

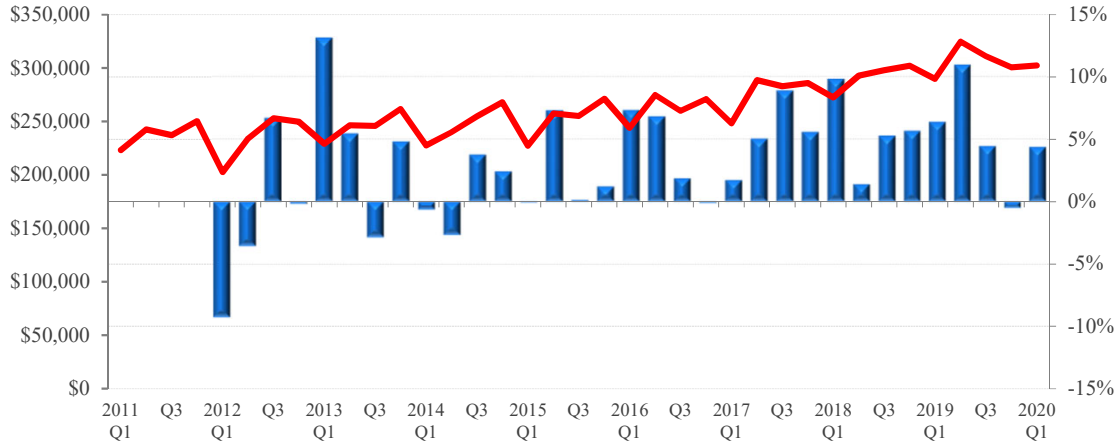
Burlington-South Burlington Area

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 | Burlington | U.S. | Local Trend |
| Current Median Home Price (2020 Q1) | \$302,400 | \$272,433 | Prices continue to grow relative to last year |
| 1-year (4-quarter) Appreciation (2020 Q1) | 4.3% | 7.7% | |
| 3-year (12-quarter) Appreciation (2020 Q1) | 21.8% | 18.1% | |
| 3-year (12-quarter) Housing Equity Gain* | \$54,200 | \$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* | \$73,300 | \$96,500 | |
| 9-year (36 quarters) Housing Equity Gain* | \$79,200 | \$114,500 | |

*Note: Equity gain reflects price appreciation only

| | Burlington | U.S. | |
|---|------------|----------------|---|
| Conforming Loan Limit** | \$484,350 | \$726,525 | Most buyers in this market have access to government-backed financing |
| FHA Loan Limit | \$351,900 | \$726,525 | |
| Local Median to Conforming Limit Ratio | 62% | not comparable | |

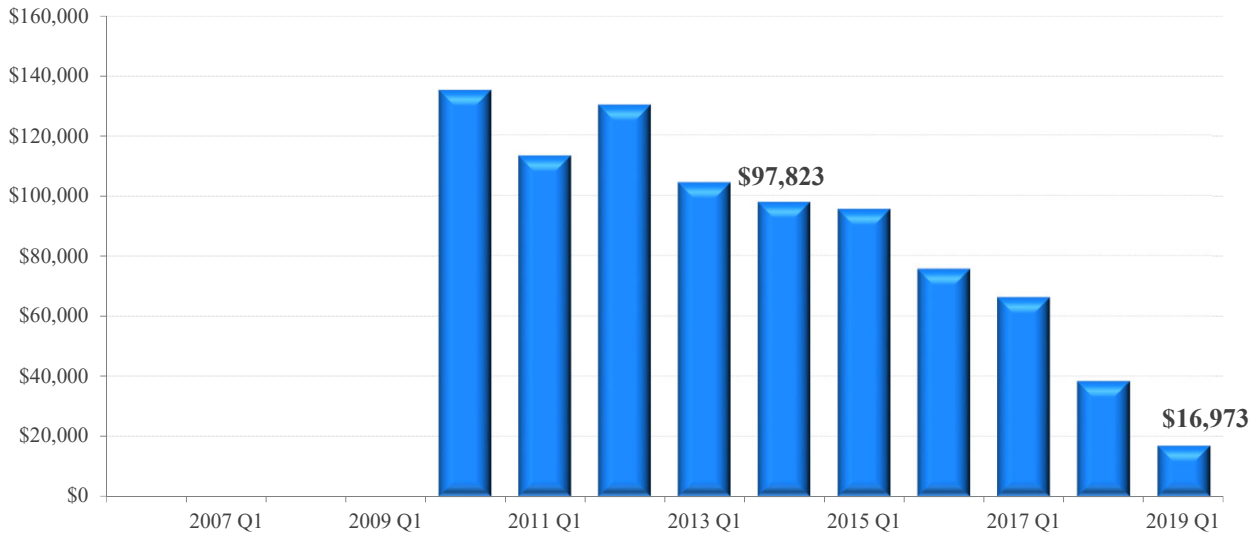
Note: limits are current and include the changes made on January 1st 2019.

Local NAR Leadership

The Burlington-South Burlington 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 | Burlington | U.S. | Local Trend |
|-----------------------|------------|-----------|--|
| 1-year (4-quarter) | \$16,973 | \$23,185 | Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession |
| 3-year (12-quarter)* | \$66,298 | \$52,978 | |
| 5-year (20-quarter)* | \$95,562 | \$87,425 | |
| 7-year (28 quarters)* | \$104,358 | \$120,351 | |
| 9-year (36 quarters)* | \$113,197 | \$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

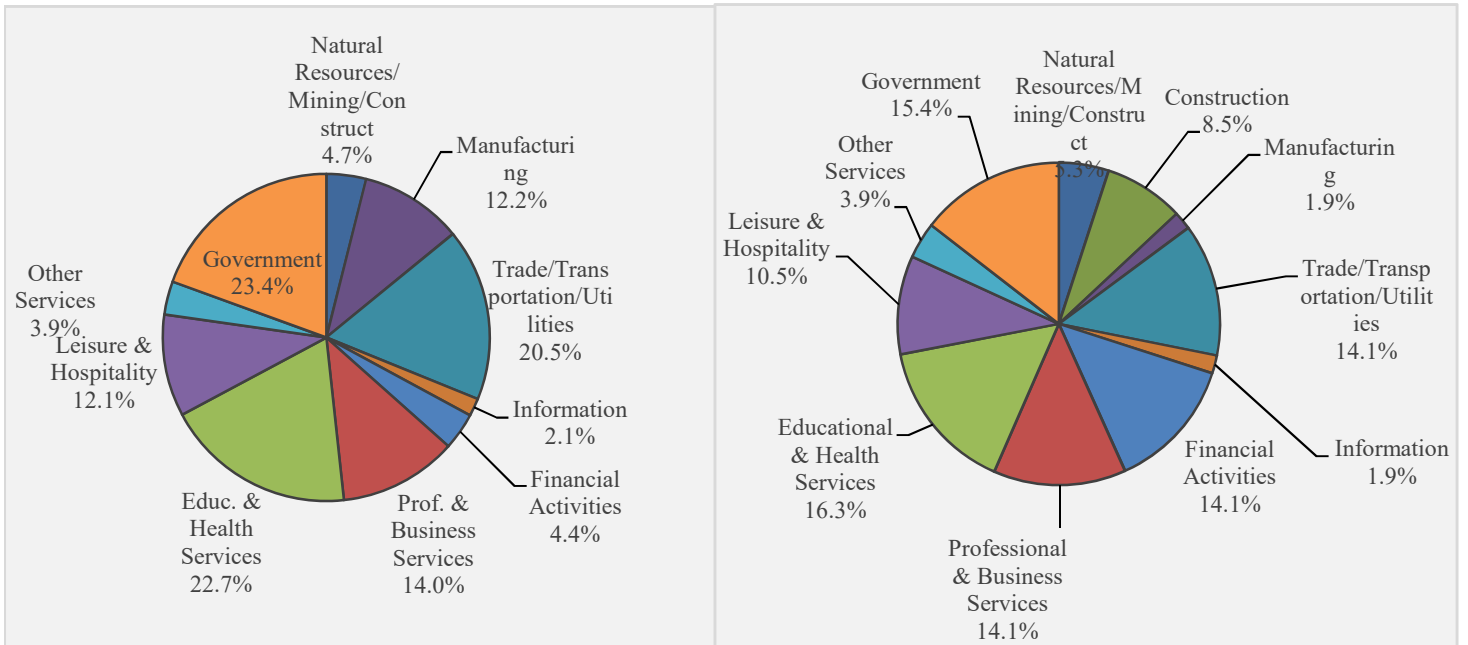
Drivers of Local Supply and Demand...

| Local Economic Outlook | Burlington | 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) | -1,400 | Not Comparable | |
| 36-month Job Change (Mar) | -1,200 | Not Comparable | Unemployment has risen since the same period last year, but Burlington's labor market has been more resilient than the national average |
| Current Unemployment Rate (Mar) | 2.7% | 4.4% | |
| Year-ago Unemployment Rate | 2.0% | 3.8% | Local employment growth is poor and needs to improve |
| 1-year (12 month) Job Growth Rate | -1.9% | 1.3% | |

Share of Total Employment by Industry

Burlington-South Burlington Area

U.S.



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

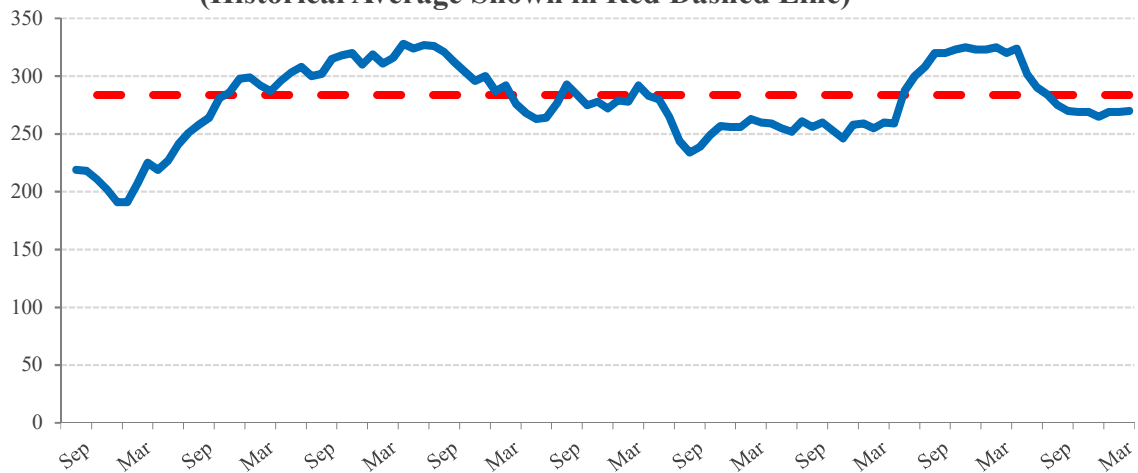
| | | | |
|--|------|---------------------------|------|
| Goods Producing | NA | Information | -100 |
| Natural Resources/Mining/Construction | -600 | Financial Activities | 0 |
| Natural Resources and Mining | NA | Prof. & Business Services | -300 |
| Construction | NA | Educ. & Health Services | 300 |
| Manufacturing | -100 | Leisure & Hospitality | -200 |
| Service Providing Excluding Government | NA | Other Services | -100 |
| Trade/Transportation/Utilities | -500 | Government | 200 |

| State Economic Activity Index | Vermont | U.S. | |
|-------------------------------|---------|------|--|
| 12-month change (2020 - Mar) | 1.8% | 1.2% | Vermont's economy is stronger than the nation's, but slowed from last month's 2.06% change |
| 36-month change (2020 - Mar) | NA | 7.0% | |

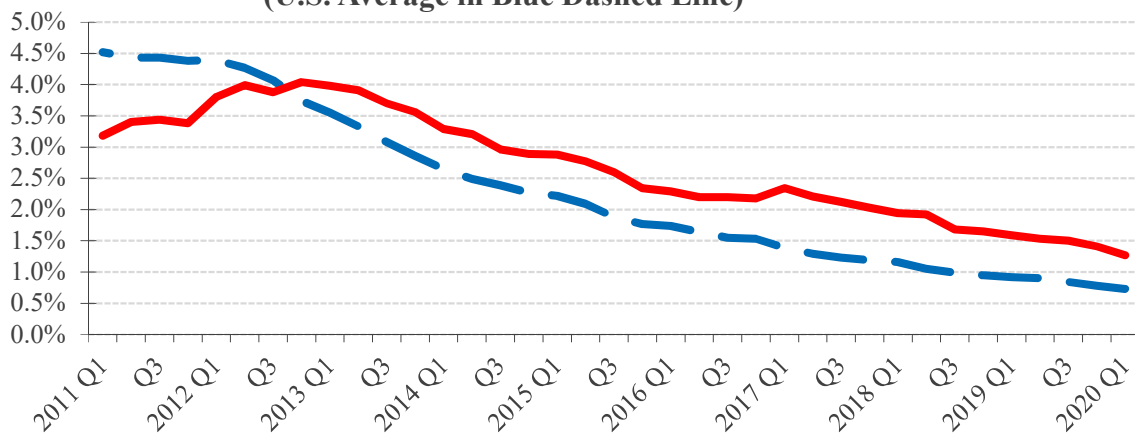
New Housing Construction

| Local Fundamentals | Burlington | U.S. | |
|--|------------|----------------|---|
| 12-month Sum of 1-unit Building Permits through Mar | 270 | not comparable | The current level of construction is 4.8% below the long-term average |
| 8-year average for 12-month Sum of 1-Unit Building Permits | 284 | 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 | -15.6% | 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)



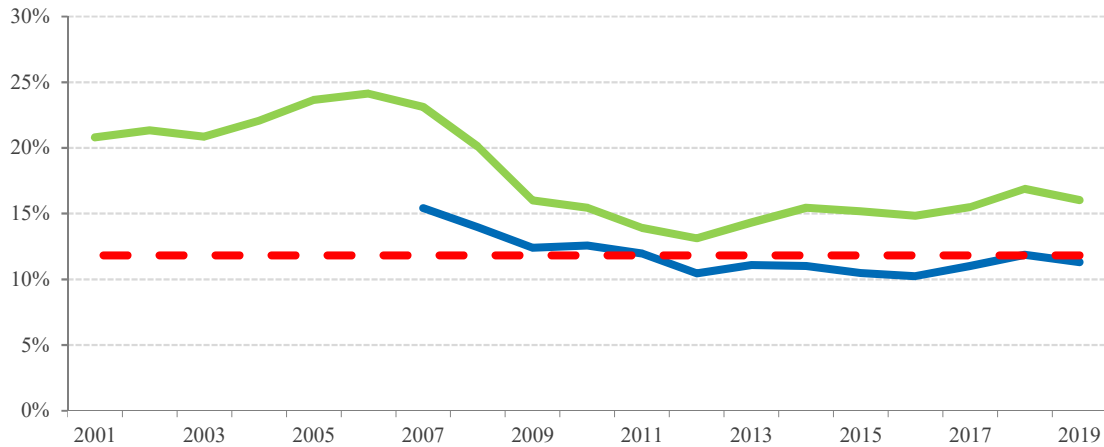
State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



Affordability

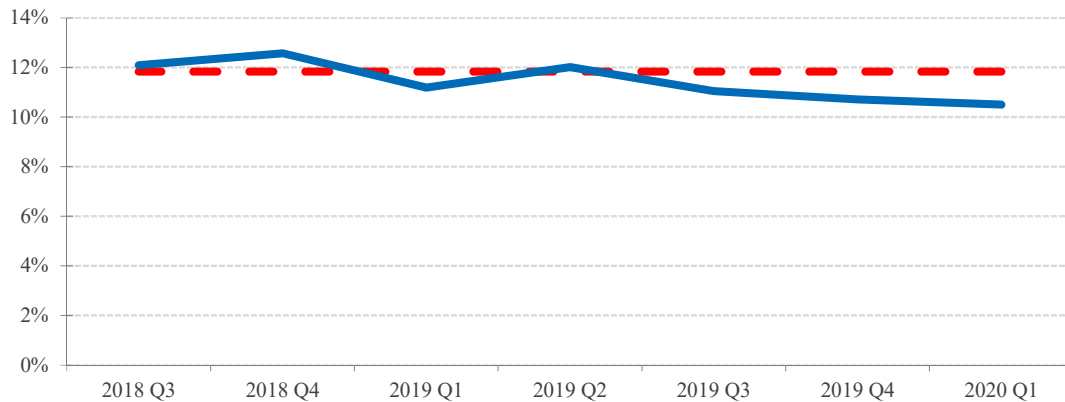


Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income
(Local Historical Average Shown in Red, U.S. Average in Green)



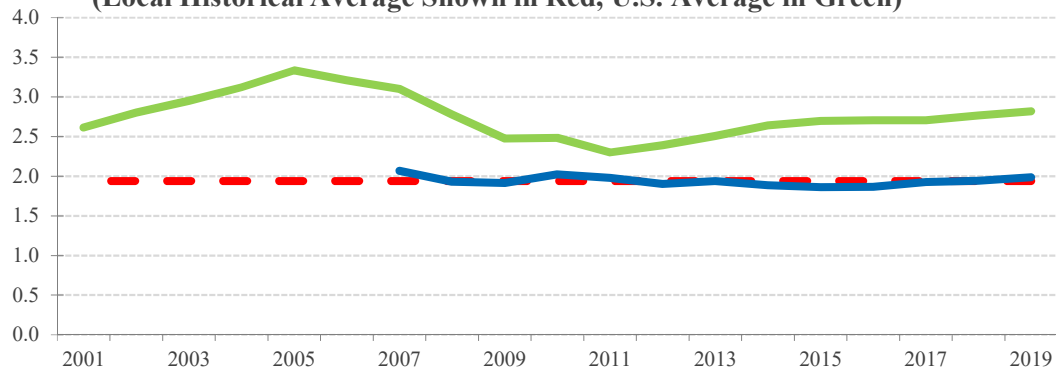
| Monthly Mortgage Payment to Income | Burlington | U.S. | |
|------------------------------------|------------|-------|---|
| Ratio for 2019 | 11.3% | 16.0% | Historically strong, but weaker than the fourth quarter of 2019 |
| Ratio for 2020 Q1 | 10.5% | 14.6% | |
| Historical Average | 11.8% | 18.4% | More affordable than most markets |

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



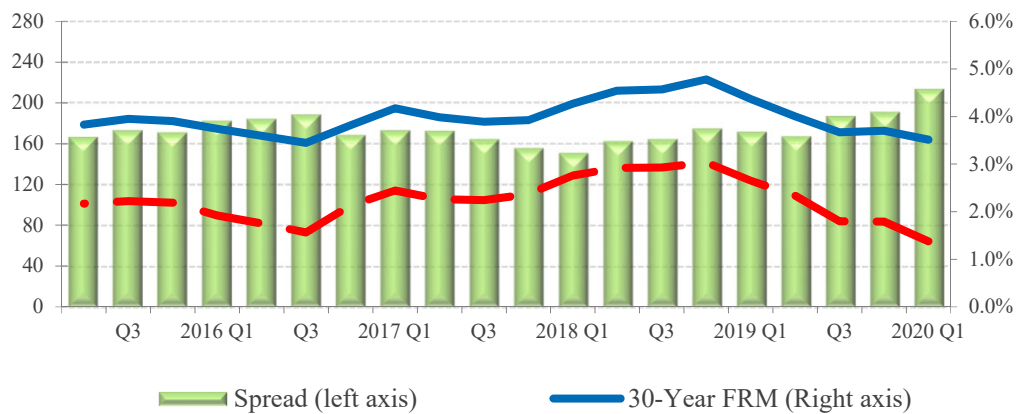
| Median Home Price to Income | Burlington | U.S. | |
|-----------------------------|------------|------|---|
| Ratio for 2019 | 2.0 | 2.8 | The price-to-income ratio is high by historic standards and getting worse |
| Ratio for 2020 Q1 | 1.9 | 2.7 | |
| Historical Average | 1.9 | 2.7 | Affordable compared 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

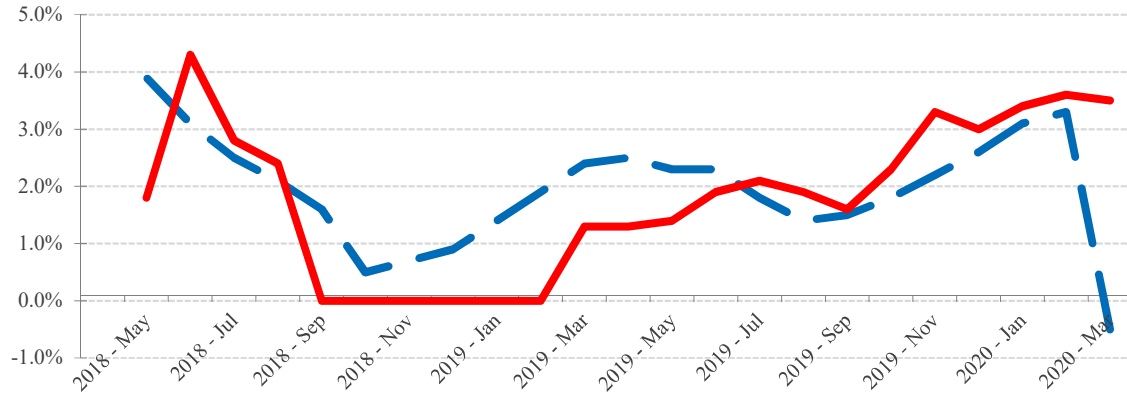
30-year Fixed Mortgage Rate and Treasury Bond Yield



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 | Vermont | U.S. | |
|-----------------------------|---------|-------|---|
| 2020 - Mar | 3.5% | -0.5% | REALTORS® expect higher price growth in Vermont 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 Burlington area referred to in this report covers the geographic area of the Burlington-South Burlington 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:

Chittenden County, Franklin County, and Grand Isle County

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