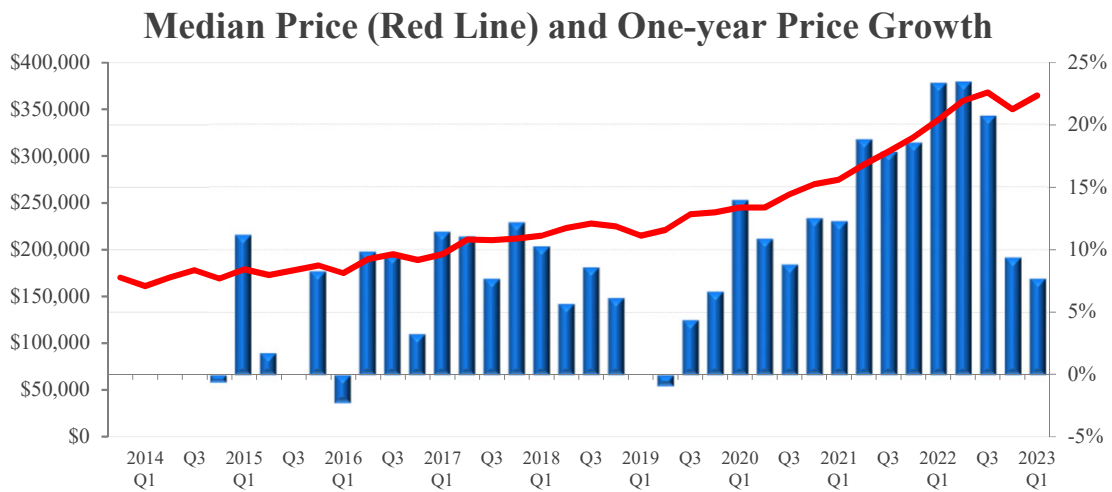


Panama City Area

Local Market Report, First Quarter 2023

Today's Market...



Local Price Trends			
Price Activity	Panama City	U.S.	Local Trend
Current Median Home Price (2023 Q1)	\$365,000	\$366,733	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2023 Q1)	7.7%	0.3%	
3-year (12-quarter) Appreciation (2023 Q1)	49.0%	34.6%	
3-year (12-quarter) Housing Equity Gain*	\$120,000	\$94,267	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$190,000	\$151,000	
9-year (36 quarters) Housing Equity Gain*	\$204,000	\$175,733	

*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	50%	not comparable	

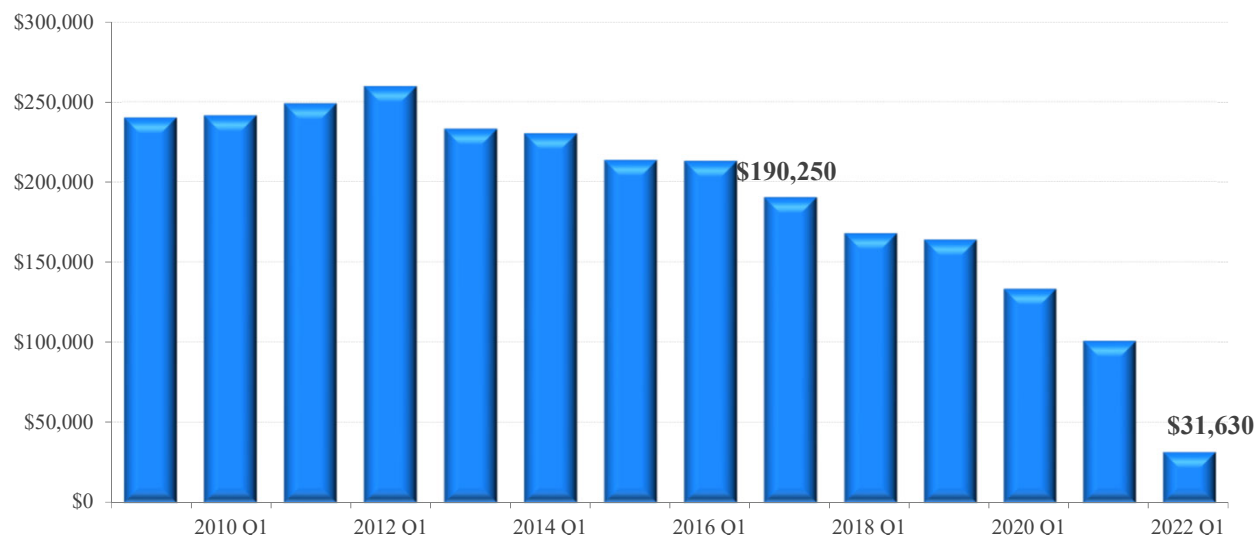
Note: limits are current and include the changes made on January 1st 2023.

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 Eric Sain.

Benefits of Ownership: Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained** through 2023 Q1 from quarter in which home was of purchased

Price Activity	PanamaCity	U.S.	Local Trend
1-year (4-quarter)	\$31,630	\$7,042	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$133,241	\$108,992	
5-year (20-quarter)*	\$167,965	\$143,305	
7-year (28 quarters)*	\$212,979	\$179,328	
9-year (36 quarters)*	\$230,132	\$206,734	

*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...

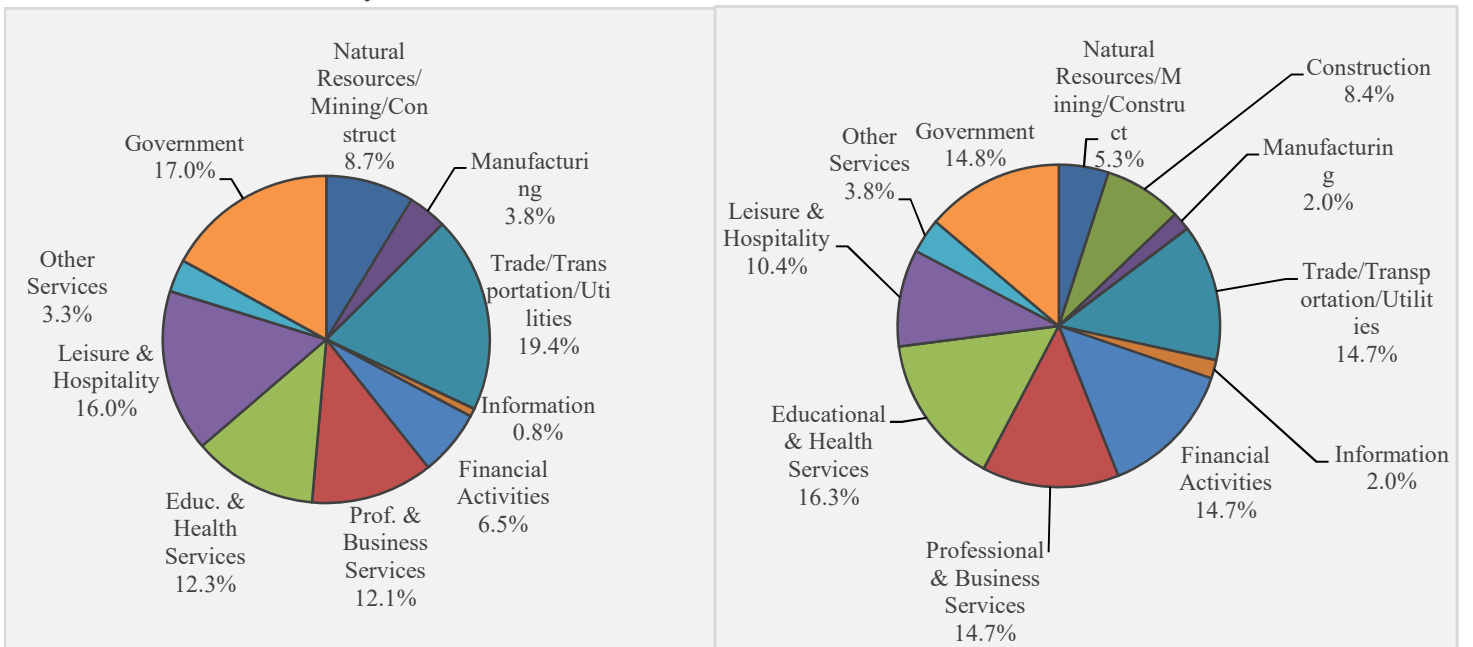


Local Economic Outlook	Panama City	U.S.	
12-month Job Change (Mar)	3,200	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Feb)	3,300	Not Comparable	
36-month Job Change (Mar)	5,800	Not Comparable	Unemployment in Panama City is better than the national average and improving
Current Unemployment Rate (Mar)	2.4%	3.5%	
Year-ago Unemployment Rate	2.7%	3.6%	Local employment growth is strong compared to other markets
1-year (12 month) Job Growth Rate	3.8%	3.8%	

Share of Total Employment by Industry

Panama City Area

U.S.



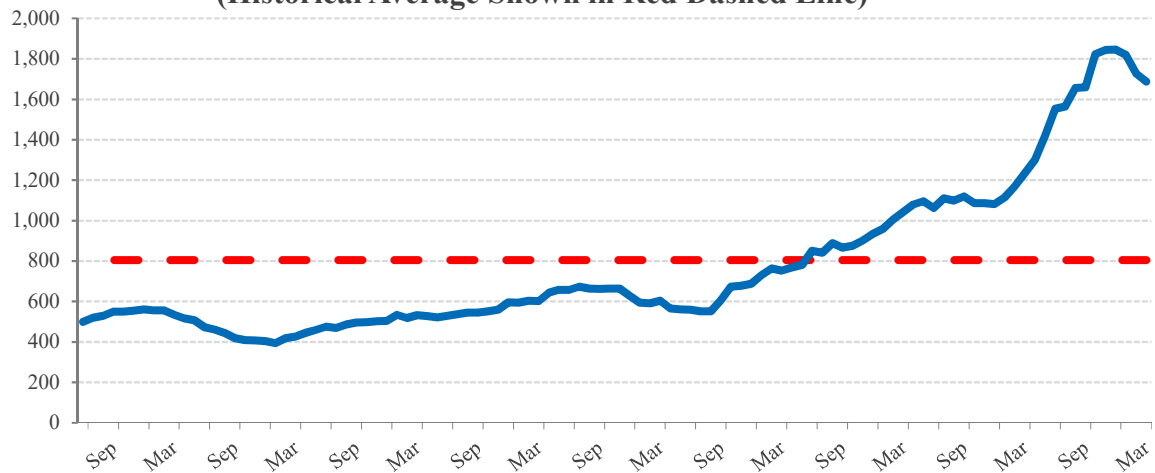
12-month Employment Change by Industry (Mar - 2023)

Goods Producing	NA	Information	0
Natural Resources/Mining/Construction	400	Financial Activities	200
Natural Resources and Mining	NA	Prof. & Business Services	300
Construction	NA	Educ. & Health Services	500
Manufacturing	200	Leisure & Hospitality	1,100
Service Providing Excluding Government	NA	Other Services	0
Trade/Transportation/Utilities	-100	Government	700

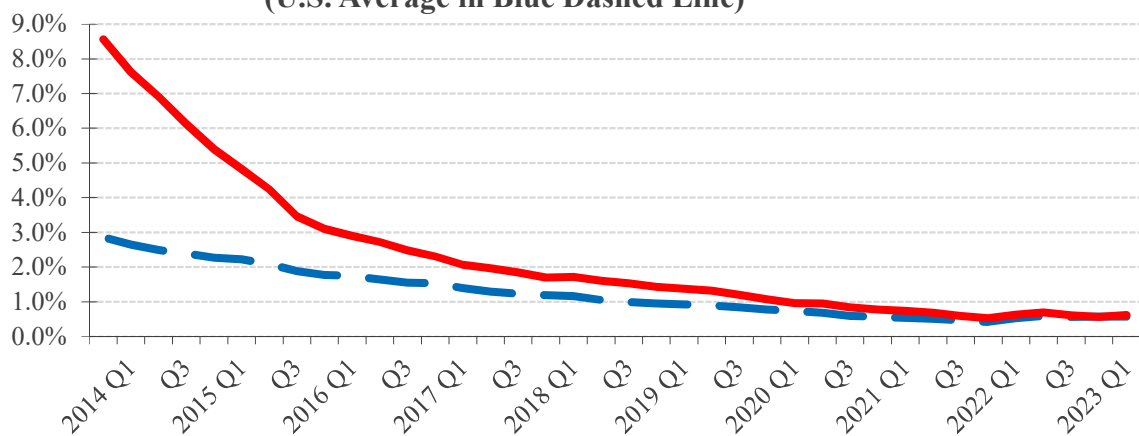
State Economic Activity Index	Florida	U.S.	
12-month change (2023 - Mar)	4.6%	3.8%	Florida's economy is stronger than the nation's, but slowed from last month's 4.98% change
36-month change (2023 - Mar)	12.7%	6.7%	

New Housing Construction			
Local Fundamentals	Panama City	U.S.	
12-month Sum of 1-unit Building Permits through Mar	1,688	not comparable	The current level of construction is 109.7% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	805	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 (Mar) 12-month sum vs. a year ago	36.9%	-21.2%	Construction is on the rise relative to last year, suggesting that the local inventory has stabilized

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

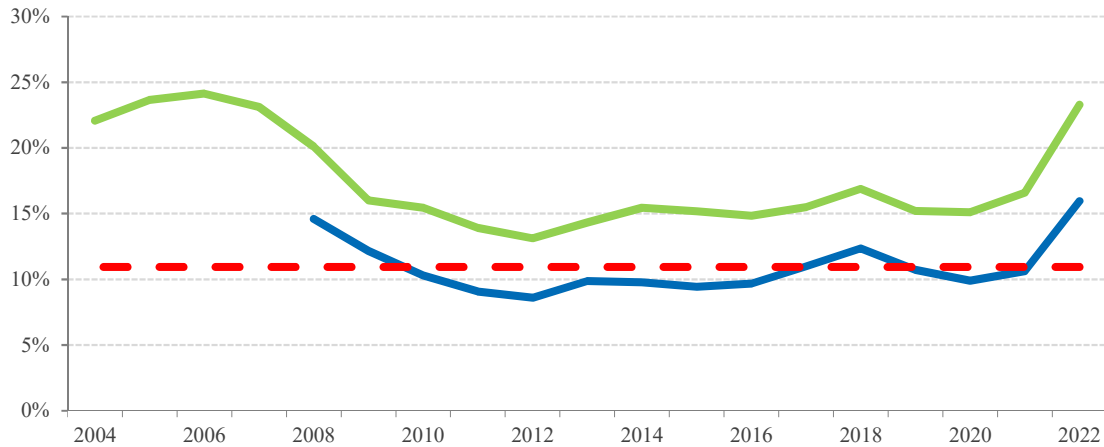


State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



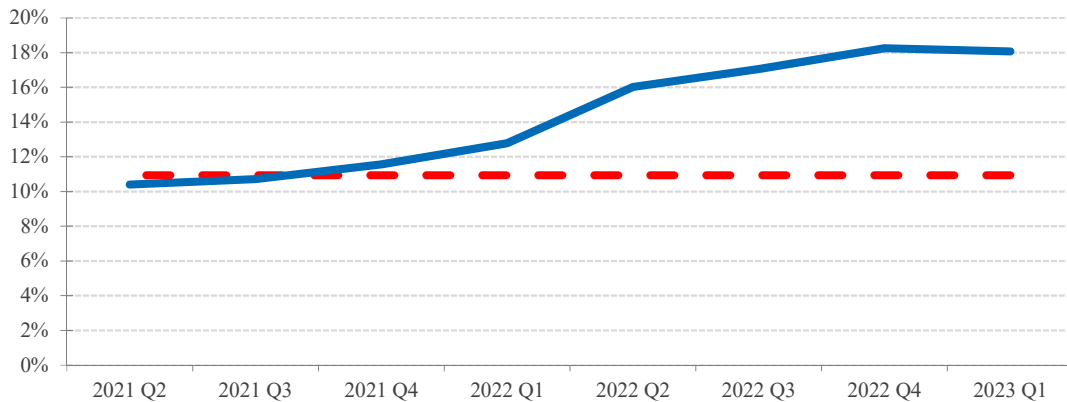
Affordability

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

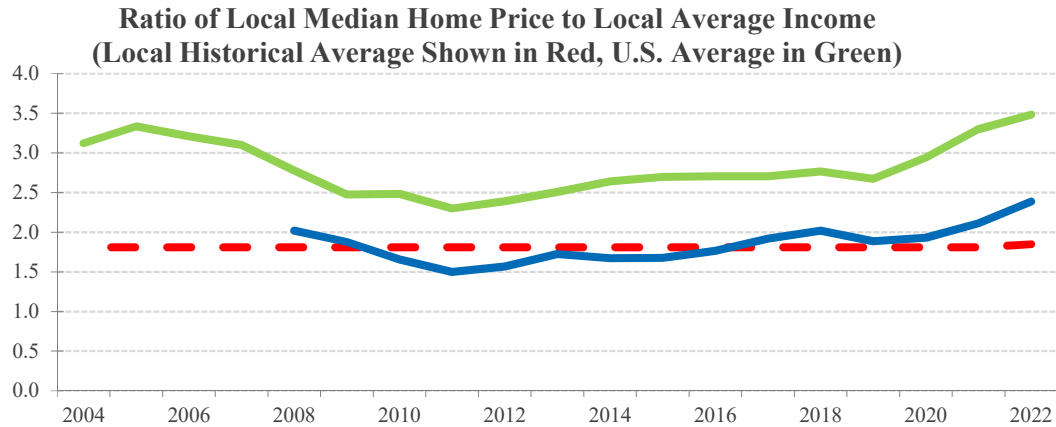


Monthly Mortgage Payment to Income	Panama City	U.S.	
Ratio for 2022	16.0%	23.3%	Weak by local standards and could weigh on demand
Ratio for 2023 Q1	18.1%	23.3%	
Historical Average	10.9%	17.8%	More affordable than most markets

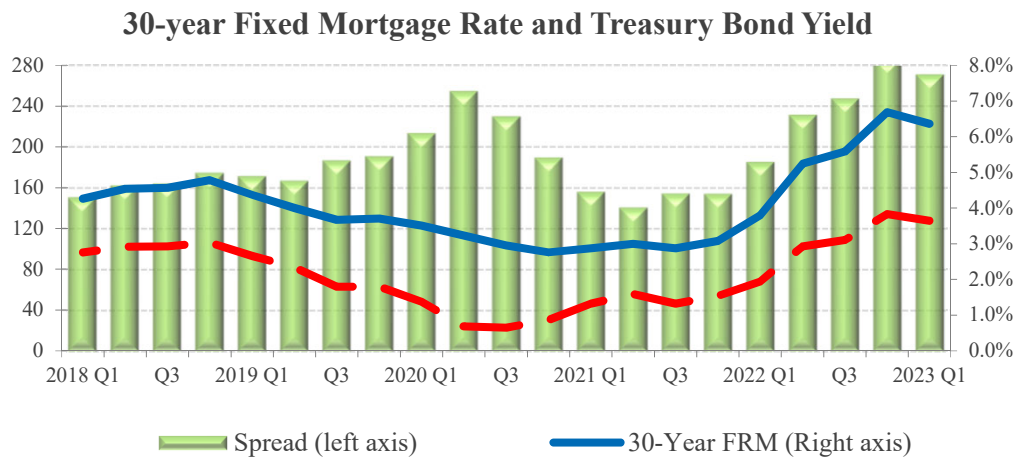
Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Panama City	U.S.	
Ratio for 2022	2.4	3.5	The price-to-income ratio eased, but could be better
Ratio for 2023 Q1	2.4	3.1	
Historical Average	1.8	2.8	Affordable compared to most markets



The Mortgage Market



After surpassing twice the 7 percent threshold at the end of 2022, mortgage rates fell in the beginning of 2023. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate dropped to 6.36% in the first quarter of 2023 from 6.69% the previous quarter. Nevertheless, rates continue to be 1.7 times higher than the previous year (3.79%). Although rates will continue to fluctuate in the following months, with inflation easing further and the Federal Reserve expected to pause its rate hikes soon, mortgage rates will stabilize near 6% in the second half of the year. NAR forecasts the 30-year fixed mortgage rate to average 6.3% and 6.1% at the second and third quarter of the year, respectively.

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/

