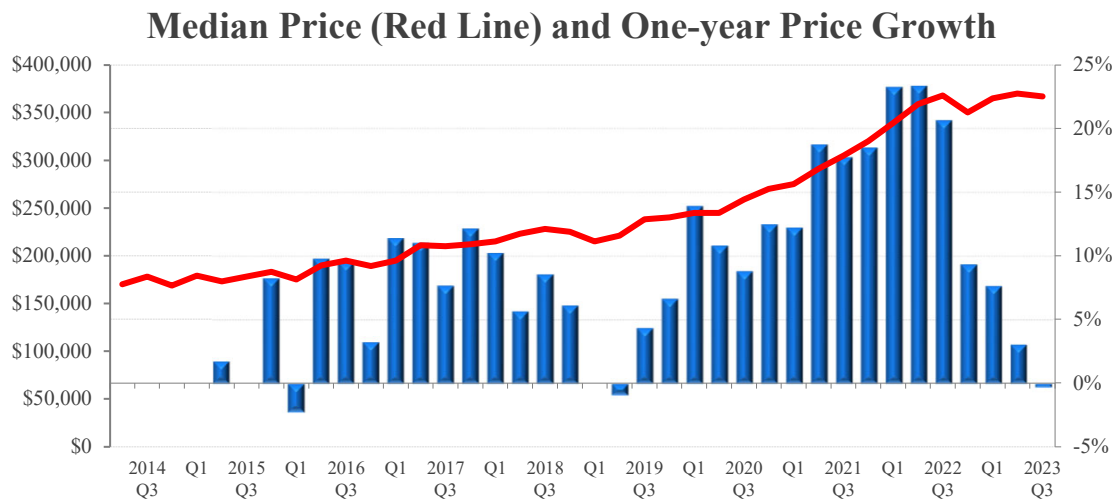


Panama City Area

Local Market Report, Third Quarter 2023

Today's Market...



Local Price Trends			
Price Activity	Panama City	U.S.	Local Trend
Current Median Home Price (2023 Q3)	\$368,000	\$400,867	Year-over-year price growth swung negative this quarter after growing last quarter
1-year (4-quarter) Appreciation (2023 Q3)	-0.3%	2.4%	
3-year (12-quarter) Appreciation (2023 Q3)	41.7%	29.7%	
3-year (12-quarter) Housing Equity Gain*	\$108,000	\$91,700	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$172,000	\$161,400	
9-year (36 quarters) Housing Equity Gain*	\$192,000	\$184,500	

*Note: Equity gain reflects price appreciation only

	Panama City	U.S.	
Conforming Loan Limit**	\$726,200	\$1,089,300	Most buyers in this market have access to government-backed financing
FHA Loan Limit	\$472,030	\$1,089,300	
Local Median to Conforming Limit Ratio	51%	not comparable	

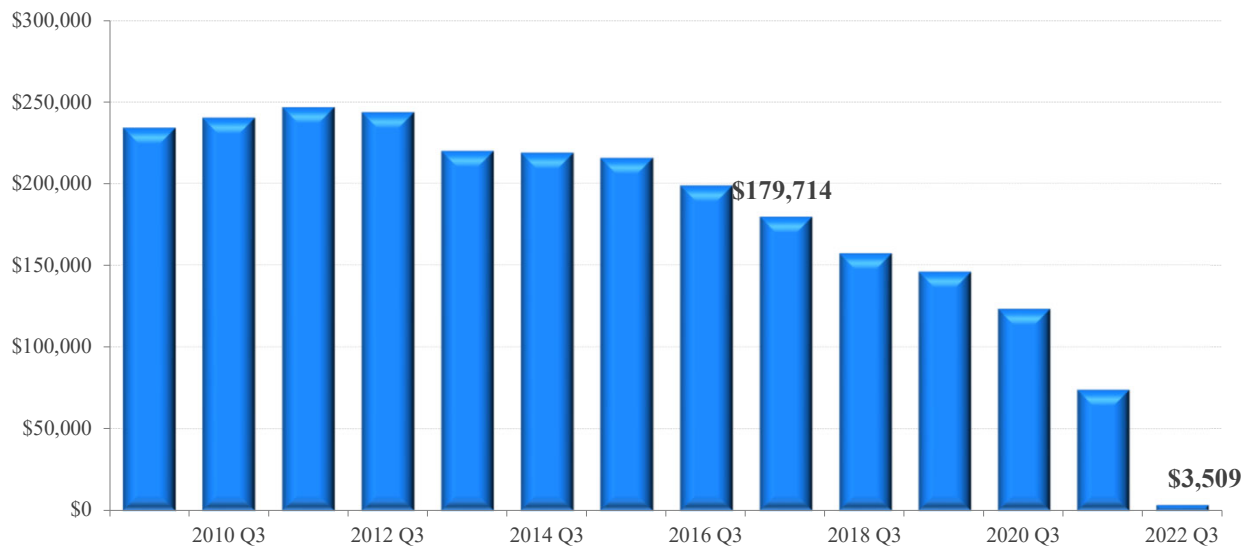
Note: limits are current and include the changes made on January 1st 2023.

Local NAR Leadership

The Panama City 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 2023 NAR Regional Vice President representing region 5 is Faron King.

Benefits of Ownership: Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained through 2023 Q3 from quarter in which home was of purchased**

Price Activity	PanamaCity	U.S.	Local Trend
1-year (4-quarter)	\$3,509	\$14,262	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)*	\$123,260	\$109,915	
5-year (20-quarter)*	\$157,209	\$158,012	
7-year (28 quarters)*	\$198,637	\$194,111	
9-year (36 quarters)*	\$218,711	\$220,615	

*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

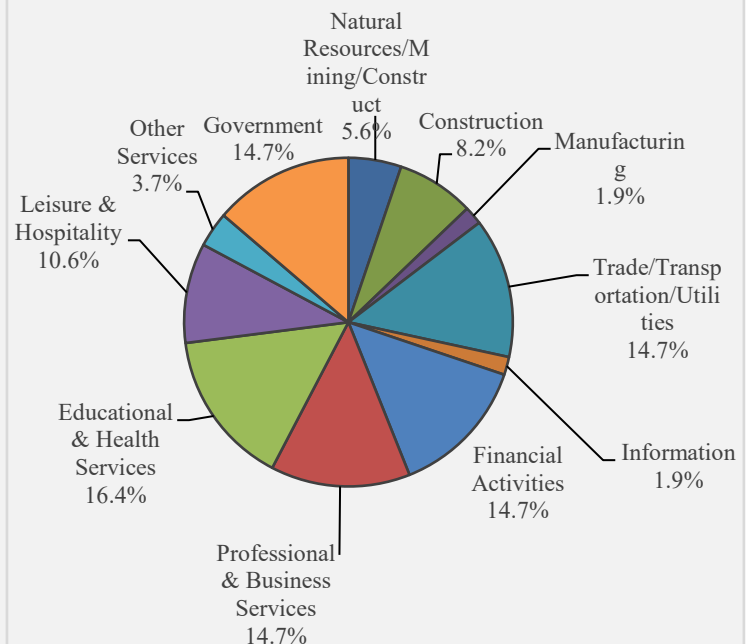
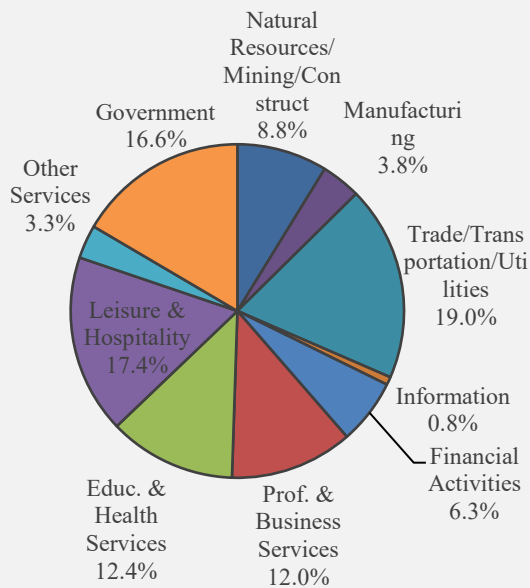
Drivers of Local Supply and Demand...

Local Economic Outlook	Panama City	U.S.	
12-month Job Change (Oct)	2,400	NOT Comparable	Employment has held up and is on an upward trend
12-month Job Change (Sep)	2,200	NOT Comparable	
36-month Job Change (Oct)	8,000	NOT Comparable	Unemployment has risen since the same period last year, but Panama City's labor market has been more resilient than the national average
Current Unemployment Rate (Oct)	2.9%	3.9%	
Year-ago Unemployment Rate	2.4%	3.7%	Local employment growth is strong compared to other markets
1-year (12 month) Job Growth Rate	2.8%	2.6%	

Share of Total Employment by Industry

Panama City Area

U.S.



12-month Employment Change by Industry (Oct - 2023)

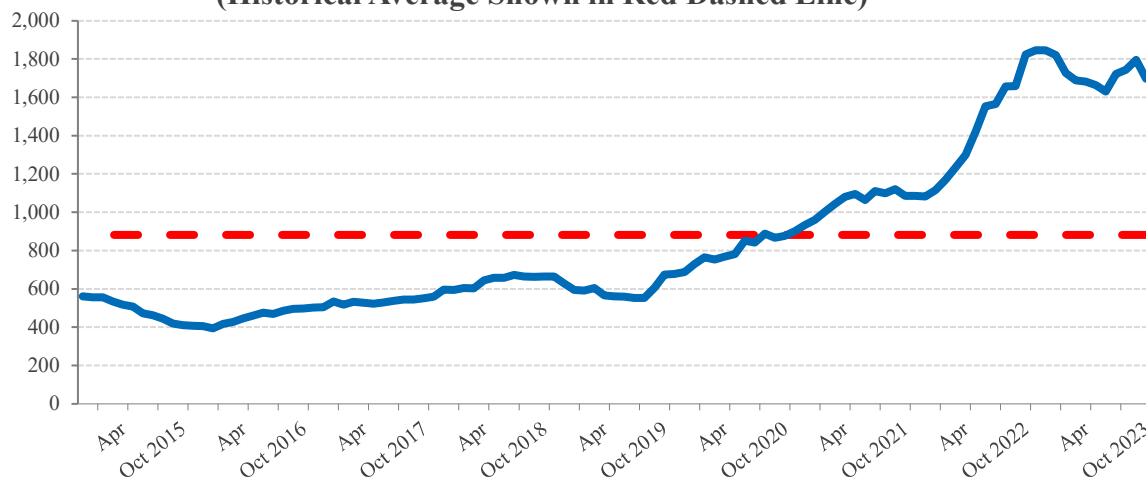
Goods Producing	NA	Information	0
Natural Resources/Mining/Construction	400	Financial Activities	0
Natural Resources and Mining	NA	Prof. & Business Services	-100
Construction	NA	Educ. & Health Services	500
Manufacturing	100	Leisure & Hospitality	400
Service Providing Excluding Government	NA	Other Services	100
Trade/Transportation/Utilities	-100	Government	900

State Economic Activity Index	Florida	U.S.	
12-month change (2023 - Oct)	3.2%	3.0%	Florida's economy is stronger than the nation's, but slowed from last month's 3.30% change
36-month change (2023 - Oct)	20.3%	14.2%	

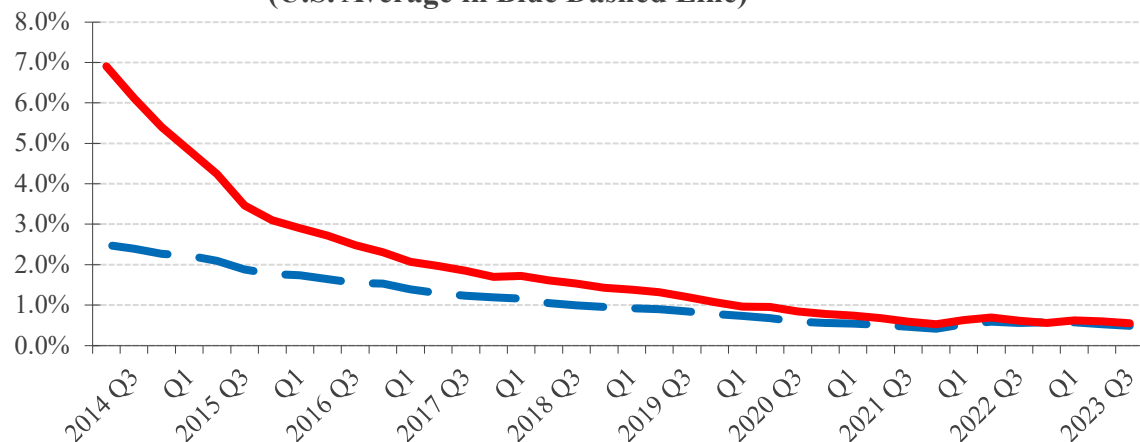
New Housing Construction

Local Fundamentals	Panama City	U.S.	
12-month Sum of 1-unit Building Permits through Oct 2023	1,697	not comparable	The current level of construction is 92.4% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	882	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 (Oct 2023) 12-month sum vs. a year ago	-7.0%	-14.1%	Construction continues to decline from last year

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

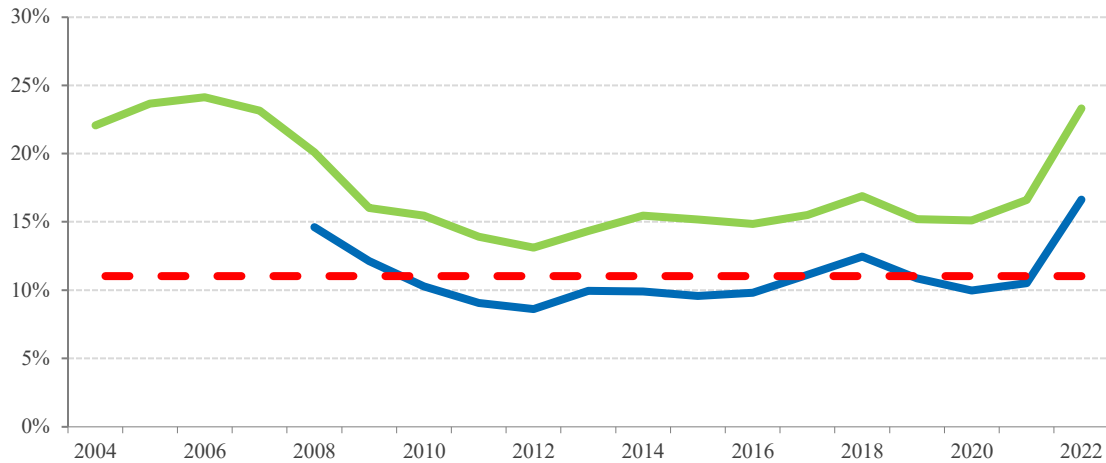


State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



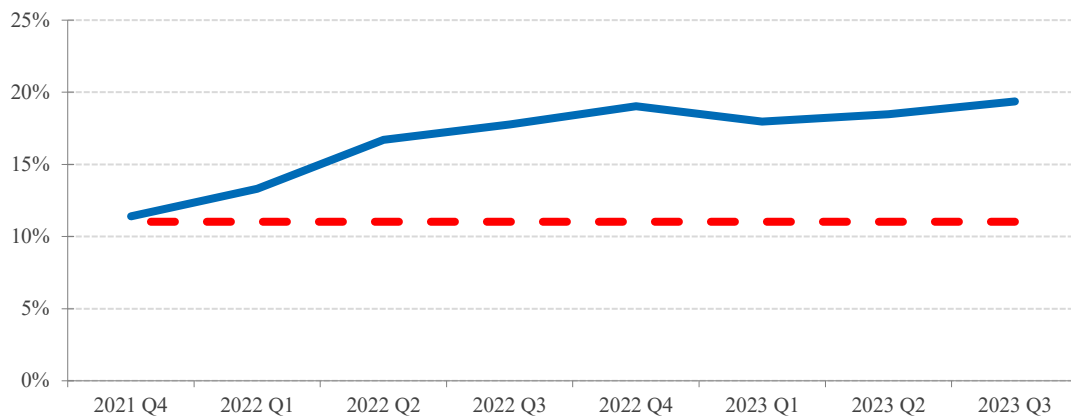
Affordability

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

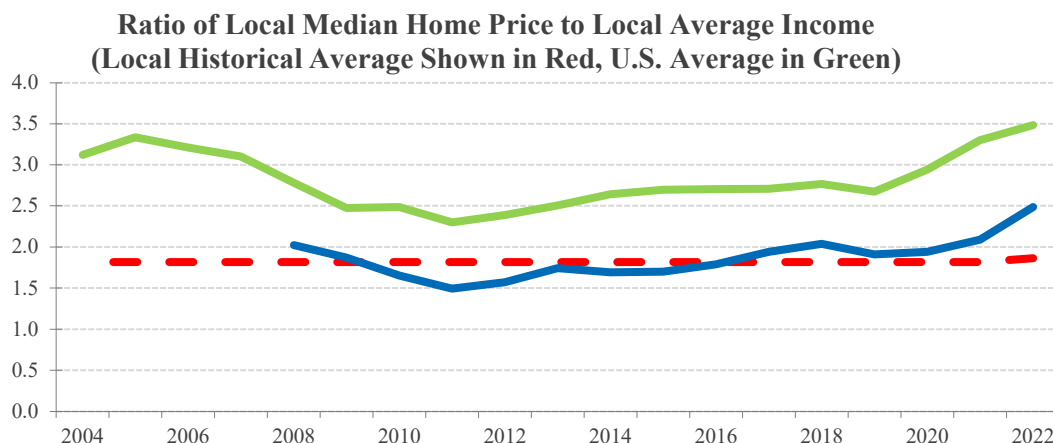


Monthly Mortgage Payment to Income	Panama City	U.S.	
Ratio for 2022	16.6%	23.3%	Weak by local standards and could weigh on demand
Ratio for 2023 Q3	19.4%	27.3%	
Historical Average	11.0%	17.8%	More affordable than most markets

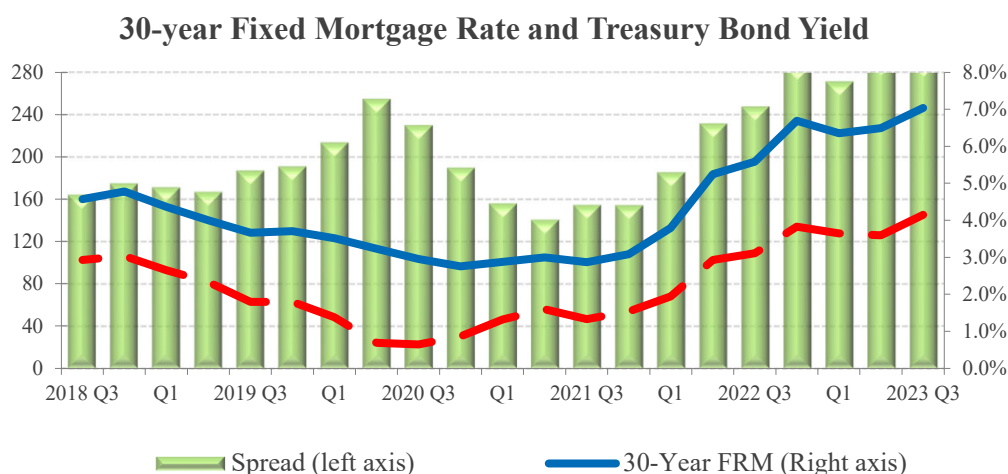
Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Panama City	U.S.	
Ratio for 2022	2.5	3.5	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2023 Q3	2.4	3.4	
Historical Average	1.9	2.8	Affordable compared to most markets



The Mortgage Market



For the most part of the third quarter, mortgage rates hovered above 7 percent, pushing down affordability to record lows. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate rose to 7.04 percent in the third quarter of 2023 from 5.58 percent the previous year. With this increase, Americans are cost burdened, spending \$1,800 above their budget every year. Nevertheless, the outlook appears more optimistic. If inflation continues to cool, the Federal Reserve will start reducing its interest rates as early as the beginning of next year. NAR forecasts the 30-year fixed mortgage rate to conclude the year at 7.8 percent but then drop to 7.5 percent in the first quarter of next year.

Geographic Coverage for this Report

The Panama City area referred to in this report covers the geographic area of the Panama City 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:

Bay County and Gulf County

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