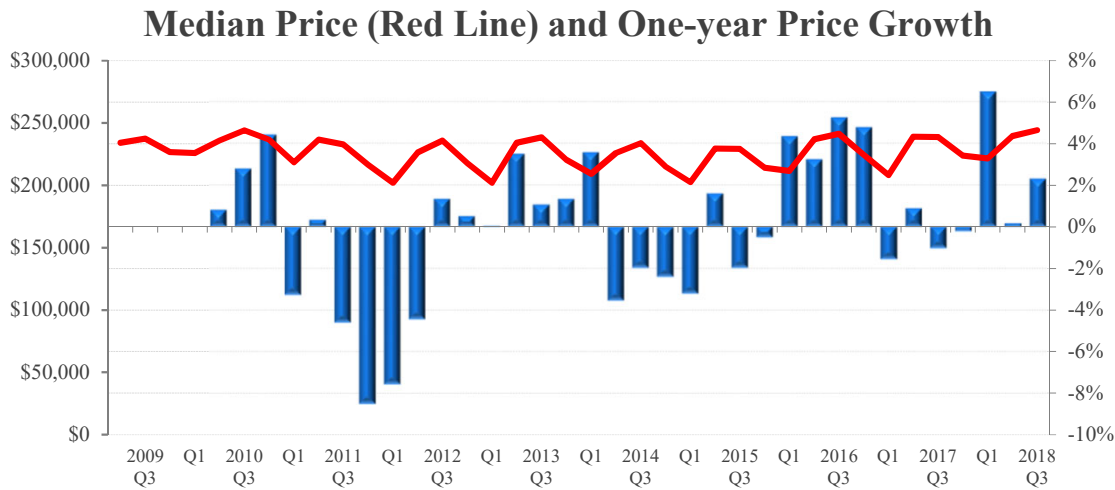


Hartford-West Hartford-East Hartford Area

Local Market Report, Third Quarter 2018

Today's Market...



Local Price Trends			
Price Activity	Hartford	U.S.	Local Trend
Current Median Home Price (2018 Q3)	\$244,200	\$264,333	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2018 Q3)	2.3%	4.5%	
3-year (12-quarter) Appreciation (2018 Q3)	6.5%	16.3%	
3-year (12-quarter) Housing Equity Gain*	\$15,000	\$37,000	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$11,300	\$95,100	
9-year (36 quarters) Housing Equity Gain*	\$6,700	\$86,100	

*Note: Equity gain reflects price appreciation only

	Hartford	U.S.	
Conforming Loan Limit**	\$453,100	\$679,650	Most buyers in this market have access to government-backed financing
FHA Loan Limit	\$353,050	\$679,650	
Local Median to Conforming Limit Ratio	54%	not comparable	

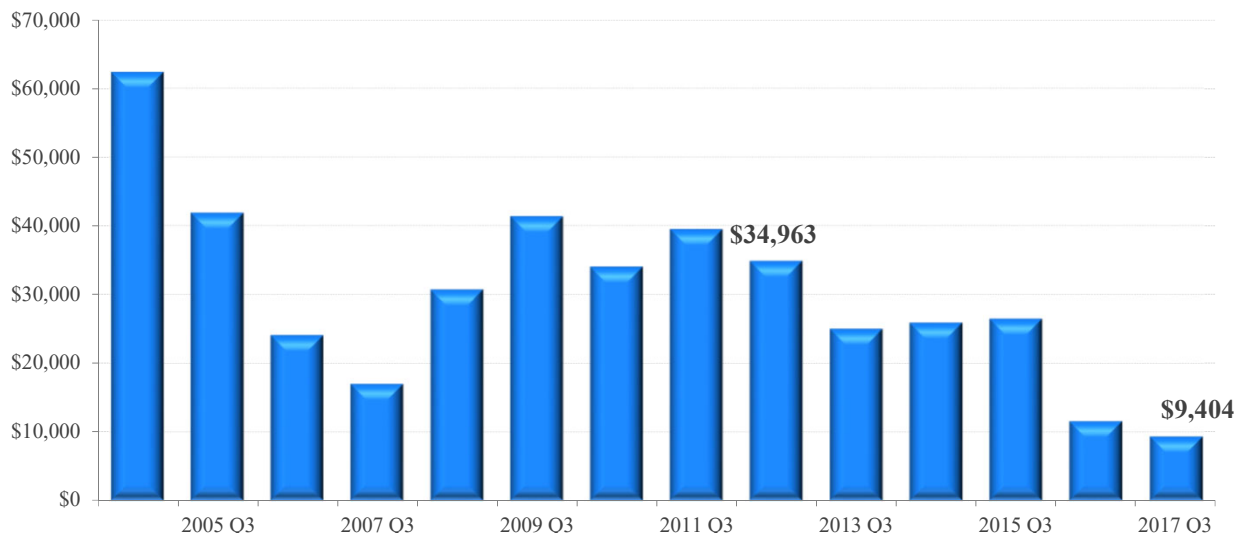
Note: limits are current and include the changes made on December 1st 2017.

Local NAR Leadership

The Hartford-West Hartford-East Hartford 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 2018 NAR Regional Vice President representing region 1 is David Wluka.

Benefits of Ownership: Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained through 2018 Q3 from quarter in which home was of purchased**

Price Activity	Hartford	U.S.	Local Trend
1-year (4-quarter)	\$9,404	\$15,536	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$26,572	\$48,477	
5-year (20-quarter)*	\$25,122	\$71,273	
7-year (28 quarters)*	\$39,588	\$106,394	
9-year (36 quarters)*	\$41,455	\$97,995	
If purchase in 2005, the national price peak	\$41,971	\$51,892	

*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

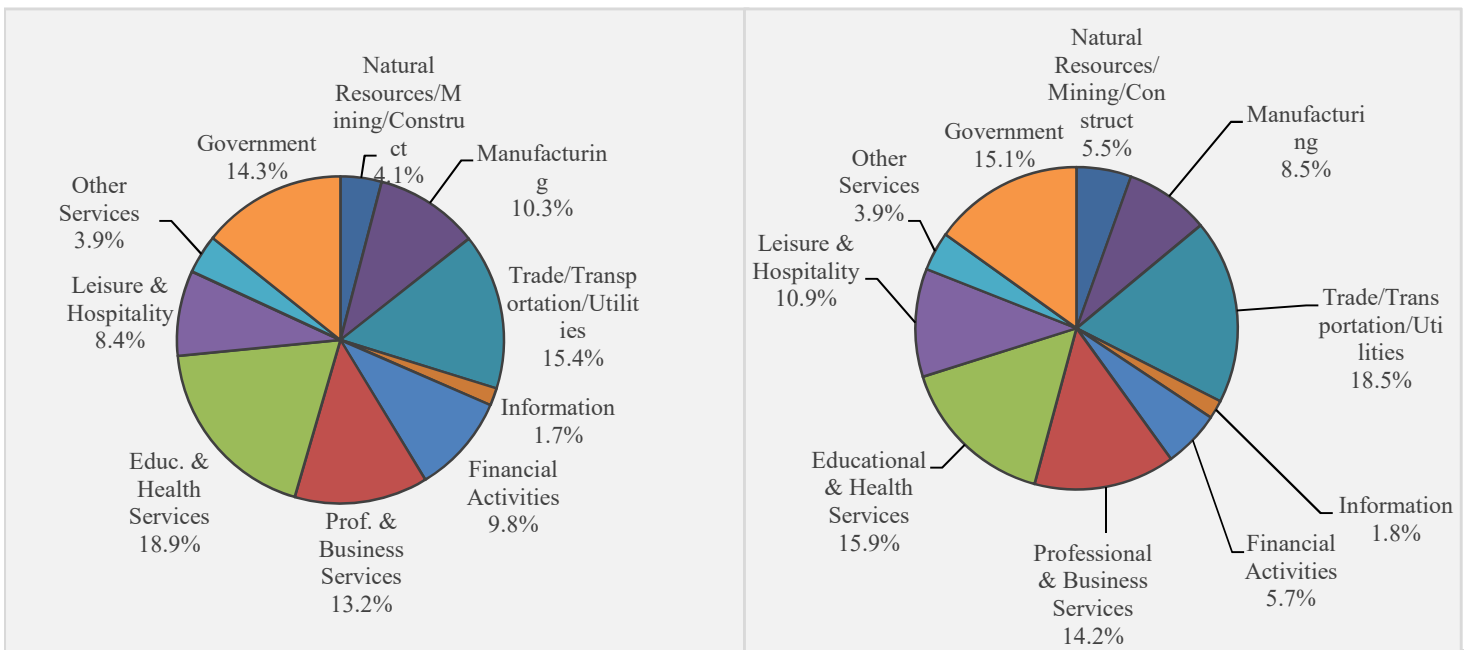
Drivers of Local Supply and Demand...

Local Economic Outlook	Hartford	U.S.	
12-month Job Change (Sep)	8,100	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Aug)	10,500	Not Comparable	
36-month Job Change (Sep)	12,300	Not Comparable	Hartford's unemployment rate lags the national average, but has improved relative to the same period last year
Current Unemployment Rate (Sep)	3.9%	3.7%	
Year-ago Unemployment Rate	4.8%	4.4%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	1.4%	1.6%	

Share of Total Employment by Industry

Hartford-West Hartford-East Hartford Area

U.S.



12-month Employment Change by Industry in the Hartford-West Hartford-East Hartford Area (Aug - 2018)

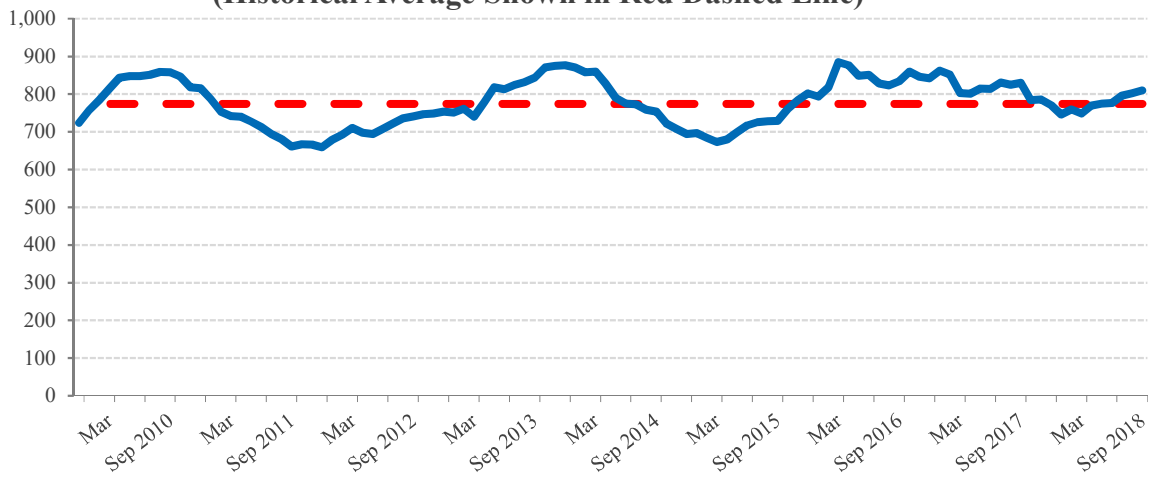
Goods Producing	NA	Information	-200
Natural Resources/Mining/Construction	1,300	Financial Activities	-600
Natural Resources and Mining	NA	Prof. & Business Services	4,100
Construction	NA	Educ. & Health Services	3,000
Manufacturing	1,600	Leisure & Hospitality	600
Service Providing Excluding Government	NA	Other Services	700
Trade/Transportation/Utilities	2,800	Government	-1,600

State Economic Activity Index	Connecticut	U.S.	
12-month change (2018 - Sep)	2.9%	2.9%	The economy of Connecticut has outpaced the rest of the nation and improved modestly from last month's 2.63% change
36-month change (2018 - Sep)	10.3%	8.9%	

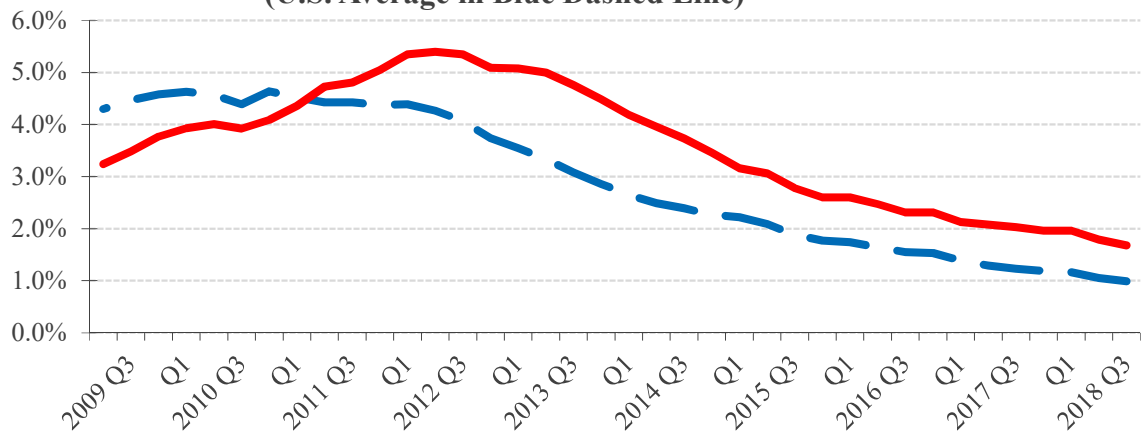
New Housing Construction

Local Fundamentals	Hartford	U.S.	
12-month Sum of 1-unit Building Permits through Sep 2018	810	not comparable	The current level of construction is 4.6% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	774	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 (Sep 2018) 12-month sum vs. a year ago	-2.4%	6.5%	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)**



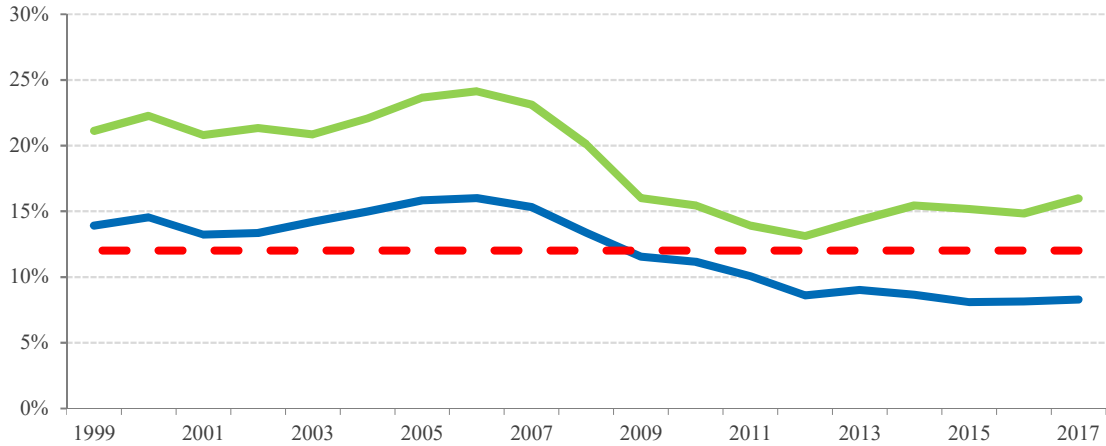
**State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)**



Affordability

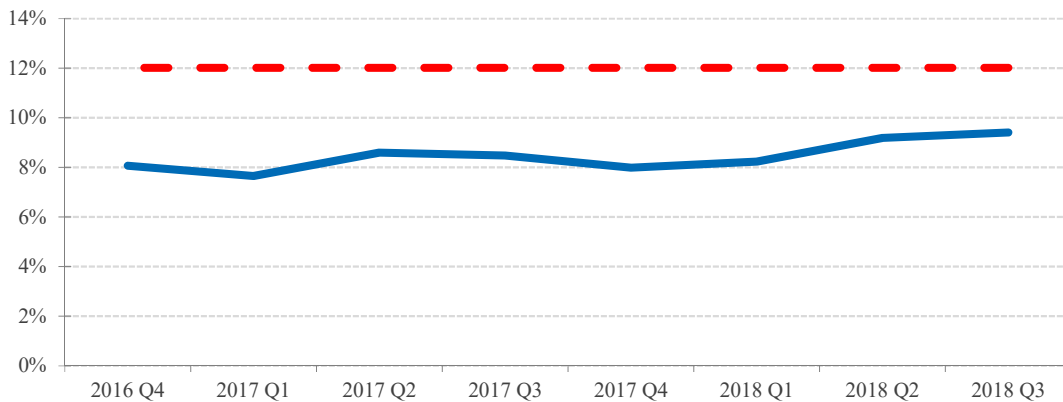


Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income
(Local Historical Average Shown in Red, U.S. Average in Green)

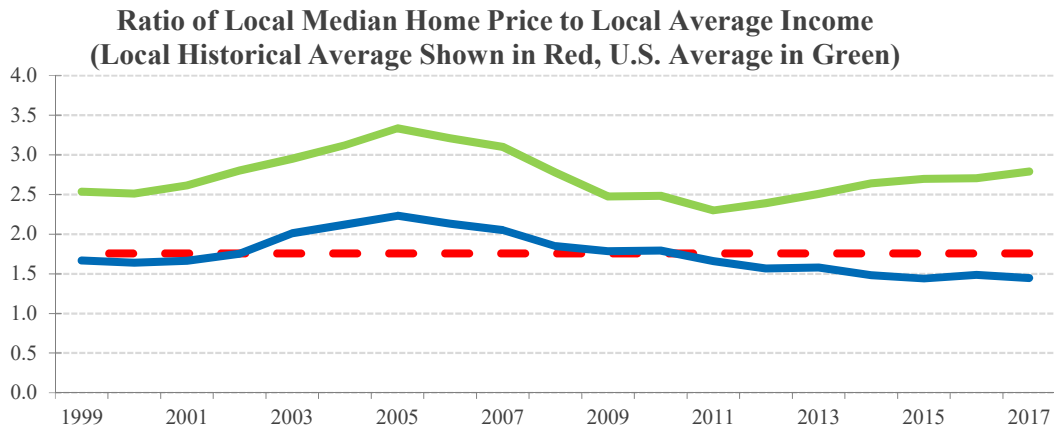


Monthly Mortgage Payment to Income	Hartford	U.S.	
Ratio for 2017	8.3%	16.0%	Historically strong, but weaker than the second quarter of 2018
Ratio for 2018 Q3	9.4%	17.8%	
Historical Average	12.0%	18.9%	More affordable than most markets

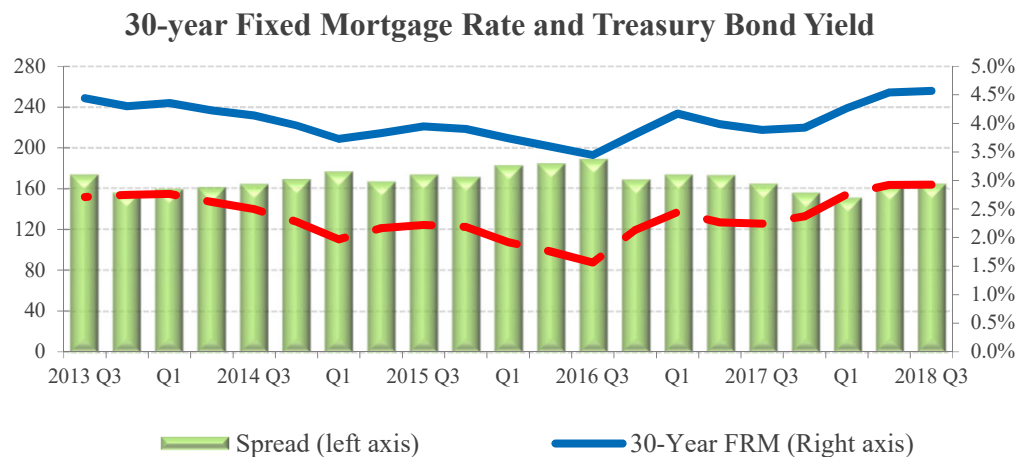
Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Hartford	U.S.	
Ratio for 2017	1.4	2.8	The price-to-income ratio rose, but is better than the historic average
Ratio for 2018 Q3	1.5	2.9	
Historical Average	1.8	2.7	Affordable compared to most markets



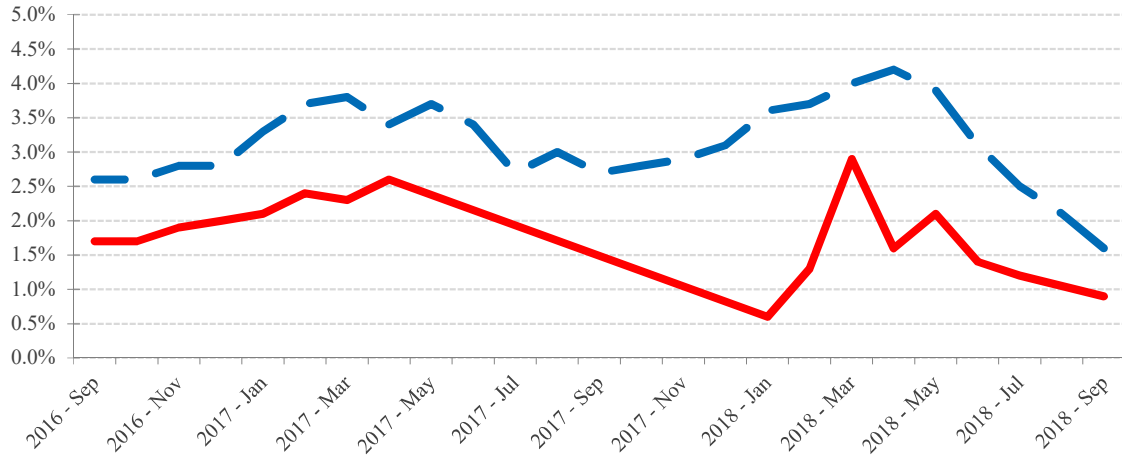
The Mortgage Market



In the third quarter of 2018 the economic momentum in the U.S. continued with positive GDP growth, low unemployment rates and expanding private consumption. In an environment of improving economic conditions, the government's 10-year Treasury note rose to 2.93 percent in Q3 2018 from 2.24 in Q3 2017. As a result, Freddie Mac published that the average interest rate on a 30-year conventional home loan was 4.57 percent in Q3 2018 from 3.89 percent in Q3 2017. While the Fed rose the interest rates for the third time in 2018, mortgage rates are at their highest level since 2011. However, conventional loan rates are still low despite recent increases. If housing supply can be increased through more home building, then the negative impact of rising rates can be mitigated. Looking ahead, NAR is forecasting the 30-year fixed rate mortgage to average 4.6 percent for 2018 and 5.2 percent for 2019, respectively.

REALTOR® Price Expectations

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



Source: NAR

REALTOR® Price Expectations	Connecticut	U.S.	
2018 - Sep	0.9%	1.6%	#N/A
Prior 12 months	#N/A	2.7%	



Geographic Coverage for this Report

The Hartford area referred to in this report covers the geographic area of the Hartford-West Hartford-East Hartford 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:

Hartford County, Middlesex County, and Tolland County

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