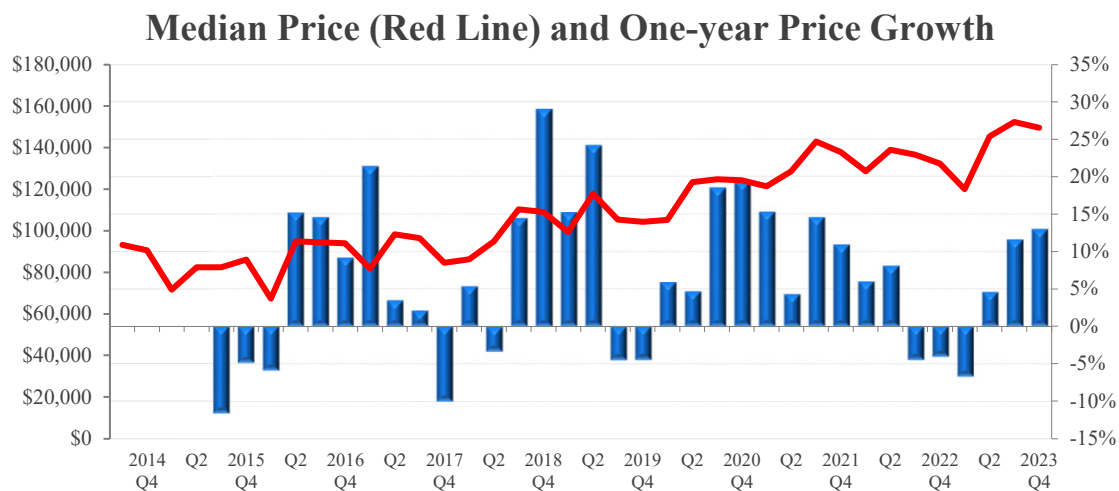


Cumberland Area

Local Market Report, Fourth Quarter 2023

Today's Market...



Local Price Trends			
Price Activity	Cumberland	U.S.	Local Trend
Current Median Home Price (2023 Q4)	\$149,500	\$387,300	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2023 Q4)	13.0%	3.9%	
3-year (12-quarter) Appreciation (2023 Q4)	20.3%	24.5%	
3-year (12-quarter) Housing Equity Gain*	\$25,200	\$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*	\$55,500	\$153,367	
9-year (36 quarters) Housing Equity Gain*	\$59,000	\$179,667	

*Note: Equity gain reflects price appreciation only

	Cumberland	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	20%	not comparable	

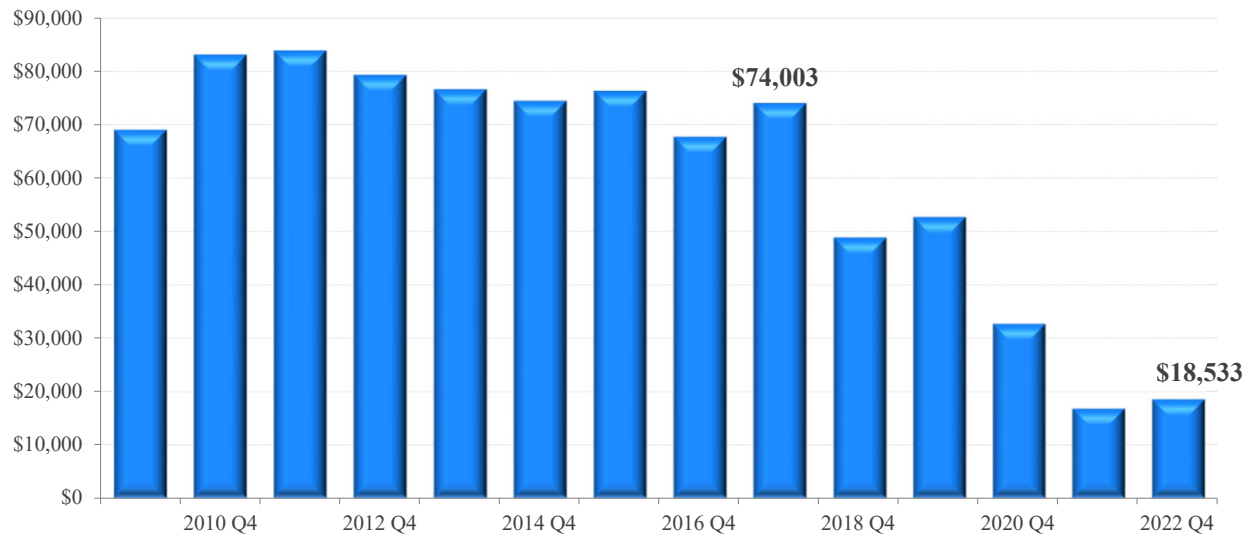
Note: limits are current and include the changes made on January 1st 2024.

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 2024 NAR Regional Vice President representing region 3 is Jay S. Mitchell.

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	Cumberland	U.S.	Local Trend
1-year (4-quarter)	\$18,533	\$18,387	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$32,737	\$95,158	
5-year (20-quarter)*	\$48,843	\$151,356	
7-year (28 quarters)*	\$67,721	\$183,780	
9-year (36 quarters)*	\$74,434	\$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

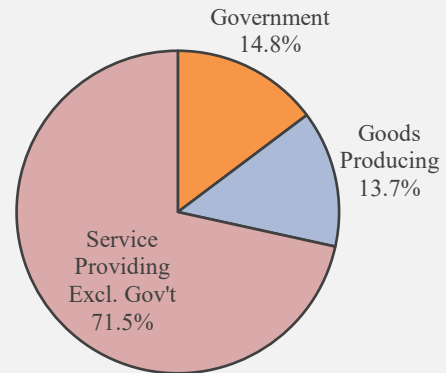
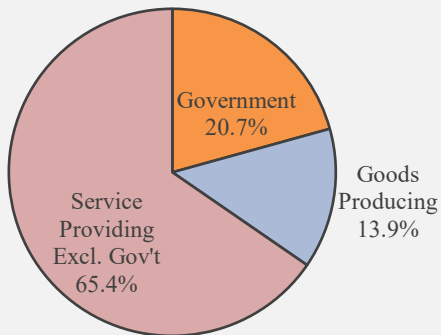
Drivers of Local Supply and Demand...

Local Economic Outlook	Cumberland	U.S.	
12-month Job Change (Dec)	700	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Nov)	500	Not Comparable	
36-month Job Change (Dec)	3,400	Not Comparable	Unemployment in Cumberland is better than the national average and improving
Current Unemployment Rate (Dec)	3.1%	3.7%	
Year-ago Unemployment Rate	3.3%	3.5%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	1.8%	2.3%	

Share of Total Employment by Industry

Cumberland Area

U.S.



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

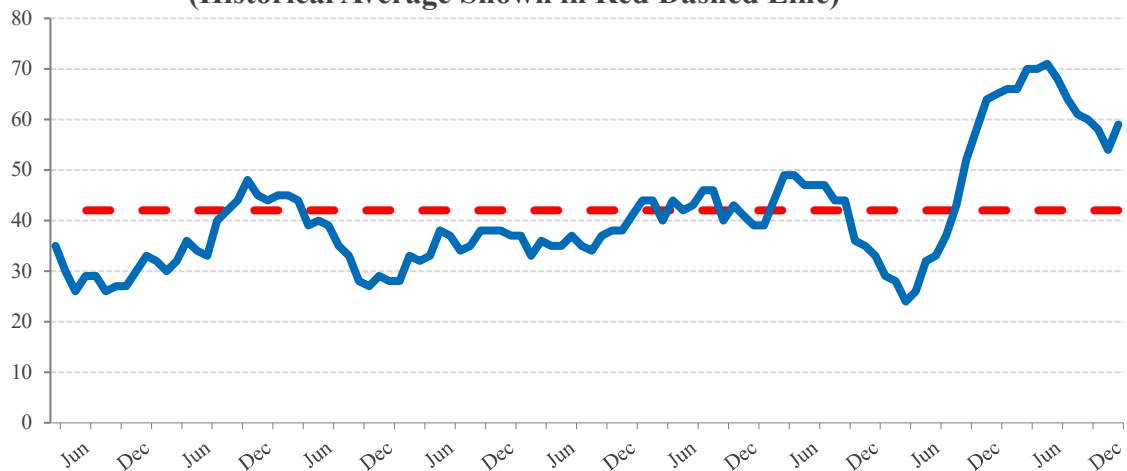
Goods Producing	0	Information	NA
Natural Resources/Mining/Construction	NA	Financial Activities	NA
Natural Resources and Mining	NA	Prof. & Business Services	NA
Construction	NA	Educ. & Health Services	NA
Manufacturing	NA	Leisure & Hospitality	NA
Service Providing Excluding Government	500	Other Services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

State Economic Activity Index	Maryland	U.S.	
12-month change (2023 - Dec)	5.8%	3.0%	Maryland's economy is stronger than the nation's, but slowed from last month's 6.50% change
36-month change (2023 - Dec)	23.9%	14.3%	

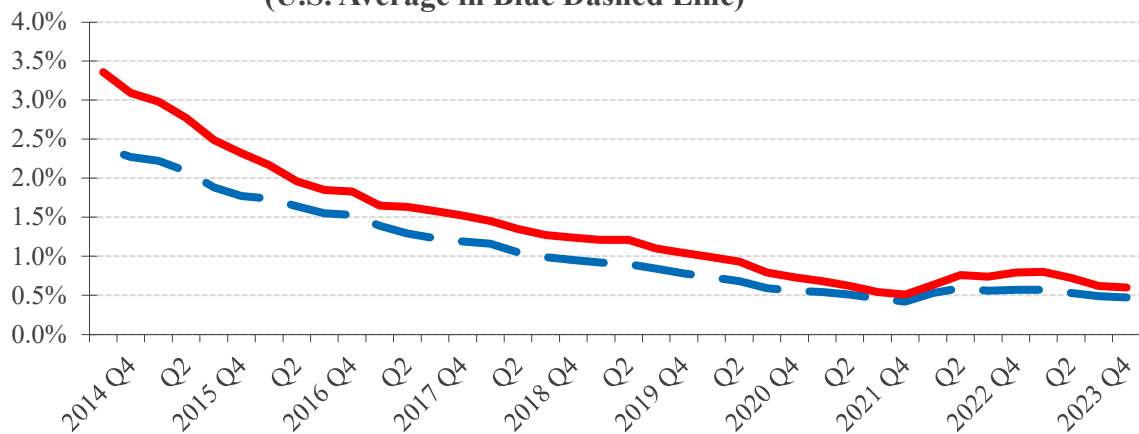
New Housing Construction

Local Fundamentals	Cumberland	U.S.	
12-month Sum of 1-unit Building Permits through Dec	59	not comparable	The current level of construction is 40.4% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	42	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	-9.2%	-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)



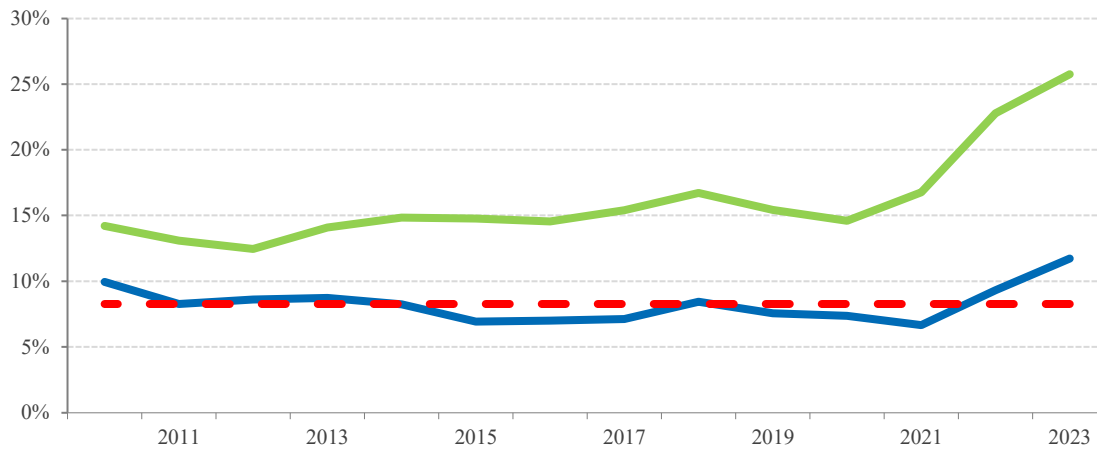
State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



Source: Mortgage Bankers' Association

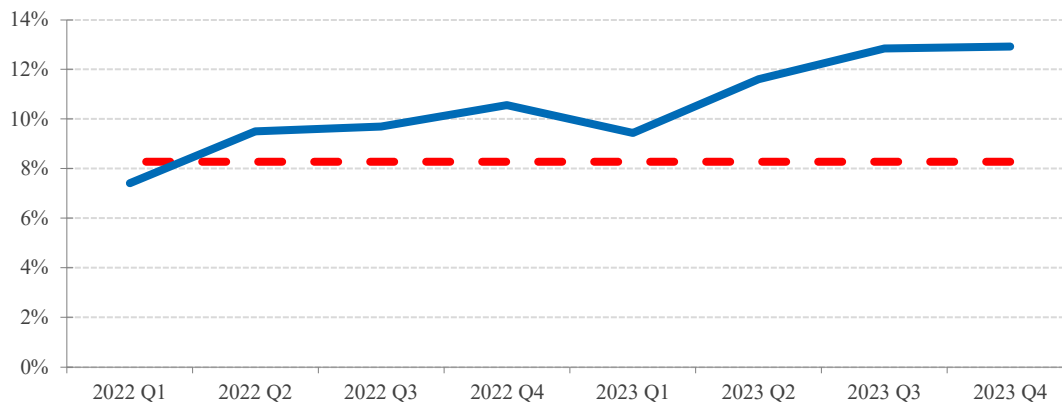
Affordability

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

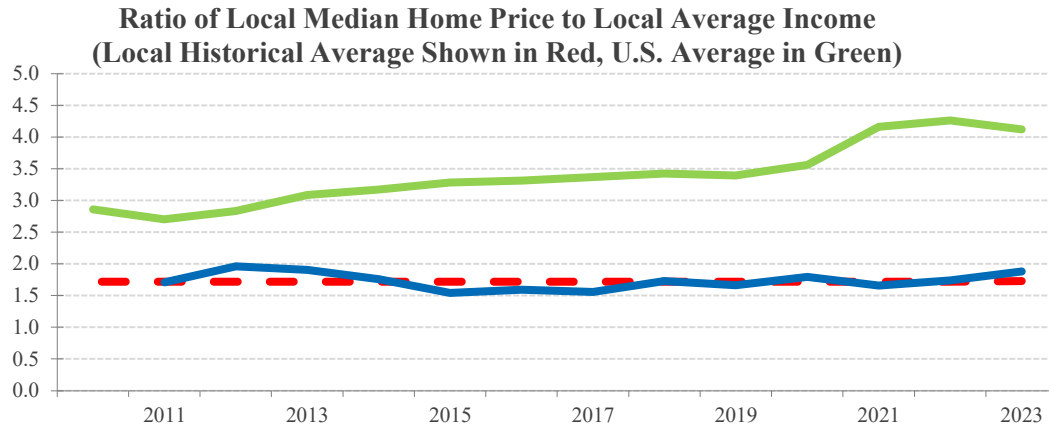


Monthly Mortgage Payment to Income	Cumberland	U.S.	
Ratio for 2023	11.7%	25.8%	Weak by local standards and could weigh on demand
Ratio for 2023 Q4	12.9%	25.5%	
Historical Average	8.3%	17.0%	More affordable than most markets

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



Median Home Price to Income	Cumberland	U.S.	
Ratio for 2023	1.9	4.1	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2023 Q4	2.0	3.9	
Historical Average	1.7	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 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/

