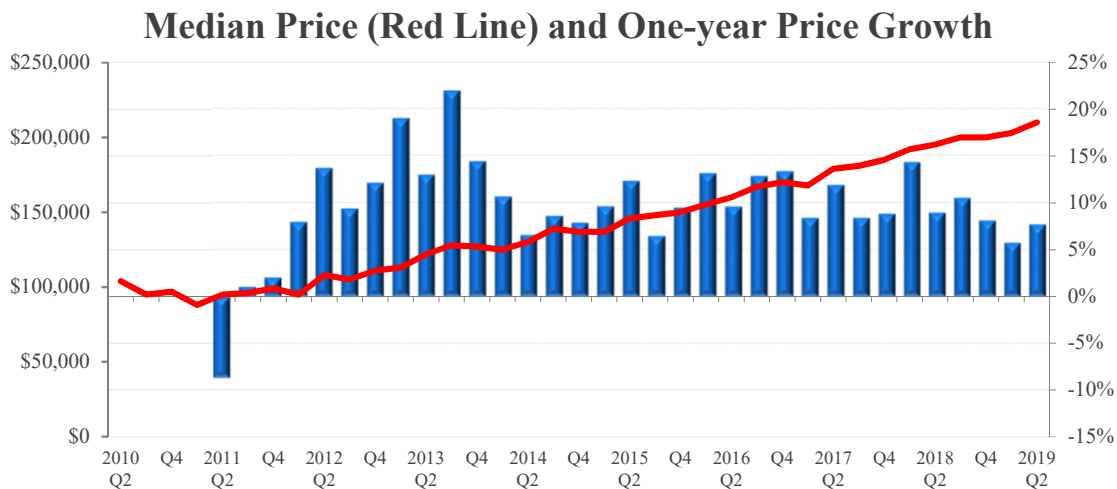


Lakeland-Winter Haven, FL Area Local Market Report, Second Quarter 2019

Today's Market...



Local Price Trends			
Price Activity	Lakeland	U.S.	Local Trend
Current Median Home Price (2019 Q2)	\$210,000	\$276,800	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2019 Q2)	7.7%	4.2%	
3-year (12-quarter) Appreciation (2019 Q2)	31.3%	15.8%	
3-year (12-quarter) Housing Equity Gain*	\$50,000	\$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*	\$102,000	\$95,867	
9-year (36 quarters) Housing Equity Gain*	\$106,000	\$100,200	

*Note: Equity gain reflects price appreciation only

	Lakeland	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	43%	not comparable	

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

Local NAR Leadership

The Lakeland-Winter Haven, FL 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	Lakeland	U.S.	Local Trend
1-year (4-quarter)	\$17,856	\$15,090	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$58,540	\$50,431	
5-year (20-quarter)*	\$90,922	\$79,779	
7-year (28 quarters)*	\$116,073	\$108,518	
9-year (36 quarters)*	\$121,718	\$112,549	
If purchase in 2005, the national price peak	NA	\$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

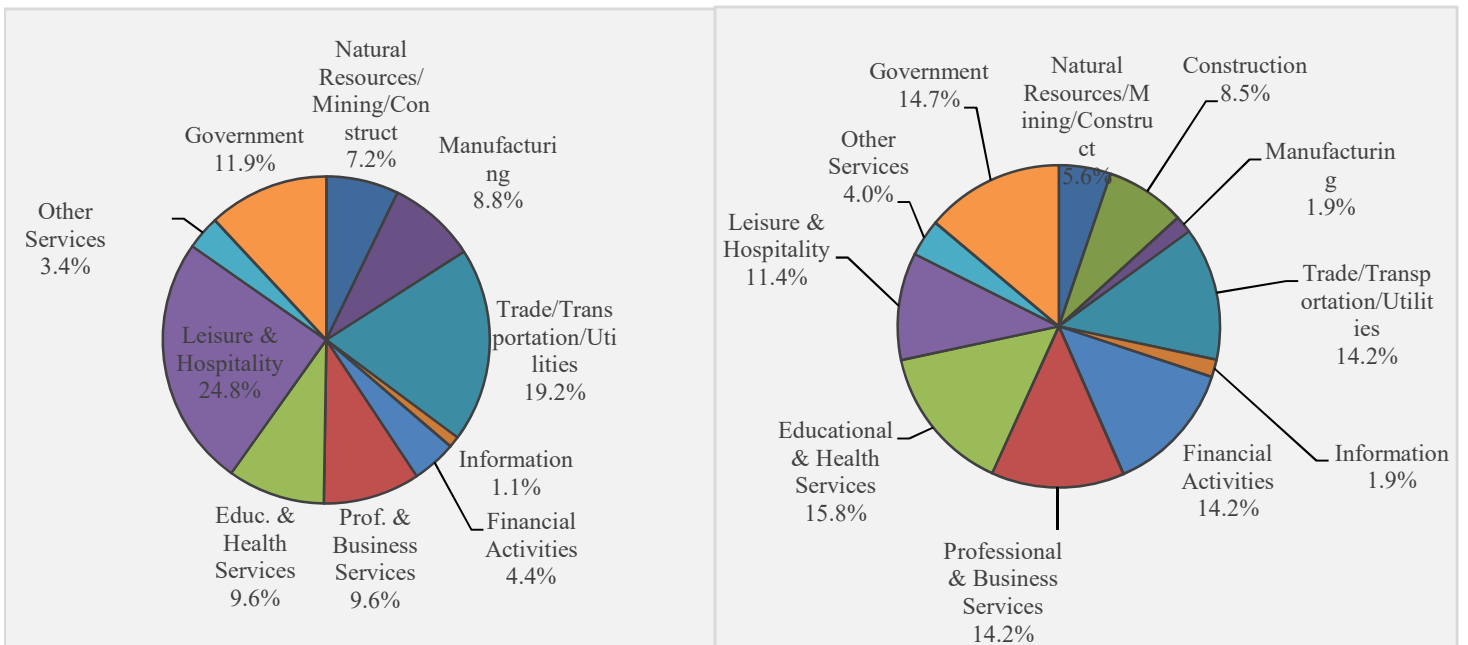
Drivers of Local Supply and Demand...

Local Economic Outlook	Lakeland	U.S.	
12-month Job Change (Jun)	6,400	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (May)	7,000	Not Comparable	
36-month Job Change (Jun)	17,200	Not Comparable	Lakeland's unemployment rate lags the national average, but has improved relative to the same period last year
Current Unemployment Rate (Jun)	4.1%	3.7%	
Year-ago Unemployment Rate	4.4%	3.9%	Local employment growth is strong compared to other markets
1-year (12 month) Job Growth Rate	2.9%	1.7%	

Share of Total Employment by Industry

Lakeland-Winter Haven, FL Area

U.S.



12-month Employment Change by Industry in the Lakeland-Winter Haven, FL Area (Jul - 2019)

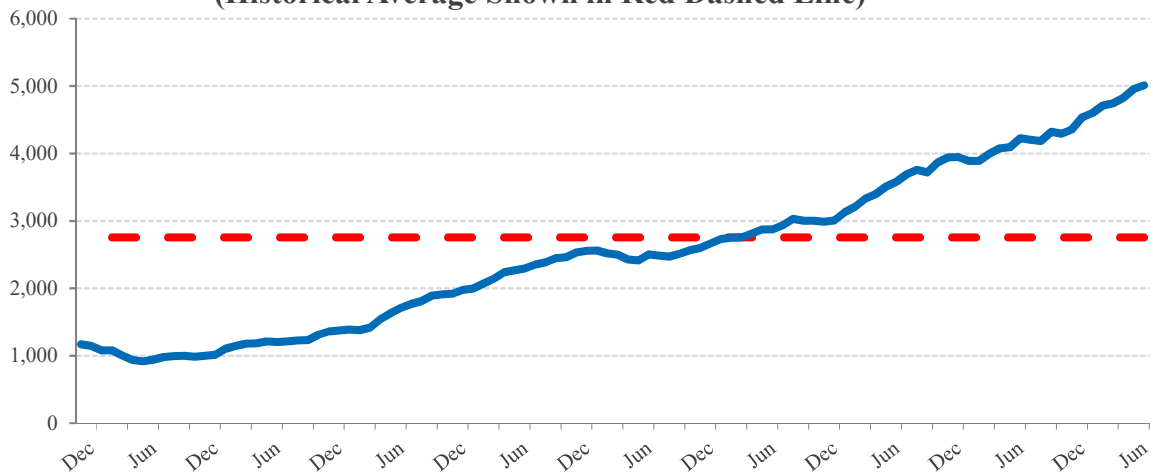
Goods Producing	NA	Information	0
Natural Resources/Mining/Construction	800	Financial Activities	-500
Natural Resources and Mining	NA	Prof. & Business Services	1,200
Construction	NA	Educ. & Health Services	600
Manufacturing	200	Leisure & Hospitality	1,600
Service Providing Excluding Government	NA	Other Services	100
Trade/Transportation/Utilities	400	Government	100

State Economic Activity Index	Florida	U.S.	
12-month change (2019 - Jun)	3.5%	3.0%	Florida's economy is stronger than the nation's, but slowed from last month's 3.68% change
36-month change (2019 - Jun)	NA	9.2%	

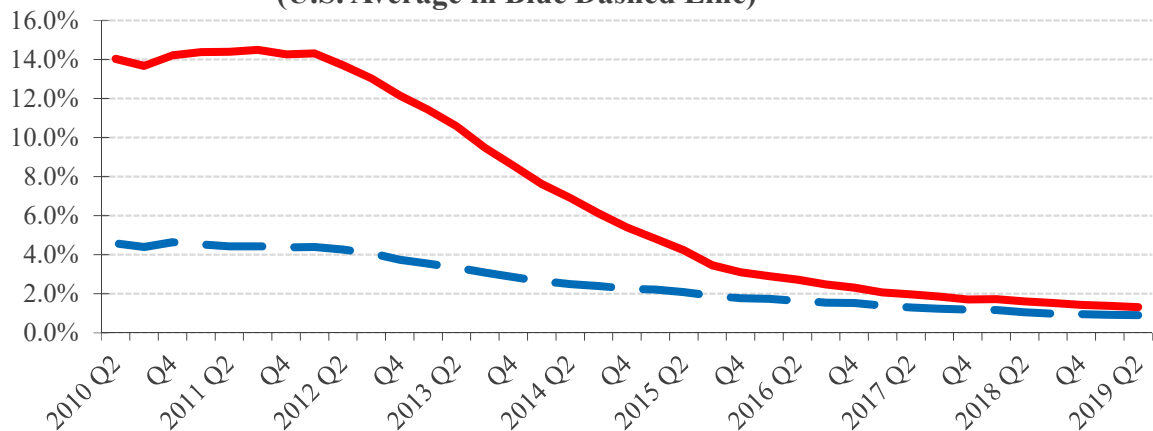
New Housing Construction

Local Fundamentals	Lakeland	U.S.	
12-month Sum of 1-unit Building Permits through Jun	5,012	not comparable	The current level of construction is 81.9% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	2,755	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	18.6%	-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)**



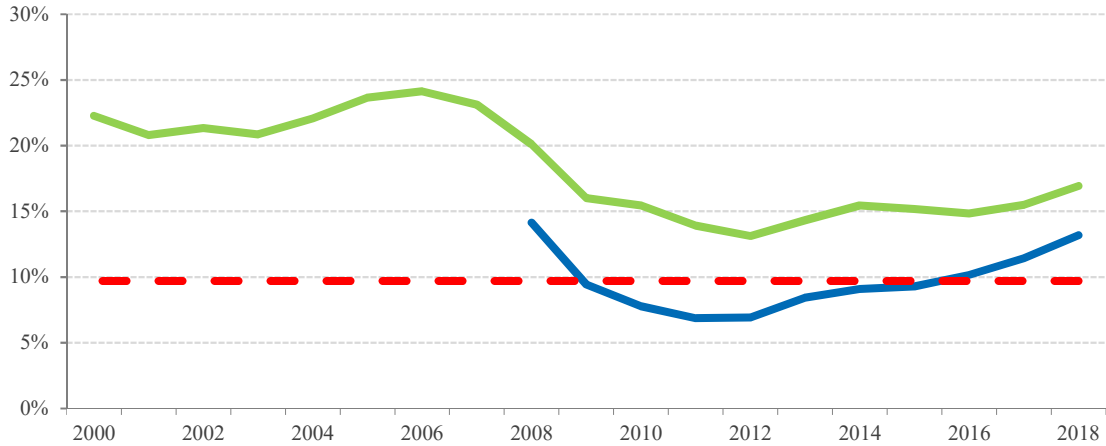
**State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)**



Affordability

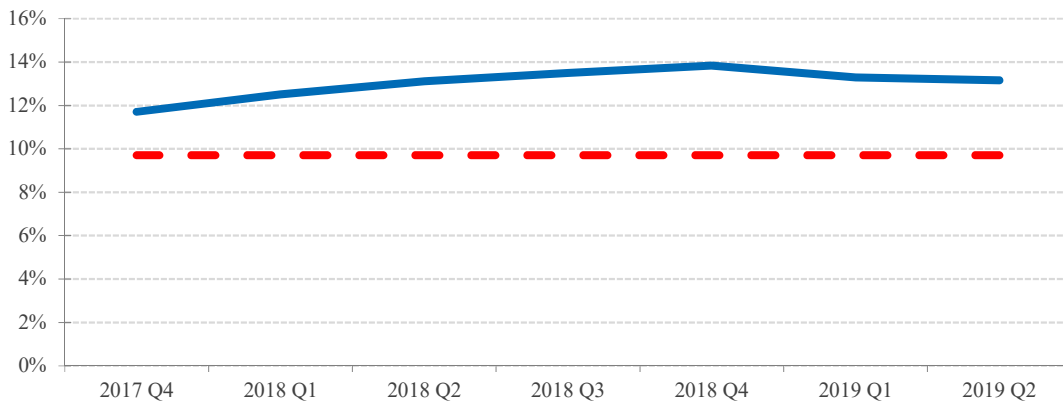


Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income
(Local Historical Average Shown in Red, U.S. Average in Green)

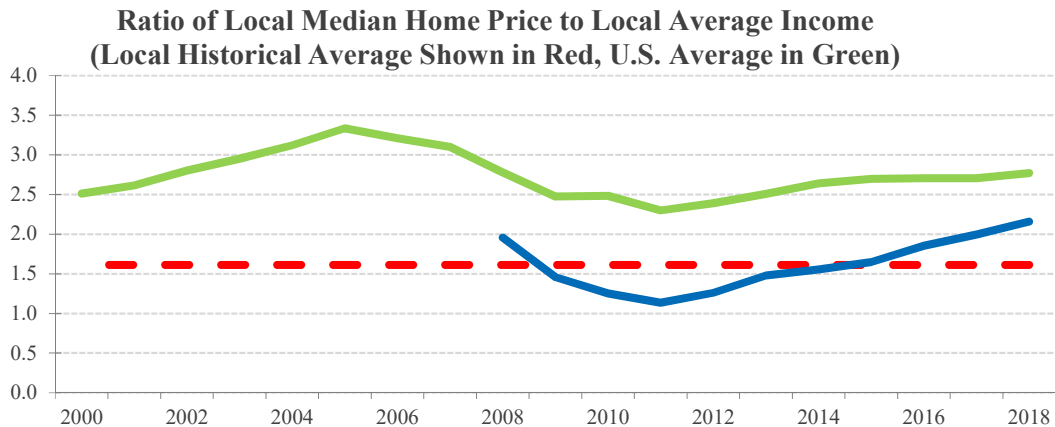


Monthly Mortgage Payment to Income	Lakeland	U.S.	
Ratio for 2018	13.2%	16.9%	Weak by local standards and could weigh on demand
Ratio for 2019 Q2	13.2%	16.3%	
Historical Average	9.7%	18.6%	More affordable than most markets

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



Median Home Price to Income	Lakeland	U.S.	
Ratio for 2018	2.2	2.8	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2019 Q2	2.3	2.8	
Historical Average	1.6	2.7	Affordable compared to most markets



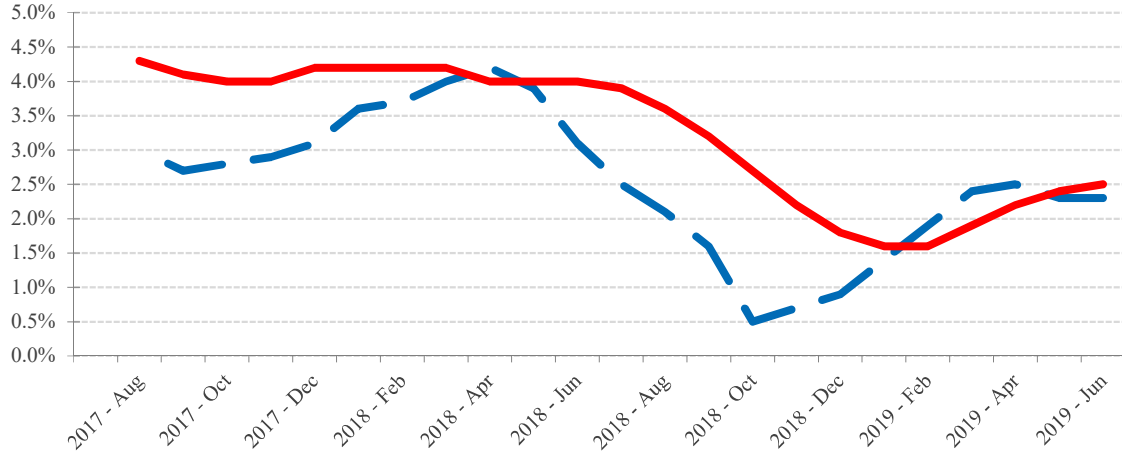
The Mortgage Market



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	Florida	U.S.	
2019 - Jun	2.5%	2.3%	REALTORS® expect higher price growth in Florida 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 Lakeland area referred to in this report covers the geographic area of the Lakeland-Winter Haven, FL 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:

Polk County

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