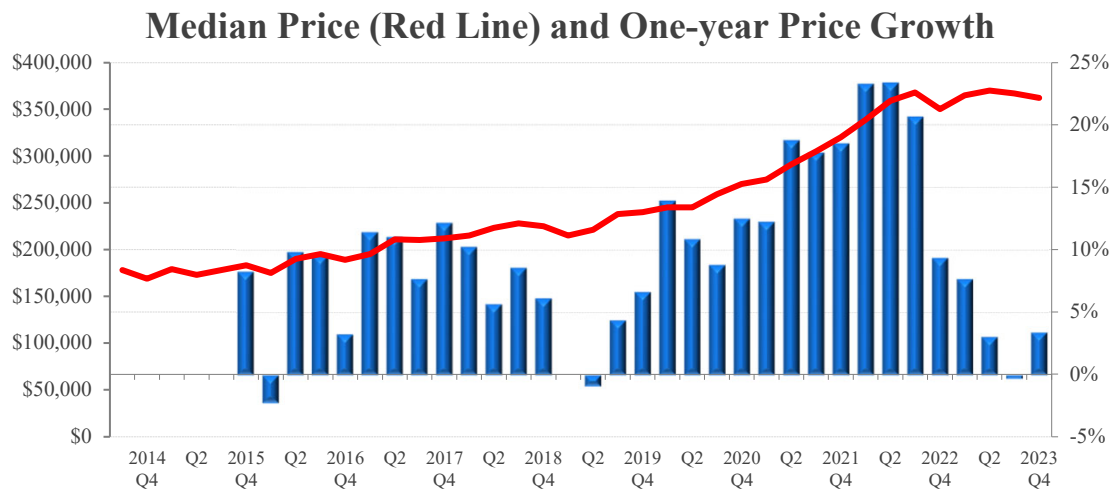


Panama City Area
Local Market Report, Fourth Quarter 2023

Today's Market...



Local Price Trends			
Price Activity	Panama City	U.S.	Local Trend
Current Median Home Price (2023 Q4)	\$362,000	\$387,300	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2023 Q4)	3.4%	3.9%	
3-year (12-quarter) Appreciation (2023 Q4)	34.1%	24.5%	
3-year (12-quarter) Housing Equity Gain*	\$92,000	\$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*	\$173,000	\$153,367	
9-year (36 quarters) Housing Equity Gain*	\$193,000	\$179,667	
*Note: Equity gain reflects price appreciation only			

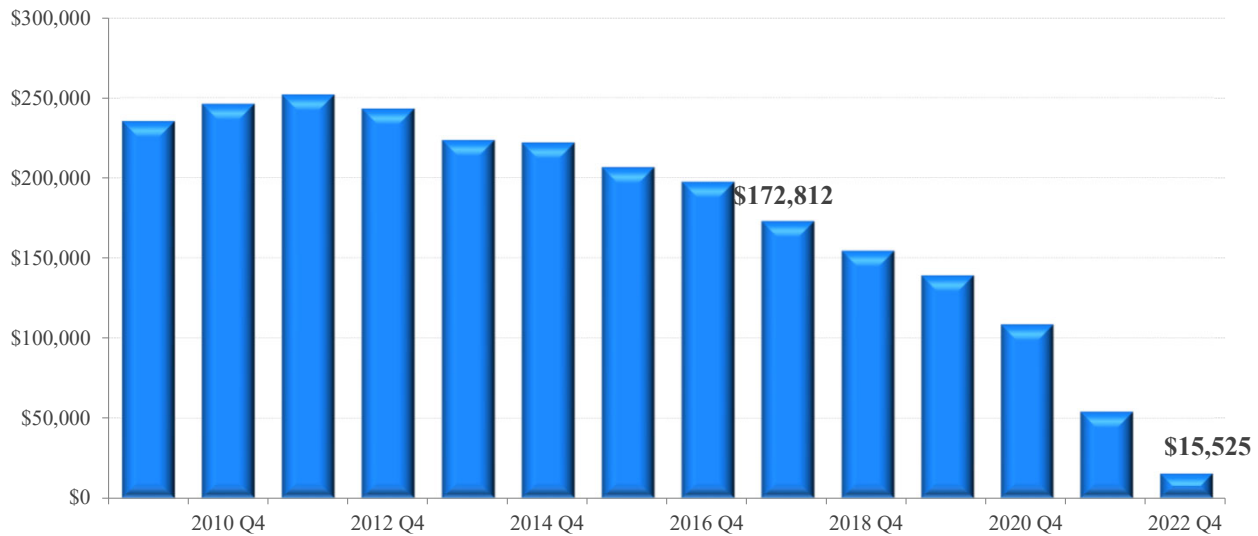
	Panama City	U.S.	
Conforming Loan Limit**	\$766,550	\$1,149,825	Most buyers in this market have access to government-backed financing
FHA Loan Limit	\$498,257	\$1,149,825	
Local Median to Conforming Limit Ratio	47%	not comparable	
Note: limits are current and include the changes made on January 1st 2024.			

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 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	PanamaCity	U.S.	Local Trend
1-year (4-quarter)	\$15,525	\$18,387	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$108,372	\$95,158	
5-year (20-quarter)*	\$154,411	\$151,356	
7-year (28 quarters)*	\$197,572	\$183,780	
9-year (36 quarters)*	\$221,821	\$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

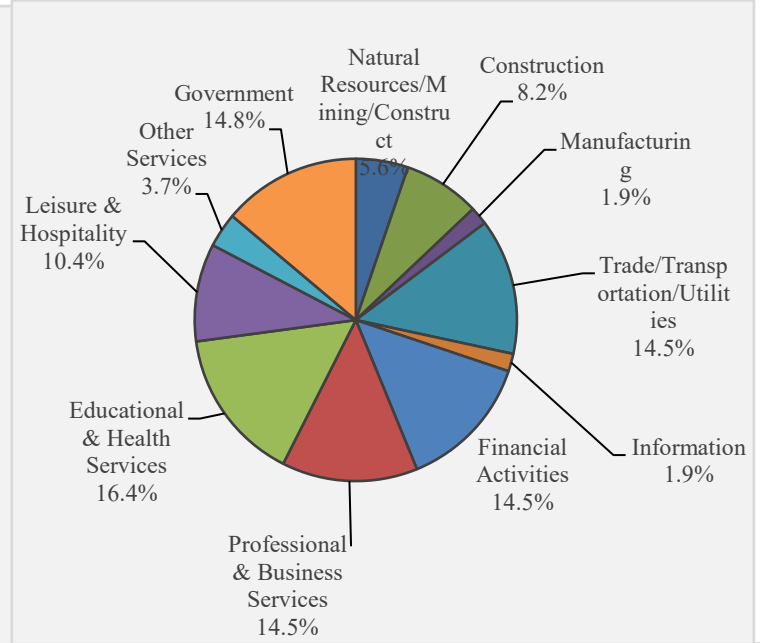
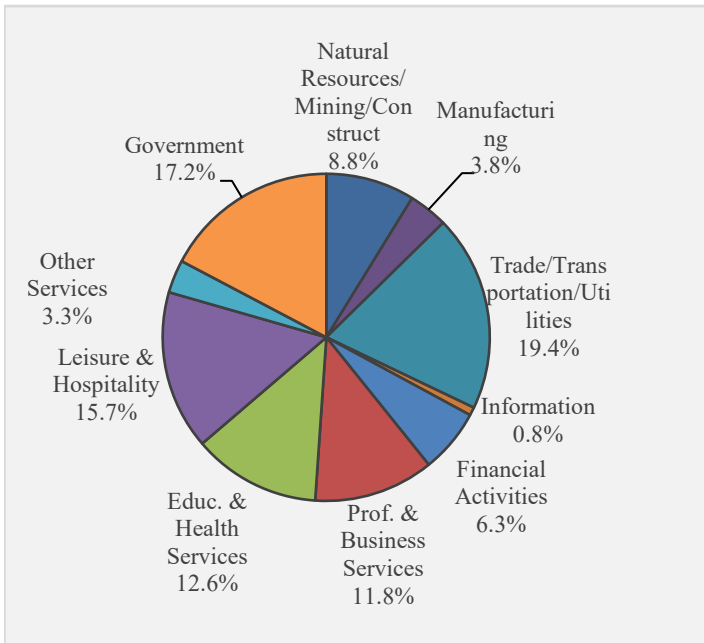
Drivers of Local Supply and Demand...

Local Economic Outlook	Panama City	U.S.	
12-month Job Change (Dec)	2,100	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Nov)	1,800	Not Comparable	
36-month Job Change (Dec)	8,600	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 (Dec)	3.0%	3.7%	
Year-ago Unemployment Rate	2.2%	3.5%	Local employment growth is strong compared to other markets
1-year (12 month) Job Growth Rate	2.4%	2.3%	

Share of Total Employment by Industry

Panama City Area

U.S.



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

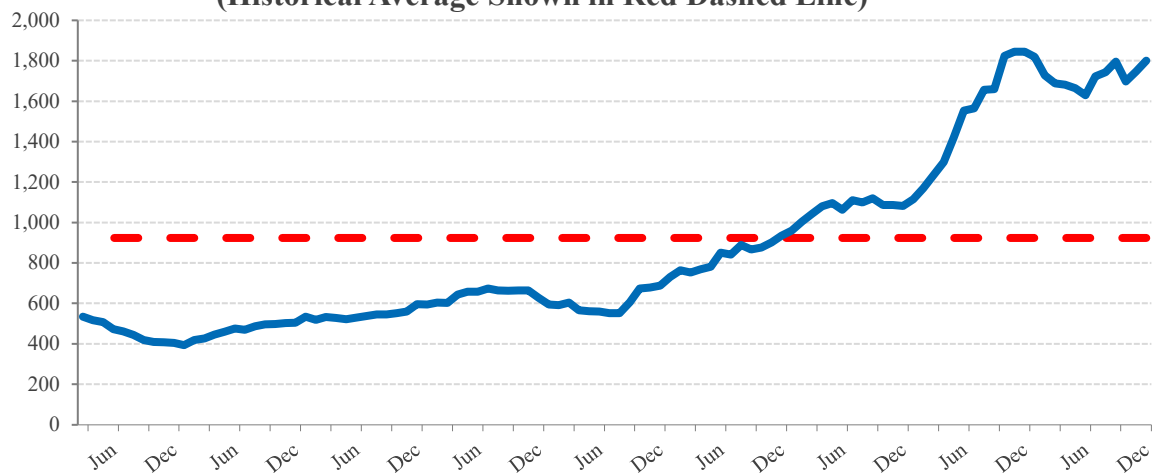
Goods Producing	NA	Information	0
Natural Resources/Mining/Construction	500	Financial Activities	0
Natural Resources and Mining	NA	Prof. & Business Services	-200
Construction	NA	Educ. & Health Services	600
Manufacturing	0	Leisure & Hospitality	100
Service Providing Excluding Government	NA	Other Services	100
Trade/Transportation/Utilities	-200	Government	900

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%	

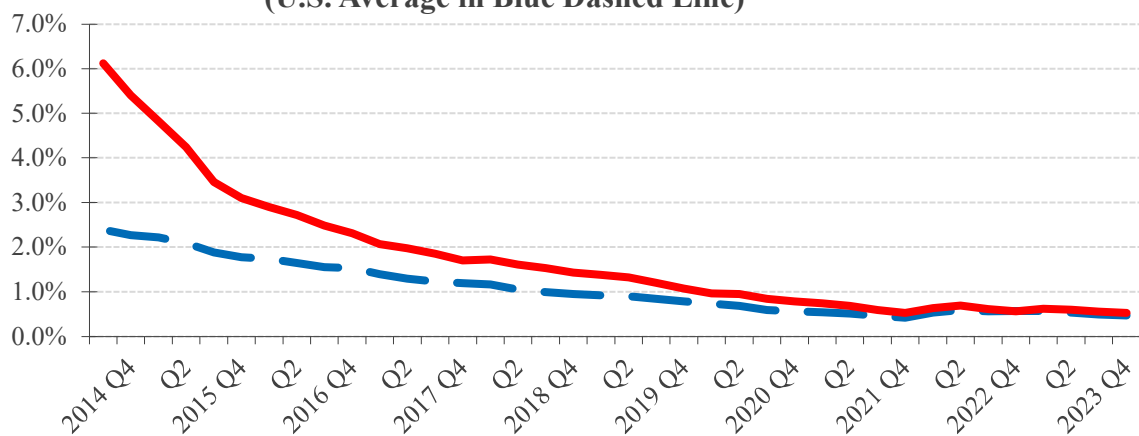
New Housing Construction

Local Fundamentals	Panama City	U.S.	
12-month Sum of 1-unit Building Permits through Dec	1,801	not comparable	The current level of construction is 94.9% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	924	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	-2.4%	-6.1%	Construction is down from last year, but appears to have bottomed.

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



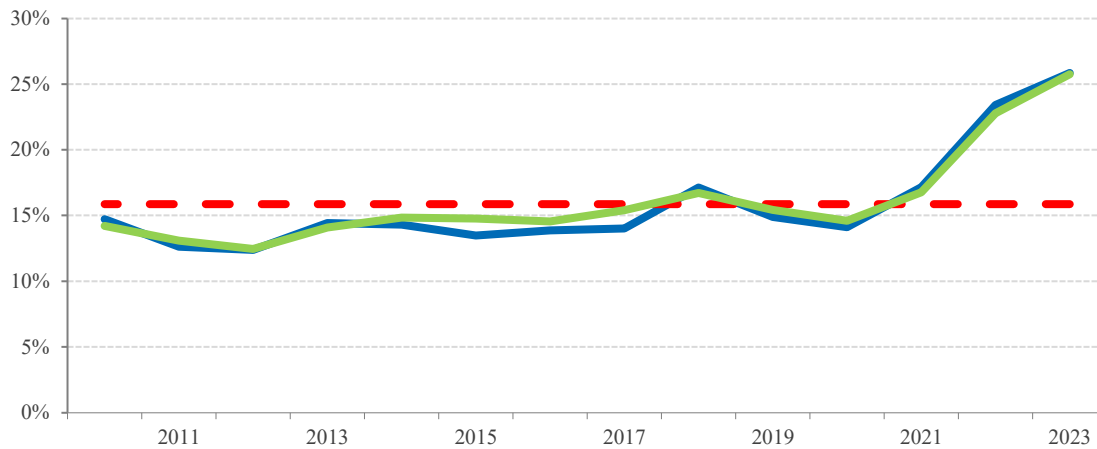
State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



Source: Mortgage Bankers' Association

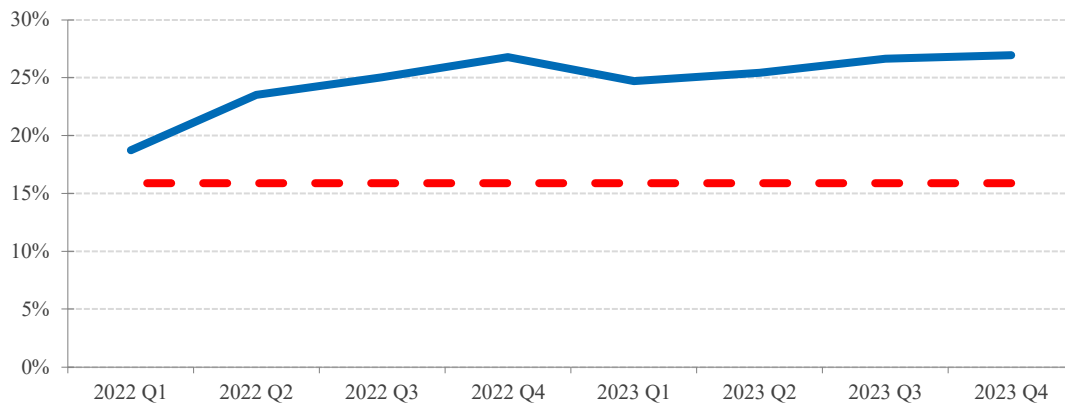
Affordability

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

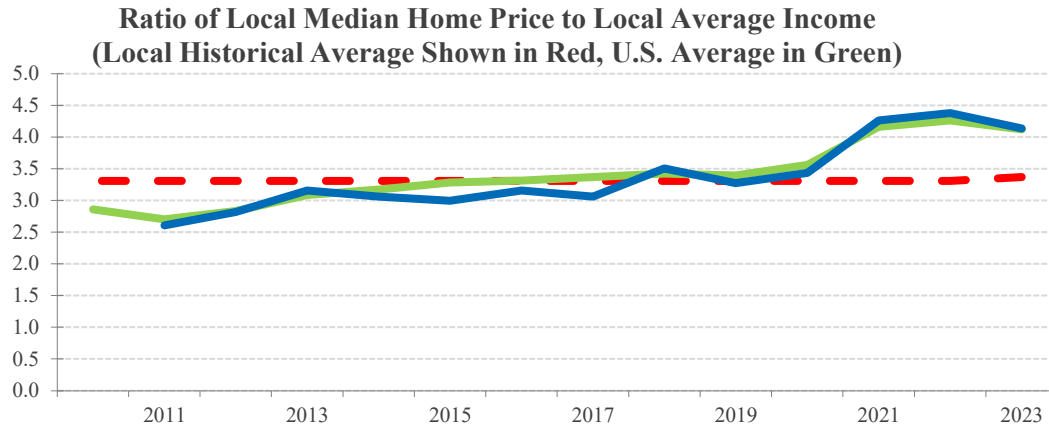


Monthly Mortgage Payment to Income	Panama City	U.S.	
Ratio for 2023	25.9%	25.8%	Weak by local standards and could weigh on demand
Ratio for 2023 Q4	27.0%	25.5%	
Historical Average	15.9%	17.0%	More affordable than most markets

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 2023	4.1	4.1	The price-to-income ratio eased, but could be better
Ratio for 2023 Q4	4.1	3.9	
Historical Average	3.4	3.4	Affordable compared to 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 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/

