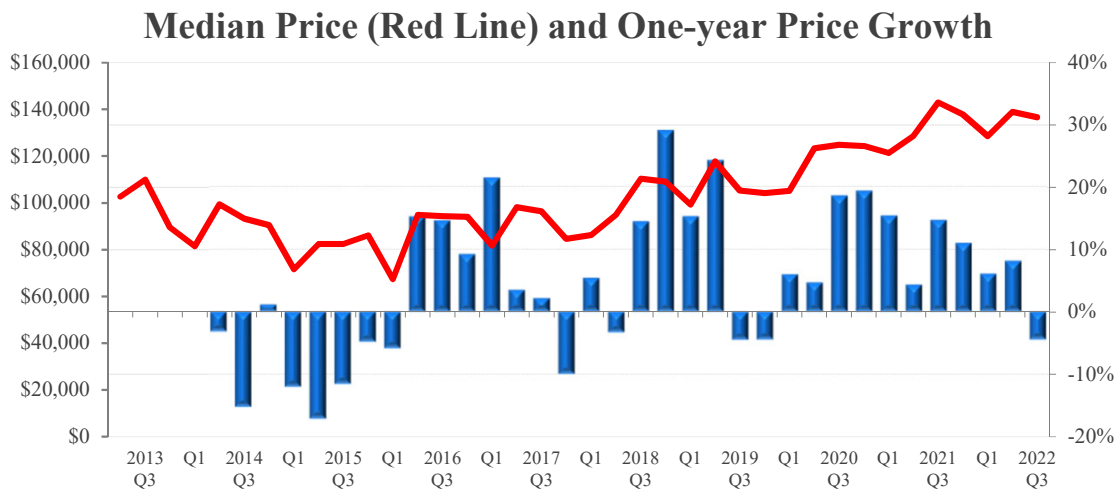


Cumberland Area Local Market Report, Third Quarter 2022

Today's Market...



Local Price Trends			
Price Activity	Cumberland	U.S.	Local Trend
Current Median Home Price (2022 Q3)	\$136,600	\$391,467	Year-over-year price growth swung negative this quarter after growing last quarter
1-year (4-quarter) Appreciation (2022 Q3)	-4.5%	8.6%	
3-year (12-quarter) Appreciation (2022 Q3)	29.7%	41.4%	
3-year (12-quarter) Housing Equity Gain*	\$31,300	\$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*	\$54,200	\$164,133	
9-year (36 quarters) Housing Equity Gain*	\$26,700	\$184,600	

*Note: Equity gain reflects price appreciation only

	Cumberland	U.S.	
Conforming Loan Limit**	\$726,200	\$1,089,300	Most buyers in this market have access to government-backed financing
FHA Loan Limit	\$472,030	\$1,089,300	
Local Median to Conforming Limit Ratio	19%	not comparable	

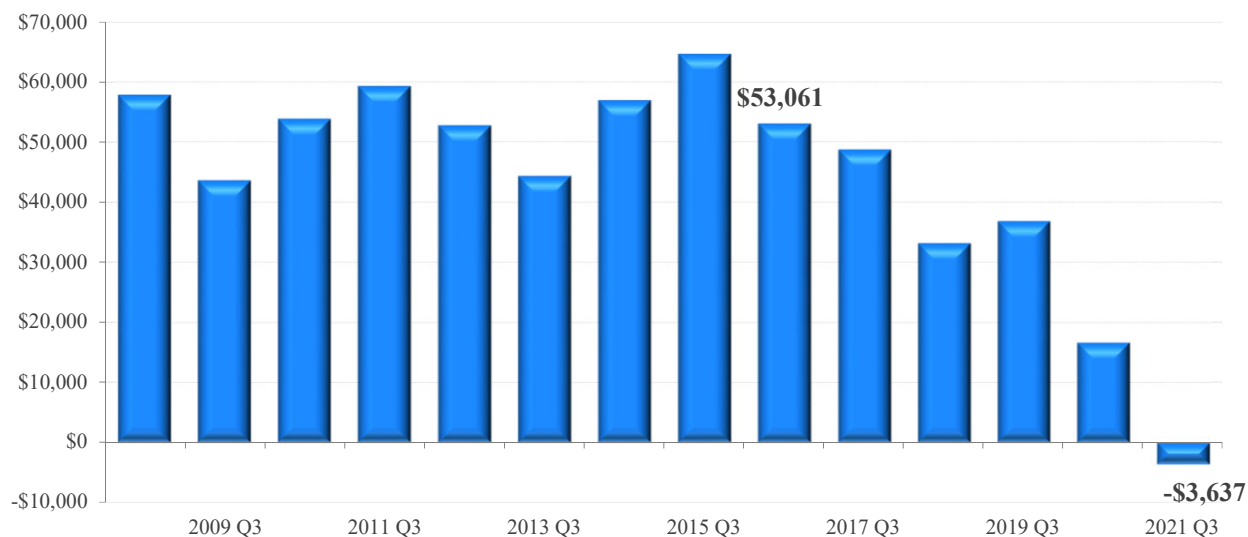
Note: limits are current and include the changes made on January 1st 2023.

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 2022 NAR Regional Vice President representing region 3 is Gail Renulfi.

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	Cumberland	U.S.	Local Trend
1-year (4-quarter)	\$3,637	\$38,029	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)*	\$36,857	\$129,179	
5-year (20-quarter)*	\$48,719	\$160,886	
7-year (28 quarters)*	\$64,715	\$193,144	
9-year (36 quarters)*	\$44,349	\$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...

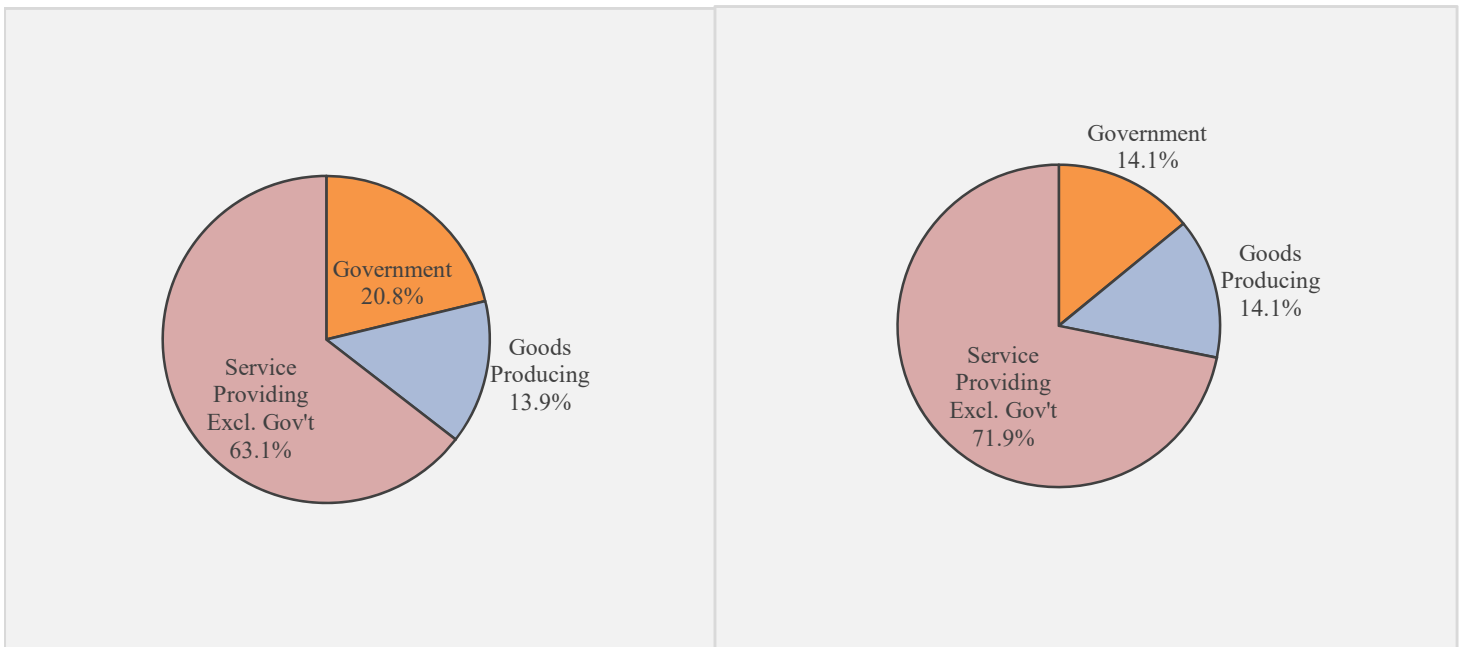


Local Economic Outlook	Cumberland	U.S.	
12-month Job Change (Sep)	-200	Not Comparable	Job losses are a problem and will weigh on demand, but layoffs are declining, a trend that could help buyer confidence
12-month Job Change (Aug)	-300	Not Comparable	
36-month Job Change (Sep)	-2,000	Not Comparable	Cumberland's unemployment rate lags the national average, but has improved relative to the same period last year
Current Unemployment Rate (Sep)	4.1%	3.5%	
Year-ago Unemployment Rate	5.2%	4.7%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	-0.5%	4.3%	

Share of Total Employment by Industry

Cumberland Area

U.S.



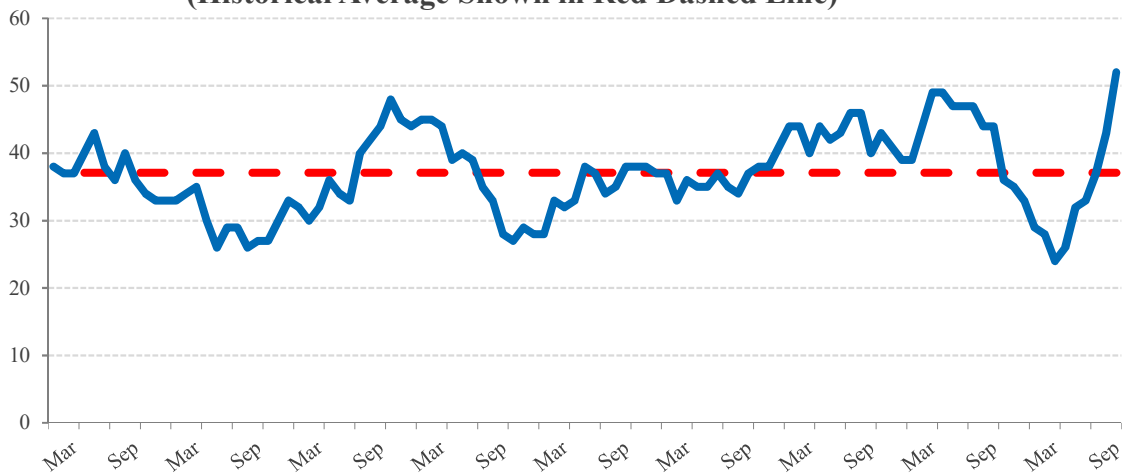
12-month Employment Change by Industry (Sep - 2022)

Goods Producing	-400	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	100	Other Services	NA
Trade/Transportation/Utilities	NA	Government	200

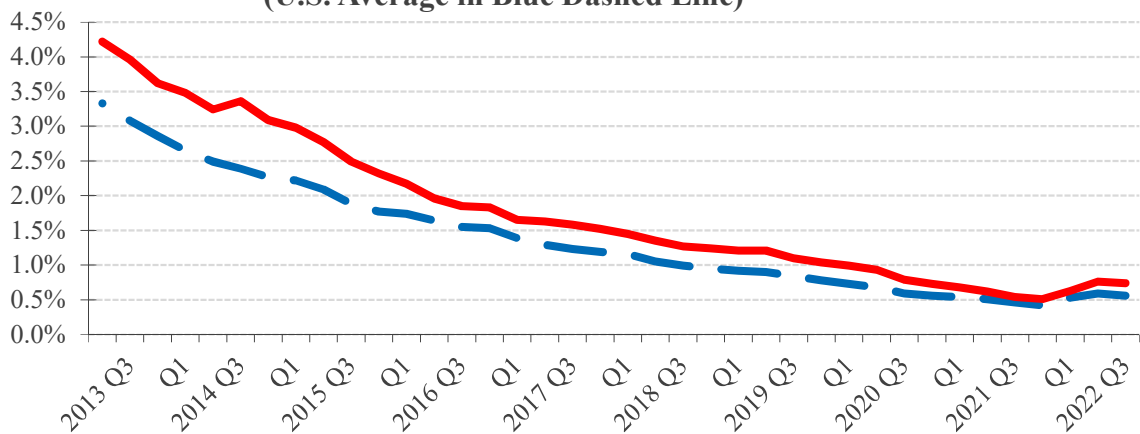
State Economic Activity Index	Maryland	U.S.	
12-month change (2022 - Sep)	8.0%	4.9%	Maryland's economy is stronger than the nation's, but slowed from last month's 8.32% change
36-month change (2022 - Sep)	5.4%	5.2%	

New Housing Construction			
Local Fundamentals	Cumberland	U.S.	
12-month Sum of 1-unit Building Permits through Sep	52	not comparable	The current level of construction is 40.1% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	37	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	18.2%	-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)

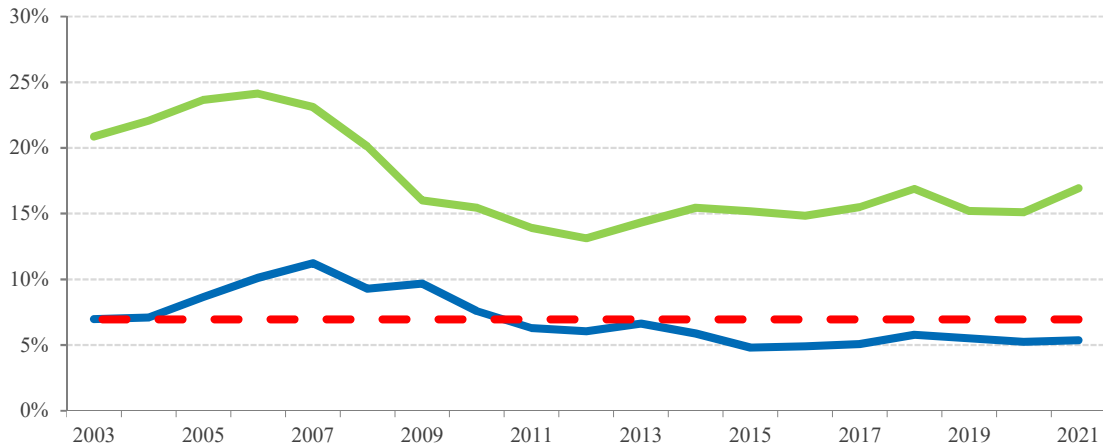


State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



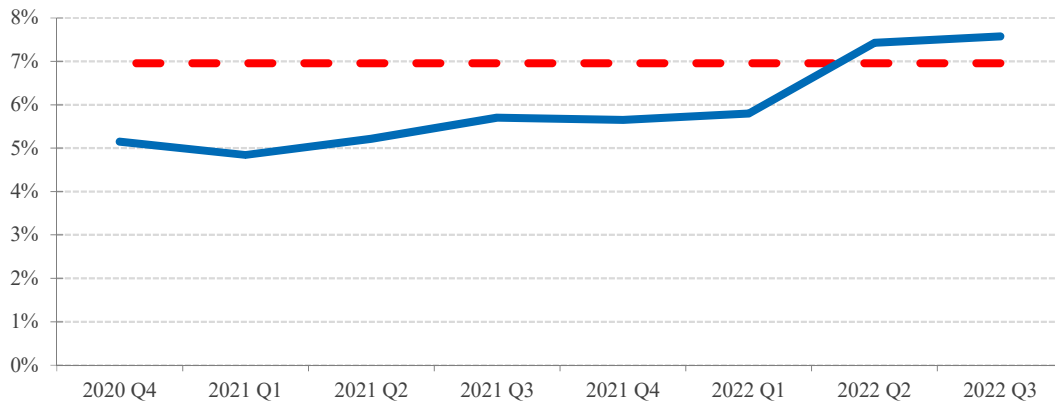
Affordability

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

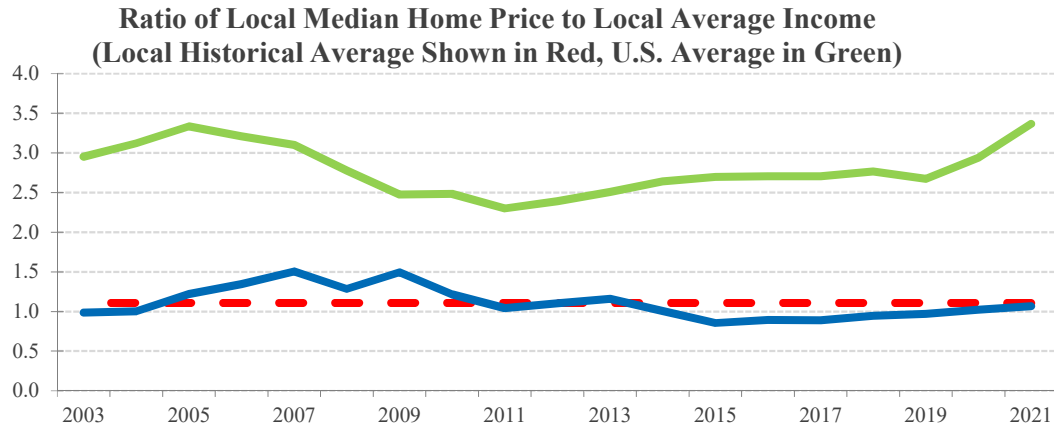


Monthly Mortgage Payment to Income	Cumberland	U.S.	
Ratio for 2021	5.4%	16.9%	Weak by local standards and could weigh on demand
Ratio for 2022 Q3	7.6%	24.4%	
Historical Average	7.0%	18.1%	More affordable than most markets

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



Median Home Price to Income	Cumberland	U.S.	
Ratio for 2021	1.1	3.4	The price-to-income ratio rose, but is better than the historic average
Ratio for 2022 Q3	1.1	3.6	
Historical Average	1.1	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 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/

