

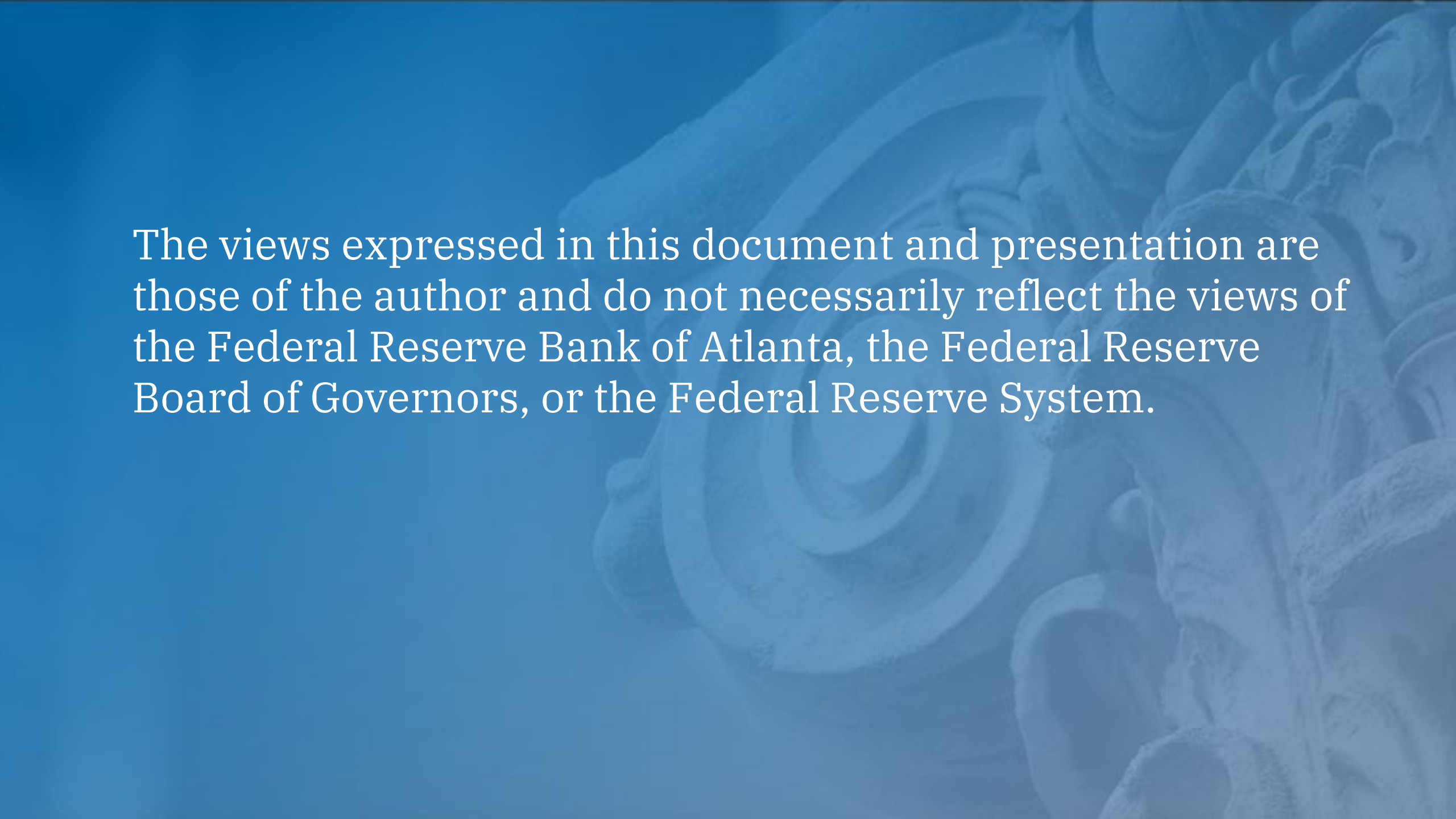
August 1, 2024

Presented by Domonic D. Purviance, FRB Atlanta

Warner Robins Housing Market Update

Housing becoming more unaffordability





The views expressed in this document and presentation are those of the author and do not necessarily reflect the views of the Federal Reserve Bank of Atlanta, the Federal Reserve Board of Governors, or the Federal Reserve System.

Housing Market Update

- Economic Backdrop
- Mortgage Interest Rates
- Housing Market Conditions
- Home Prices and Affordability
- Conclusions



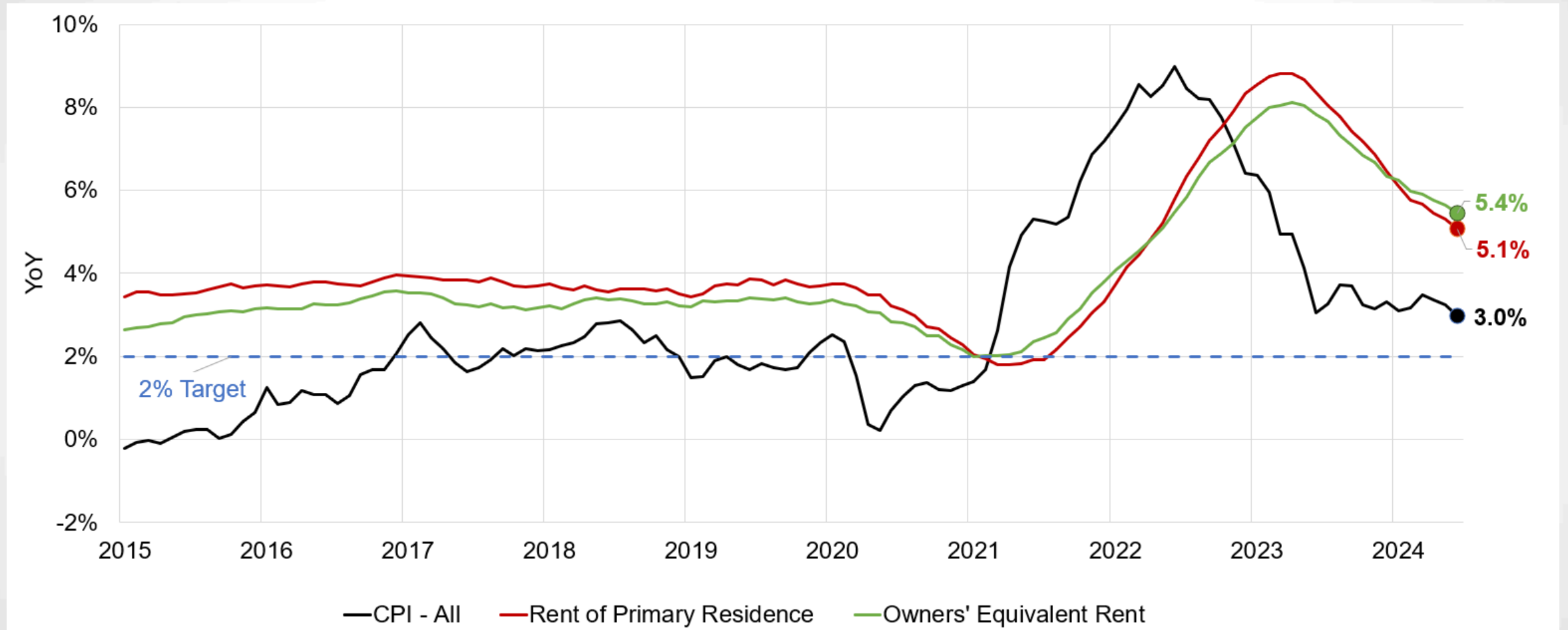
Inflation Components

Consumer Price Index (CPI) Year over Year % Change (YoY%)

| | All Items | Commodities | Core Inflation | Education and Communication | Energy | Food | Shelter | Medical Care | Recreation | Transportation |
|----------------|-----------|-------------|----------------|-----------------------------|--------|-------|---------|--------------|------------|----------------|
| June 2024 | 3.0% | -0.3% | 3.3% | 0.7% | 0.9% | 2.2% | 5.1% | 3.3% | 1.3% | 1.2% |
| May 2024 | 3.3% | 0.1% | 3.4% | 0.5% | 3.5% | 2.1% | 5.4% | 3.1% | 1.4% | 2.7% |
| April 2024 | 3.4% | 0.3% | 3.6% | 0.4% | 2.5% | 2.2% | 5.5% | 2.6% | 1.5% | 3.5% |
| March 2024 | 3.5% | 0.6% | 3.8% | 0.2% | 2.1% | 2.2% | 5.6% | 2.2% | 1.9% | 4.0% |
| February 2024 | 3.2% | 0.3% | 3.8% | 0.4% | -1.7% | 2.3% | 5.8% | 1.4% | 2.1% | 2.8% |
| January 2024 | 3.1% | 0.1% | 3.9% | 0.0% | -4.3% | 2.5% | 6.1% | 1.1% | 2.8% | 1.7% |
| December 2023 | 3.3% | 0.7% | 3.9% | -0.1% | -1.8% | 2.7% | 6.2% | 0.4% | 2.7% | 2.7% |
| November 2023 | 3.1% | -0.1% | 4.0% | -0.1% | -5.3% | 2.9% | 6.5% | 0.1% | 2.5% | 0.8% |
| October 2023 | 3.2% | 0.4% | 4.0% | 0.9% | -4.4% | 3.3% | 6.7% | -0.8% | 3.2% | 0.8% |
| September 2023 | 3.7% | 1.4% | 4.1% | 1.1% | -0.6% | 3.7% | 7.2% | -1.4% | 3.9% | 2.4% |
| August 2023 | 3.7% | 1.1% | 4.4% | 1.0% | -3.8% | 4.2% | 7.3% | -1.0% | 3.6% | 1.6% |
| July 2023 | 3.3% | -0.4% | 4.7% | 1.2% | -12.5% | 4.8% | 7.7% | -0.5% | 4.1% | -2.7% |
| June 2023 | 3.1% | -1.0% | 4.9% | 1.1% | -16.7% | 5.7% | 7.8% | 0.1% | 4.3% | -4.8% |
| May 2023 | 4.1% | 0.8% | 5.3% | 1.5% | -11.3% | 6.6% | 8.0% | 0.7% | 4.5% | -1.7% |
| April 2023 | 4.9% | 2.1% | 5.5% | 1.5% | -4.9% | 7.5% | 8.1% | 1.1% | 5.0% | 0.3% |
| March 2023 | 4.9% | 1.5% | 5.6% | 1.4% | -6.6% | 8.3% | 8.2% | 1.5% | 4.9% | -1.1% |
| February 2023 | 6.0% | 3.5% | 5.5% | 1.0% | 5.0% | 9.2% | 8.1% | 2.4% | 5.0% | 2.4% |
| January 2023 | 6.4% | 4.4% | 5.5% | 1.0% | 8.6% | 9.9% | 7.9% | 3.1% | 4.8% | 3.7% |
| December 2022 | 6.4% | 4.8% | 5.7% | 0.8% | 7.0% | 10.2% | 7.5% | 3.9% | 5.1% | 3.6% |
| November 2022 | 7.1% | 7.0% | 6.0% | 0.7% | 13.1% | 10.3% | 7.1% | 4.1% | 4.8% | 7.8% |
| October 2022 | 7.8% | 8.6% | 6.3% | 0.0% | 17.7% | 10.6% | 6.9% | 5.0% | 4.1% | 11.2% |
| September 2022 | 8.2% | 9.5% | 6.6% | 0.2% | 19.8% | 10.8% | 6.6% | 6.0% | 4.1% | 12.6% |
| August 2022 | 8.2% | 10.4% | 6.3% | 0.5% | 23.7% | 10.9% | 6.3% | 5.4% | 4.1% | 13.3% |
| July 2022 | 8.4% | 11.9% | 5.9% | 0.5% | 32.6% | 10.5% | 5.7% | 4.9% | 4.4% | 16.2% |
| June 2022 | 9.0% | 13.4% | 5.9% | 0.8% | 41.6% | 10.0% | 5.6% | 4.6% | 4.6% | 19.7% |
| May 2022 | 8.5% | 13.0% | 6.0% | 0.8% | 34.4% | 9.7% | 5.4% | 3.8% | 4.5% | 19.4% |
| April 2022 | 8.3% | 12.9% | 6.2% | 1.0% | 30.2% | 9.0% | 5.1% | 3.3% | 4.3% | 19.9% |
| March 2022 | 8.5% | 14.2% | 6.5% | 1.5% | 31.8% | 8.5% | 5.0% | 2.9% | 4.8% | 22.5% |

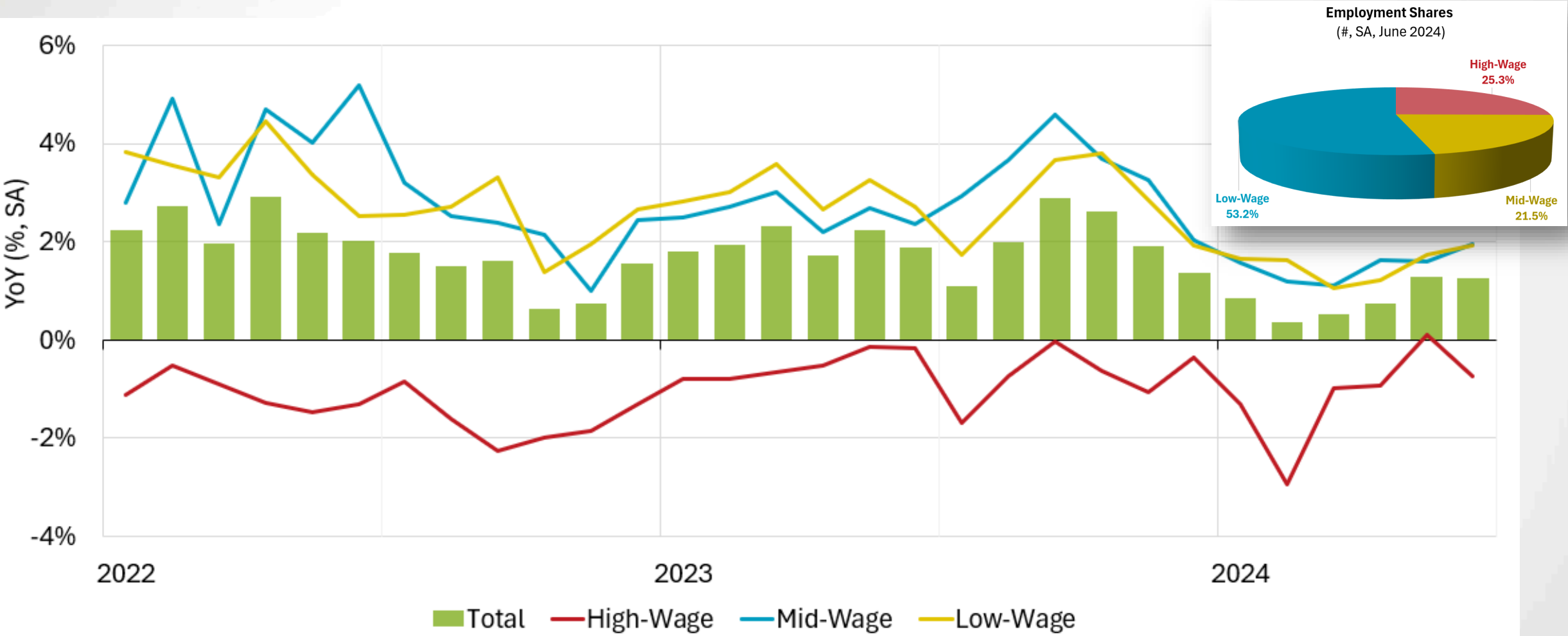
Source: Bureau of Labor Statistics; Risk Analysis Unit/Federal Reserve Bank of Atlanta

Inflation: Housing Breakout



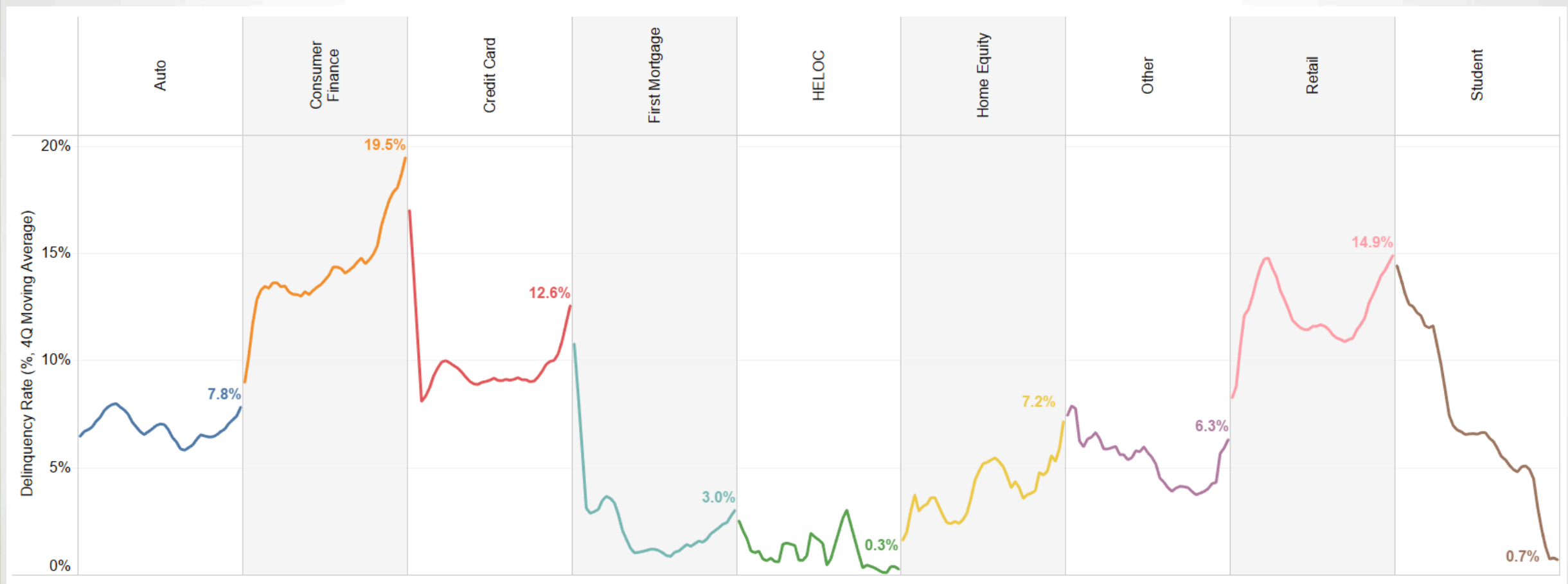
Source: Bureau of Labor Statistics; Risk Analysis Unit/Federal Reserve Bank of Atlanta

Warner Robins: Job Growth by Wage Tier



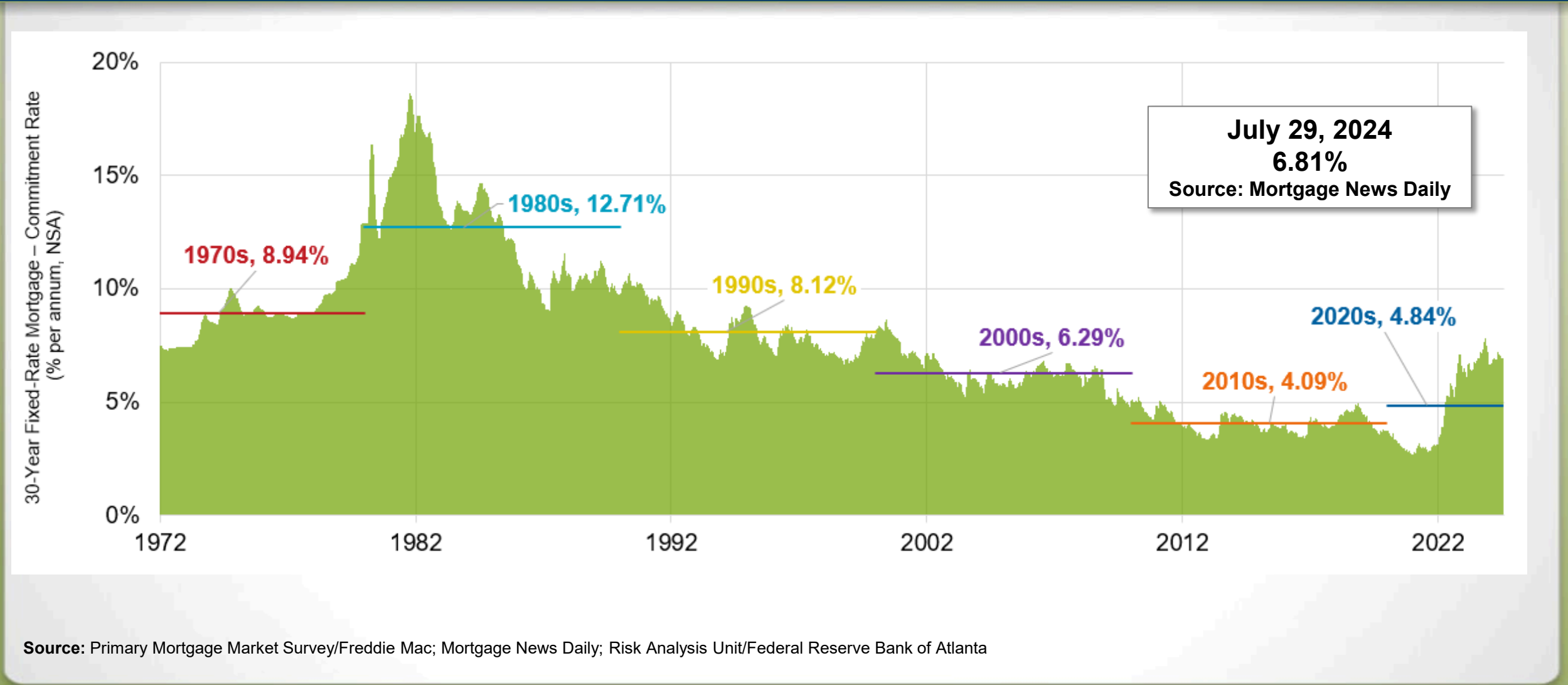
Source: Moody's Analytics; Bureau of Labor Statistics; Risk Analysis Unit/Federal Reserve Bank of Atlanta

Warner Robins Consumer Loan Credit Quality: 2019Q1 – 2024Q2

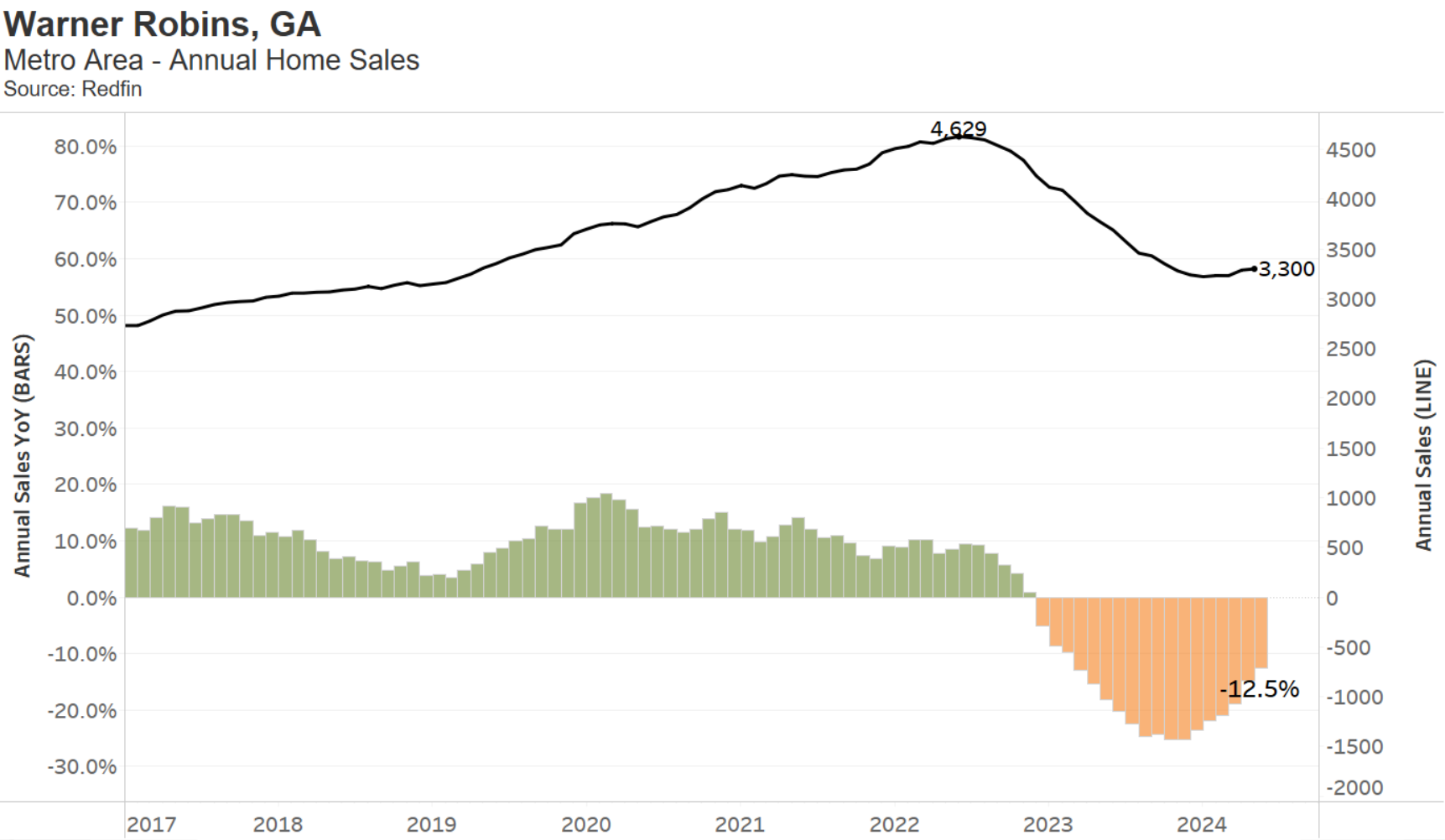


Source: Household Debt and Credit Report/Federal Reserve Bank of New York; Risk Analysis Unit/Federal Reserve Bank of Atlanta

30-year fixed mortgage rates remain elevated.

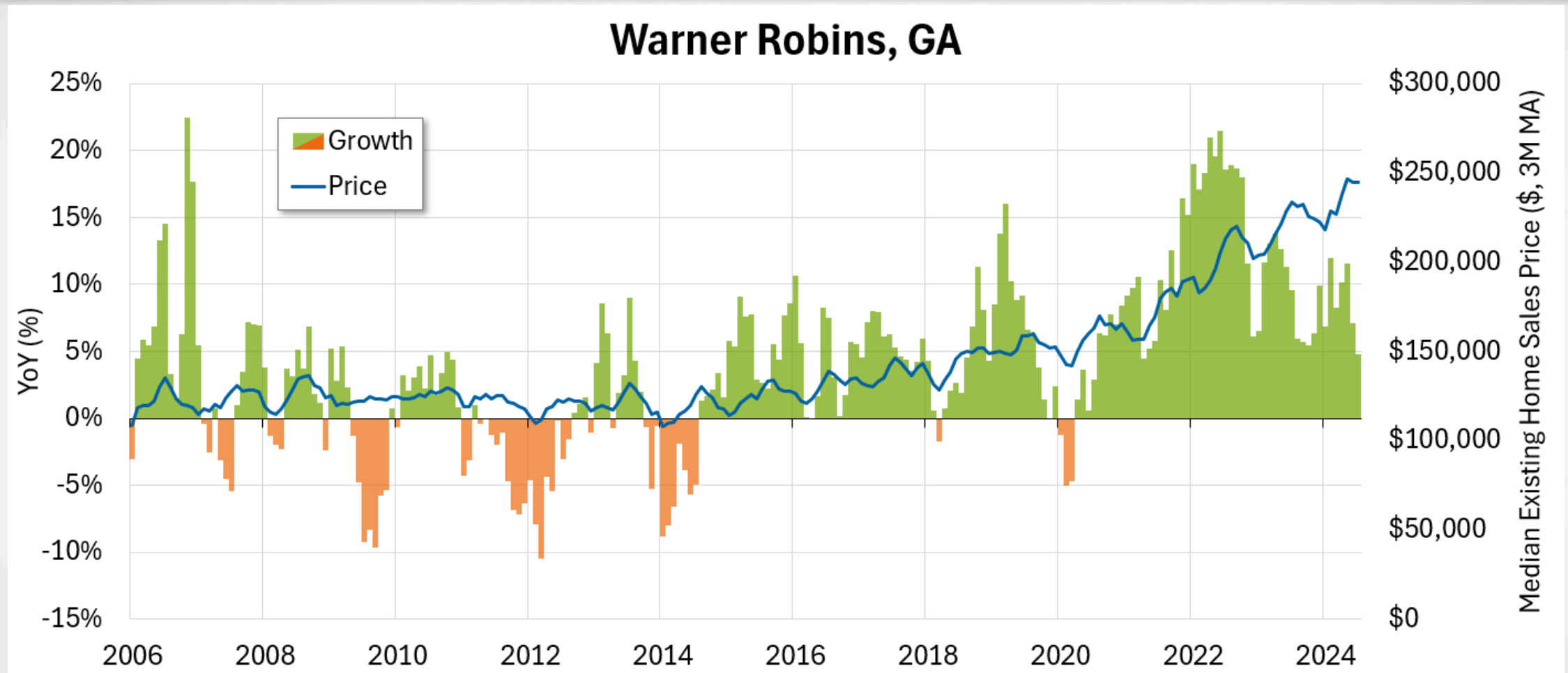


Higher interest rates, home prices, and inventory shortages continue to suppress home sales in Warner Robins Metro area.



Source: Redfin; Risk Analysis Unit/Federal Reserve Bank of Atlanta

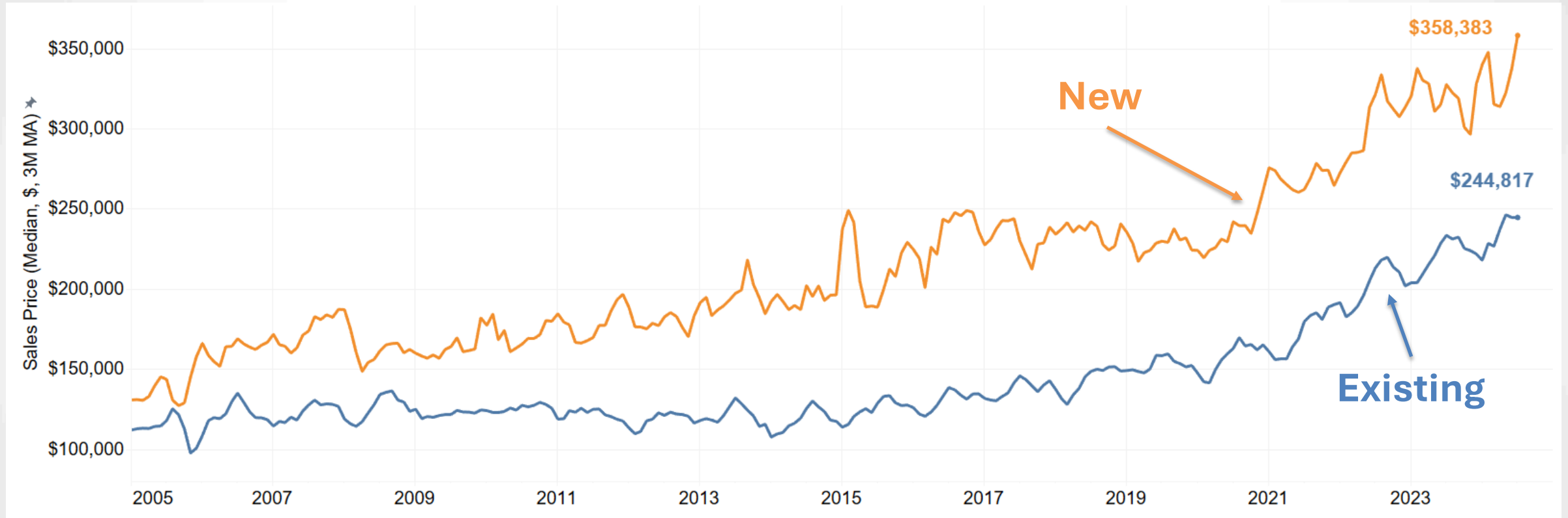
Despite the decline in sales, tight inventory levels have applied steady upward pressure on home prices.



Source: Redfin; Risk Analysis Unit/Federal Reserve Bank of Atlanta

*Home prices = existing homes only

New vs. Existing Sales Prices

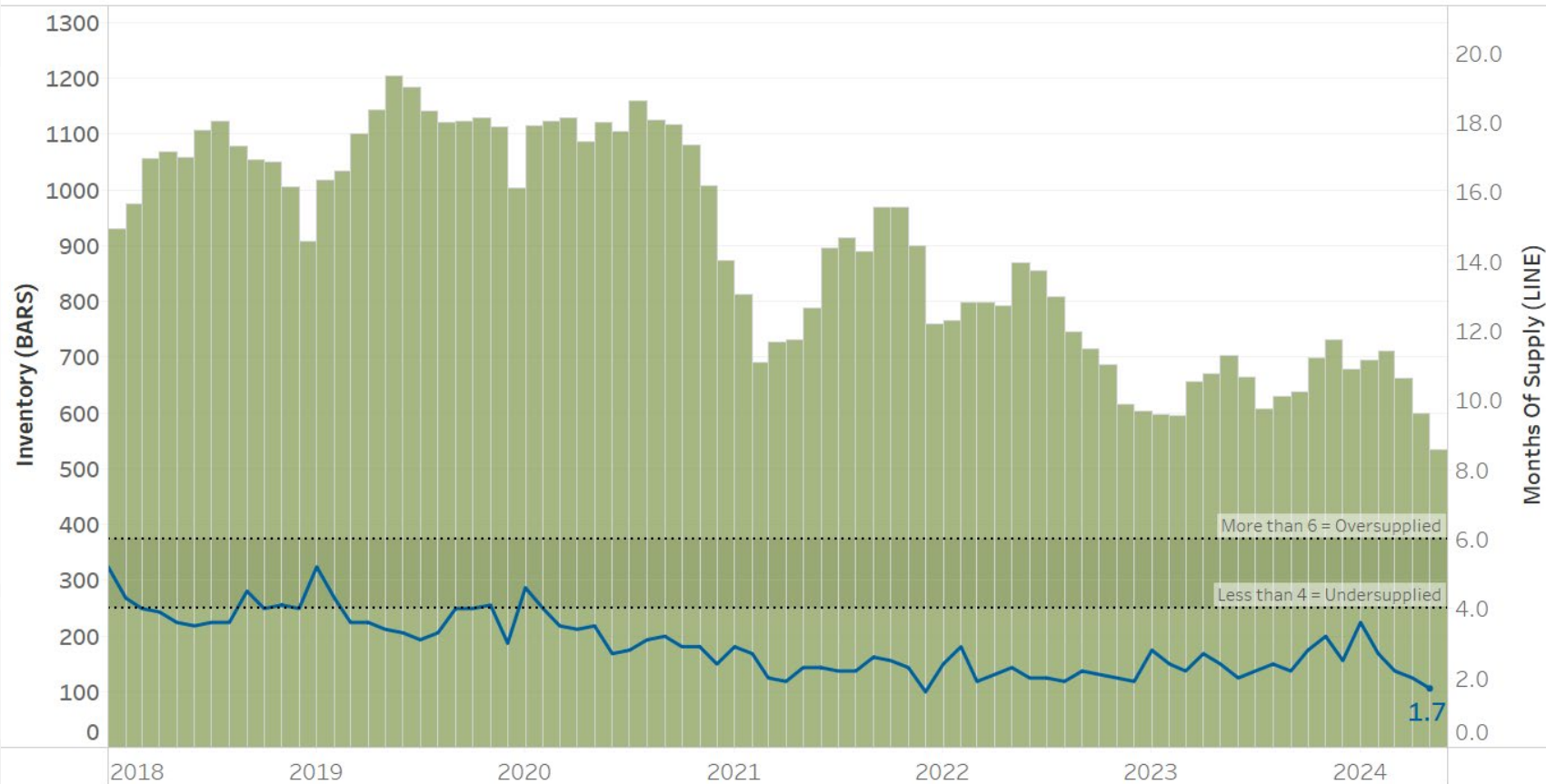


Inventory in the region still critically low, putting sustained upward pressure on prices.

Warner Robins, GA

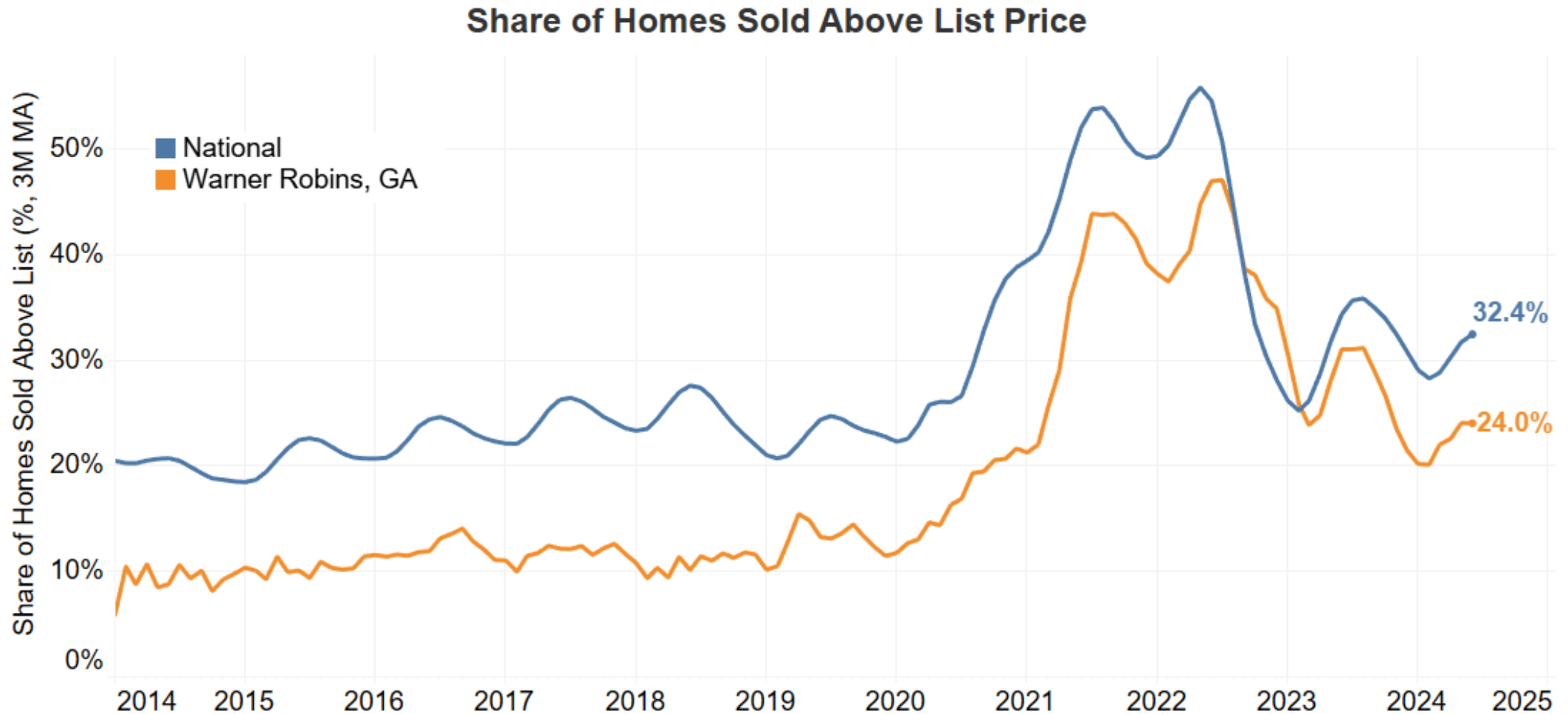
Metro Area - Existing Home Inventory

Source: Redfin



Source: Redfin; Risk Analysis Unit/Federal Reserve Bank of Atlanta

Although moderating, the sales-to-list price remains above pre-pandemic levels, indicating persistent, steady demand for housing.



Source: Redfin; Risk Analysis Unit/Federal Reserve Bank of Atlanta

Homeownership affordability has deteriorated with the rise in home prices and elevated interest rates.

May 2024

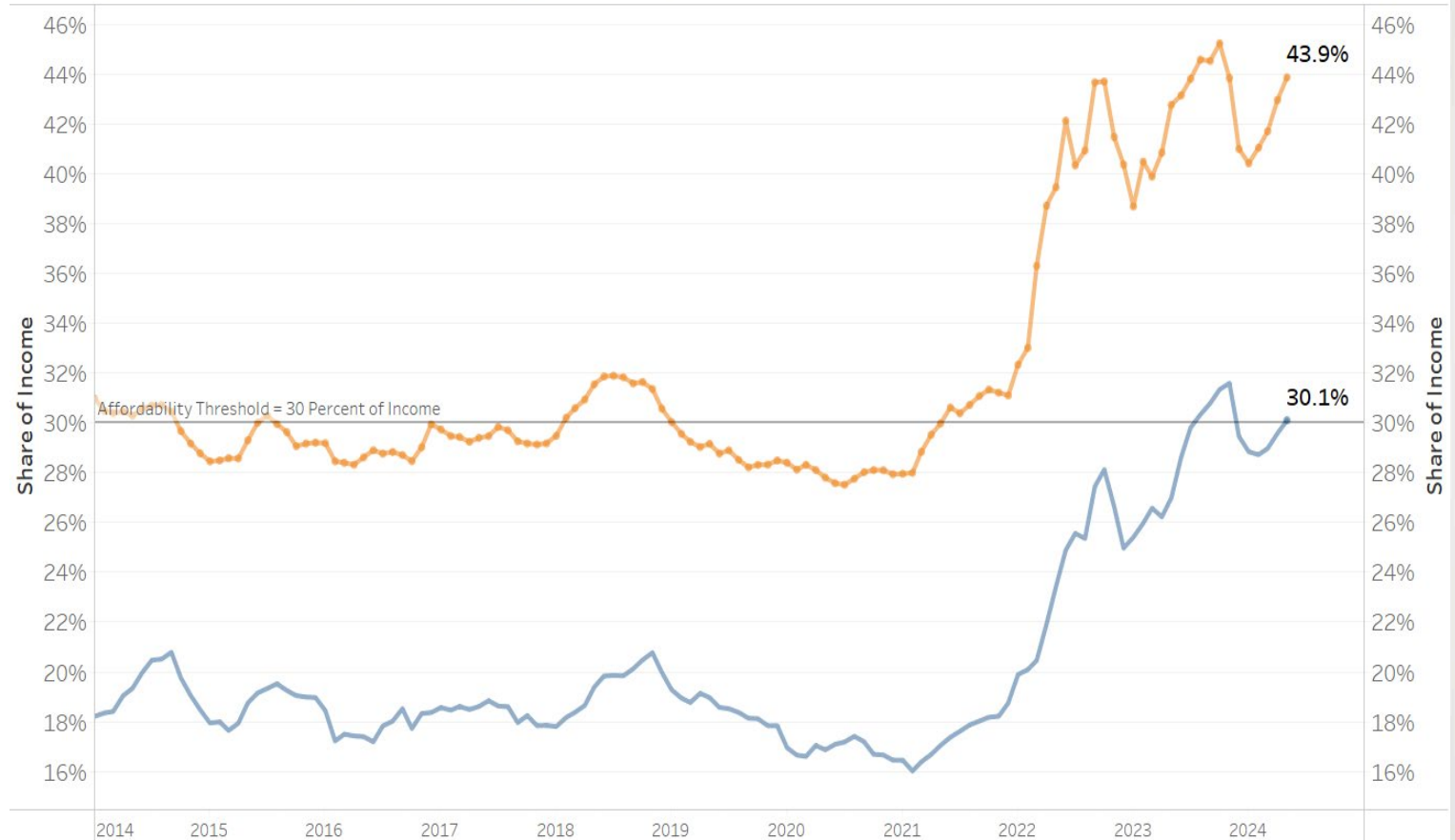
Nation

- Median Home Price - \$383,269
- Total Monthly - \$2,977
- Median Household Income - \$81,385
- Share of Income to Own Median Priced Home – 43.9%

Warner Robins

- Median Home Price - \$245,667
- Total Monthly - \$1,851
- Median Household Income - \$73,758
- Share of Income to Own Median Priced Home – 30.1%

Share of Median Income Needed to Own Median Priced Home



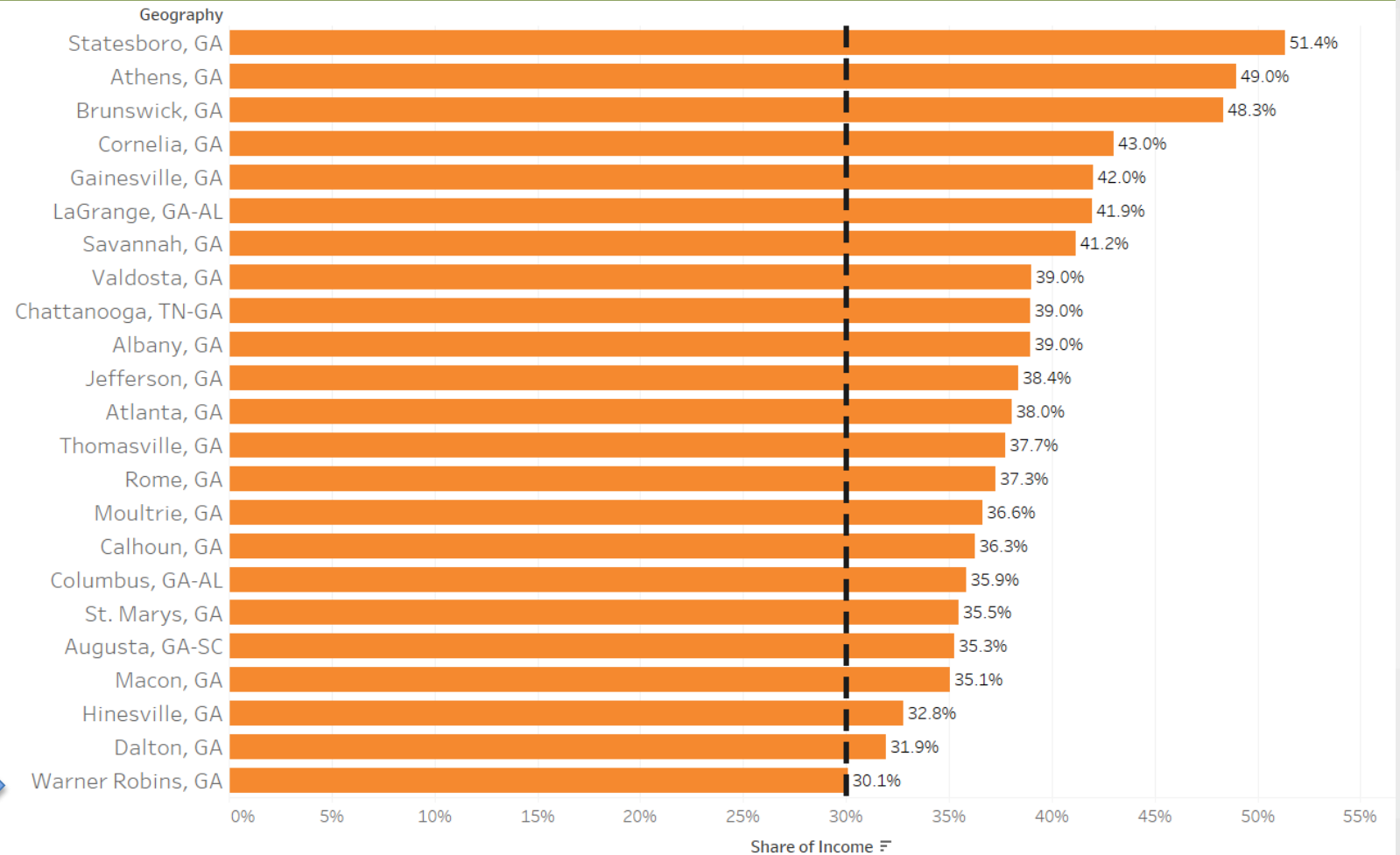
Source: Federal Reserve Bank of Atlanta

*Home prices = existing homes only

Warner Robins remains the MOST affordable region in the state Georgia.

May 2024

Share of Median
Household Income to
Own the Median Priced
Home



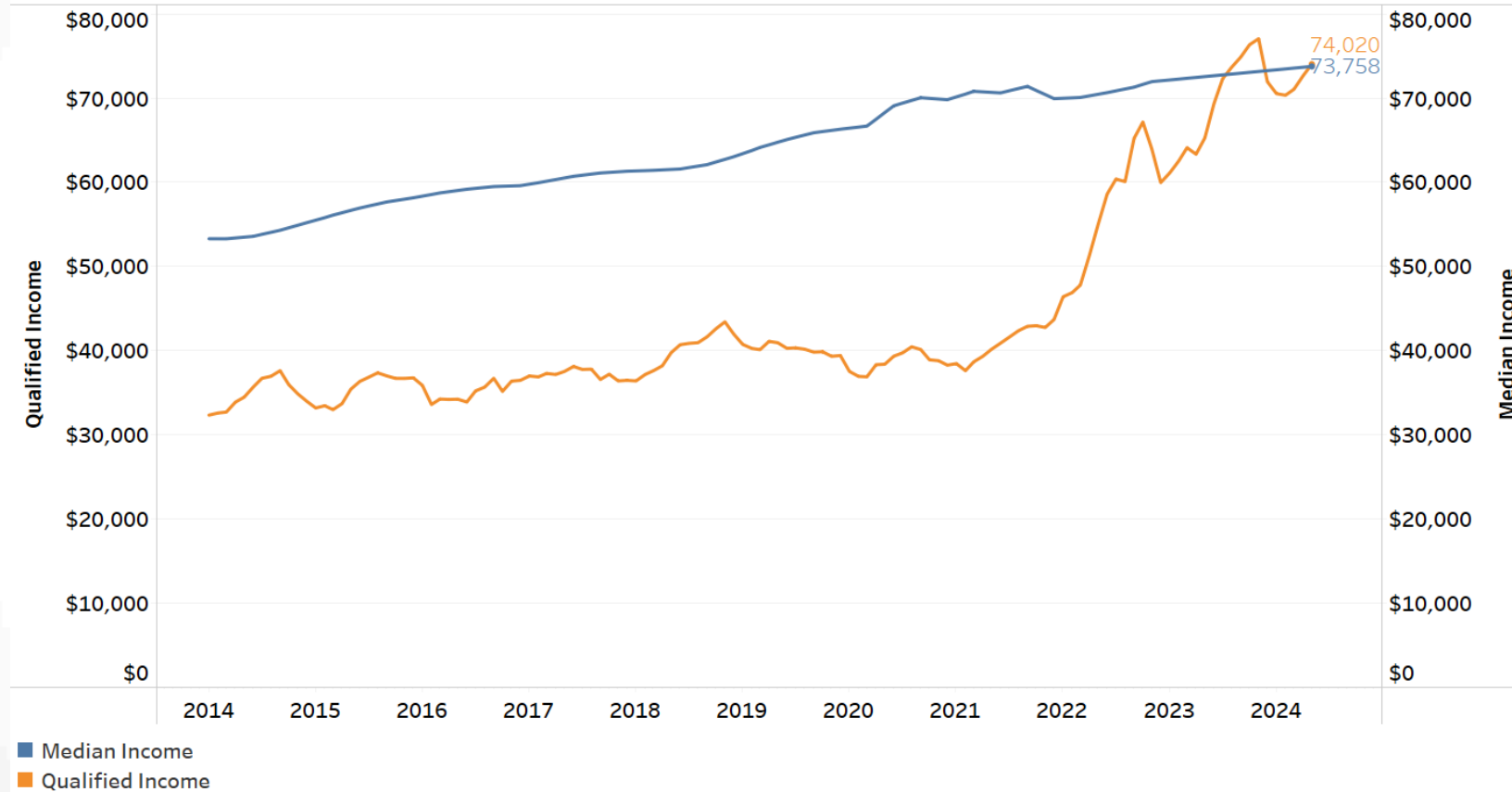
Source: Federal Reserve Bank of Atlanta

The gap between actual income and the qualified income continues to narrow as affordability deteriorates.

Warner Robins, GA

Metro Actual vs Qualified Income

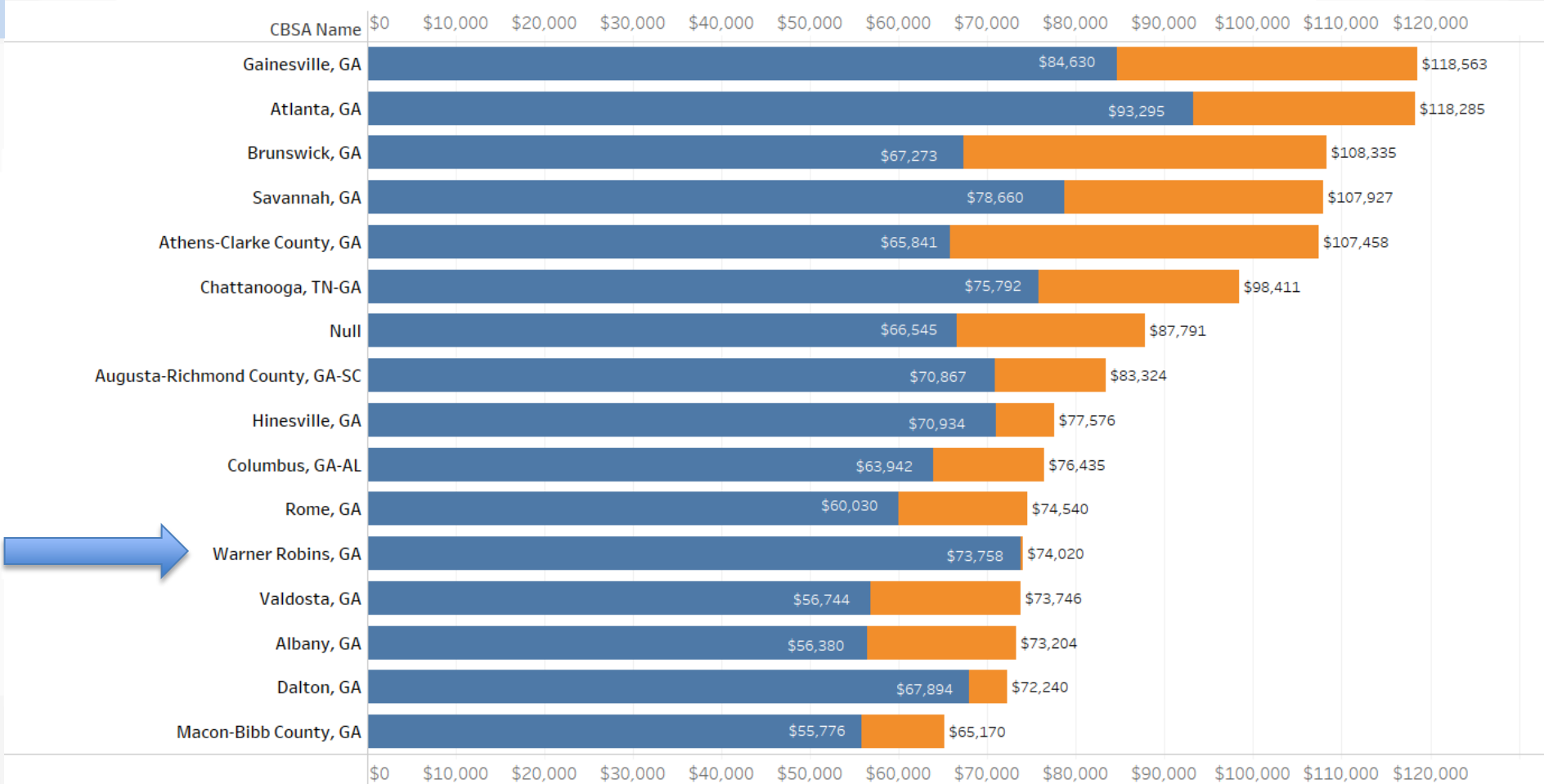
Source: Federal Reserve Bank of Atlanta



Source: Federal Reserve Bank of Atlanta, Corelogic

Compared to other regions in Georgia, the gap between actual household income and the qualified income is the smallest.

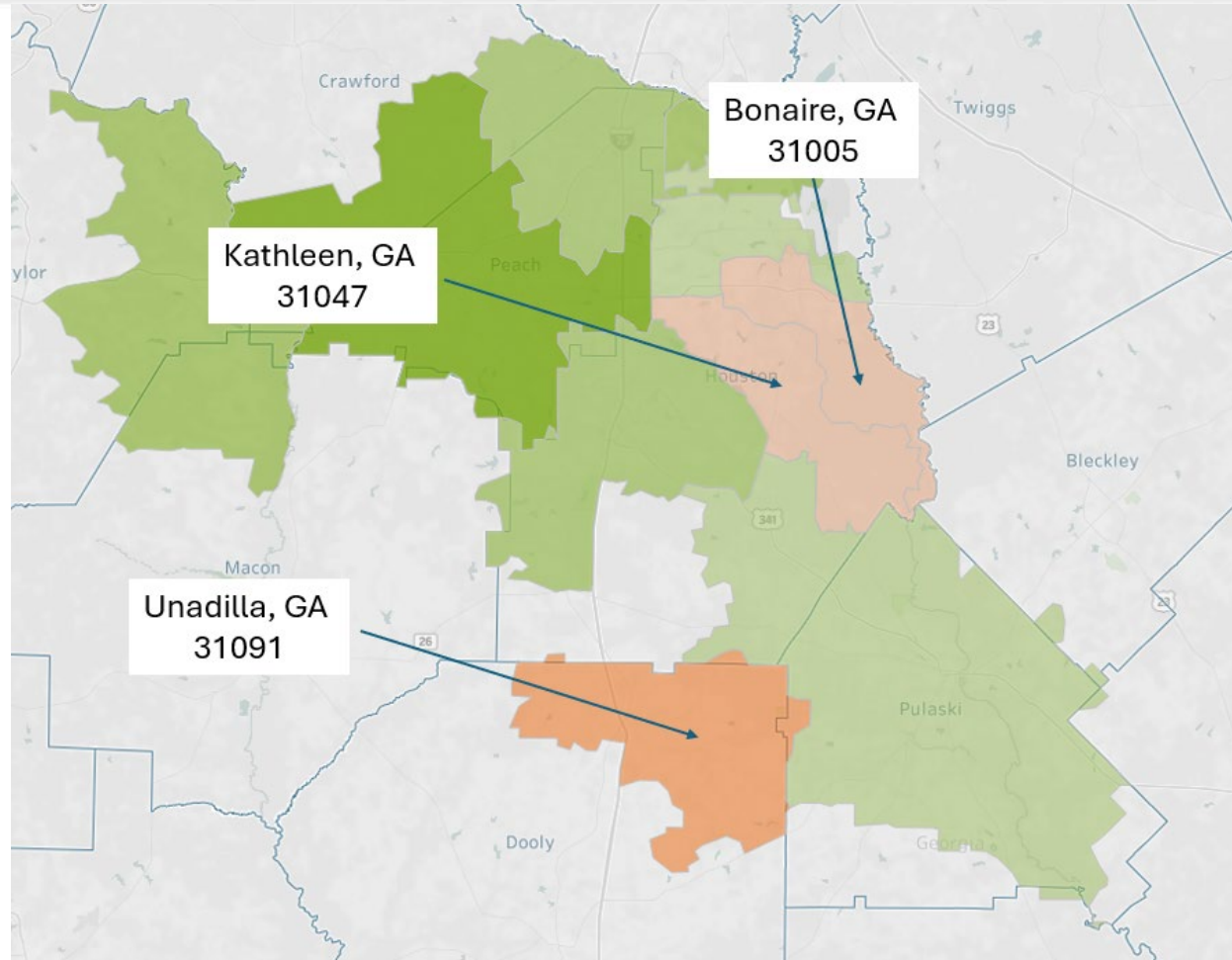
May 2024



Source: Federal Reserve Bank of Atlanta, Corelogic

Still, there are three (3) zip codes in the region where the median income household can't afford to own the median priced home.

May 2024



Source: Federal Reserve Bank of Atlanta, Zonda Intelligence

Key Takeaways

- ❑ Despite diminished demand, home prices continue to rise due to sustained housing shortages in the region.
- ❑ Rising home prices and elevated interest rates have led to a deterioration in affordability in the region.
- ❑ Critically low inventory levels remains the biggest challenge for the housing market.



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01/13/22 - [SR 22-2](#) - Status of Covered Savings Associations and Holding Companies of Covered Savings Associations Under Statutes and Regulations Administered by the Federal Reserve has been issued.

DATE: November 17, 2021

TO ALL SIXTH DISTRICT BANKING ORGANIZATION

This is all from 2021

RESERVE: The following information has been issued by the Federal Reserve Board of Governors for the month of **October 2021**. Please review the guidance and press releases through the enclosed links to determine its applicability to your institution(s). If you have any questions, please feel free to contact your Case Manager or Central Point of Contact at the Federal Reserve Bank of Atlanta.



The Federal Reserve Banks of Atlanta and Dallas invite you to take part in our [6th Biennial Real Estate Conference](#) – Fireside Chat, which is scheduled to take place virtually on **December 2, 2021 from 8:30-9:30 am**.

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Michelle W. Bowman

Governor, Board of Governors
"A Message from Governor Bowman"

“As we saw over the past three years, community banks continue to play an important economic function in their communities by using deposits to extend credit and financial support to families and small businesses.”