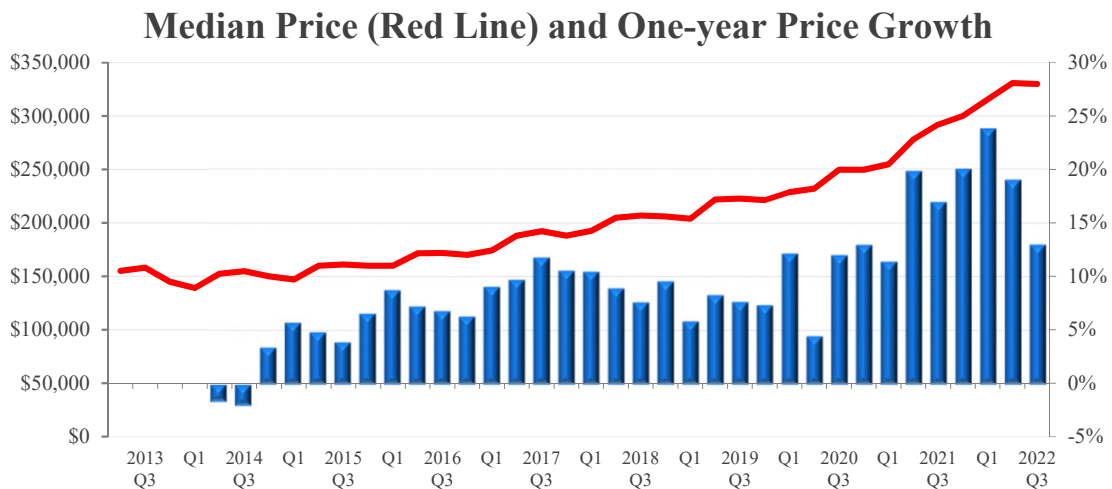


## Pensacola-Ferry Pass-Brent Area Local Market Report, Third Quarter 2022

### Today's Market...



<b>Local Price Trends</b>			
Price Activity	Pensacola	U.S.	<b>Local Trend</b>
Current Median Home Price (2022 Q3)	\$330,000	\$391,467	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2022 Q3)	13.0%	8.6%	
3-year (12-quarter) Appreciation (2022 Q3)	48.0%	41.4%	
3-year (12-quarter) Housing Equity Gain*	\$107,100	\$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*	\$169,000	\$164,133	
9-year (36 quarters) Housing Equity Gain*	\$172,000	\$184,600	

\*Note: Equity gain reflects price appreciation only

	Pensacola	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>	45%	not comparable	

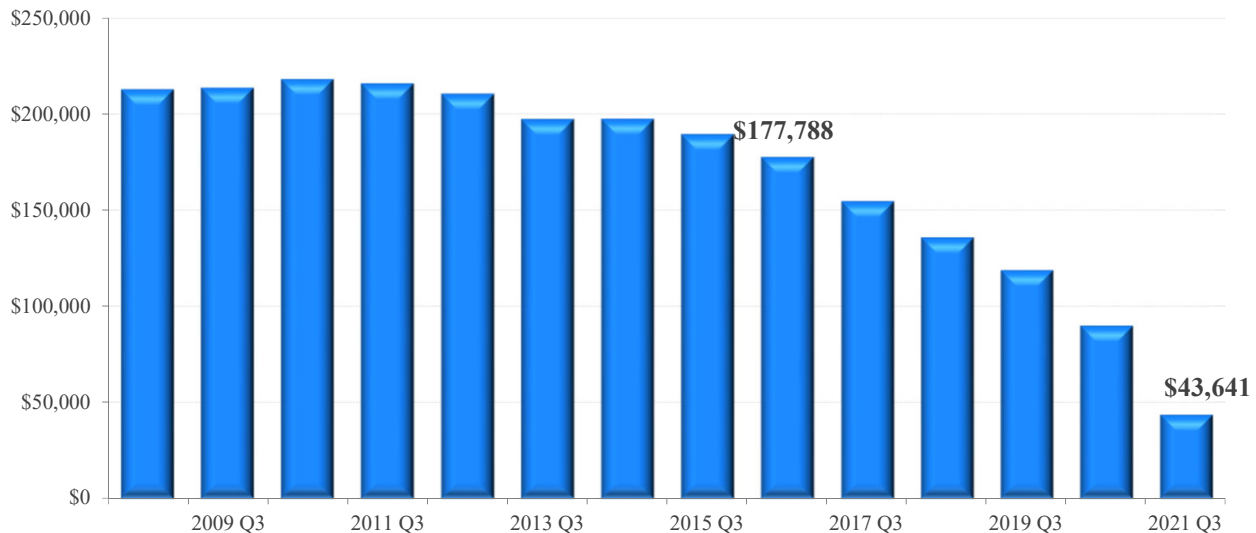
Note: limits are current and include the changes made on January 1st 2023.

#### Local NAR Leadership

The Pensacola-Ferry Pass-Brent 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	Pensacola	U.S.	Local Trend
1-year (4-quarter)	\$43,641	\$38,029	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$118,863	\$129,179	
5-year (20-quarter)*	\$154,694	\$160,886	
7-year (28 quarters)*	\$189,546	\$193,144	
9-year (36 quarters)*	\$197,373	\$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...

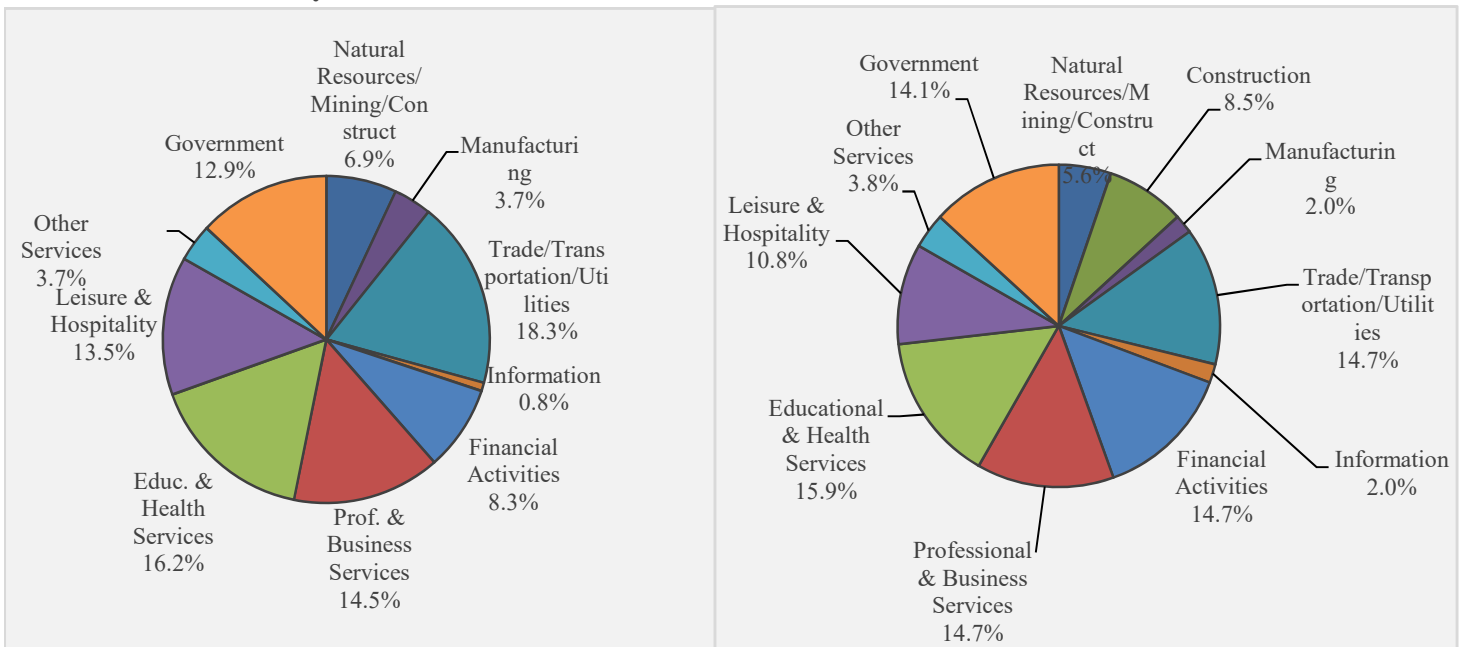


Local Economic Outlook	Pensacola	U.S.	
12-month Job Change (Sep)	8,200	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Aug)	7,100	Not Comparable	
36-month Job Change (Sep)	10,400	Not Comparable	Unemployment in Pensacola is better than the national average and improving
Current Unemployment Rate (Sep)	2.5%	3.5%	
Year-ago Unemployment Rate	3.6%	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

Pensacola-Ferry Pass-Brent Area

U.S.



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

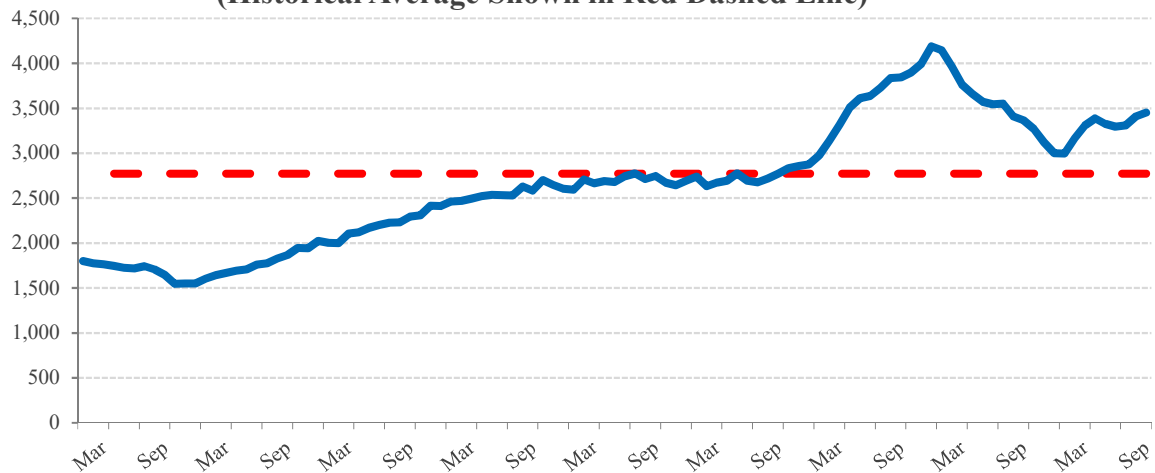
Goods Producing	NA	Information	0
Natural Resources/Mining/Construction	900	Financial Activities	700
Natural Resources and Mining	NA	Prof. & Business Services	2,300
Construction	NA	Educ. & Health Services	900
Manufacturing	100	Leisure & Hospitality	1,200
Service Providing Excluding Government	NA	Other Services	300
Trade/Transportation/Utilities	1,300	Government	-600

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%	

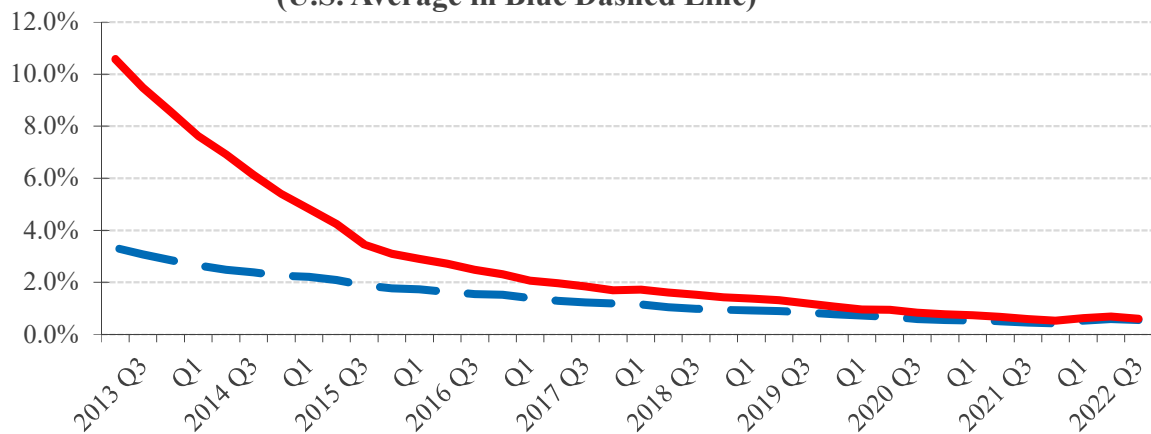
## New Housing Construction

Local Fundamentals	Pensacola	U.S.	
12-month Sum of 1-unit Building Permits through Sep	3,451	not comparable	The current level of construction is 24.5% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	2,773	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	2.5%	-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)

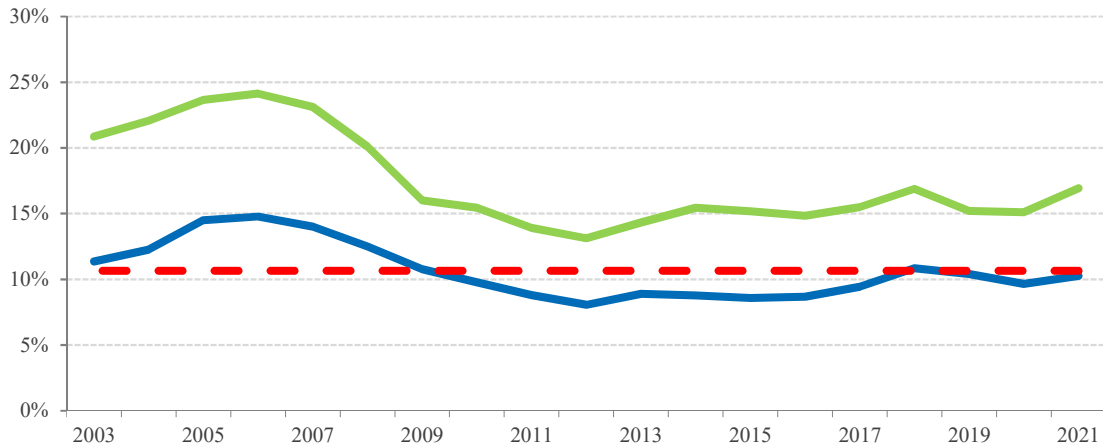


**State Total Foreclosure Rate vs. U.S Average**  
(U.S. Average in Blue Dashed Line)



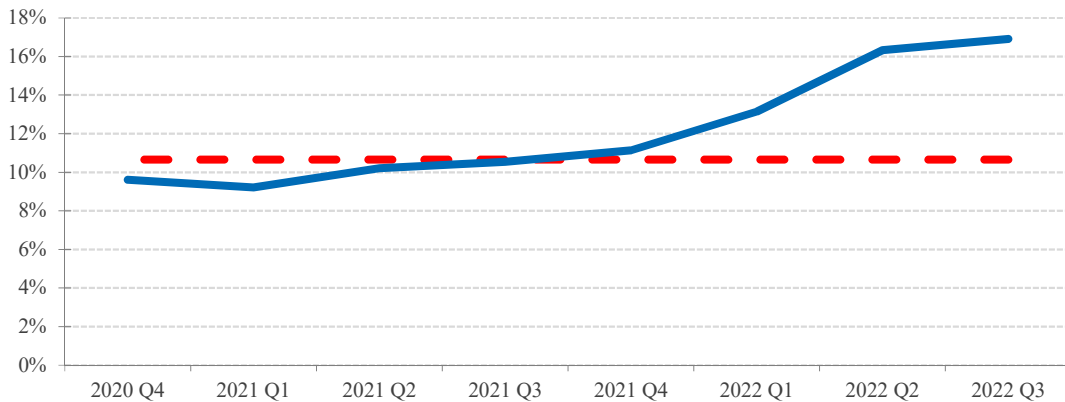
# Affordability

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

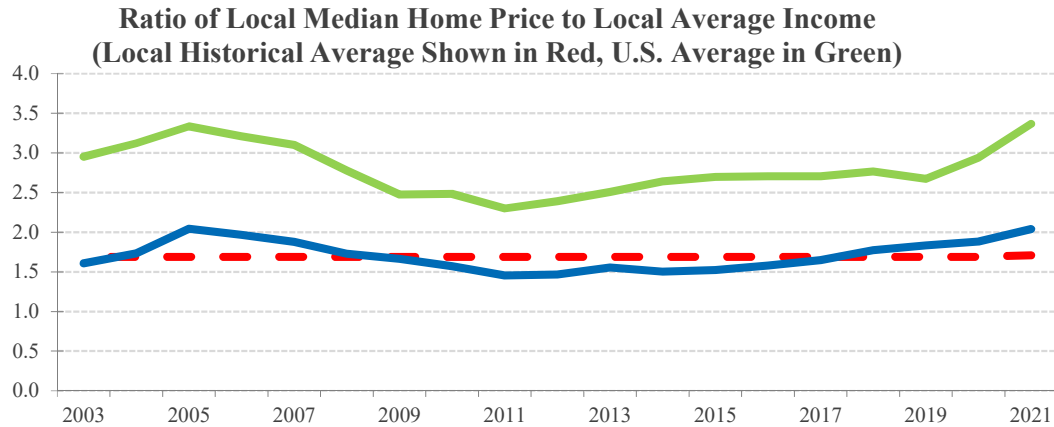


Monthly Mortgage Payment to Income	Pensacola	U.S.	
Ratio for 2021	10.3%	16.9%	Weak by local standards and could weigh on demand
Ratio for 2022 Q3	16.9%	24.4%	
Historical Average	10.7%	18.1%	More affordable than most markets

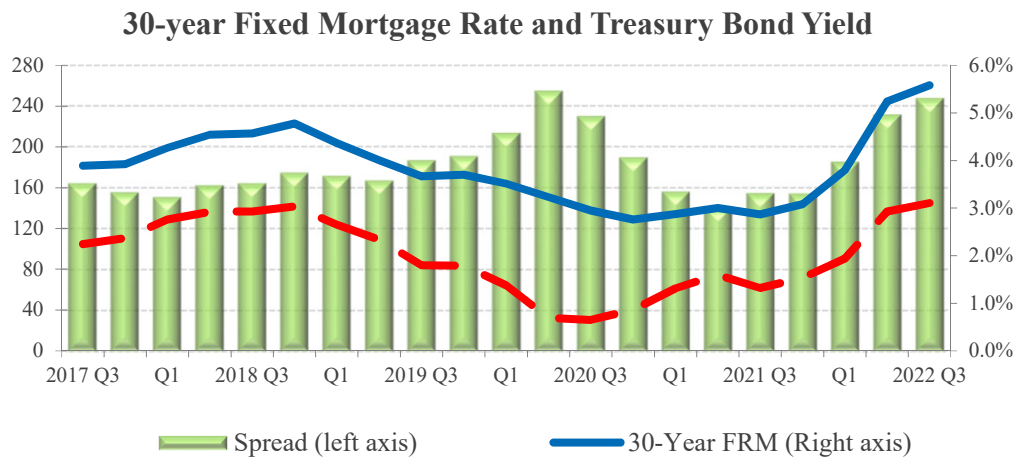
**Recent Trend - Local Mortgage Servicing Cost to Income**  
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Pensacola	U.S.	
Ratio for 2021	2.0	3.4	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2022 Q3	2.5	3.6	
Historical Average	1.7	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 Pensacola area referred to in this report covers the geographic area of the Pensacola-Ferry Pass-Brent 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:

Escambia County and Santa Rosa 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/)

