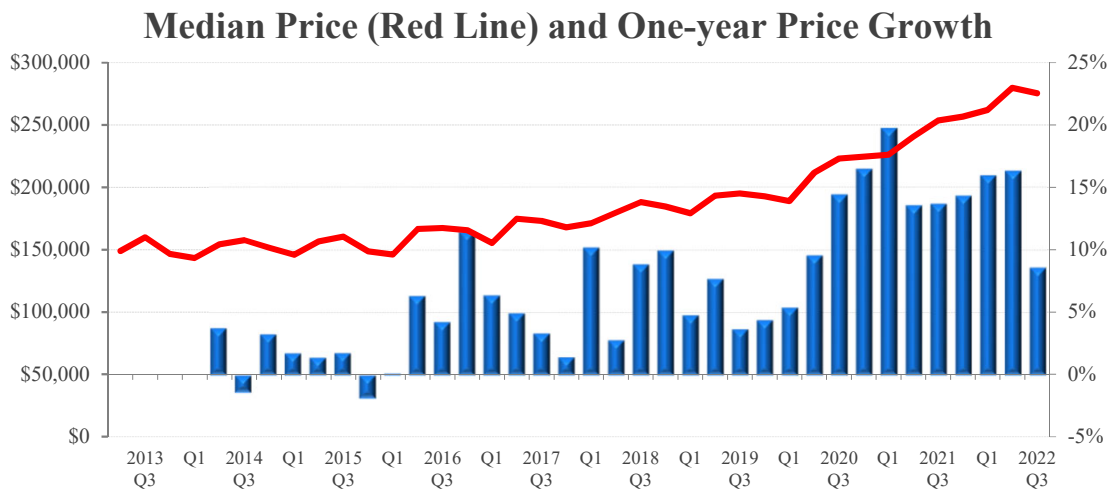


Hagerstown-Martinsburg Area Local Market Report, Third Quarter 2022

Today's Market...



Local Price Trends			
Price Activity	Hagerstown	U.S.	Local Trend
Current Median Home Price (2022 Q3)	\$275,500	\$391,467	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2022 Q3)	8.6%	8.6%	
3-year (12-quarter) Appreciation (2022 Q3)	41.2%	41.4%	
3-year (12-quarter) Housing Equity Gain*	\$80,400	\$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*	\$115,000	\$164,133	
9-year (36 quarters) Housing Equity Gain*	\$115,600	\$184,600	

*Note: Equity gain reflects price appreciation only

	Hagerstown	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	38%	not comparable	

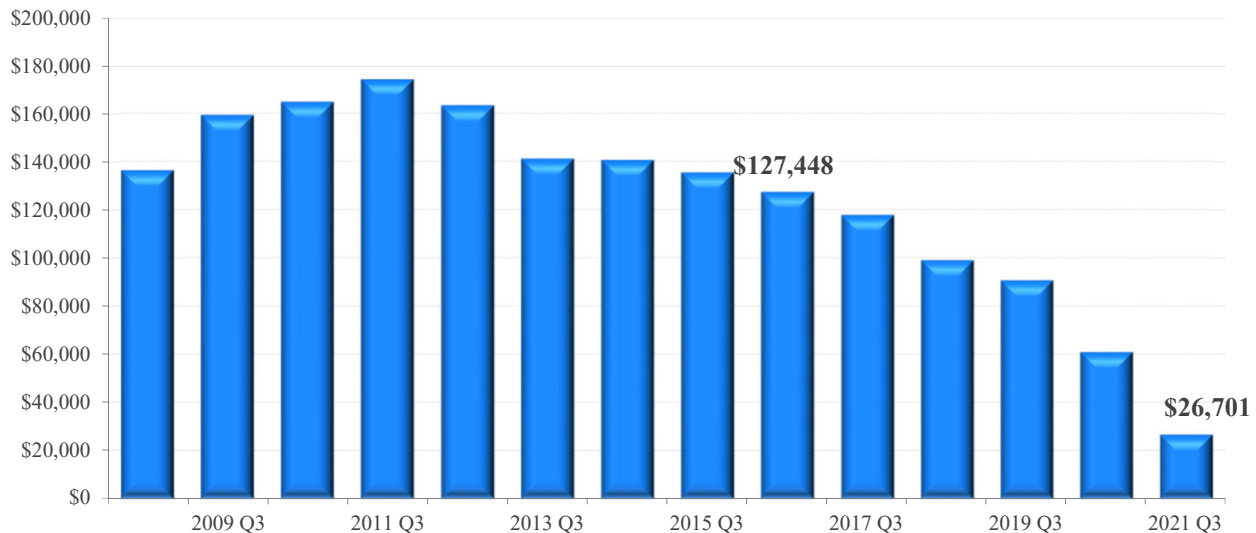
Note: limits are current and include the changes made on January 1st 2023.

Local NAR Leadership

The Hagerstown-Martinsburg 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	Hagerstown	U.S.	Local Trend
1-year (4-quarter)	\$26,701	\$38,029	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$90,696	\$129,179	
5-year (20-quarter)*	\$117,880	\$160,886	
7-year (28 quarters)*	\$135,482	\$193,144	
9-year (36 quarters)*	\$141,278	\$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...

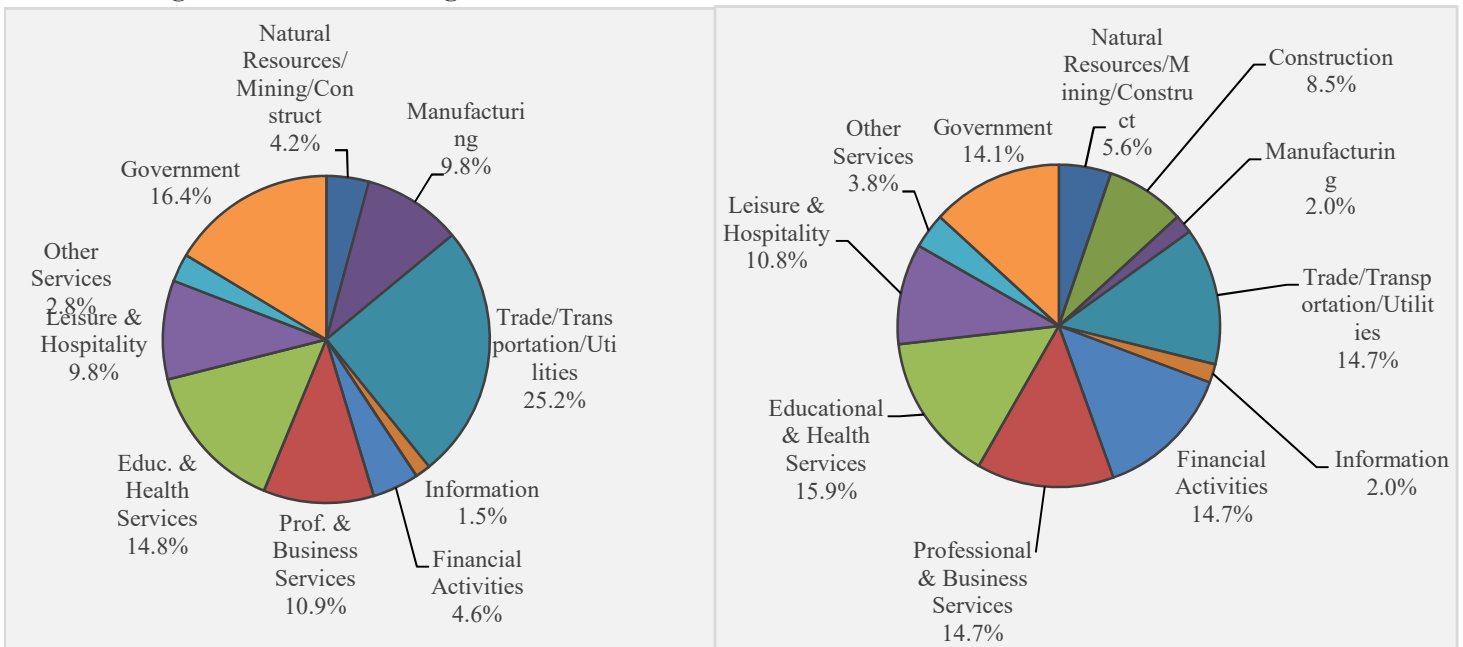


Local Economic Outlook	Hagerstown	U.S.	
12-month Job Change (Sep)	2,200	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Aug)	2,200	Not Comparable	
36-month Job Change (Sep)	-1,100	Not Comparable	Unemployment in Hagerstown is better than the national average and improving
Current Unemployment Rate (Sep)	3.2%	3.5%	
Year-ago Unemployment Rate	4.1%	4.7%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	2.2%	4.3%	

Share of Total Employment by Industry

Hagerstown-Martinsburg Area

U.S.



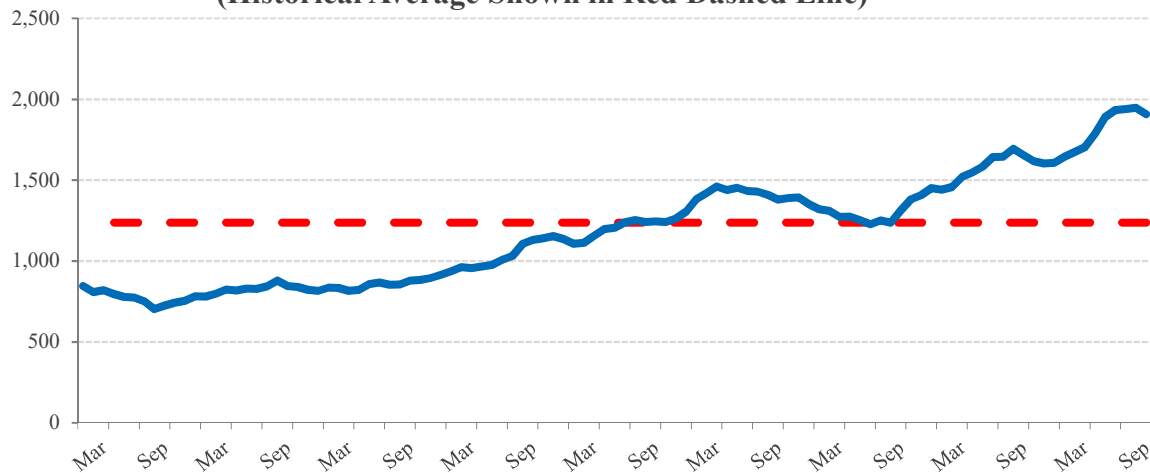
12-month Employment Change by Industry (Sep - 2022)

Goods Producing	NA	Information	0
Natural Resources/Mining/Construction	0	Financial Activities	-300
Natural Resources and Mining	NA	Prof. & Business Services	700
Construction	NA	Educ. & Health Services	600
Manufacturing	300	Leisure & Hospitality	500
Service Providing Excluding Government	NA	Other Services	100
Trade/Transportation/Utilities	-200	Government	500

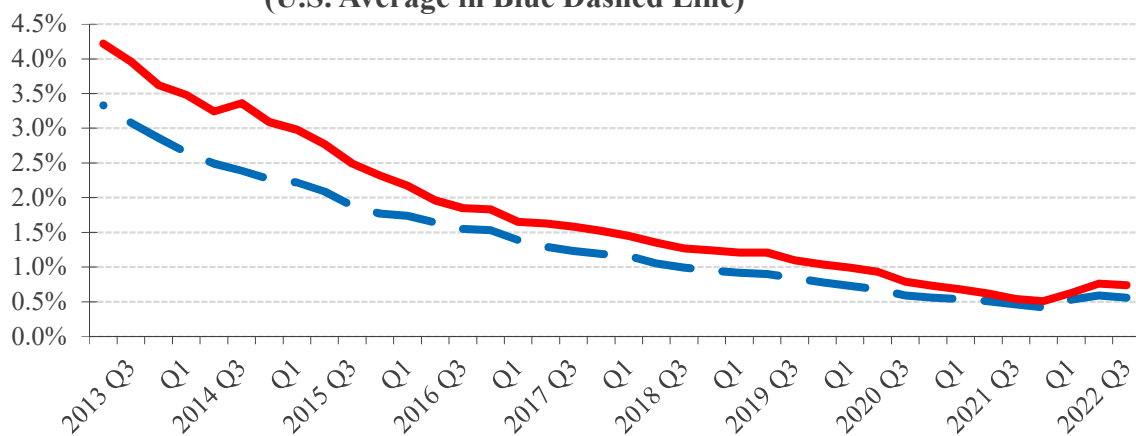
State Economic Activity Index	Maryland	U.S.	
12-month change (2022 - Sep)	8.0%	4.9%	Maryland's economy is stronger than the nation's, but slowed from last month's 8.32% change
36-month change (2022 - Sep)	5.4%	5.2%	

New Housing Construction			
Local Fundamentals	Hagerstown	U.S.	
12-month Sum of 1-unit Building Permits through Sep	1,908	not comparable	The current level of construction is 54.1% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	1,238	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	15.4%	-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)**

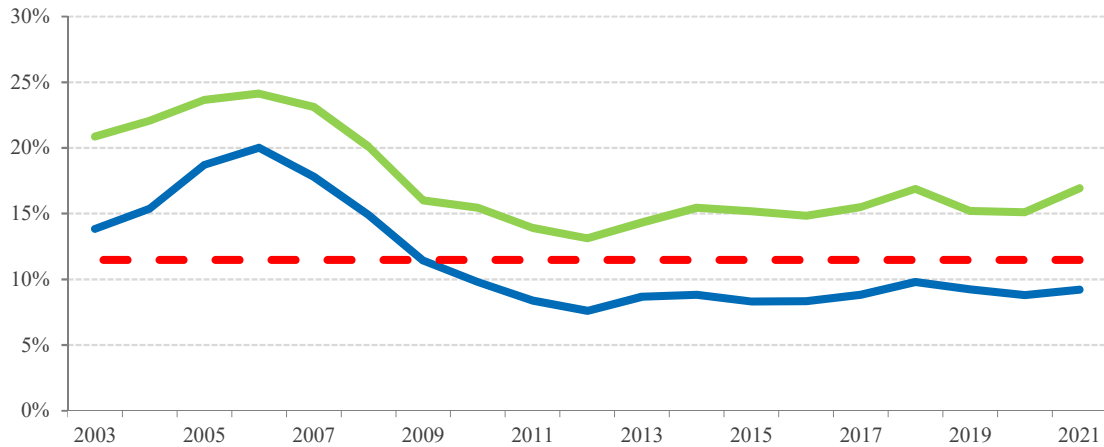


**State Total Foreclosure Rate vs. U.S Average
(U.S. Average in Blue Dashed Line)**



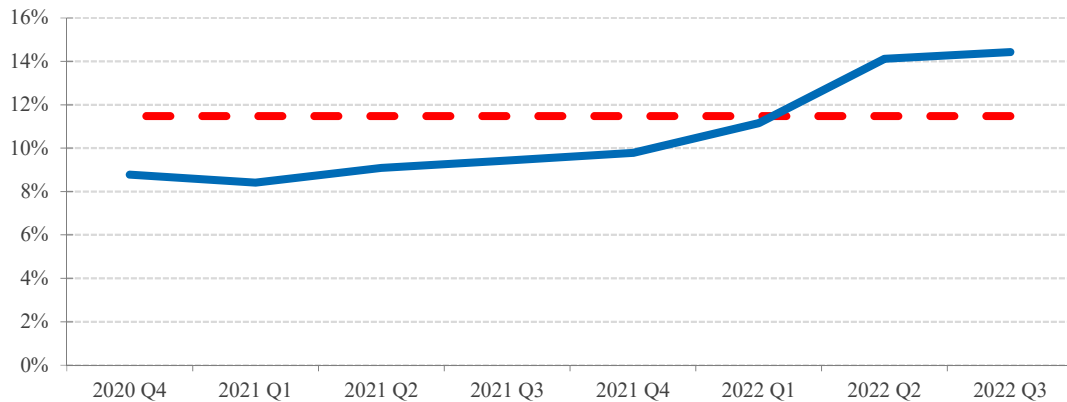
Affordability

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

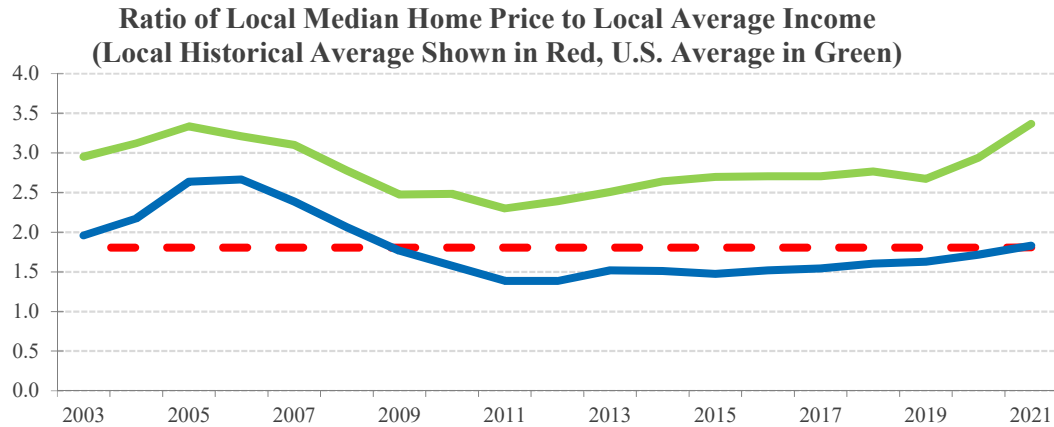


Monthly Mortgage Payment to Income	Hagerstown	U.S.	
Ratio for 2021	9.2%	16.9%	Weak by local standards and could weigh on demand
Ratio for 2022 Q3	14.4%	24.4%	
Historical Average	11.5%	18.1%	More affordable than most markets

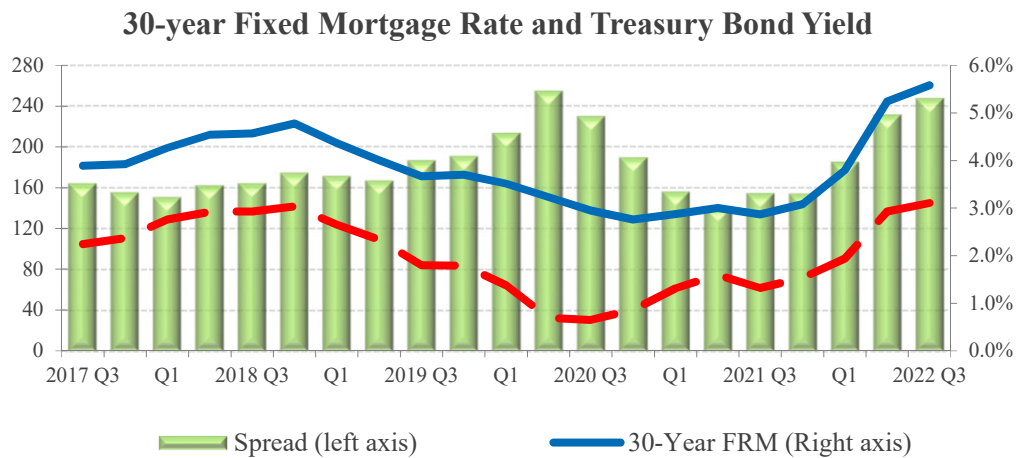
Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Hagerstown	U.S.	
Ratio for 2021	1.8	3.4	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2022 Q3	2.1	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 Hagerstown area referred to in this report covers the geographic area of the Hagerstown-Martinsburg 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:

Berkeley County, WV and Washington County, MD

More information on the OMB's geographic definitions can be found at https://obamawhitehouse.archives.gov/omb/bulletins_default/

