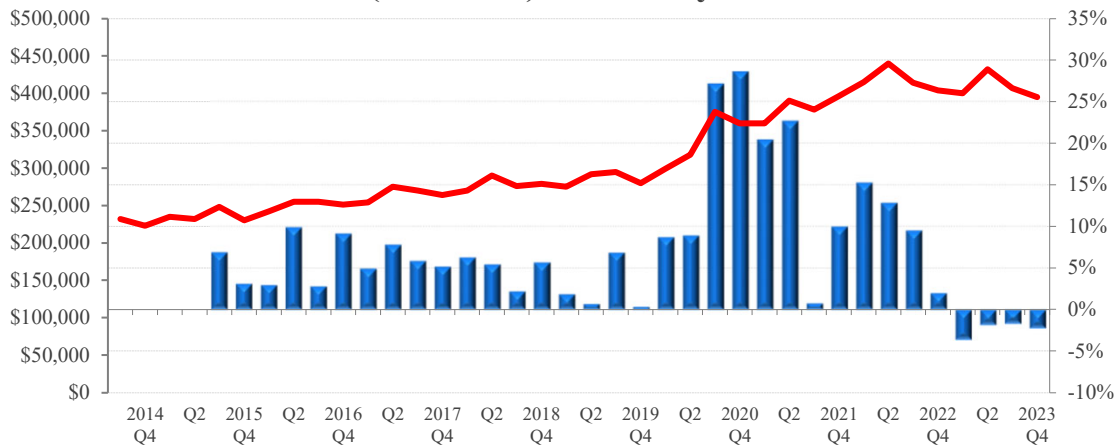


Crestview-Fort Walton Beach-Destin, Area

Local Market Report, Fourth Quarter 2023

Today's Market...

Median Price (Red Line) and One-year Price Growth



Local Price Trends			
Price Activity	Destin	U.S.	Local Trend
Current Median Home Price (2023 Q4)	\$395,000	\$387,300	Prices are down compared to a year earlier and continue to weaken
1-year (4-quarter) Appreciation (2023 Q4)	-2.2%	3.9%	
3-year (12-quarter) Appreciation (2023 Q4)	9.7%	24.5%	
3-year (12-quarter) Housing Equity Gain*	\$35,000	\$76,300	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$144,000	\$153,367	
9-year (36 quarters) Housing Equity Gain*	\$172,000	\$179,667	

*Note: Equity gain reflects price appreciation only

	Destin	U.S.	
Conforming Loan Limit**	\$766,550	\$1,149,825	Most buyers in this market have access to government-backed financing
FHA Loan Limit	\$603,750	\$1,149,825	
Local Median to Conforming Limit Ratio	52%	not comparable	

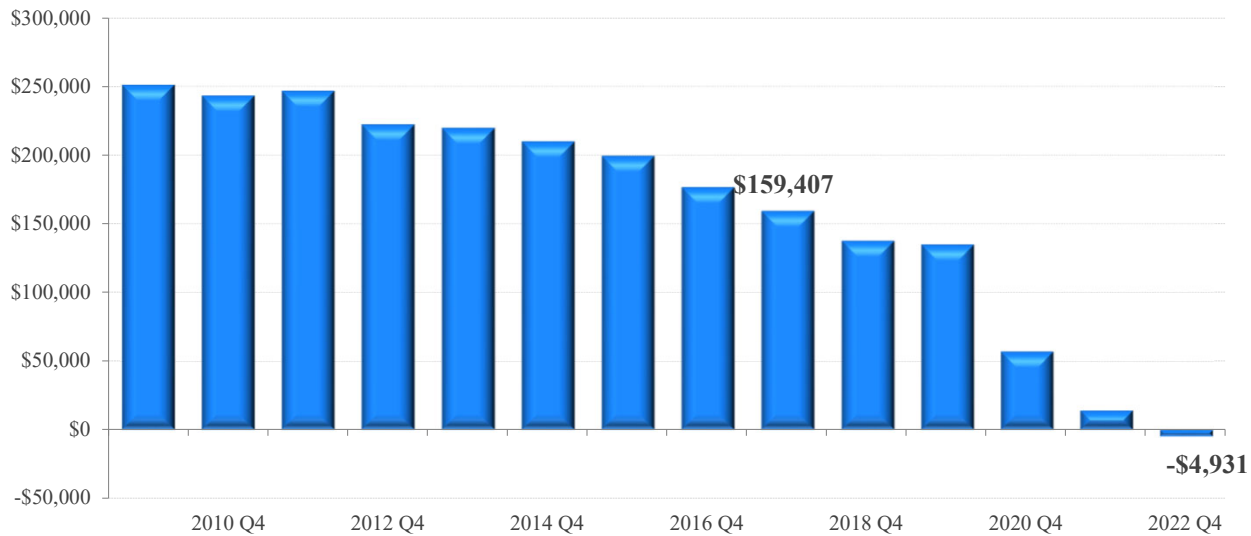
Note: limits are current and include the changes made on January 1st 2024.

Local NAR Leadership

The Crestview-Fort Walton Beach-Destin, 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 2024 NAR Regional Vice President representing region 5 is Faron W. King.

Benefits of Ownership: Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained through 2023 Q4 from quarter in which home was of purchased**

Price Activity	Destin	U.S.	Local Trend
1-year (4-quarter)	\$4,931	\$18,387	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)*	\$56,829	\$95,158	
5-year (20-quarter)*	\$137,590	\$151,356	
7-year (28 quarters)*	\$176,632	\$183,780	
9-year (36 quarters)*	\$210,030	\$215,076	

*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

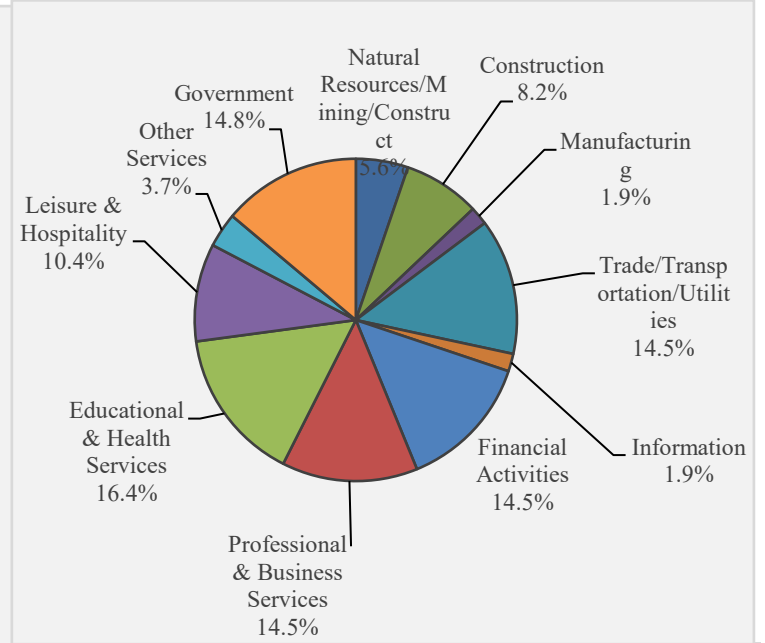
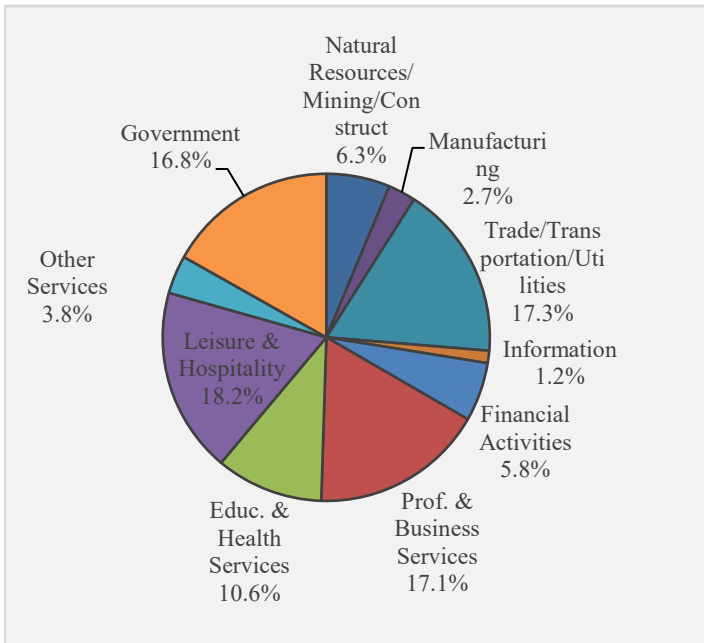
Drivers of Local Supply and Demand...

Local Economic Outlook	Destin	U.S.	
12-month Job Change (Dec)	3,700	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Nov)	3,100	Not Comparable	
36-month Job Change (Dec)	13,400	Not Comparable	Unemployment has risen since the same period last year, but Destin's labor market has been more resilient than the national average
Current Unemployment Rate (Dec)	2.7%	3.7%	
Year-ago Unemployment Rate	2.0%	3.5%	Local employment growth is strong compared to other markets
1-year (12 month) Job Growth Rate	2.9%	2.3%	

Share of Total Employment by Industry

Crestview-Fort Walton Beach-Destin, Area

U.S.



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

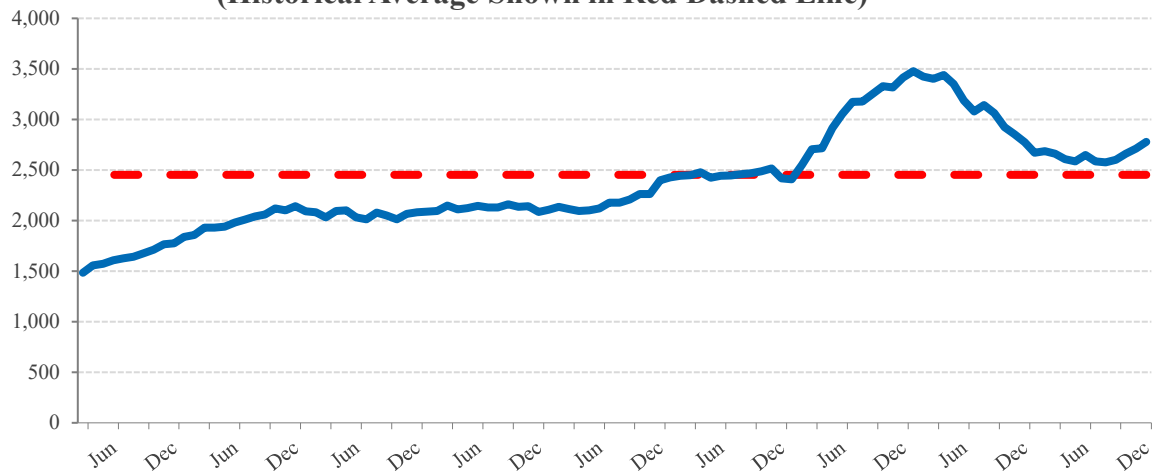
Goods Producing	NA	Information	0
Natural Resources/Mining/Construction	400	Financial Activities	-200
Natural Resources and Mining	NA	Prof. & Business Services	300
Construction	NA	Educ. & Health Services	1,000
Manufacturing	0	Leisure & Hospitality	1,000
Service Providing Excluding Government	NA	Other Services	0
Trade/Transportation/Utilities	-100	Government	700

State Economic Activity Index	Florida	U.S.	
12-month change (2023 - Dec)	2.7%	3.0%	Florida's economy is growing, but decelerated from last month's 3.00% change and lags the rest of the nation
36-month change (2023 - Dec)	18.2%	14.3%	

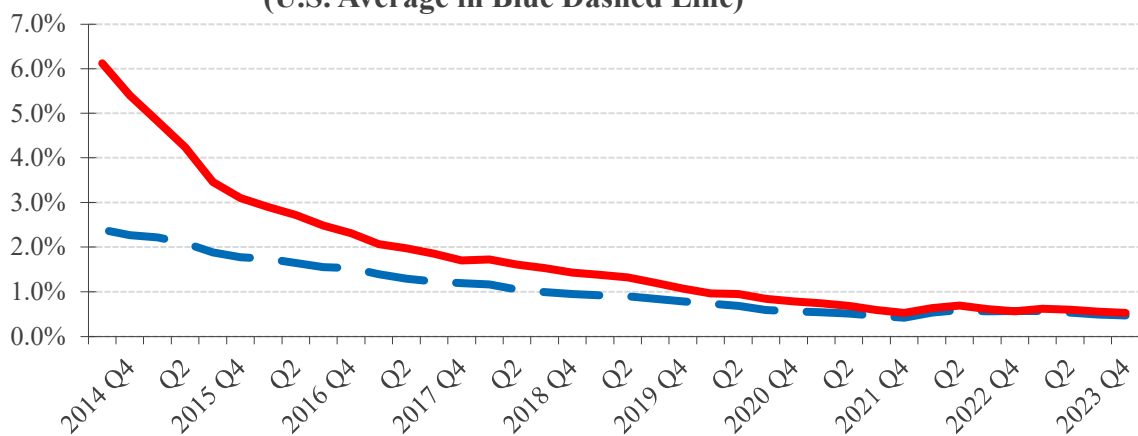
New Housing Construction

Local Fundamentals	Destin	U.S.	
12-month Sum of 1-unit Building Permits through Dec	2,778	not comparable	The current level of construction is 13.2% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	2,454	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 (Dec) 12-month sum vs. a year ago	0.1%	-6.1%	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)



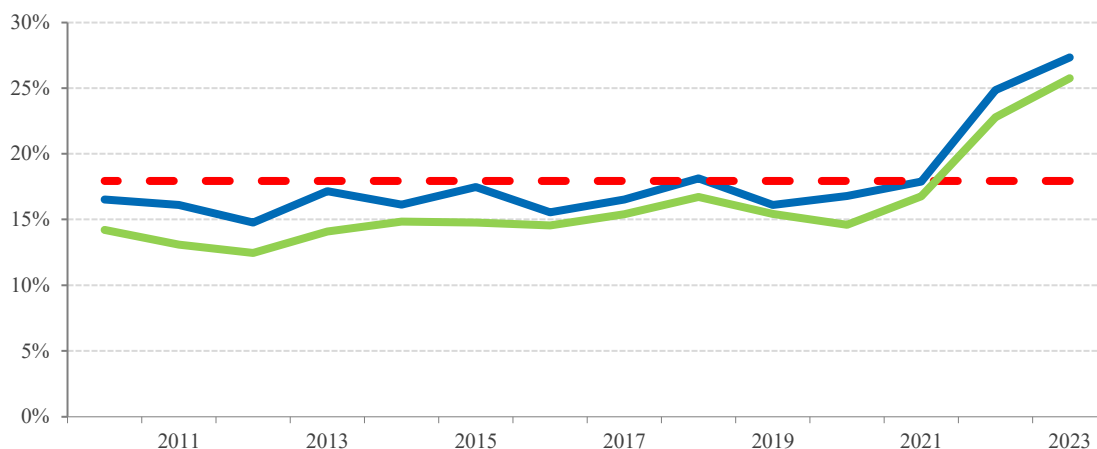
State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



Source: Mortgage Bankers' Association

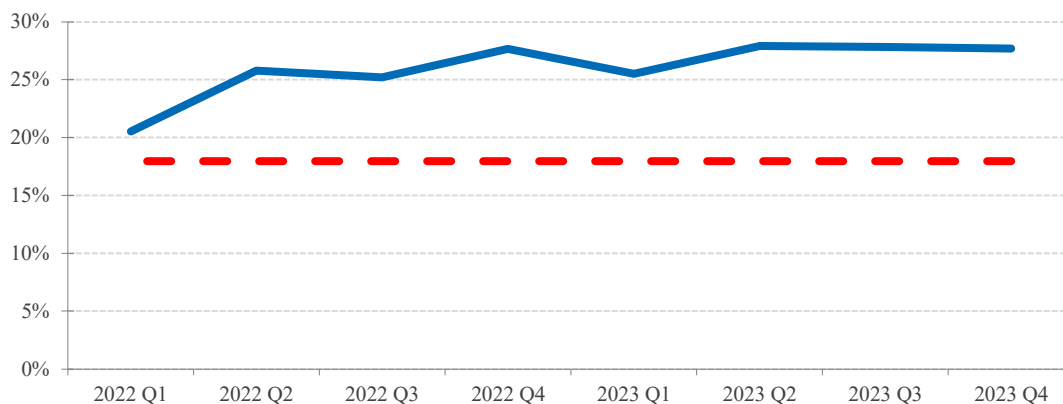
Affordability

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

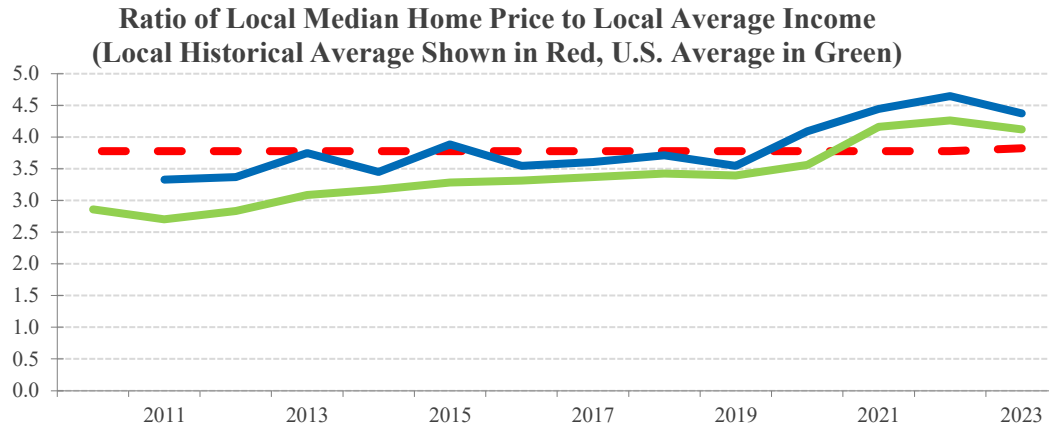


Monthly Mortgage Payment to Income	Destin	U.S.	
Ratio for 2023	27.3%	25.8%	Weak by local standards, but better than the third quarter of 2023
Ratio for 2023 Q4	27.7%	25.5%	
Historical Average	18.0%	17.0%	Weaker affordability than most markets

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



Median Home Price to Income	Destin	U.S.	
Ratio for 2023	4.4	4.1	The price-to-income ratio eased, but could be better
Ratio for 2023 Q4	4.2	3.9	
Historical Average	3.8	3.4	Less affordable than most markets



The Mortgage Market



Throughout much of the final quarter of the year, mortgage rates remained elevated near 7.5 percent. According to the mortgage provider Freddie Mac, the 30-year fixed mortgage rate rose to 7.3 percent in the fourth quarter of 2023 from 6.7 percent the previous year. Nevertheless, rates fell below 7 percent at the end of year as the Federal Reserve continued to halt its interest rates hikes. With lower interest rates on the horizon, mortgage rates are expected to continue their downward trend in 2024, thereby enhancing affordability for potential homebuyers.

NAR forecasts the 30-year fixed mortgage rate to average 6.8 percent in the first quarter of 2024, with a further decline expected to bring them below 6.6% by the end of the first half.

Geographic Coverage for this Report

The Destin area referred to in this report covers the geographic area of the Crestview-Fort Walton Beach-Destin, 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:

Okaloosa County and Walton County

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

