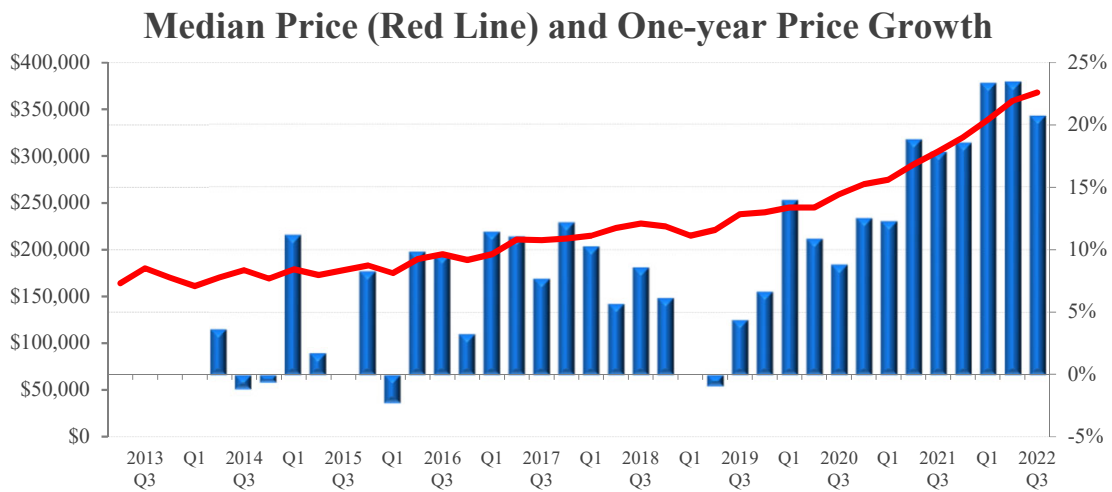


# Panama City Area

## Local Market Report, Third Quarter 2022

### Today's Market...



<b>Local Price Trends</b>			
Price Activity	Panama City	U.S.	<b>Local Trend</b>
Current Median Home Price (2022 Q3)	\$368,000	\$391,467	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2022 Q3)	20.7%	8.6%	
3-year (12-quarter) Appreciation (2022 Q3)	54.6%	41.4%	
3-year (12-quarter) Housing Equity Gain*	\$130,000	\$114,567	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	\$164,133	
9-year (36 quarters) Housing Equity Gain*	\$188,000	\$184,600	

\*Note: Equity gain reflects price appreciation only

	Panama City	U.S.	
<b>Conforming Loan Limit**</b>	\$726,200	\$1,089,300	Most buyers in this market have access to government-backed financing
<b>FHA Loan Limit</b>	\$472,030	\$1,089,300	
<b>Local Median to Conforming Limit Ratio</b>	51%	not comparable	

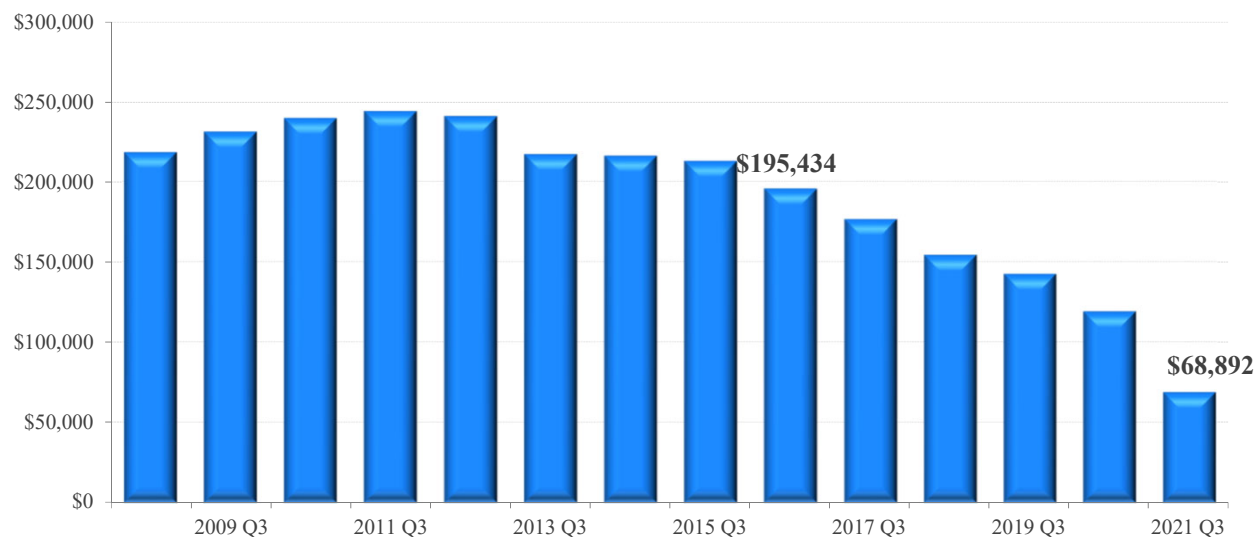
Note: limits are current and include the changes made on January 1st 2023.

#### 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 2022 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 2022 Q3 from quarter in which home was of purchased

Price Activity	PanamaCity	U.S.	Local Trend
1-year (4-quarter)	\$68,892	\$38,029	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$142,560	\$129,179	
5-year (20-quarter)*	\$176,559	\$160,886	
7-year (28 quarters)*	\$212,715	\$193,144	
9-year (36 quarters)*	\$216,906	\$217,820	

\*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...

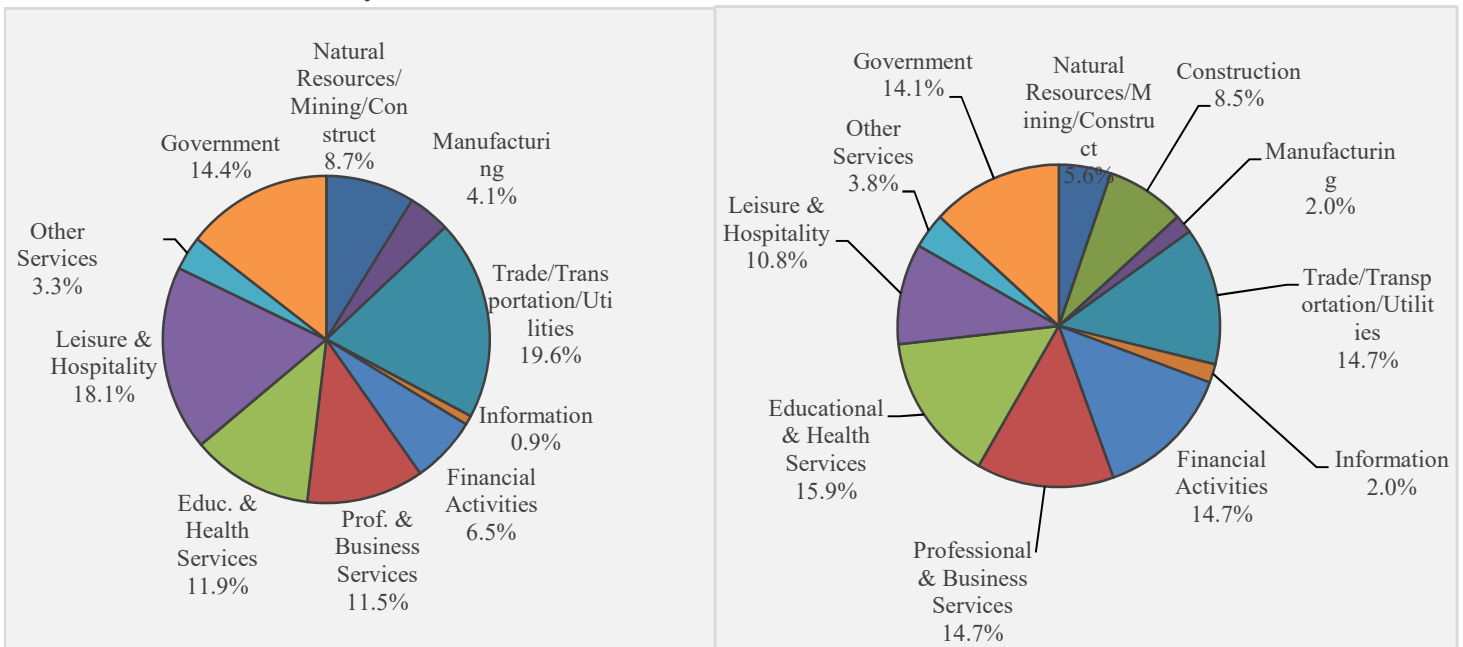


Local Economic Outlook	Panama City	U.S.	
12-month Job Change (Sep)	3,700	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Aug)	3,900	Not Comparable	
36-month Job Change (Sep)	6,000	Not Comparable	Unemployment in Panama City is better than the national average and improving
Current Unemployment Rate (Sep)	2.3%	3.5%	
Year-ago Unemployment Rate	3.2%	4.7%	Local employment growth is strong compared to other markets
1-year (12 month) Job Growth Rate	4.4%	4.3%	

## Share of Total Employment by Industry

Panama City Area

U.S.



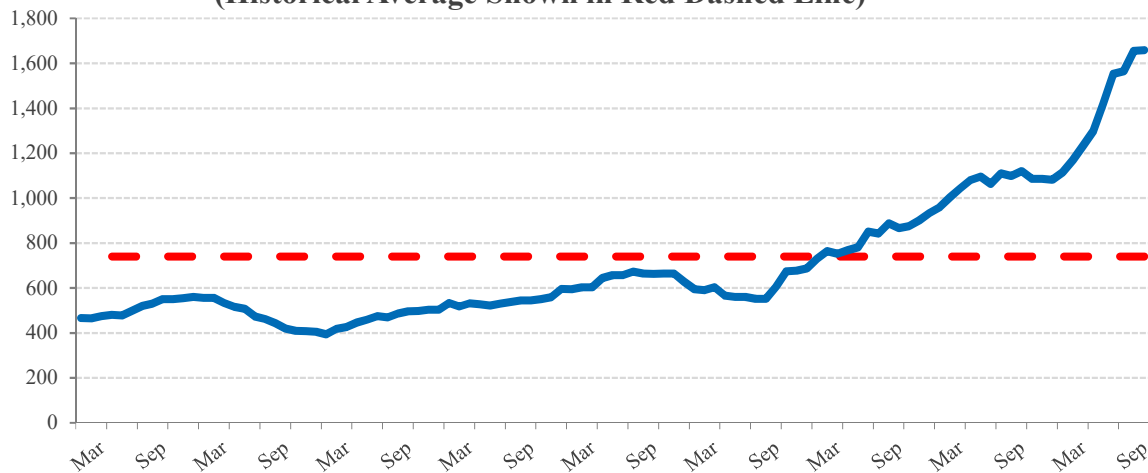
### 12-month Employment Change by Industry (Sep - 2022)

Goods Producing	NA	Information	0
Natural Resources/Mining/Construction	600	Financial Activities	200
Natural Resources and Mining	NA	Prof. & Business Services	-100
Construction	NA	Educ. & Health Services	400
Manufacturing	100	Leisure & Hospitality	1,600
Service Providing Excluding Government	NA	Other Services	100
Trade/Transportation/Utilities	900	Government	100

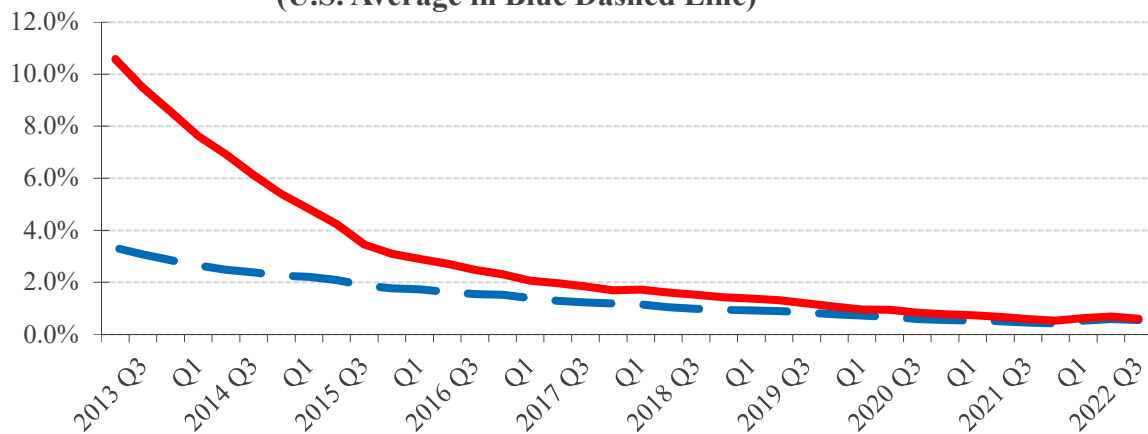
State Economic Activity Index	Florida	U.S.	
12-month change (2022 - Sep)	6.3%	4.9%	Florida's economy is stronger than the nation's, but slowed from last month's 6.69% change
36-month change (2022 - Sep)	10.9%	5.2%	

<b>New Housing Construction</b>			
<b>Local Fundamentals</b>	<b>Panama City</b>	<b>U.S.</b>	
12-month Sum of 1-unit Building Permits through Sep	1,659	not comparable	The current level of construction is 124.0% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	741	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 (Sep) 12-month sum vs. a year ago	48.1%	-7.7%	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)

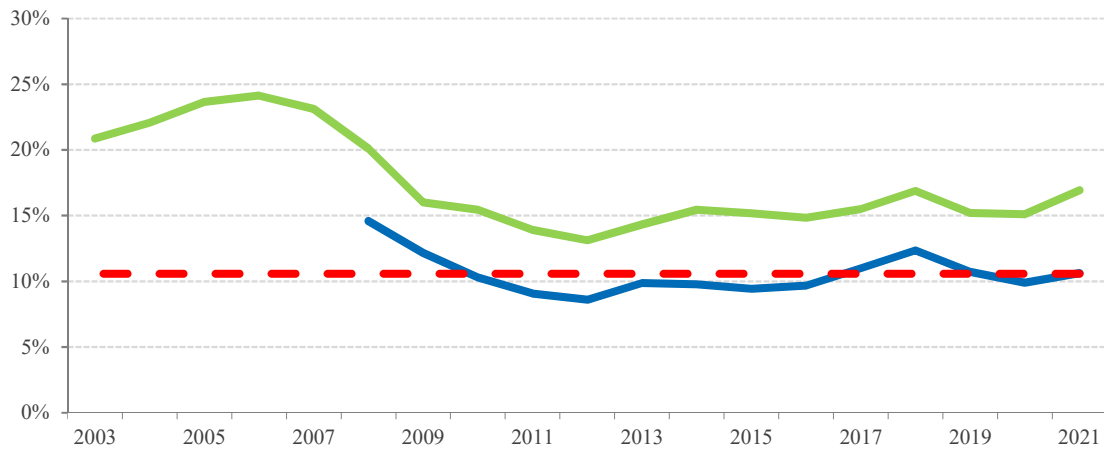


**State Total Foreclosure Rate vs. U.S Average**  
(U.S. Average in Blue Dashed Line)



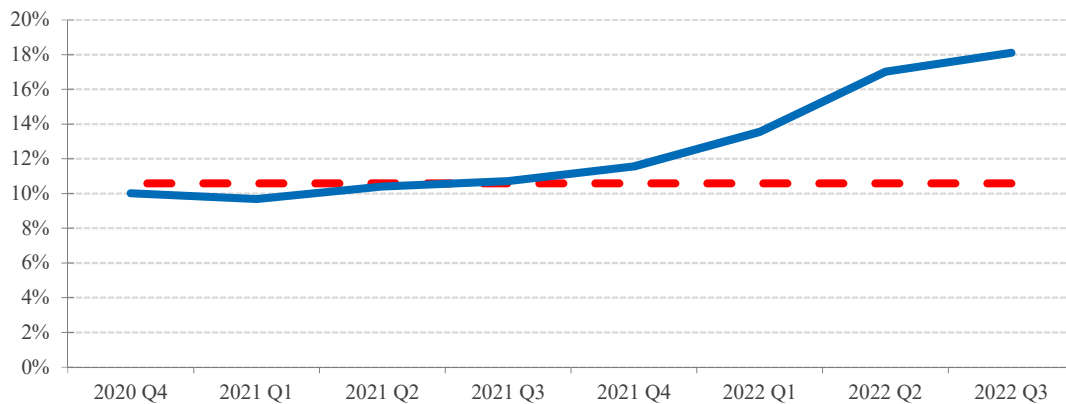
# Affordability

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

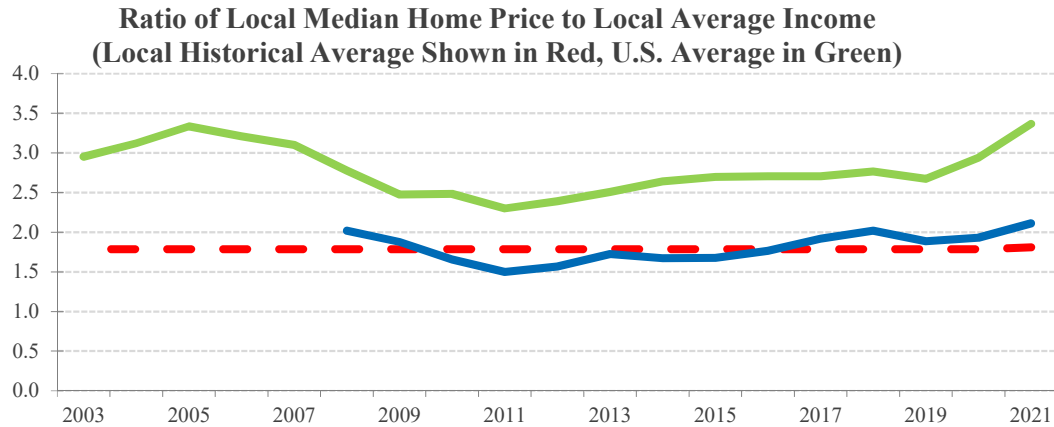


Monthly Mortgage Payment to Income	Panama City	U.S.	
Ratio for 2021	10.6%	16.9%	Weak by local standards and could weigh on demand
Ratio for 2022 Q3	18.1%	24.4%	
Historical Average	10.6%	18.1%	More affordable than most markets

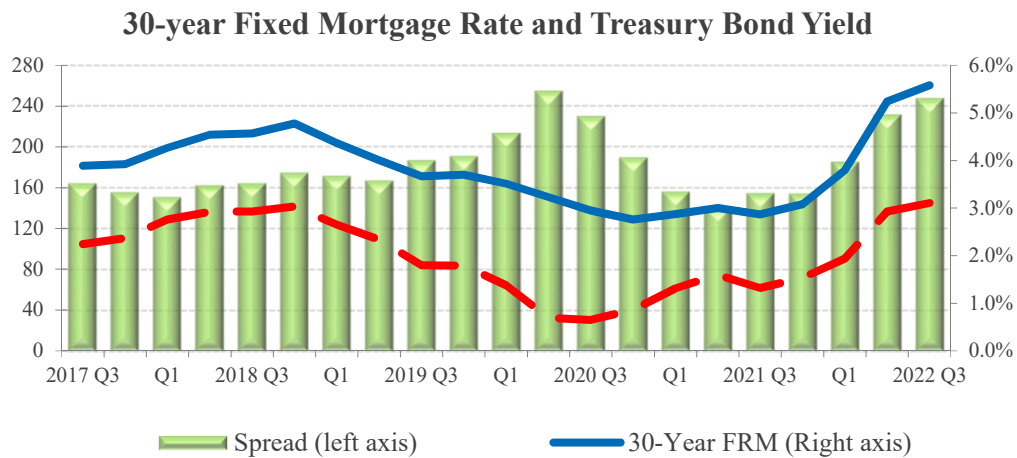
**Recent Trend - Local Mortgage Servicing Cost to Income**  
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Panama City	U.S.	
Ratio for 2021	2.1	3.4	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2022 Q3	2.6	3.6	
Historical Average	1.8	2.7	Affordable compared to most markets



## The Mortgage Market



Mortgage rates continued their upward trek in the third quarter of the year. Due to elevated inflation, the Federal Reserve raised twice its short-term interest rates by 75 basis points each time. While both rising inflation and higher interest rates typically move up mortgage rates, the 30-year fixed mortgage rate surpassed the 6.5 percent threshold moving closer to 7 percent. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate rose to 5.6 percent in Q3 2022 from 2.9 percent a year earlier. As long as inflation remains elevated, mortgage rates will continue to rise. NAR forecasts the 30-year fixed mortgage rate to average 6.5 percent at the end of the year.

## 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/](https://obamawhitehouse.archives.gov/omb/bulletins_default/)

