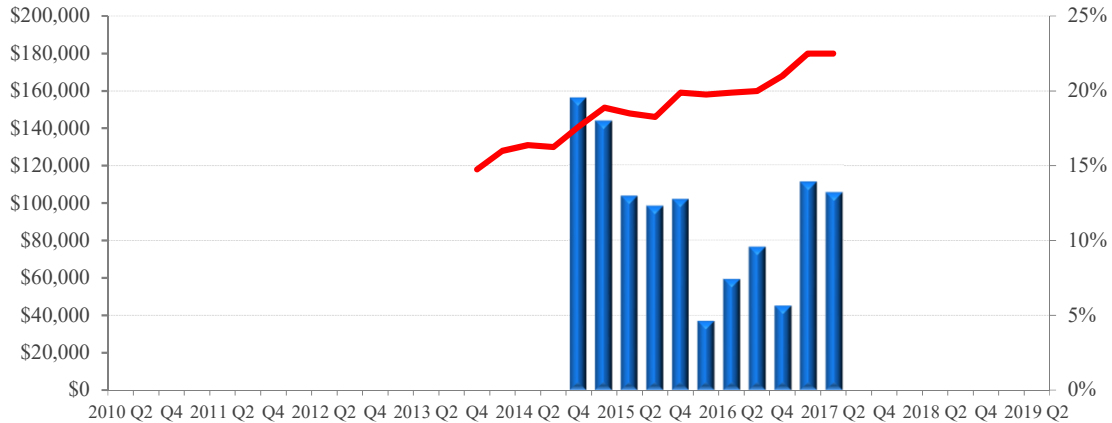


Palm Coast, FL Area

Local Market Report, Second Quarter 2019

Today's Market...

Median Price (Red Line) and One-year Price Growth



Local Price Trends			
Price Activity	Palm Coast	U.S.	Local Trend
Current Median Home Price (2019 Q2)	NA	\$276,800	NA
1-year (4-quarter) Appreciation (2019 Q2)	NA	4.2%	
3-year (12-quarter) Appreciation (2019 Q2)	NA	15.8%	
3-year (12-quarter) Housing Equity Gain*	NA	\$37,667	Information on the long-term trend is not available
7-year (28 quarters) Housing Equity Gain*	NA	\$95,867	
9-year (36 quarters) Housing Equity Gain*	NA	\$100,200	

*Note: Equity gain reflects price appreciation only

	Palm Coast	U.S.	
Conforming Loan Limit**	\$484,350	\$726,525	NA
FHA Loan Limit	\$314,827	\$726,525	
Local Median to Conforming Limit Ratio	NA	not comparable	

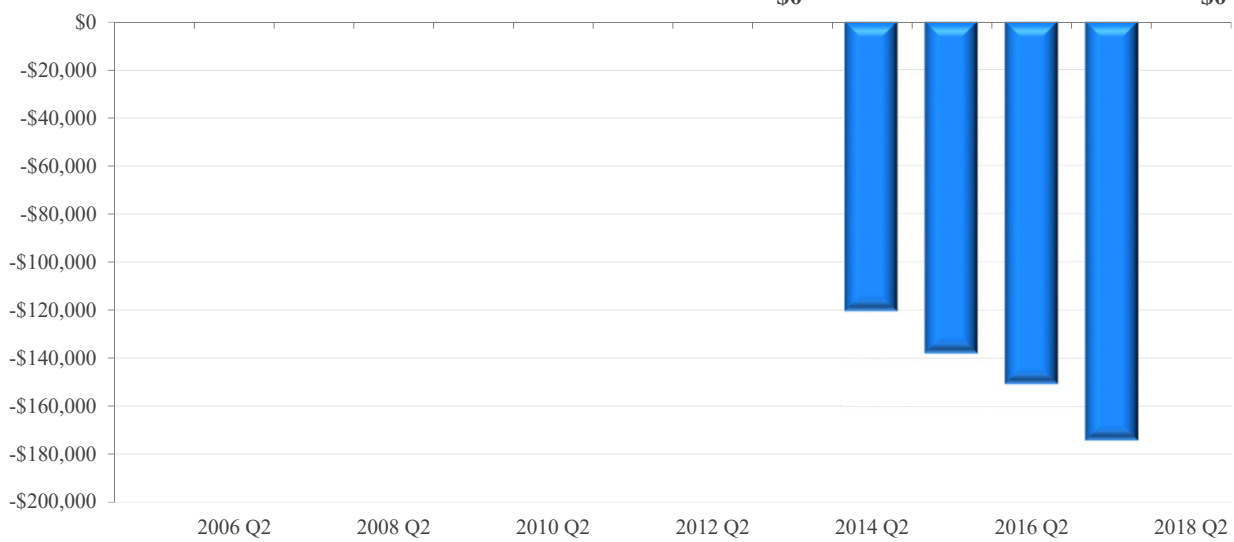
Note: limits are current and include the changes made on January 1st 2019.

Local NAR Leadership

The Palm Coast, 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	PalmCoast	U.S.	Local Trend
1-year (4-quarter)	NA	\$15,090	Information on the long-term trend is not available
3-year (12-quarter)*	\$150,513	\$50,431	
5-year (20-quarter)*	\$119,994	\$79,779	
7-year (28 quarters)*	NA	\$108,518	
9-year (36 quarters)*	NA	\$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

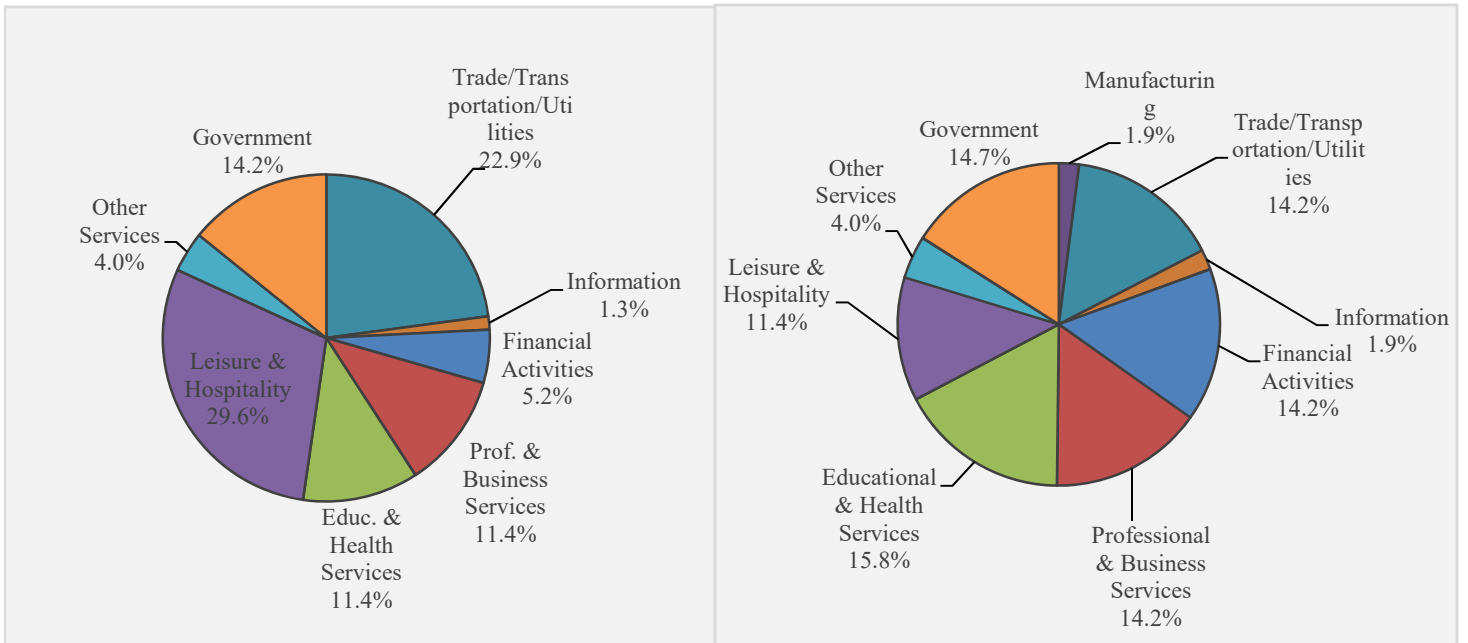
Drivers of Local Supply and Demand...

Local Economic Outlook	Palm Coast	U.S.	
12-month Job Change (Jun)	NA	Not Comparable	NA
12-month Job Change (May)	#VALUE!	Not Comparable	
36-month Job Change (Jun)	#VALUE!	Not Comparable	Palm Coast's unemployment rate lags the national average, but has improved relative to the same period last year
Current Unemployment Rate (Jun)		3.7%	
Year-ago Unemployment Rate		3.9%	NA
1-year (12 month) Job Growth Rate	NA	1.7%	

Share of Total Employment by Industry

Palm Coast, FL Area

U.S.



12-month Employment Change by Industry in the Palm Coast, FL Area (Jul - 2019)

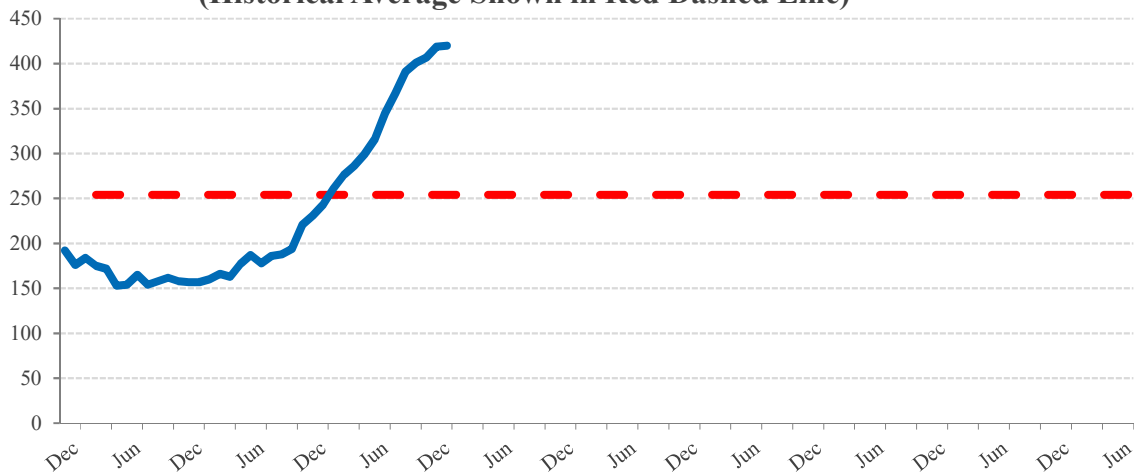
Goods Producing	NA	Information	0
Natural Resources/Mining/Construction	NA	Financial Activities	-500
Natural Resources and Mining	NA	Prof. & Business Services	1,200
Construction	NA	Educ. & Health Services	600
Manufacturing	NA	Leisure & Hospitality	1,600
Service Providing Excluding Government	NA	Other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

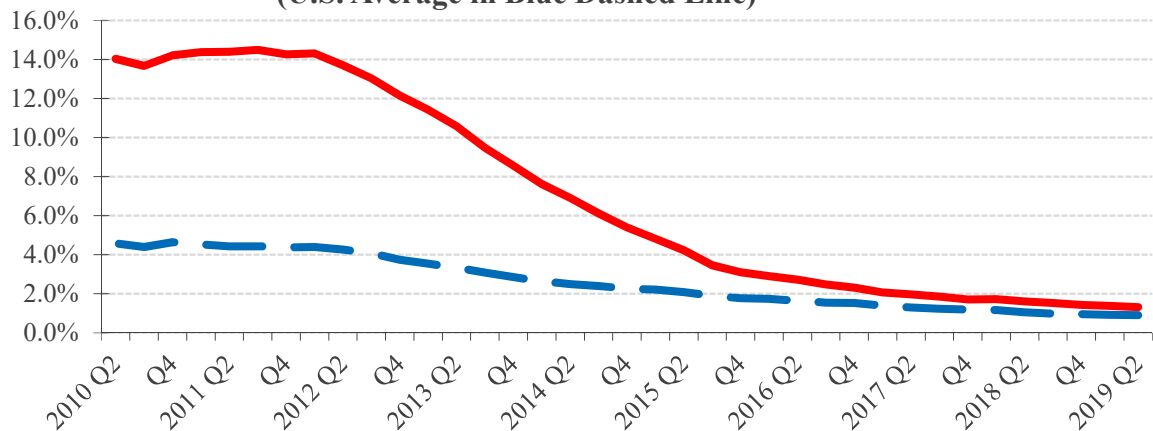
New Housing Construction

Local Fundamentals	Palm Coast	U.S.	
12-month Sum of 1-unit Building Permits through Jun	NA	not comparable	Local Data Not Available
8-year average for 12-month Sum of 1-Unit Building Permits	254	not comparable	Local Data Not Available
Single-Family Housing Permits (Jun) 12-month sum vs. a year ago	NA	-2.5%	Local Data Not Available

**Construction: 12-month Sum of Local Housing Permits
(Historical Average Shown in Red Dashed Line)**



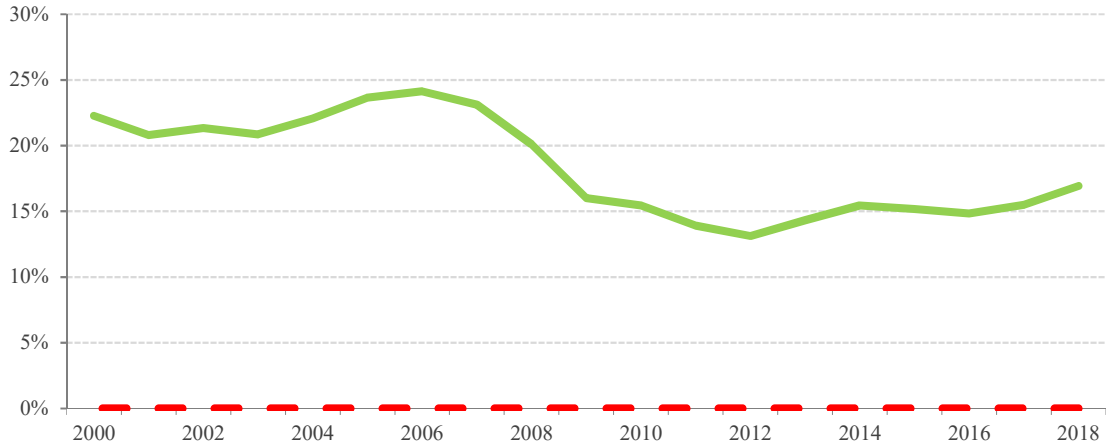
**State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)**



Affordability

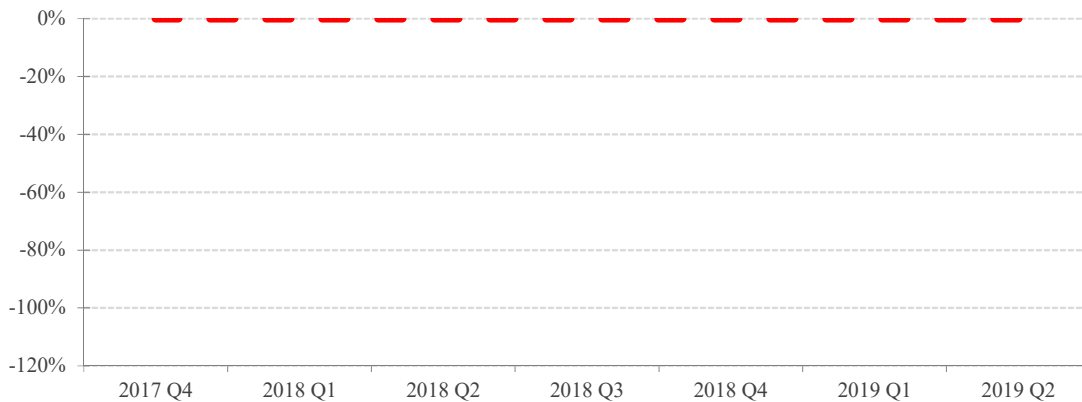


Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income
(Local Historical Average Shown in Red, U.S. Average in Green)

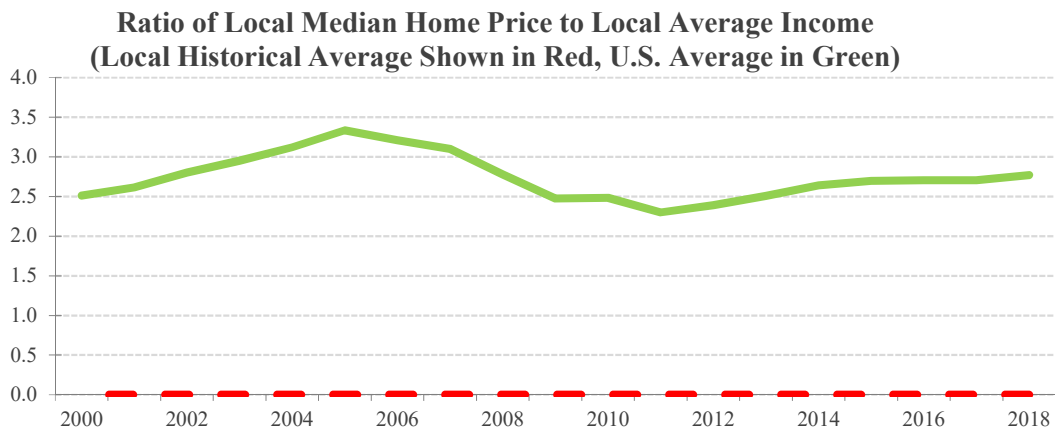


Monthly Mortgage Payment to Income	Palm Coast	U.S.	
Ratio for 2018	NA	16.9%	NA
Ratio for 2019 Q2	NA	16.3%	
Historical Average		18.6%	NA

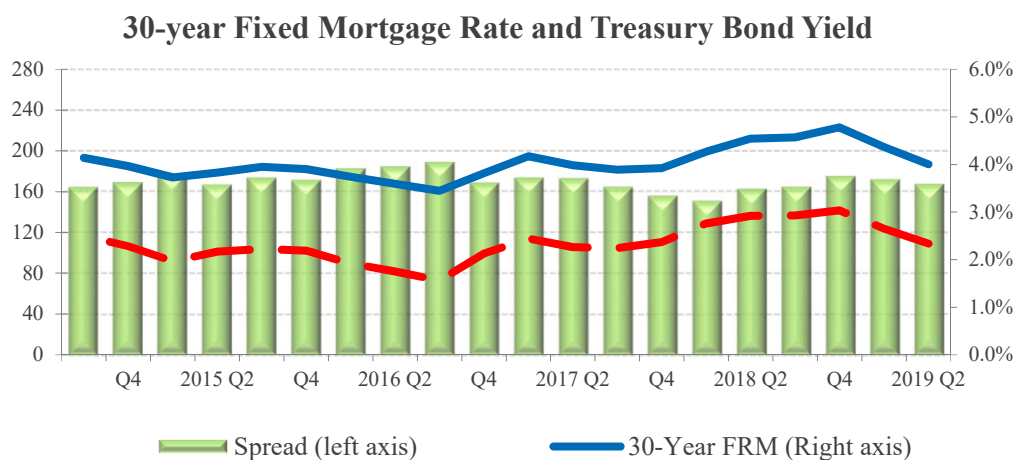
Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Palm Coast	U.S.	
Ratio for 2018	NA	2.8	NA
Ratio for 2019 Q2	NA	2.8	
Historical Average	NA	2.7	NA



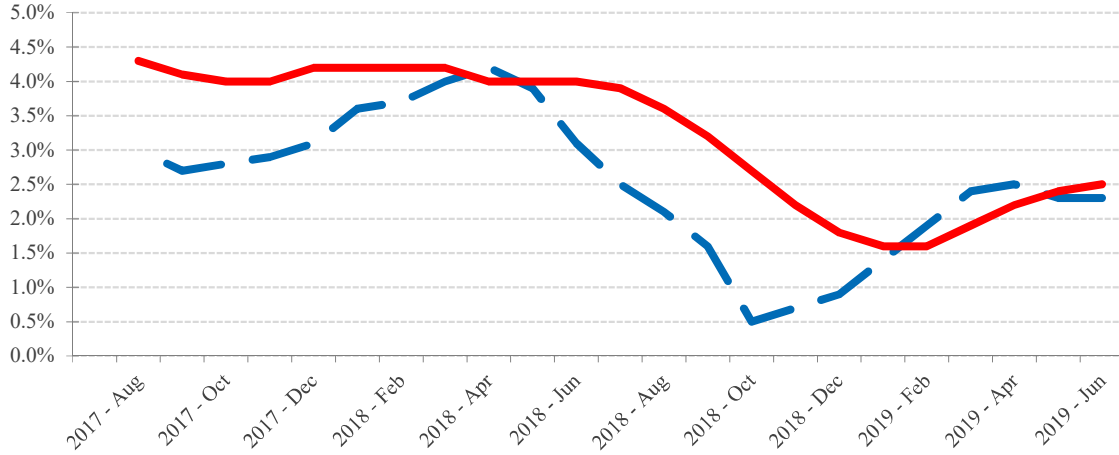
The Mortgage Market



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 Palm Coast area referred to in this report covers the geographic area of the Palm Coast, 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:

Flagler County

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