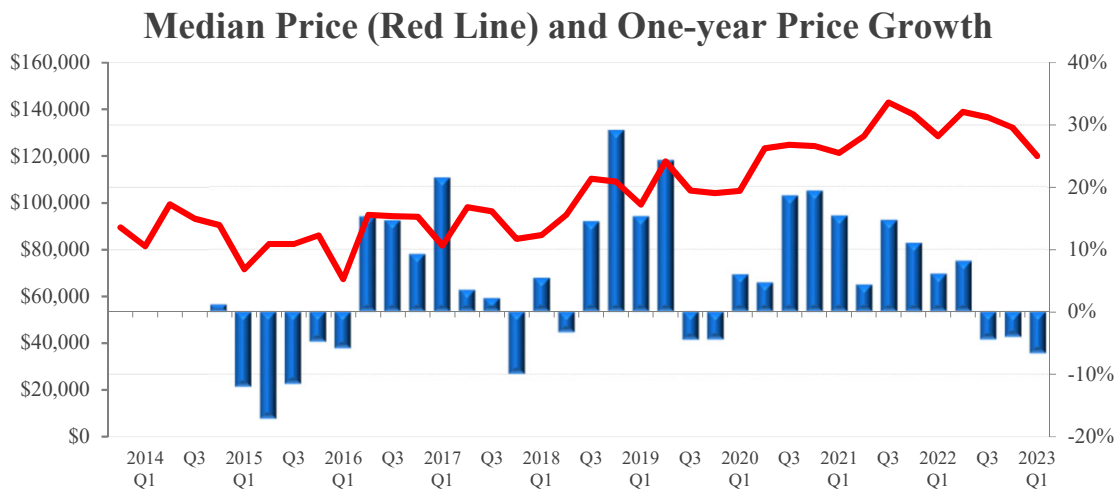


Cumberland Area

Local Market Report, First Quarter 2023

Today's Market...



Local Price Trends			
Price Activity	Cumberland	U.S.	Local Trend
Current Median Home Price (2023 Q1)	\$120,000	\$366,733	Prices are down compared to a year earlier and continue to weaken
1-year (4-quarter) Appreciation (2023 Q1)	-6.7%	0.3%	
3-year (12-quarter) Appreciation (2023 Q1)	14.1%	34.6%	
3-year (12-quarter) Housing Equity Gain*	\$14,800	\$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*	\$52,600	\$151,000	
9-year (36 quarters) Housing Equity Gain*	\$38,600	\$175,733	

*Note: Equity gain reflects price appreciation only

	Cumberland	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	17%	not comparable	

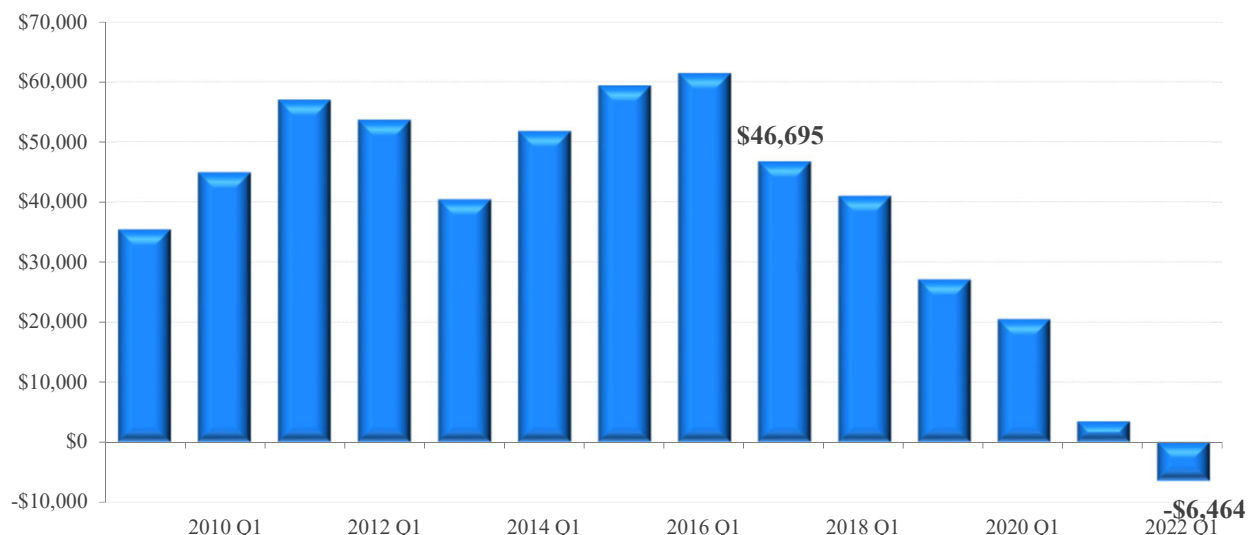
Note: limits are current and include the changes made on January 1st 2023.

Local NAR Leadership

The Cumberland market is part of region 3 in the NAR governance system, which includes all of Delaware, Maryland, District of Columbia, Virginia, and West Virginia. The 2023 NAR Regional Vice President representing region 3 is Gail Renulfi.

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	Cumberland	U.S.	Local Trend
1-year (4-quarter)	\$6,464	\$7,042	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)*	\$20,485	\$108,992	
5-year (20-quarter)*	\$41,003	\$143,305	
7-year (28 quarters)*	\$61,450	\$179,328	
9-year (36 quarters)*	\$51,812	\$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...

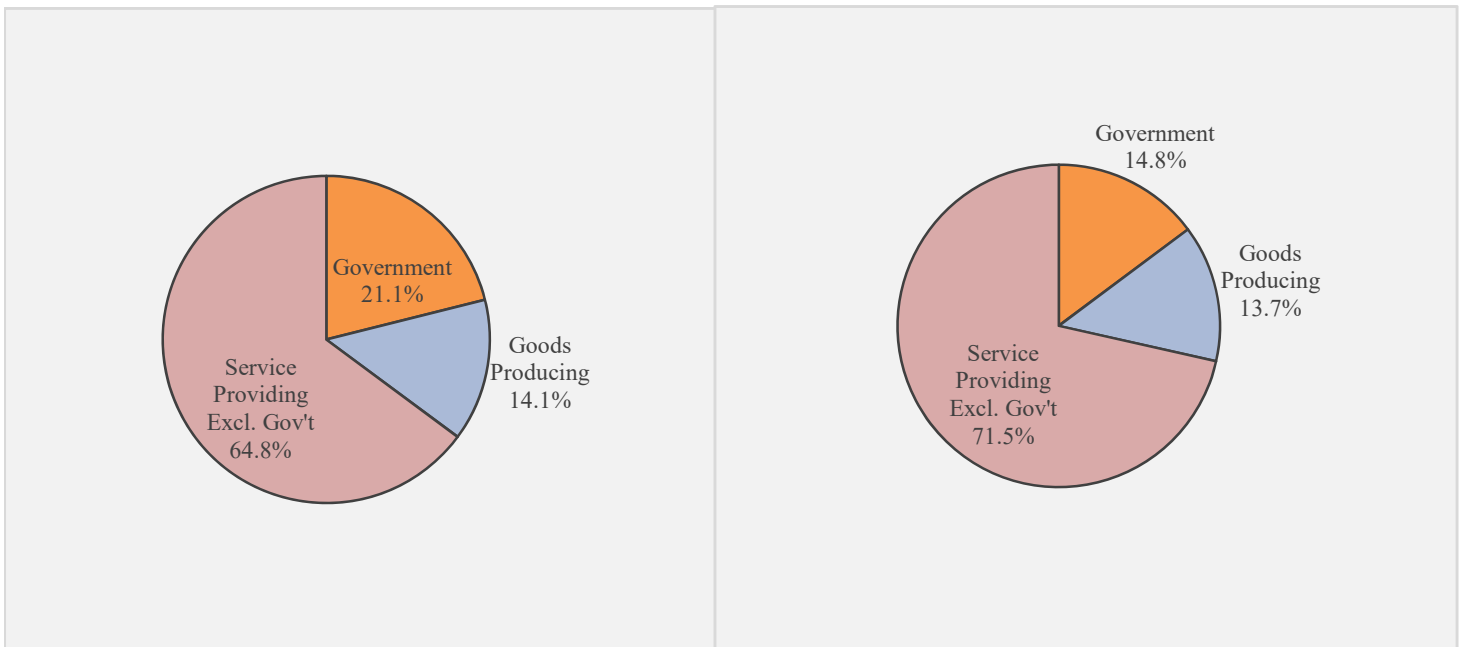


Local Economic Outlook	Cumberland	U.S.	
12-month Job Change (Mar)	800	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Feb)	800	Not Comparable	
36-month Job Change (Mar)	500	Not Comparable	Unemployment in Cumberland is better than the national average and improving
Current Unemployment Rate (Mar)	3.3%	3.5%	
Year-ago Unemployment Rate	4.1%	3.6%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	2.1%	3.8%	

Share of Total Employment by Industry

Cumberland Area

U.S.



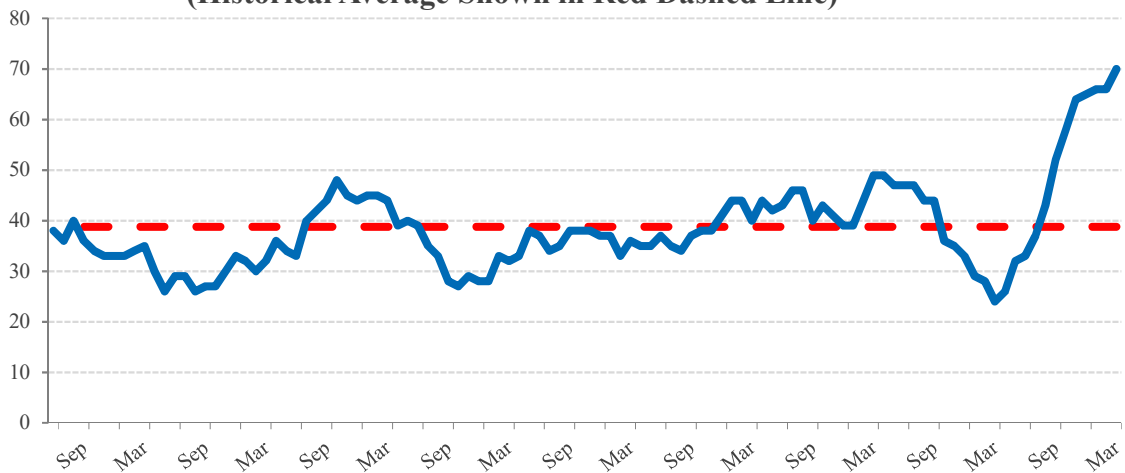
12-month Employment Change by Industry (Mar - 2023)

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

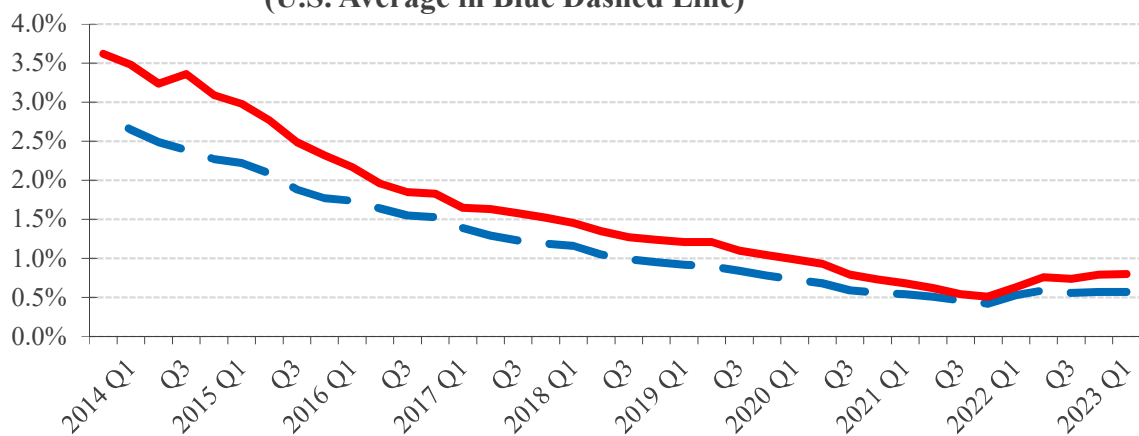
State Economic Activity Index	Maryland	U.S.	
12-month change (2023 - Mar)	3.6%	3.8%	The economy of Maryland is growing more slowly than the rest of the nation, but improved modestly from last month's 3.53% change
36-month change (2023 - Mar)	8.5%	6.7%	

New Housing Construction			
Local Fundamentals	Cumberland	U.S.	
12-month Sum of 1-unit Building Permits through Mar	70	not comparable	The current level of construction is 80.4% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	39	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	191.7%	-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)

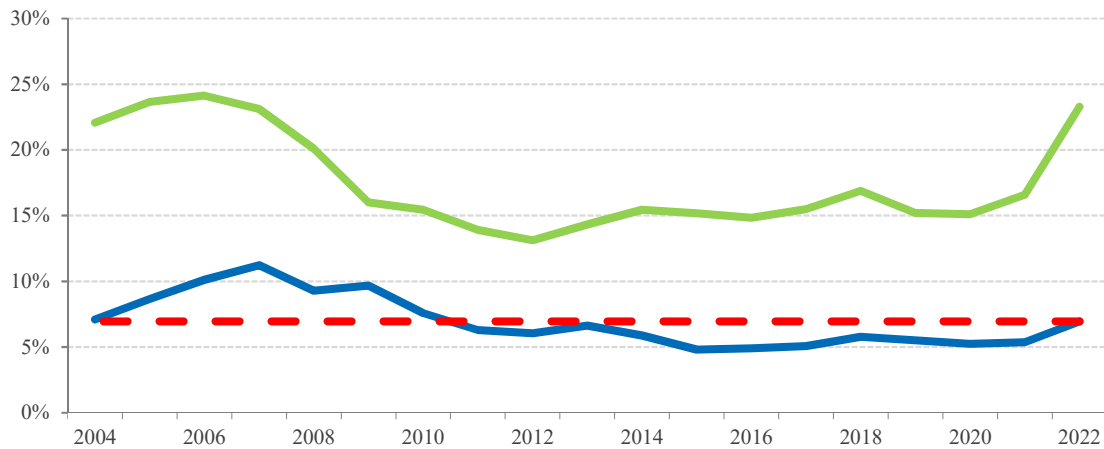


State Total Foreclosure Rate vs. U.S Average
(U.S. Average in Blue Dashed Line)



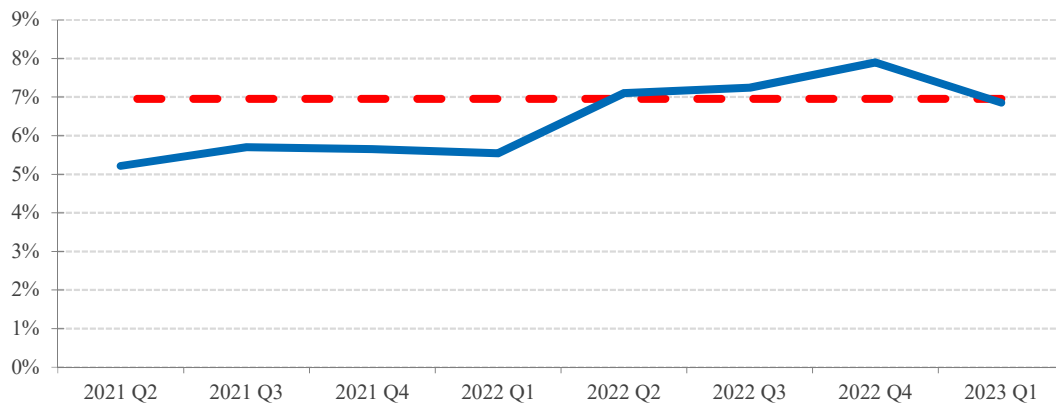
Affordability

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

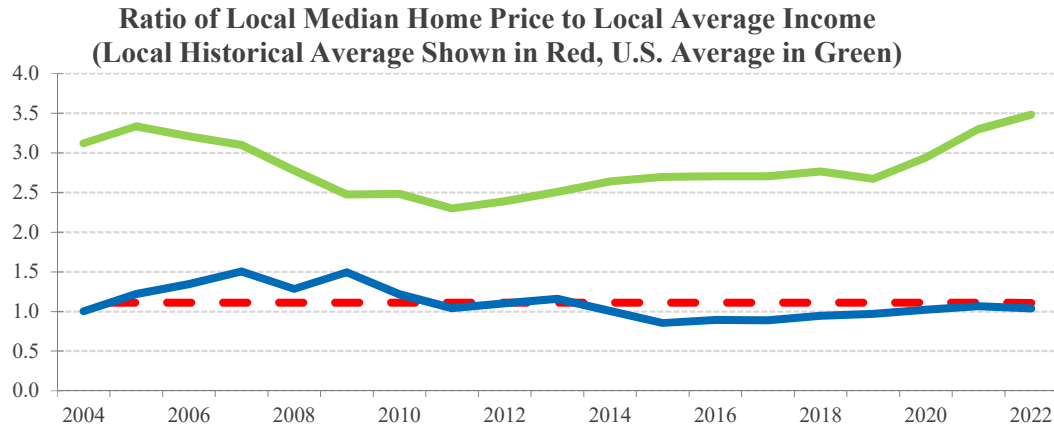


Monthly Mortgage Payment to Income	Cumberland	U.S.	
Ratio for 2022	7.0%	23.3%	Historically strong and an improvement over the fourth quarter of 2022
Ratio for 2023 Q1	6.9%	23.3%	
Historical Average	7.0%	17.8%	More affordable than most markets

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



Median Home Price to Income	Cumberland	U.S.	
Ratio for 2022	1.0	3.5	The price-to-income ratio has fallen and is below the historical average
Ratio for 2023 Q1	0.9	3.1	
Historical Average	1.1	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 Cumberland area referred to in this report covers the geographic area of the Cumberland 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:

Allegany County, MD and Mineral County, WV

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

