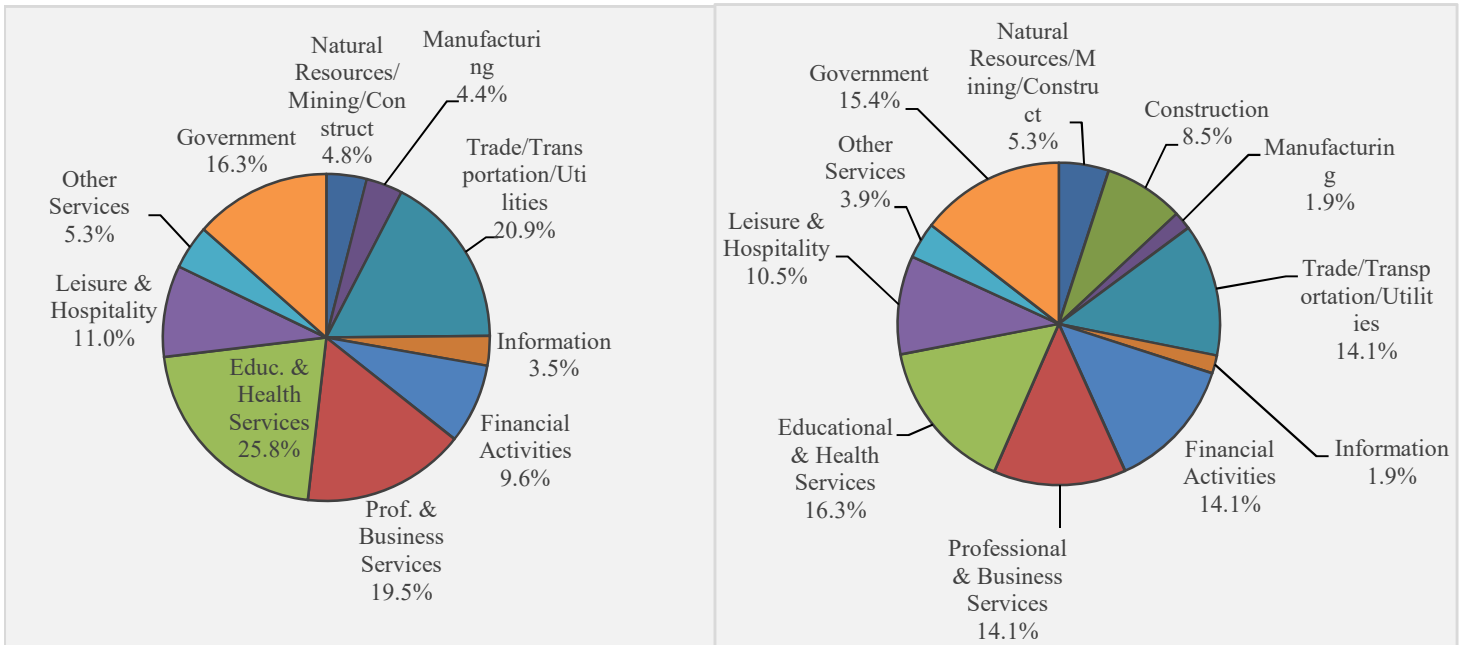
# Drivers of Local Supply and Demand...

Local Economic Outlook	New York	U.S.	
12-month Job Change (Mar)	-87,900	Not Comparable	Employment continues to decline and will weigh on demand in some areas
12-month Job Change (Feb)	99,700	Not Comparable	
36-month Job Change (Mar)	206,900	Not Comparable	Unemployment in New York is better than the national average and improving
Current Unemployment Rate (Mar)	3.8%	4.4%	
Year-ago Unemployment Rate	3.9%	3.8%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	-0.9%	1.3%	

## Share of Total Employment by Industry

New York-Newark-Jersey City Area

U.S.



12-month Employment Change by Industry in the New York-Newark-Jersey City Area (Mar - 2020)

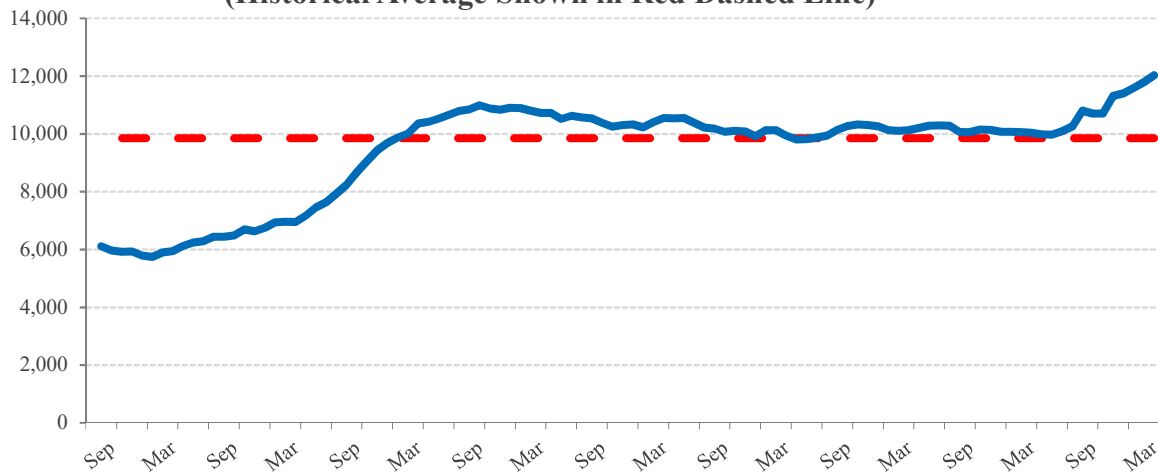
Goods Producing	NA	Information	1,200
Natural Resources/Mining/Construction	-4,500	Financial Activities	1,600
Natural Resources and Mining	NA	Prof. & Business Services	29,100
Construction	NA	Educ. & Health Services	54,200
Manufacturing	-800	Leisure & Hospitality	8,100
Service Providing Excluding Government	NA	Other Services	8,900
Trade/Transportation/Utilities	-6,900	Government	8,800

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%	

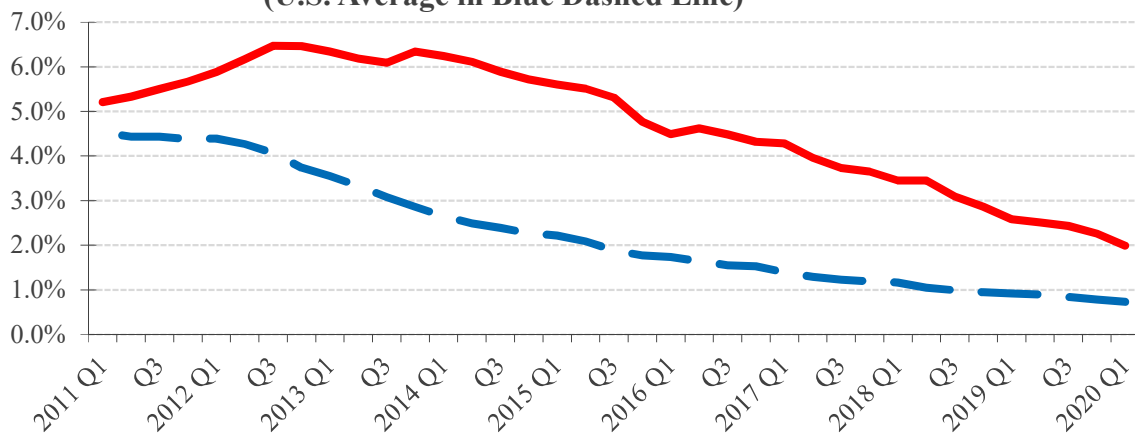
## New Housing Construction

Local Fundamentals	New York	U.S.	
12-month Sum of 1-unit Building Permits through Mar	12,035	not comparable	The current level of construction is 22.1% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	9,853	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) 12-month sum vs. a year ago	19.8%	5.5%	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)**



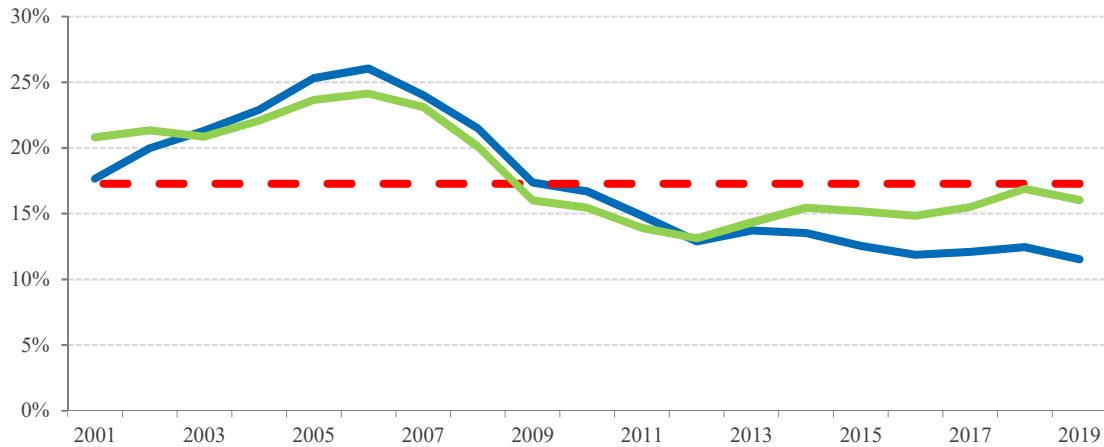
**State Total Foreclosure Rate vs. U.S. Average  
(U.S. Average in Blue Dashed Line)**



# Affordability

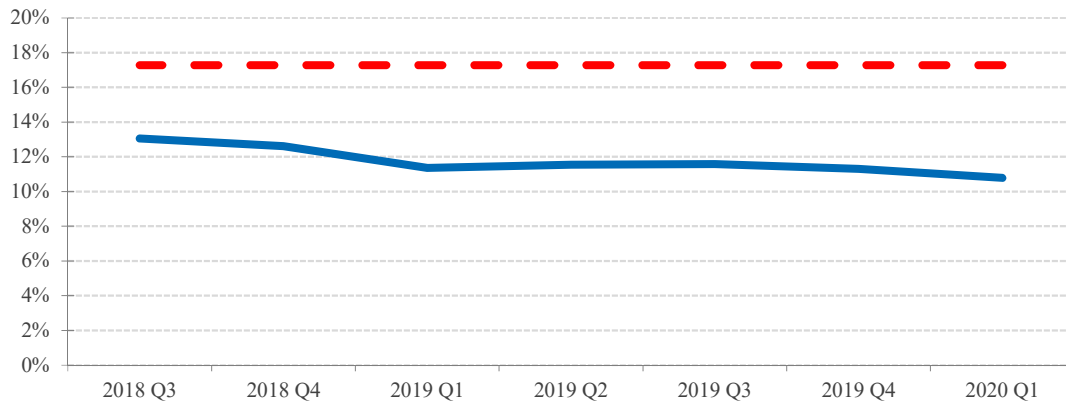


**Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income**  
(Local Historical Average Shown in Red, U.S. Average in Green)



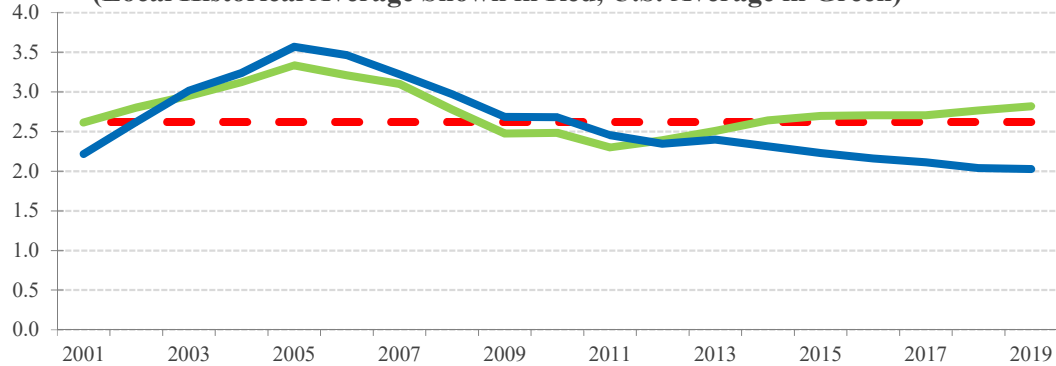
Monthly Mortgage Payment to Income	New York	U.S.	
Ratio for 2019	11.5%	16.0%	Historically strong, but weaker than the fourth quarter of 2019
Ratio for 2020 Q1	10.8%	14.6%	
Historical Average	17.3%	18.4%	More affordable than most markets

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



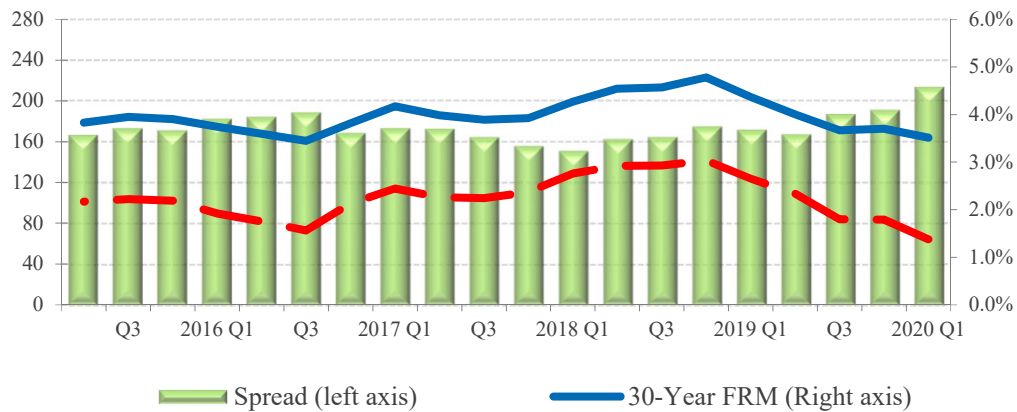
Median Home Price to Income	New York	U.S.	
Ratio for 2019	2.0	2.8	The price-to-income ratio rose, but is better than the historic average
Ratio for 2020 Q1	2.0	2.7	
Historical Average	2.6	2.7	Affordable compared to most markets

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



## The Mortgage Market

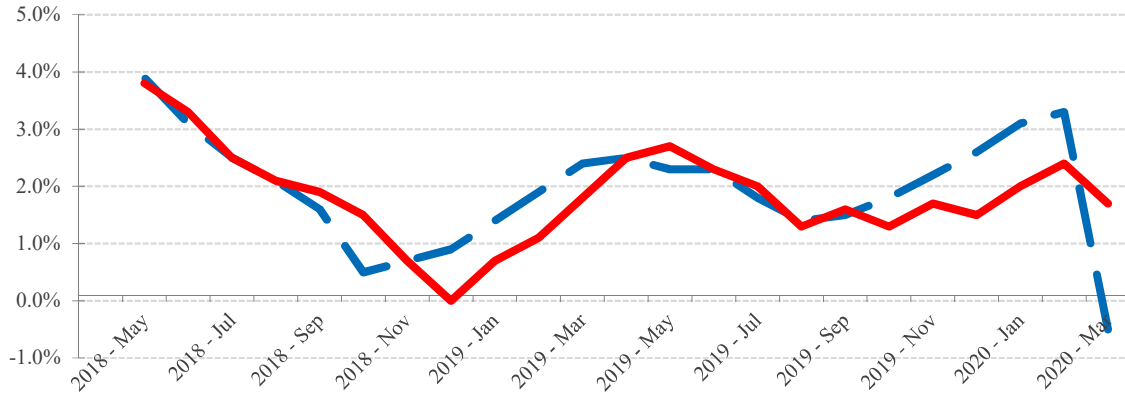
**30-year Fixed Mortgage Rate and Treasury Bond Yield**



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 New York area referred to in this report covers the geographic area of the New York-Newark-Jersey City 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:

Dutchess County, NY; Putnam County, NY; Nassau County, NY; Suffolk County, NY; Essex County, NJ; Hunterdon County, NJ; Morris County, NJ; Somerset County, NJ; Sussex County, NJ; Union County, NJ; Pike County, PA; Bergen County, NJ; Hudson County, NJ; Middlesex County, NJ; Monmouth County, NJ; Ocean County, NJ; Passaic County, NJ; Bronx County, NY; Kings County, NY; New York County, NY; Orange County, NY; Queens County, NY; Richmond County, NY; Rockland County, NY; Westchester County, NY

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/)