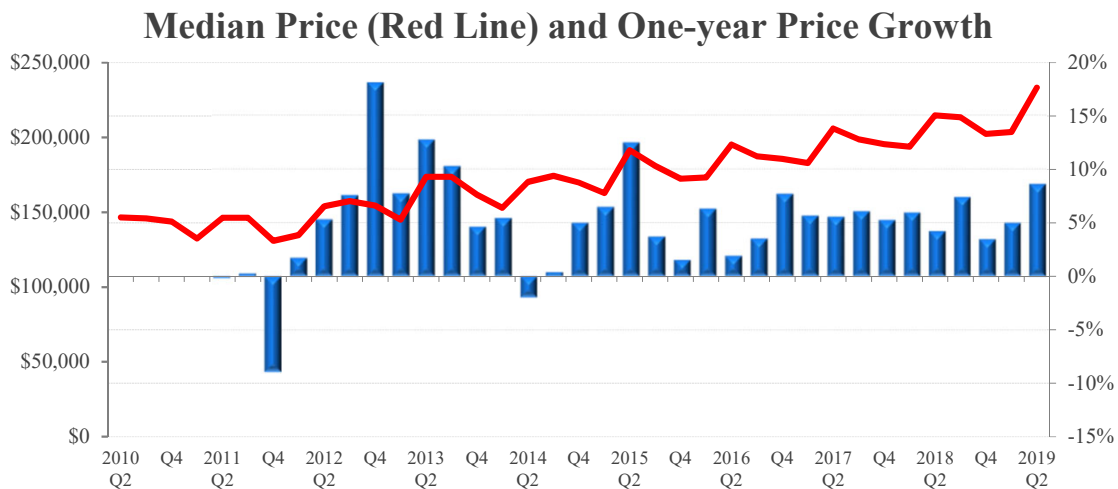


Birmingham-Hoover Area Local Market Report, Second Quarter 2019

Today's Market...



Local Price Trends			
Price Activity	Birmingham	U.S.	Local Trend
Current Median Home Price (2019 Q2)	\$233,300	\$276,800	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2019 Q2)	8.6%	4.2%	
3-year (12-quarter) Appreciation (2019 Q2)	19.5%	15.8%	
3-year (12-quarter) Housing Equity Gain*	\$38,100	\$37,667	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$79,200	\$95,867	
9-year (36 quarters) Housing Equity Gain*	\$86,800	\$100,200	

*Note: Equity gain reflects price appreciation only

	Birmingham	U.S.	
Conforming Loan Limit**	\$484,350	\$726,525	Most buyers in this market have access to government-backed financing
FHA Loan Limit	\$314,827	\$726,525	
Local Median to Conforming Limit Ratio	48%	not comparable	

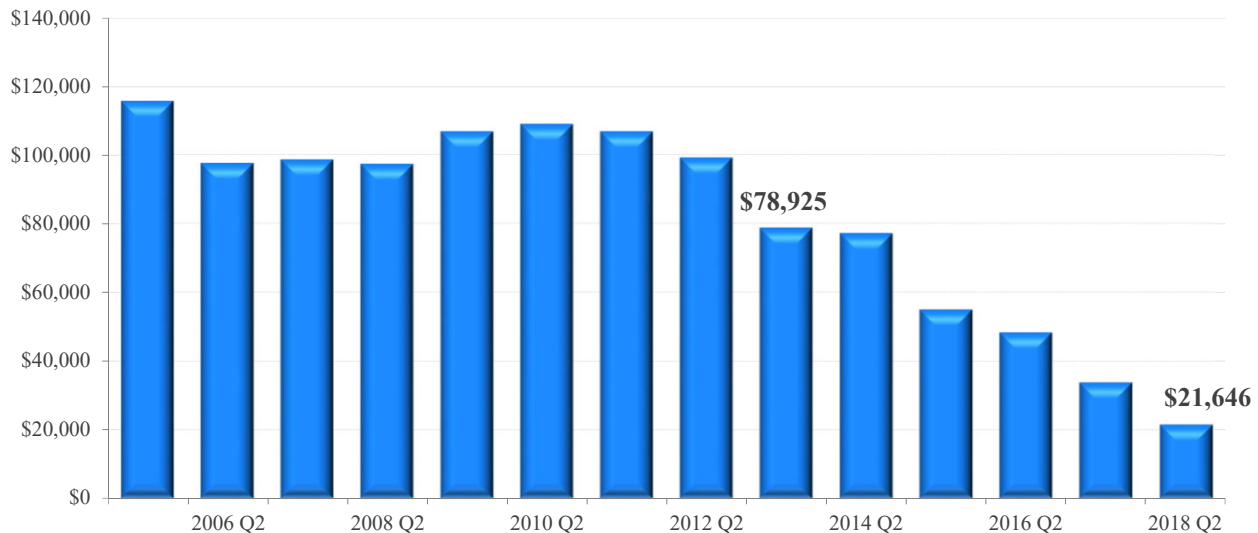
Note: limits are current and include the changes made on January 1st 2019.

Local NAR Leadership

The Birmingham-Hoover market is part of region 5 in the NAR governance system, which includes all of Georgia, Florida, Alabama, Mississippi, Virgin Islands, and Puerto Rico. The 2019 NAR Regional Vice President representing region 5 is Maria Wells.

Benefits of Ownership: Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained** through 2019 Q2 from quarter in which home was of purchased

Price Activity	Birmingham	U.S.	Local Trend
1-year (4-quarter)	\$21,646	\$15,090	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$48,519	\$50,431	
5-year (20-quarter)*	\$77,308	\$79,779	
7-year (28 quarters)*	\$99,280	\$108,518	
9-year (36 quarters)*	\$108,941	\$112,549	
If purchase in 2005, the national price peak	\$115,663	\$75,039	

*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

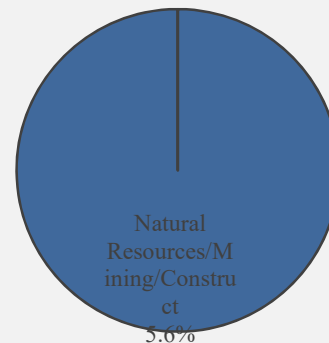
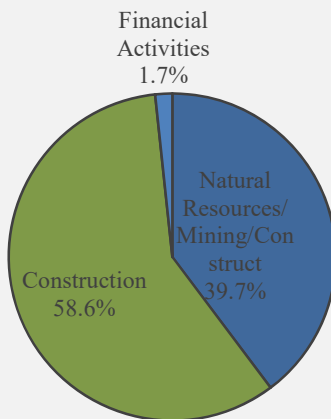
Drivers of Local Supply and Demand...

Local Economic Outlook	Birmingham	U.S.	
12-month Job Change (Jun)	8,100	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (May)	9,800	Not Comparable	
36-month Job Change (Jun)	20,700	Not Comparable	Unemployment in Birmingham is better than the national average and improving
Current Unemployment Rate (Jun)	3.1%	3.7%	
Year-ago Unemployment Rate	4.2%	3.9%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	1.5%	1.7%	

Share of Total Employment by Industry

Birmingham-Hoover Area

U.S.



12-month Employment Change by Industry in the Birmingham-Hoover Area (Jul - 2019)

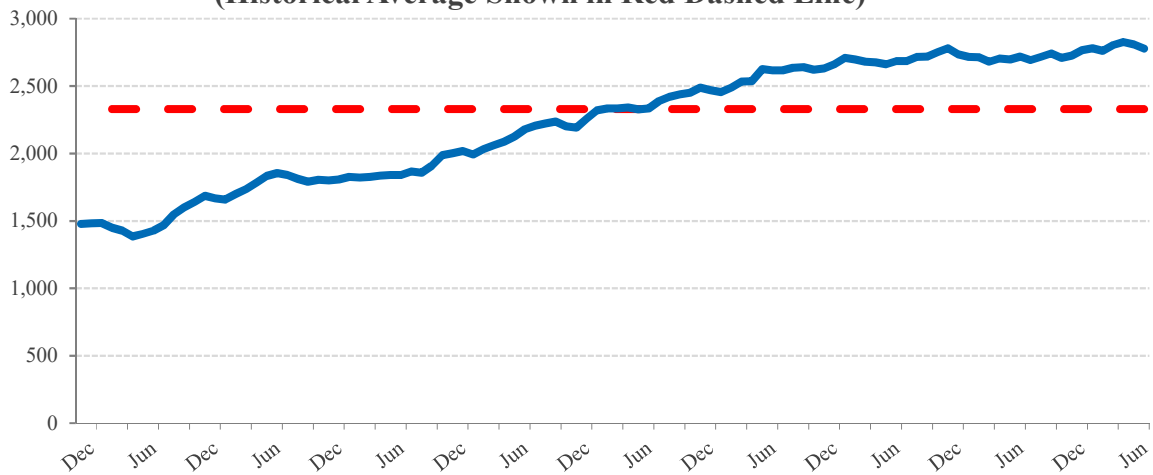
Goods Producing	NA	Information	NA
Natural Resources/Mining/Construction	3,600	Financial Activities	0
Natural Resources and Mining	NA	Prof. & Business Services	NA
Construction	100	Educ. & Health Services	NA
Manufacturing	NA	Leisure & Hospitality	NA
Service Providing Excluding Government	NA	Other Services	NA
Trade/Transportation/Utilities	NA	Government	NA

State Economic Activity Index	Alabama	U.S.	
12-month change (2019 - Jun)	3.6%	3.0%	The economy of Alabama has outpaced the rest of the nation and improved modestly from last month's 3.03% change
36-month change (2019 - Jun)	NA	9.2%	

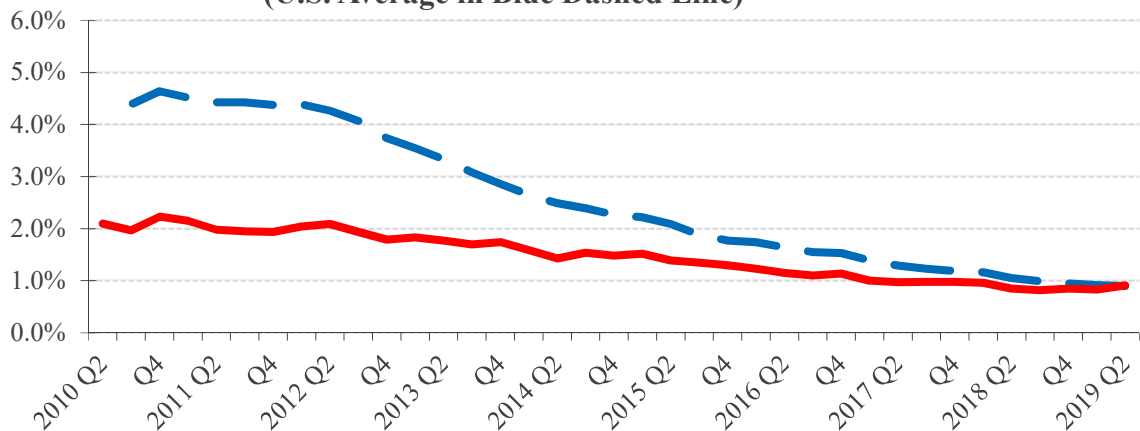
New Housing Construction

Local Fundamentals	Birmingham	U.S.	
12-month Sum of 1-unit Building Permits through Jun	2,779	not comparable	The current level of construction is 19.3% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	2,330	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 (Jun) 12-month sum vs. a year ago	2.2%	-2.5%	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)



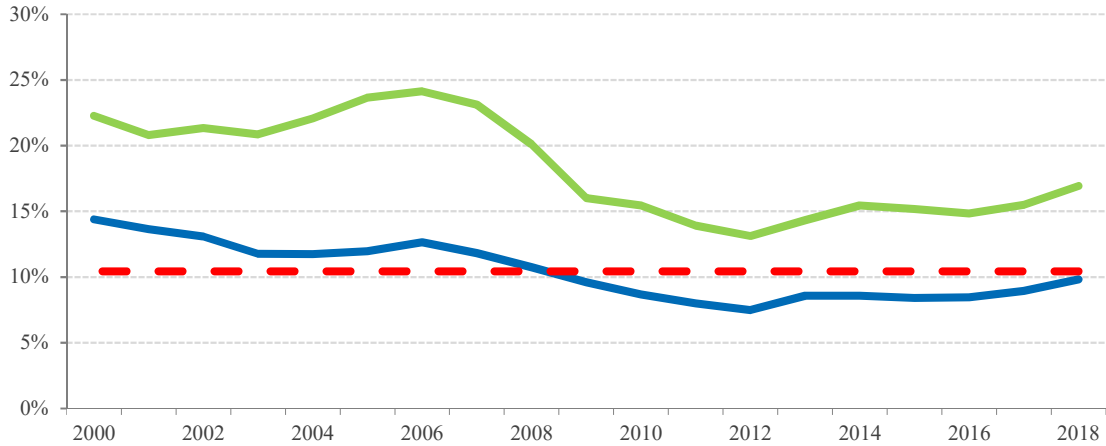
State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



Affordability

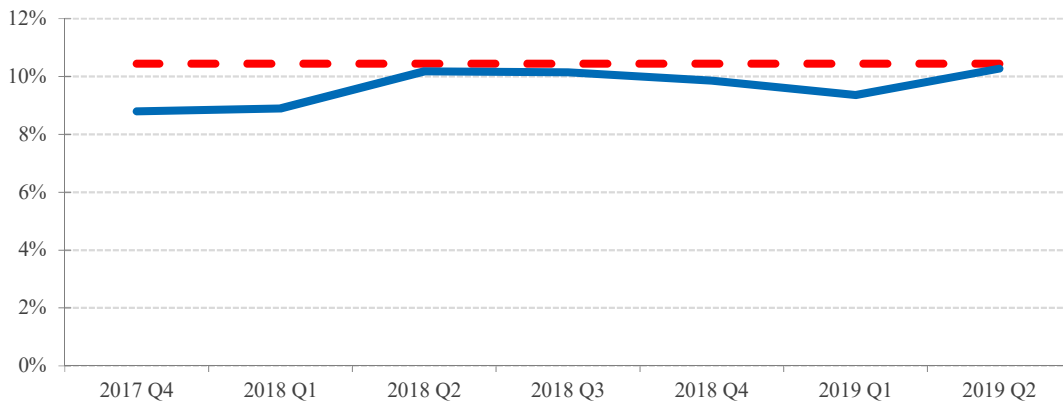


Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income
(Local Historical Average Shown in Red, U.S. Average in Green)

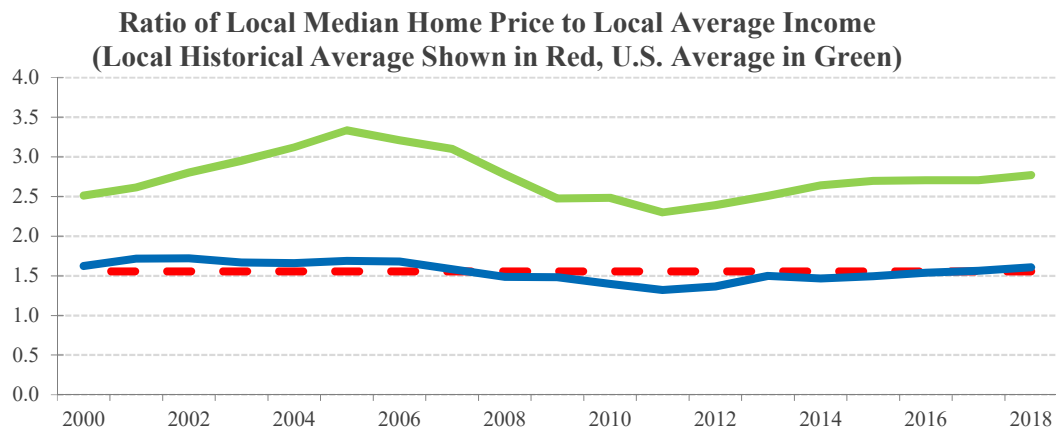


Monthly Mortgage Payment to Income	Birmingham	U.S.	
Ratio for 2018	9.8%	16.9%	Historically strong, but weaker than the first quarter of 2019
Ratio for 2019 Q2	10.3%	16.3%	
Historical Average	10.4%	18.6%	More affordable than most markets

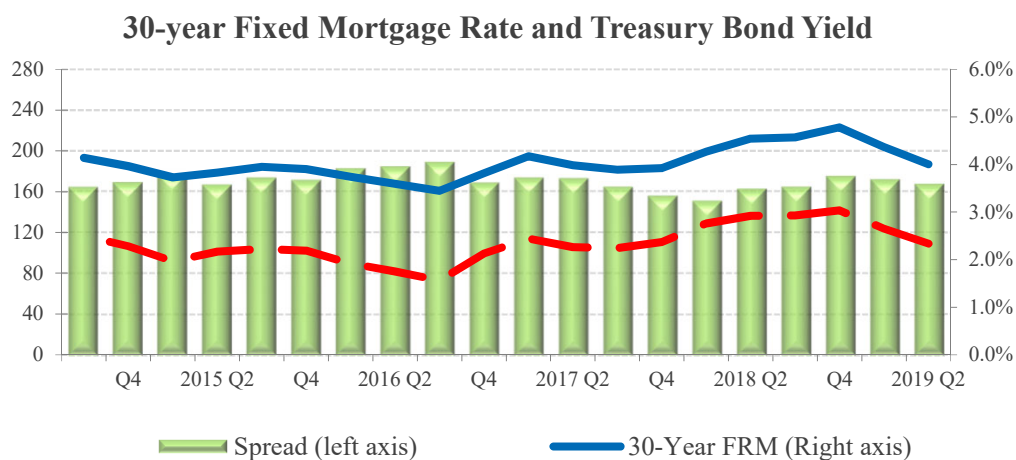
Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Birmingham	U.S.	
Ratio for 2018	1.6	2.8	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2019 Q2	1.8	2.8	
Historical Average	1.6	2.7	Affordable compared to most markets



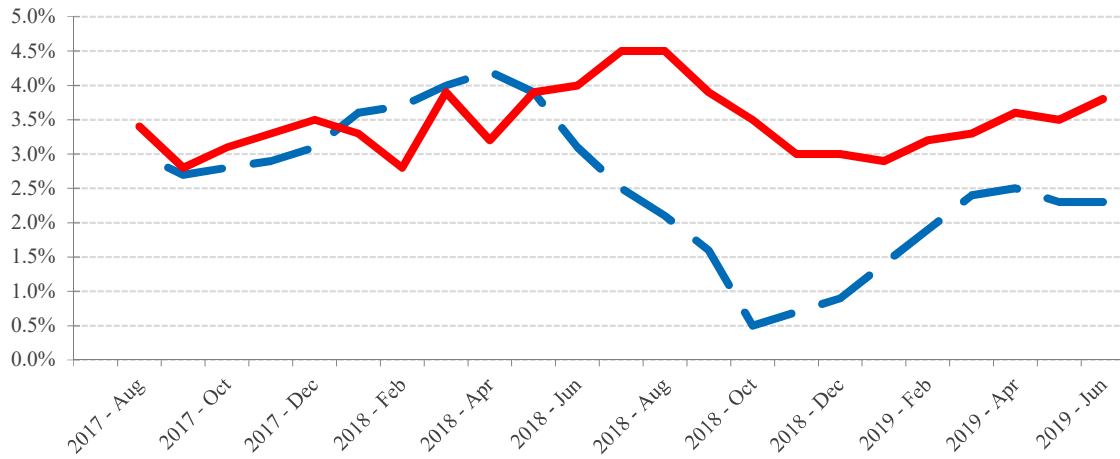
The Mortgage Market



Home loans grew cheaper in the second quarter of the year. Interest rates for long-term fixed-rate loans have decreased substantially since the end of 2018. Not that long ago (November 2018), the average interest rate for a 30-year fixed-rate mortgage was near 5%. In contrast, as the second quarter ended, the 30-year fixed rate mortgage dropped to 4.00 percent in Q2 2019 from 4.54 percent in the Q2 2018, according to mortgage finance provider Freddie Mac. Stock market volatility and global trade worries are pushing rates down. In the meantime, homebuyers and homeowners benefit from these low rates. Looking ahead, NAR is forecasting the 30-year fixed rate mortgage to average 3.9 percent for 2019 and 3.6 percent for 2020, respectively.

REALTOR® Price Expectations

REALTOR® Price Expectations for the Next 12 Months
(U.S. Average in Blue Dashed Line)



Source: NAR

REALTOR® Price Expectations	Alabama	U.S.	
2019 - Jun	3.8%	2.3%	REALTORS® expect higher price growth in Alabama 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	4.0%	3.1%	



Geographic Coverage for this Report

The Birmingham area referred to in this report covers the geographic area of the Birmingham-Hoover 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:

Bibb County, Blount County, Chilton County, Jefferson County, Shelby County, St. Clair County, and Walker County

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