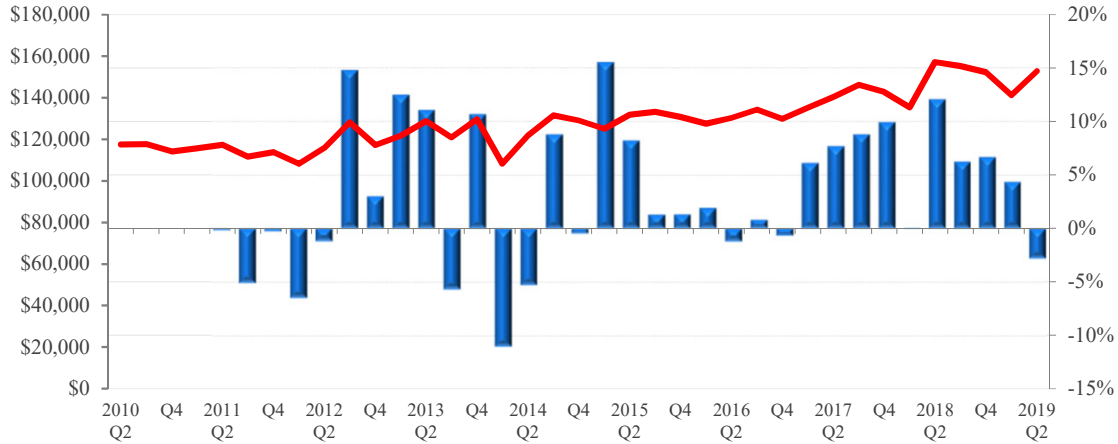


# Oshkosh-Neenah Area

## Local Market Report, Second Quarter 2019

### Today's Market...

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



| Local Price Trends                         |                |           |  |
|--|----------------|-----------|--|
| Price Activity                             | Oshkosh-Neenah | U.S.      | Local Trend  |
| Current Median Home Price (2019 Q2)        | \$152,800      | \$276,800 | Prices are down compared to a year earlier and continue to weaken                              |
| 1-year (4-quarter) Appreciation (2019 Q2)  | -2.8%          | 4.2%      |  |
| 3-year (12-quarter) Appreciation (2019 Q2) | 17.3%          | 15.8%     |  |
| 3-year (12-quarter) Housing Equity Gain*   | \$22,500       | \$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*  | \$36,900       | \$95,867  |  |
| 9-year (36 quarters) Housing Equity Gain*  | \$35,300       | \$100,200 |  |

\*Note: Equity gain reflects price appreciation only

|  | Oshkosh-Neenah | 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 | 32%            | not comparable |   |

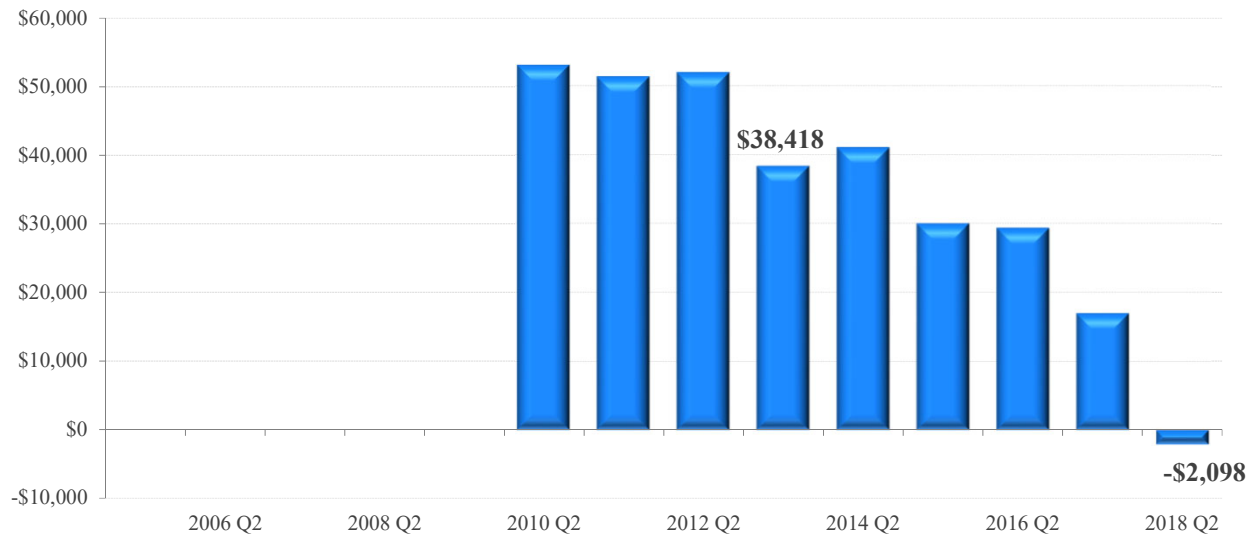
Note: limits are current and include the changes made on January 1st 2019.

#### Local NAR Leadership

The Oshkosh-Neenah market is part of region 7 in the NAR governance system, which includes all of Indiana, Illinois, and Wisconsin. The 2019 NAR Regional Vice President representing region 7 is Mike Drews.

# 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                               | Oshkosh-Neenah | U.S.      | Local Trend  |
|--|----------------|-----------|--|
| 1-year (4-quarter)                           | \$2,098        | \$15,090  | Price trends in the last three years have undercut the steady post-recession home equity growth despite owners paying down principle |
| 3-year (12-quarter)*                         | \$29,455       | \$50,431  |  |
| 5-year (20-quarter)*                         | \$41,141       | \$79,779  |  |
| 7-year (28 quarters)*                        | \$52,002       | \$108,518 |  |
| 9-year (36 quarters)*                        | \$53,058       | \$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

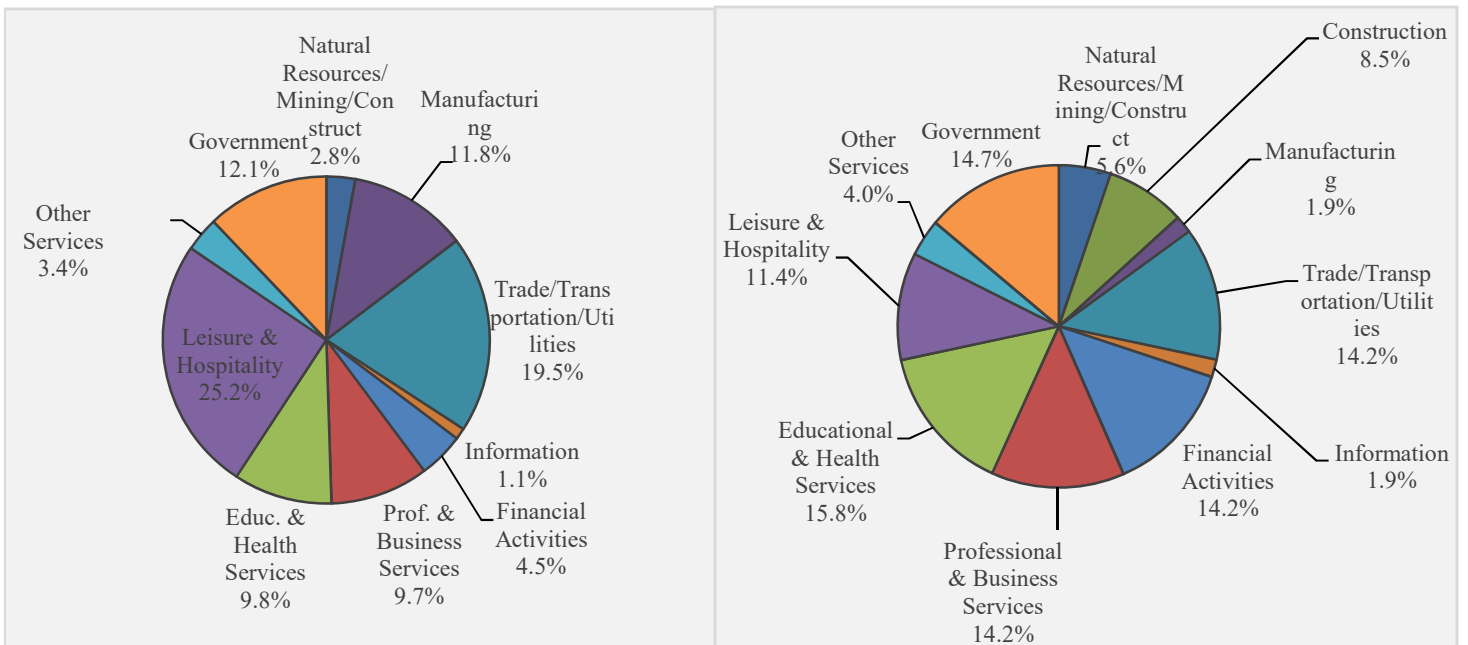
# Drivers of Local Supply and Demand...

| Local Economic Outlook            | Oshkosh-Neenah | U.S.           |  |
|-----------------------------------|----------------|----------------|--|
| 12-month Job Change (Jun)         | 800            | Not Comparable | Employment has held up and is on an upward trend                                 |
| 12-month Job Change (May)         | 300            | Not Comparable |  |
| 36-month Job Change (Jun)         | 1,900          | Not Comparable | Unemployment in Oshkosh-Neenah is better than the national average and improving |
| Current Unemployment Rate (Jun)   | 3.3%           | 3.7%           |  |
| Year-ago Unemployment Rate        | 3.4%           | 3.9%           | Local employment growth is poor and needs to improve                             |
| 1-year (12 month) Job Growth Rate | 0.8%           | 1.7%           |  |

## Share of Total Employment by Industry

Oshkosh-Neenah Area

U.S.



### 12-month Employment Change by Industry in the Oshkosh-Neenah Area (Jul - 2019)

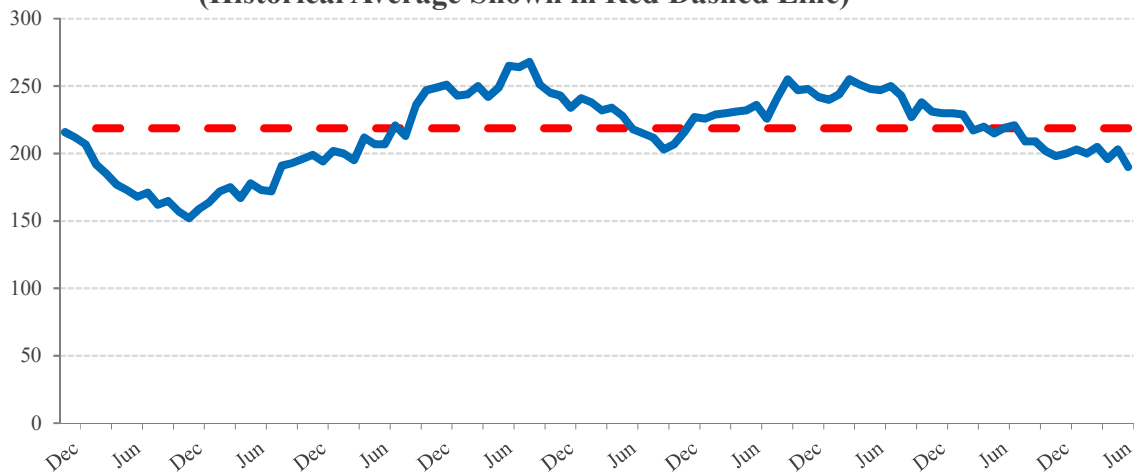
|  |     |                           |       |
|--|-----|---------------------------|-------|
| Goods Producing                        | NA  | Information               | 0     |
| Natural Resources/Mining/Construction  | 200 | Financial Activities      | -500  |
| Natural Resources and Mining           | 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 | Wisconsin | U.S. |  |
|-------------------------------|-----------|------|--|
| 12-month change (2019 - Jun)  | 2.1%      | 3.0% | Wisconsin's economy is growing, but decelerated from last month's 2.16% change and lags the rest of the nation |
| 36-month change (2019 - Jun)  | NA        | 9.2% |  |

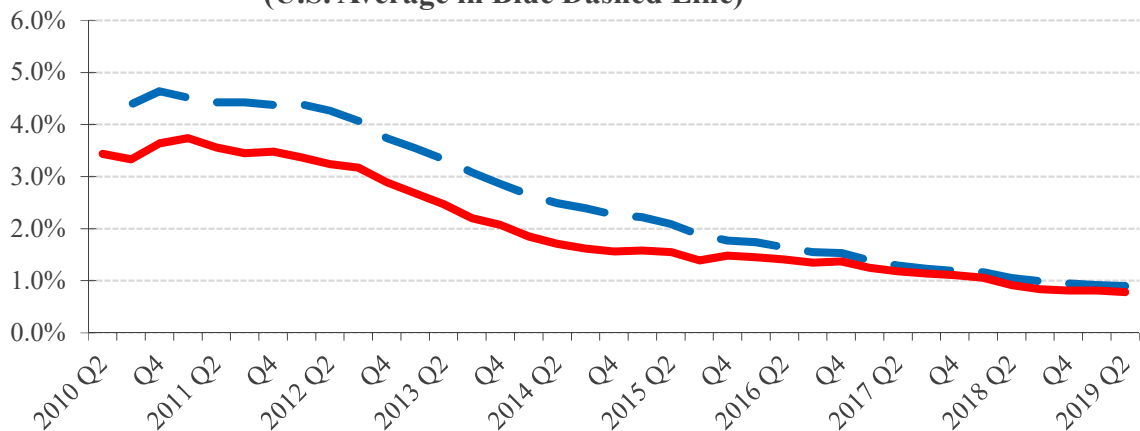
## New Housing Construction

| Local Fundamentals   | Oshkosh-Neenah | U.S.           |   |
|--|----------------|----------------|---|
| 12-month Sum of 1-unit Building Permits through Jun                | 190            | not comparable | The current level of construction is 13.1% below the long-term average  |
| 8-year average for 12-month Sum of 1-Unit Building Permits         | 219            | not comparable | Reduced construction will limit new supply to the market, allowing demand to catch up with inventory more quickly |
| Single-Family Housing Permits (Jun)<br>12-month sum vs. a year ago | -13.2%         | -2.5%          | Construction continues to decline from last year  |

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



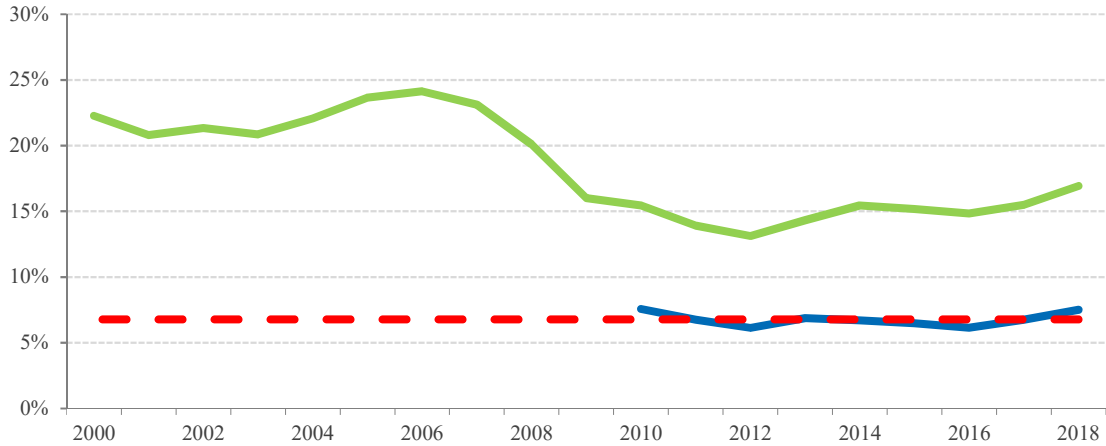
**State Total Foreclosure Rate vs. U.S. Average**  
(U.S. Average in Blue Dashed Line)



# Affordability

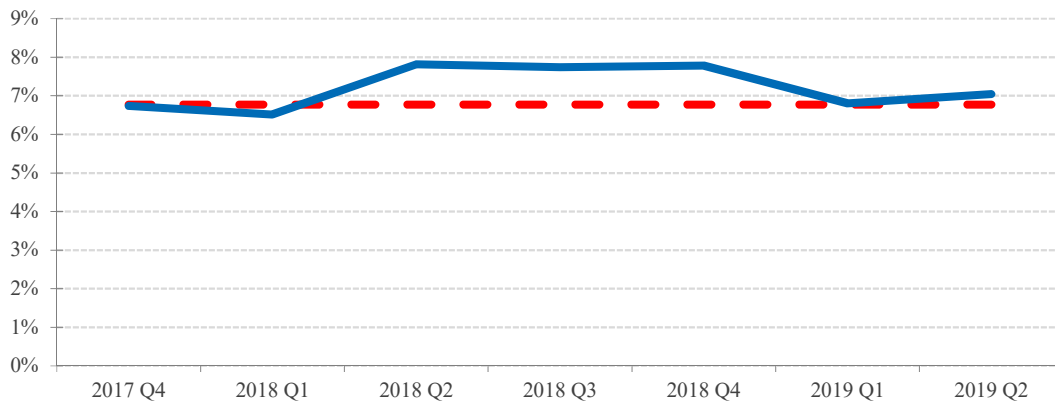


**Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income**  
(Local Historical Average Shown in Red, U.S. Average in Green)

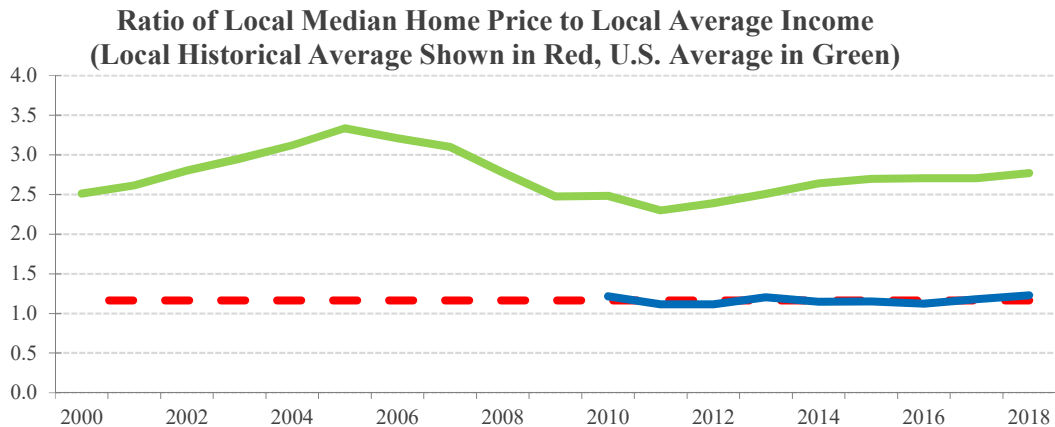


| Monthly Mortgage Payment to Income | Oshkosh-Neenah | U.S.  |   |
|------------------------------------|----------------|-------|---|
| Ratio for 2018                     | 7.5%           | 16.9% | Weak by local standards and could weigh on demand |
| Ratio for 2019 Q2                  | 7.0%           | 16.3% |   |
| Historical Average                 | 6.8%           | 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 | Oshkosh-Neenah | U.S. |   |
|-----------------------------|----------------|------|---|
| Ratio for 2018              | 1.2            | 2.8  | The price-to-income ratio is high by historic standards and getting worse |
| Ratio for 2019 Q2           | 1.2            | 2.8  |   |
| Historical Average          | 1.2            | 2.7  | Affordable compared to most markets                                       |



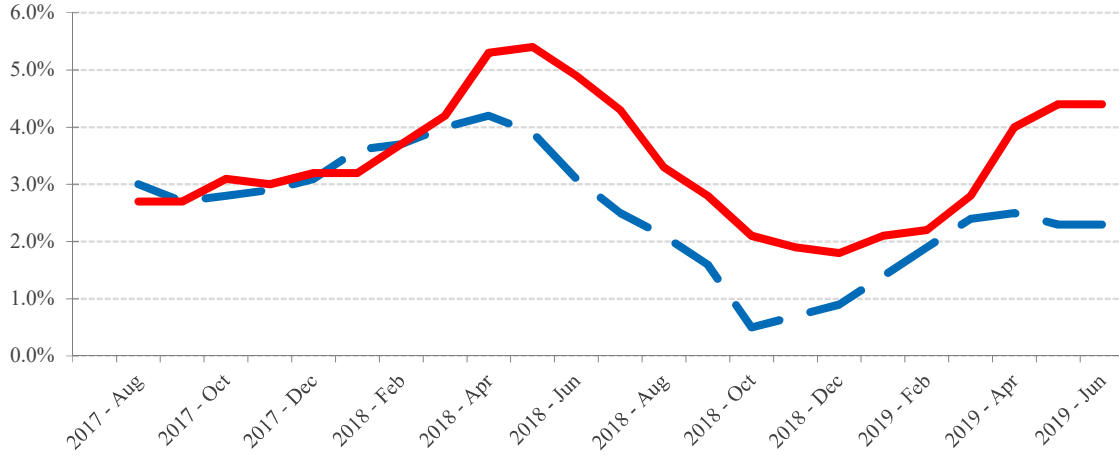
## The Mortgage Market



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 | Wisconsin | U.S. |   |
|-----------------------------|-----------|------|---|
| 2019 - Jun                  | 4.4%      | 2.3% | REALTORS® expect higher price growth in Wisconsin 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             | 4.9%      | 3.1% |   |

## Geographic Coverage for this Report

The Oshkosh-Neenah area referred to in this report covers the geographic area of the Oshkosh-Neenah 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:

Winnebago County

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/)