



CLARK COUNTY, NV OCTOBER 2019

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The Real State of USA Real Estate

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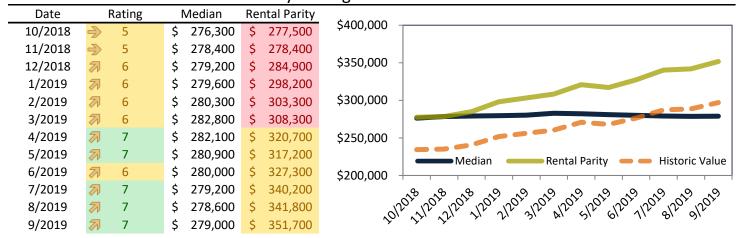
Clark County Housing Market Value & Trends Update

Historically, properties in this market sell at a -15.5% discount. Today's discount is 20.6%. This market is 5.1% undervalued. Median home price is \$279,000, and resale \$/SF is \$164/SF. Prices rose 2.7% year-over-year.

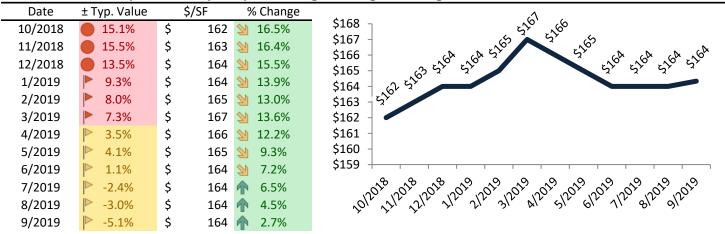
Monthly cost of ownership is \$1,193, and rents average \$1,505, making owning \$311 per month less costly than renting. Rents rose 9.4% year-over-year. The current capitalization rate (rent/price) is 5.2%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



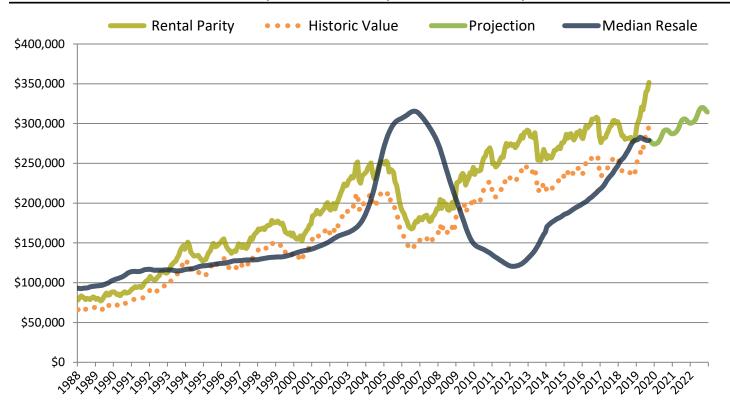
Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent	Own	\$1,600 7
10/2018	3.5%	\$ 1,361	\$ 1,355	
11/2018	3.6%	\$ 1,383	\$ 1,383	\$1,500 - 36, 36, 47, 42, 42, 43, 43, 43, 43, 43, 43, 43,
12/2018	3.9%	\$ 1,412	\$ 1,384	\$1,400
1/2019	4.5%	\$ 1,434	\$ 1,344	44.200
2/2019	4.9%	\$ 1,443	\$ 1,334	\$1,300 -
3/2019	5.3%	\$ 1,448	\$ 1,328	\$1,200 -
4/2019	5.8%	\$ 1,455	\$ 1,280	\$1,100 -
5/2019	6.4%	\$ 1,464	\$ 1,296	Rent Own Historic Cost to Own Relative to Rent
6/2019	> 7.2%	\$ 1,473	\$ 1,260	\$1,000
7/2019	> 7.8%	\$ 1,483	\$ 1,217	0° 0° 0° 0° 0° 0° 0° 0° 0° 0° 0° 0° 0° 0
8/2019	8.6%	\$ 1,494	\$ 1,217	1010 1110 12 110 12 110 12 110 12 110 12 110 12 110 12 110 12 110 12 110 12 110 12 110 12 110 12 110 12 110 12
9/2019	9.4%	\$ 1,505	\$ 1,194	, , ,

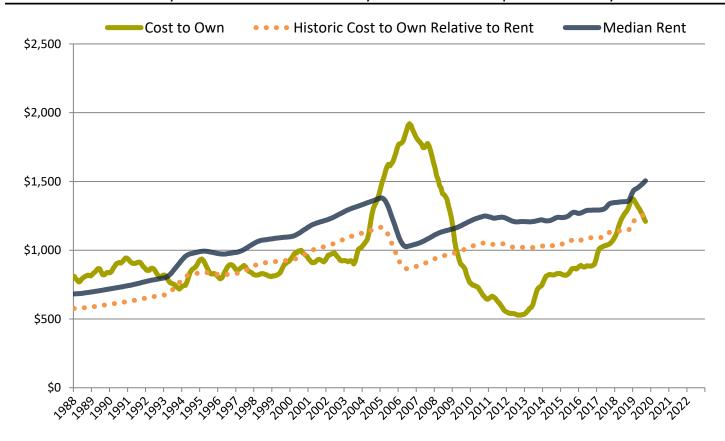
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Clark County median home price since January 1988



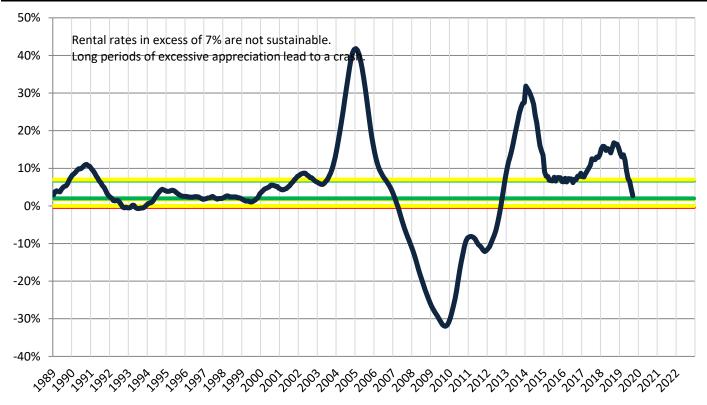
Clark County median rent and monthly cost of ownership since January 1988



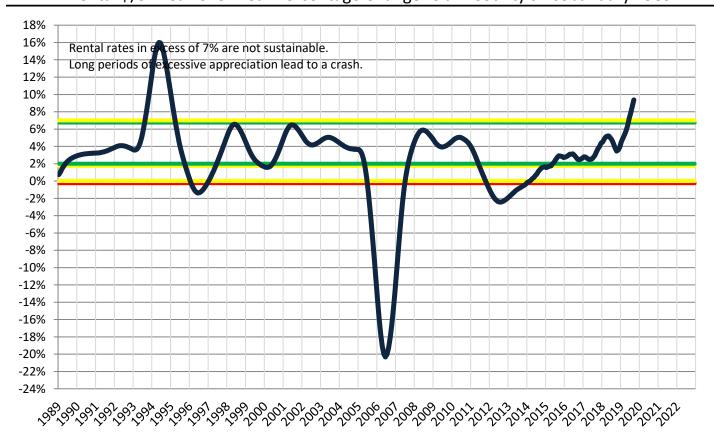
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Resale \$/SF Year-over-Year Percentage Change: Clark County since January 1989

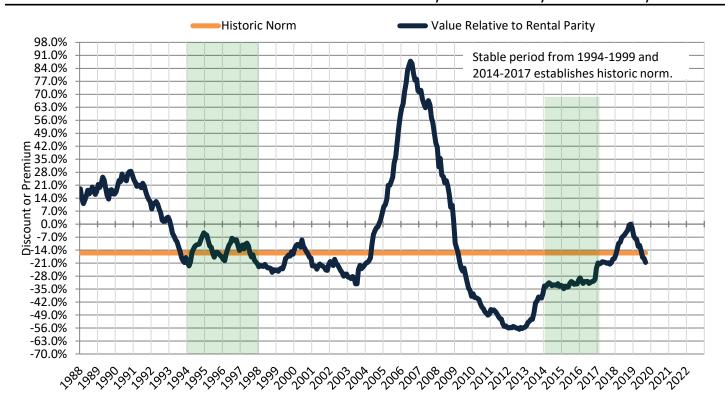


Rental \$/SF Year-over-Year Percentage Change: Clark County since January 1989

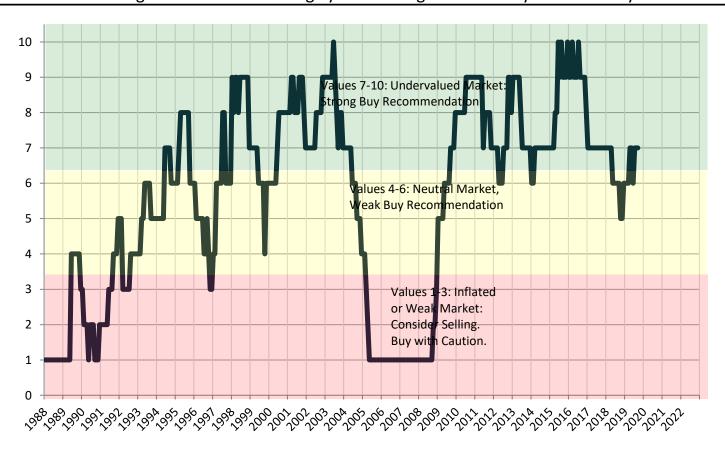


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Historic Median Home Price Relative to Rental Parity: Clark County since January 1988



USA Housing News® Market Timing System Rating: Clark County since January 1988

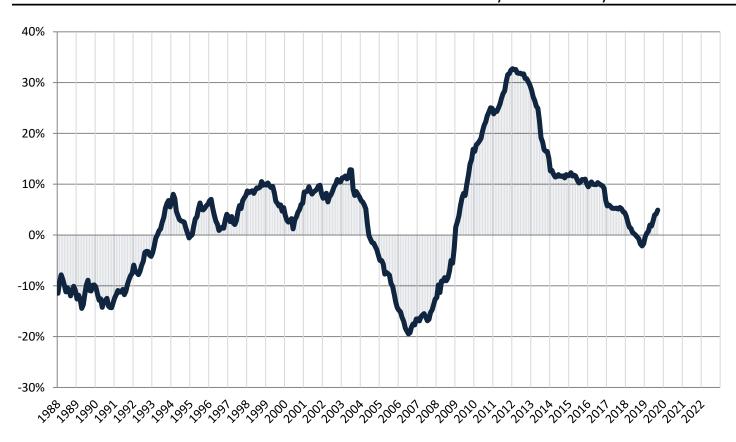


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Cash Investor Capitalization Rate: Clark County since January 1988



Financed Investor Cash-on-Cash Return: Clark County since January 1988



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Market Performance and Trends: Clark County and Major Cities and Zips

Study Area	Median Resale \$		Resale % lange YoY	Resale	\$/SF	_	ent % nge YoY	edian ent \$	ost of nership	ership ./Disc.	Cap Rate
Clark County	\$ 279,000	1	2.7%	\$	164	≥ 9	.4%	\$ 1,505	\$ 1,194	\$ (311)	5.2%.
Las Vegas, NV	\$ 279,000	1	3.4%	\$	164	1 6	.1%	\$ 1,511	\$ 1,194	\$ (318)	5.2%.
Henderson	\$ 327,200	刁	1.9%	\$	178	≥ 7	.4%	\$ 1,663	\$ 1,400	\$ (263)	4.9%.
North Las Vegas	\$ 262,000	1	5.3%	\$	151	≥ 8	.8%	\$ 1,427	\$ 1,121	\$ (306)	5.2%.
Paradise	\$ 261,400	1	3.5%	\$	162	≥ 8	.5%	\$ 1,503	\$ 1,118	\$ (385)	5.5%.
Sunrise Manor	\$ 226,400	1	5.3%	\$	150	≥ 7	.8%	\$ 1,302	\$ 969	\$ (334)	5.5%.
Spring Valley	\$ 274,800	1	2.0%	\$	165	≥ 7	.8%	\$ 1,563	\$ 1,176	\$ (387)	5.5%.
Enterprise	\$ 305,300	1	2.0%	\$	165	≥ 7	.4%	\$ 1,558	\$ 1,306	\$ (251)	4.9%.
Lone Mountain	\$ 294,900	1	2.0%	\$	162	% 8	.7%	\$ 1,562	\$ 1,262	\$ (301)	5.1%.
Green Valley North	\$ 303,700	A	2.0%	\$	168	≥ 7	.9%	\$ 1,671	\$ 1,299	\$ (371)	5.3%.
North Cheyenne	\$ 278,200	1	2.7%	\$	165	≥ 9	.1%	\$ 1,474	\$ 1,190	\$ (284)	5.1%.
Charleston Heights	\$ 225,100	1	4.4%	\$	154	% 8	.0%	\$ 1,341	\$ 963	\$ (378)	5.7%.
The Lakes	\$ 336,900	刁	1.9%	\$	175	% 8	.3%	\$ 1,727	\$ 1,441	\$ (286)	4.9%.
Winchester	\$ 228,700	1	4.6%	\$	148	≥ 9	.9%	\$ 1,395	\$ 978	\$ (416)	5.9%.
Green Valley South	\$ 309,900	刁	1.9%	\$	172	% 8	.4%	\$ 1,673	\$ 1,326	\$ (347)	5.2%.
Anthem	\$ 417,300	团	1.6%	\$	210	1 6	.6%	\$ 1,951	\$ 1,785	\$ (166)	4.5%.
Westgate	\$ 385,700	团	1.8%	\$	179	≥ 7	.0%	\$ 1,983	\$ 1,650	\$ (333)	4.9%.
Green Valley Ranch	\$ 379,400	网	0.6%	\$	187	≥ 7	.5%	\$ 1,824	\$ 1,623	\$ (201)	4.6%.
MacDonald Ranch	\$ 338,000	•	-0.5%	\$	205	≥ 7	.6%	\$ 1,702	\$ 1,446	\$ (256)	4.8%.
89108	\$ 231,500	刁	0.0%	\$	160	% 8	.9%	\$ 1,334	\$ 990	\$ (344)	5.5%.
89117	\$ 325,900	刁	1.3%	\$	168	≥ 9	.0%	\$ 1,742	\$ 1,394	\$ (348)	5.1%.
89052	\$ 413,700	团	1.1%	\$	198	% 8	.1%	\$ 2,061	\$ 1,770	\$ (291)	4.8%.
89123	\$ 301,500	1	2.5%	\$	178	≥ 9	.8%	\$ 1,637	\$ 1,290	\$ (347)	5.2%.
89031	\$ 267,500	1	4.4%	\$	155	1 1	L.4%	\$ 1,440	\$ 1,145	\$ (296)	5.2%.
89110	\$ 222,900	1	5.3%	\$	152	9	.3%	\$ 1,295	\$ 954	\$ (341)	5.6%.
89074	\$ 315,200	刁	1.9%	\$	171	9	.2%	\$ 1,662	\$ 1,349	\$ (314)	5.1%.
89148	\$ 311,400	1	2.7%	\$	166	<u></u> 8	.5%	\$ 1,578	\$ 1,332	\$ (246)	4.9%.
89147	\$ 277,400	A	1.3%	\$	168	9	.5%	\$ 1,508	\$ 1,187	\$ (322)	5.2%.

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Market Timing Rating and Valuations: Clark County and Major Cities and Zips

Study Area	Rating	Median	Rental Parity	% Over/Under Rental Parity	Historic Premium	% Over/Under Historic Prem.
Clark County	7	\$ 279,000	\$ 351,700	-20.6%	-15.5%	▶ -5.1%
Las Vegas, NV	7	\$ 279,000	\$ 353,200	 ►-11.5%	-15.5%	▶ 4.0%
Henderson	⇒ 5	\$ 327,200	\$ 388,600	-15.8%	-15.0%	▶ -0.8%
North Las Vegas	7	\$ 262,000	\$ 333,600	-21.5%	-15.0%	▶ -6.5%
Paradise	7	\$ 261,400	\$ 351,200	-25.6%	-21.3%	▶ -4.3%
Sunrise Manor	7	\$ 226,400	\$ 304,400	-25.7%	-19.8%	 -5.9%
Spring Valley	7	\$ 274,800	\$ 365,200	-24.7%	-20.6%	▶ -4.1%
Enterprise	7	\$ 305,300	\$ 364,000	-16.1%	-9.9%	▶ -6.2%
Lone Mountain	7	\$ 294,900	\$ 365,100	-19.3%	-12.5%	▶ -6.8%
Green Valley North	⇒ 5	\$ 303,700	\$ 390,400	-22.2%	-17.4%	▶ -4.8%
North Cheyenne	7	\$ 278,200	\$ 344,500	-19.2%	-12.5%	▶ -6.7%
Charleston Heights	7	\$ 225,100	\$ 313,400	-28.1%	-27.5%	▶ -0.6%
The Lakes	⇒ 5	\$ 336,900	\$ 403,600	-16.5%	-14.0%	▶ -2.5%
Winchester	9	\$ 228,700	\$ 325,900	-29.8%	-15.5%	-14.3%
Green Valley South	⇒ 5	\$ 309,900	\$ 390,900	-20.7%	-15.5%	▶ -5.2%
Anthem	⇒ 5	\$ 417,300	\$ 455,900	-8.4%	-15.5%	7.1%
Westgate	⇒ 5	\$ 385,700	\$ 463,400	-16.7%	-15.5%	▶ -1.2%
Green Valley Ranch	⇒ 5	\$ 379,400	\$ 426,200	 ►-10.9%	-15.5%	▶ 4.6%
MacDonald Ranch	⇒ 5	\$ 338,000	\$ 397,700	-15.0%	-15.5%	▶ 0.5%
89108	1 8	\$ 231,500	\$ 311,800	-25.7%	-15.5%	 ►-10.2%
89117	⇒ 5	\$ 325,900	\$ 407,200	-19.9%	-15.5%	 -4.4%
89052	⇒ 5	\$ 413,700	\$ 481,600	-14.1%	-15.5%	▶ 1.4%
89123	7	\$ 301,500	\$ 382,500	-21.1%	-15.5%	⊳ -5.6%
89031	7	\$ 267,500	\$ 336,600	-20.5%	-15.5%	▶ -5.0%
89110	1 8	\$ 222,900	\$ 302,600	-26.3%	-15.5%	 ►-10.8%
89074	⇒ 5	\$ 315,200	\$ 388,500	-18.8%	-15.5%	 -3.3%
89148	7	\$ 311,400	\$ 368,700	-15.5%	-15.5%	▶ 0.0%
89147	⇒ 5	\$ 277,400	\$ 352,500	-21.3%	-15.5%	· ► -5.8%

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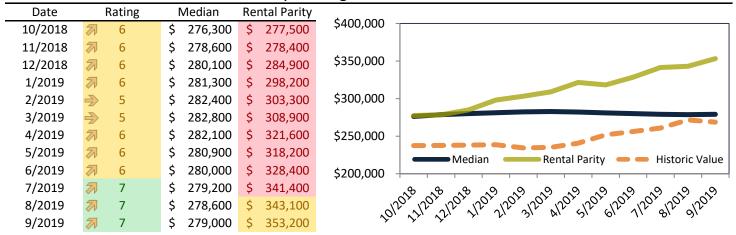
Las Vegas, NV Housing Market Value & Trends Update

Historically, properties in this market sell at a -15.5% discount. Today's discount is 11.5%. This market is 4.0% overvalued. Median home price is \$279,000, and resale \$/SF is \$164/SF. Prices rose 3.4% year-over-year.

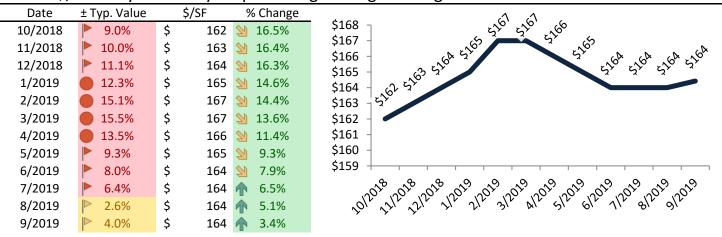
Monthly cost of ownership is \$1,193, and rents average \$1,511, making owning \$317 per month less costly than renting. Rents rose 6.1% year-over-year. The current capitalization rate (rent/price) is 5.0%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change		Rent		Own	\$1,600 7
10/2018	5.0%	\$	1,361	\$	1,355	
11/2018	4.7%	\$	1,383	\$	1,384	\$1,500 - 1,36 5, 5, 5, 5, 5, 5, 5, 5, 5, 5, 5, 5, 5,
12/2018	4.3%	\$	1,412	\$	1,388	\$1,400
1/2019	3.8%	\$	1,434	\$	1,353	¢1 300
2/2019	1.5%	\$	1,443	\$	1,344	\$1,300 -
3/2019	1.6%	\$	1,451	\$	1,328	\$1,200 -
4/2019	1 3.9%	\$	1,459	\$	1,280	\$1,100
5/2019	4.5%	\$	1,468	\$	1,296	Rent Own Historic Cost to Own Relative to Rent
6/2019	4.9%	\$	1,478	\$	1,260	\$1,000
7/2019	5.3%	\$	1,488	\$	1,217	20120321203212032120321203212032120331203312033120331203312033
8/2019	5.8%	\$	1,499	\$	1,217	2012032120321203212032120331203120331203120
9/2019	6.1%	Ś	1.511	Ś	1.194	, , ,

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Henderson Housing Market Value & Trends Update

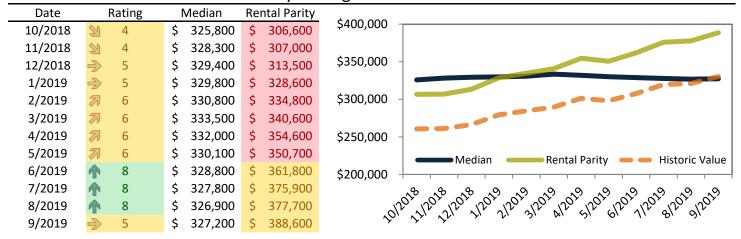
Historically, properties in this market sell at a -15.0% discount. Today's discount is 15.8%. This market is 0.8% undervalued. Median home price is \$327,200, and resale \$/SF is \$178/SF. Prices rose 1.9% year-over-year.

Monthly cost of ownership is \$1,399, and rents average \$1,662, making owning \$262 per month less costly than renting.

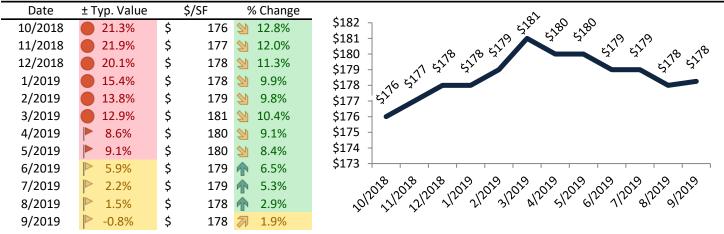
Rents rose 7.4% year-over-year. The current capitalization rate (rent/price) is 4.9%.

Market rating = 5

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

		- <i>j</i>	 - <i>1</i>	 0	
Date	%	6 Change	Rent	Own	\$1,700 7 10 10 10 10 10 10 10 10 10 10 10 10 10
10/2018	1	2.1%	\$ 1,504	\$ 1,598	2 2 2 2 2 2
11/2018	1	2.2%	\$ 1,525	\$ 1,631	
12/2018	1	2.7%	\$ 1,554	\$ 1,632	\$1,500 -
1/2019	1	3.3%	\$ 1,580	\$ 1,586	\$1,400 -
2/2019	1	3.9%	\$ 1,593	\$ 1,574	\$1,300 -
3/2019	1	4.3%	\$ 1,600	\$ 1,566	\$1,200 -
4/2019	1	4.8%	\$ 1,609	\$ 1,506	
5/2019	1	5.2%	\$ 1,618	\$ 1,523	\$1,100 - Rent Own Historic Cost to Own Relative to Rent
6/2019	1	5.7%	\$ 1,628	\$ 1,479	\$1,000
7/2019	1	6.2%	\$ 1,639	\$ 1,429	2012013/12010
8/2019	1	6.8%	\$ 1,650	\$ 1,428	101013 11013
9/2019	2	7.4%	\$ 1,663	\$ 1,400	у у у

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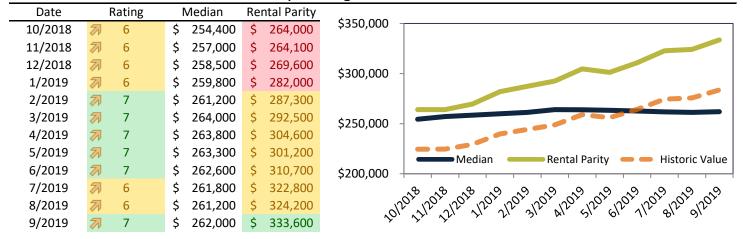
North Las Vegas Housing Market Value & Trends Update

Historically, properties in this market sell at a -15.0% discount. Today's discount is 21.5%. This market is 6.5% undervalued. Median home price is \$262,000, and resale \$/SF is \$151/SF. Prices rose 5.3% year-over-year.

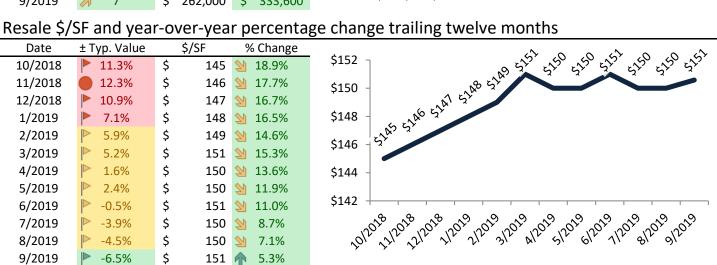
Monthly cost of ownership is \$1,120, and rents average \$1,427, making owning \$306 per month less costly than renting. Rents rose 8.8% year-over-year. The current capitalization rate (rent/price) is 5.2%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	e	Rent		Own	\$1,500 7 60 60 60 60 60 60 60 60 60 60 60
10/2018	1.0%	\$	1,295	\$	1,248	\$1,400
11/2018	3.1%	\$	1,312	\$	1,276	\$1,400 - 185, 25, 25, 27, 27, 27
12/2018	3.5%	\$	1,336	\$	1,281	8,11 3,
1/2019	4.4%	\$	1,356	\$	1,249	\$1,300 -
2/2019	4.8%	\$	1,367	\$	1,243	\$1,200 -
3/2019	5.5%	\$	1,374	\$	1,240	\$1,200
4/2019	5.9%	\$	1,382	\$	1,197	\$1,100 -
5/2019	6.5%	\$	1,390	\$	1,215	Rent Own Historic Cost to Own Relative to Rent
6/2019	6.9%	\$	1,398	\$	1,181	\$1,000
7/2019	> 7.5%	\$	1,407	\$	1,141	ng
8/2019	8.1%	\$	1,417	\$	1,141	101/012 1/1012 1/1012 1/1012 1/1012 1/1012 1/1012 1/1012 1/1012 1/1012 1/1012 1/1012 1/1012 1/1012 1/1012 1/1012
9/2019	≥ 8.8%	\$	1.427	Ś	1.121	, , ,

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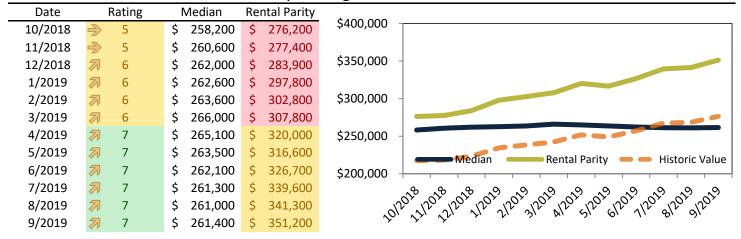
Paradise Housing Market Value & Trends Update

Historically, properties in this market sell at a -21.3% discount. Today's discount is 25.6%. This market is 4.3% undervalued. Median home price is \$261,400, and resale \$/SF is \$162/SF. Prices rose 3.5% year-over-year.

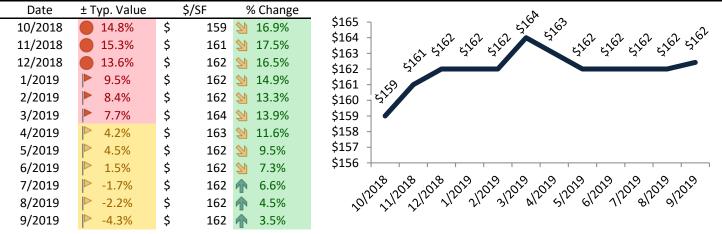
Monthly cost of ownership is \$1,118, and rents average \$1,503, making owning \$384 per month less costly than renting. Rents rose 8.5% year-over-year. The current capitalization rate (rent/price) is 5.5%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent	Own	\$1,600 7 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
10/2018	1.7%	\$ 1,355	\$ 1,266	3 N N N N N N N N N N N N N N N N N N N
11/2018	3.8%	\$ 1,378	\$ 1,294	\$1,500 - 36, 36, 67, 63, 63, 63, 63, 63, 63, 63, 63, 63, 63
12/2018	4.2%	\$ 1,407	\$ 1,298	\$1,400 - 571 9
1/2019	4.8%	\$ 1,432	\$ 1,263	¢1.300
2/2019	5.3%	\$ 1,441	\$ 1,254	\$1,300 -
3/2019	5.8%	\$ 1,446	\$ 1,249	\$1,200 -
4/2019	6.2%	\$ 1,452	\$ 1,203	\$1,100 -
5/2019	6.6%	\$ 1,461	\$ 1,216	Rent Own Historic Cost to Own Relative to Rent
6/2019	7.0%	\$ 1,470	\$ 1,179	\$1,000
7/2019	> 7.5%	\$ 1,480	\$ 1,139	
8/2019	2 8.0%	\$ 1,491	\$ 1,140	201203,11203,11203,11203,11203,11203,11203,11203,11203,11203,11203,11203
9/2019	≥ 8.5%	\$ 1.503	\$ 1.118	у у у

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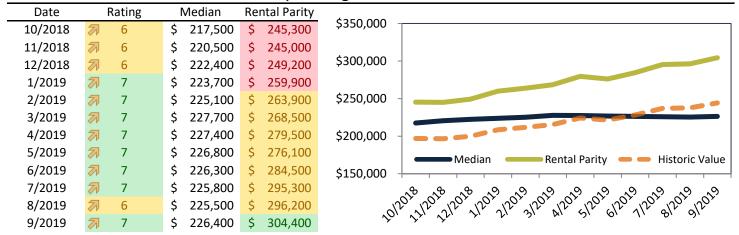
Sunrise Manor Housing Market Value & Trends Update

Historically, properties in this market sell at a -19.8% discount. Today's discount is 25.7%. This market is 5.9% undervalued. Median home price is \$226,400, and resale \$/SF is \$150/SF. Prices rose 5.3% year-over-year.

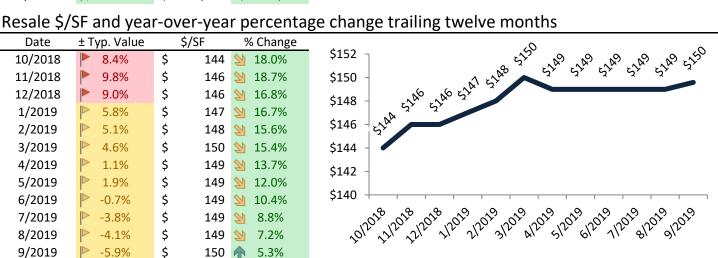
Monthly cost of ownership is \$968, and rents average \$1,302, making owning \$333 per month less costly than renting. Rents rose 7.8% year-over-year. The current capitalization rate (rent/price) is 5.5%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change		Rent	Own	\$1,500 7 2 25 25 25 26 26 26 26 26 26 26 26
10/2018	4.6%	\$	1,203	\$ 1,067	\$1,500
11/2018	4.6%	\$	1,217	\$ 1,095	\$1,300 - \$2,5, \$2, \$2, \$3, \$3, \$3, \$3, \$3, \$3, \$3, \$3, \$3, \$3
12/2018	4.8%	\$	1,235	\$ 1,102	
1/2019	5.2%	\$	1,250	\$ 1,076	\$1,100 -
2/2019	5.4%	\$	1,256	\$ 1,071	\$900 -
3/2019	5.6%	\$	1,261	\$ 1,069	\$500 ·
4/2019	5.9%	\$	1,268	\$ 1,032	\$700 -
5/2019	6.1%	\$	1,274	\$ 1,046	Rent Own Historic Cost to Own Relative to Rent
6/2019	6.4%	\$	1,280	\$ 1,018	\$500 +
7/2019	6.8%	\$	1,287	\$ 984	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
8/2019	2 7.3%	\$	1,294	\$ 985	201213 11213 11213 11213 11213 11213 11213 11213 11213 11213 11213 11213
9/2019	№ 7.8%	Ś	1.302	\$ 969	у у у

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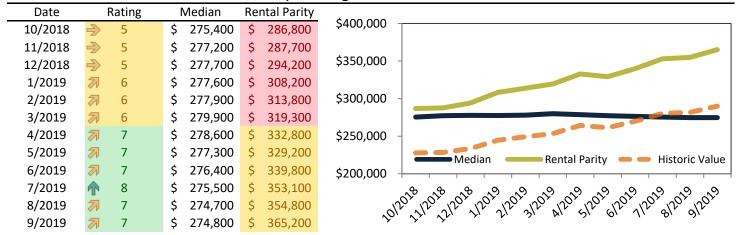
Spring Valley Housing Market Value & Trends Update

Historically, properties in this market sell at a -20.6% discount. Today's discount is 24.7%. This market is 4.1% undervalued. Median home price is \$274,800, and resale \$/SF is \$165/SF. Prices rose 2.0% year-over-year.

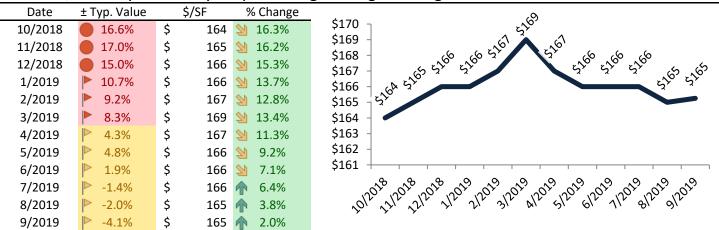
Monthly cost of ownership is \$1,175, and rents average \$1,562, making owning \$387 per month less costly than renting. Rents rose 7.8% year-over-year. The current capitalization rate (rent/price) is 5.5%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

_				_		
	Date	% Change	Rent		Own	\$1,600 7
	10/2018	3.4%	\$ 1,407	\$	1,351	10 1 10 10 10 10 10 10 10 10 10 10 10 10
	11/2018	3.6%	\$ 1,429	\$	1,377	\$1,500 - 27 1, 2, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3,
	12/2018	4.1%	\$ 1,458	\$	1,376	\$1,400 -
	1/2019	4.6%	\$ 1,482	\$	1,335	
	2/2019	5.0%	\$ 1,493	\$	1,322	\$1,300 -
	3/2019	5.4%	\$ 1,500	\$	1,315	\$1,200 -
	4/2019	5.7%	\$ 1,510	\$	1,264	\$1,100
	5/2019	6.0%	\$ 1,519	\$	1,279	Rent Own Historic Cost to Own Relative to Rent
	6/2019	6.4%	\$ 1,529	\$	1,243	\$1,000
	7/2019	6.9%	\$ 1,539	\$	1,201	0° 0° 0° 0° 0° 0° 0° 0° 0° 0° 0° 0° 0° 0
	8/2019	2 7.3%	\$ 1,550	\$	1,200	201013110131101311013110131101311013110
	9/2019	№ 7.8%	\$ 1,563	\$	1,176	y y y

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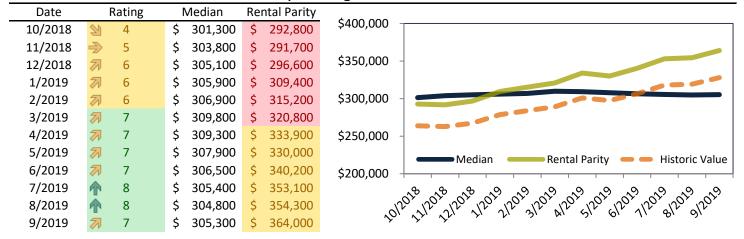
Enterprise Housing Market Value & Trends Update

Historically, properties in this market sell at a -9.9% discount. Today's discount is 16.1%. This market is 6.2% undervalued. Median home price is \$305,300, and resale \$/SF is \$165/SF. Prices rose 2.0% year-over-year.

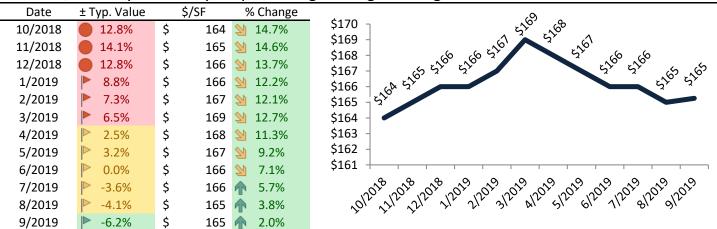
Monthly cost of ownership is \$1,306, and rents average \$1,557, making owning \$251 per month less costly than renting. Rents rose 7.4% year-over-year. The current capitalization rate (rent/price) is 4.9%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

_						
	Date	% Change	Rent		Own	\$1,600
	10/2018	1.9%	\$ 1,43	6 \$	1,478	\$1,600
	11/2018	1 2.0%	\$ 1,44	19 \$	1,509	\$1,200 - \$2, \$3, \$3, \$3, \$3, \$3, \$3, \$3, \$3, \$3, \$3
	12/2018	1 2.5%	\$ 1,47	'0 \$	1,512	\$1,400 -
	1/2019	3.1%	\$ 1,48	88 \$	1,471	Ć4 200
	2/2019	3.8%	\$ 1,50	00 \$	1,460	\$1,300 -
	3/2019	4.3%	\$ 1,50)7 \$	1,455	\$1,200 -
	4/2019	4.7%	\$ 1,51	.5 \$	1,403	\$1,100 -
	5/2019	5.2%	\$ 1,52	23 \$	1,420	Rent Own Historic Cost to Own Relative to Rent
	6/2019	5.7%	\$ 1,53	31 \$	1,379	\$1,000
	7/2019	6.3%	\$ 1,53	9 \$	1,331	90, 90, 90, 90, 90, 90, 90, 90, 90, 90,
	8/2019	6.8%	\$ 1,54	18 \$	1,332	201023110231102311023110231102311023110
	9/2019	№ 7.4%	\$ 1.55	8 \$	1,306	у у у

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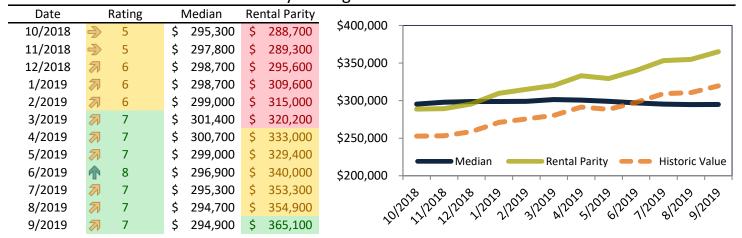
Lone Mountain Housing Market Value & Trends Update

Historically, properties in this market sell at a -12.5% discount. Today's discount is 19.3%. This market is 6.8% undervalued. Median home price is \$294,900, and resale \$/SF is \$162/SF. Prices rose 2.0% year-over-year.

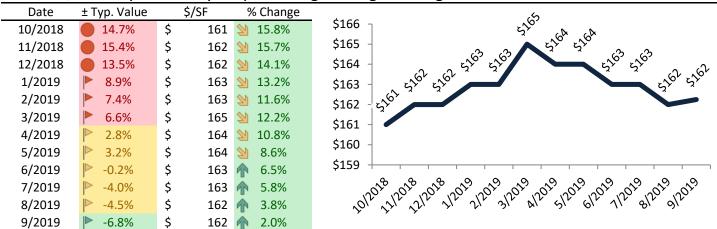
Monthly cost of ownership is \$1,261, and rents average \$1,562, making owning \$300 per month less costly than renting. Rents rose 8.7% year-over-year. The current capitalization rate (rent/price) is 5.1%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent	Own	\$1,600 7 7 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8
10/2018	1 2.0%	\$ 1,416	\$ 1,448	8/2
11/2018	1 2.3%	\$ 1,437	\$ 1,479	\$1,500 50, 50, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3,
12/2018	3.0%	\$ 1,465	\$ 1,480	\$1,400 -
1/2019	3.9%	\$ 1,489	\$ 1,436	¢1.300
2/2019	4.6%	\$ 1,499	\$ 1,423	\$1,300 -
3/2019	5.2%	\$ 1,504	\$ 1,415	\$1,200 -
4/2019	5.8%	\$ 1,511	\$ 1,364	\$1,100 -
5/2019	6.4%	\$ 1,520	\$ 1,379	Rent Own Historic Cost to Own Relative to Rent
6/2019	6.9%	\$ 1,530	\$ 1,336	\$1,000
7/2019	> 7.4%	\$ 1,540	\$ 1,287	201023120231202312023120231202312023120
8/2019	2 8.0%	\$ 1,551	\$ 1,288	2012 3112 31213 11213 11213 11213 11213 11213 11213 11213 11213
9/2019	2 8.7%	\$ 1,562	\$ 1,262	, , ,

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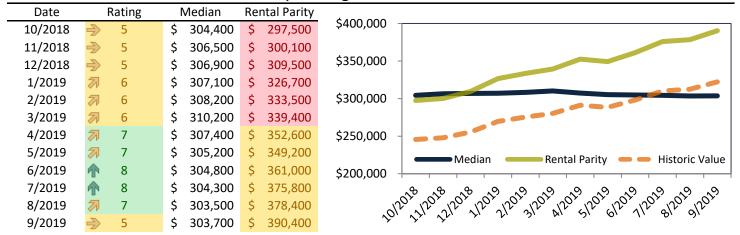
Green Valley North Housing Market Value & Trends Update

Historically, properties in this market sell at a -17.4% discount. Today's discount is 22.2%. This market is 4.8% undervalued. Median home price is \$303,700, and resale \$/SF is \$168/SF. Prices rose 2.0% year-over-year.

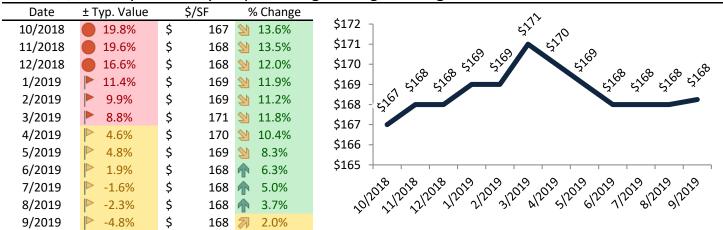
Monthly cost of ownership is \$1,299, and rents average \$1,670, making owning \$371 per month less costly than renting. Rents rose 7.9% year-over-year. The current capitalization rate (rent/price) is 5.3%.

Market rating = 5

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent	Own	\$1,800 93 \$1,700 22 \$1,600 21 \$1,500
10/2018	1 2.4%	\$ 1,459	\$ 1,4	93 \$1,800 31,700 32,53° 25
11/2018	1 2.5%	\$ 1,491	\$ 1,5	22 \$1,600 - 1,55,75,75,75,75
12/2018	3.0%	\$ 1,534	\$ 1,5	21 \$1,500 \$\frac{1}{2}\$
1/2019	3.6%	\$ 1,571	\$ 1,4	77 \$1,300
2/2019	4.2%	\$ 1,587	\$ 1,4	\$1,400 -
3/2019	4.7%	\$ 1,594	\$ 1,4	
4/2019	5.3%	\$ 1,600	\$ 1,3	
5/2019	5.8%	\$ 1,611	\$ 1,4	08 \$1,100 Rent Own Historic Cost to Own Relative to Rent
6/2019	6.3%	\$ 1,624	\$ 1,3	71 \$1,000 +
7/2019	6.8%	\$ 1,638	\$ 1,3	26
8/2019	№ 7.3%	\$ 1,654	\$ 1,3	26 ,012 1,12
9/2019	> 7.9%	\$ 1,671	\$ 1,2	

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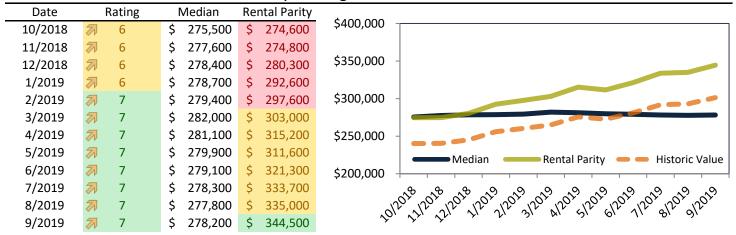
North Cheyenne Housing Market Value & Trends Update

Historically, properties in this market sell at a -12.5% discount. Today's discount is 19.2%. This market is 6.7% undervalued. Median home price is \$278,200, and resale \$/SF is \$165/SF. Prices rose 2.7% year-over-year.

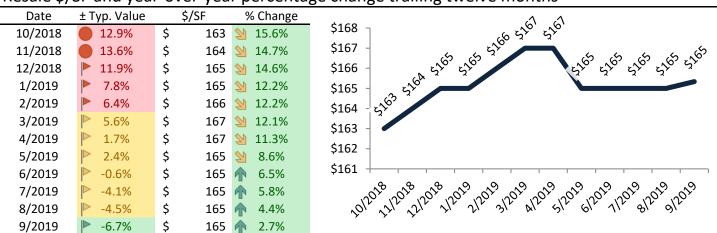
Monthly cost of ownership is \$1,190, and rents average \$1,474, making owning \$283 per month less costly than renting. Rents rose 9.1% year-over-year. The current capitalization rate (rent/price) is 5.1%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	F	Rent		Own	\$1,500 7 6 6 6 5 6 6 6
10/2018	1.4%	\$	1,347	\$	1,351	361 30 531 531 531 531 531 531 531 531 531
11/2018	3.5%	\$	1,365	\$	1,379	\$1,400 \$7, \$2, 4 4 4 4 4
12/2018	4.0%	\$	1,389	\$	1,380	
1/2019	4.8%	\$	1,407	\$	1,340	\$1,300 -
2/2019	5.5%	\$	1,416	\$	1,329	\$1,200 -
3/2019	6.0%	\$	1,423	\$	1,324	\$1,200
4/2019	6.4%	\$	1,430	\$	1,275	\$1,100
5/2019	6.9%	\$	1,438	\$	1,291	Rent Own Historic Cost to Own Relative to Rent
6/2019	2 7.4%	\$	1,446	\$	1,256	\$1,000
7/2019	2 7.9%	\$	1,455	\$	1,213	02 02 02 02 02 02 02 02 02 02 02 02 02 0
8/2019	2 8.5%	\$	1,464	\$	1,214	Johang Thang
9/2019	9.1%	Ś	1.474	Ś	1.190	у у у

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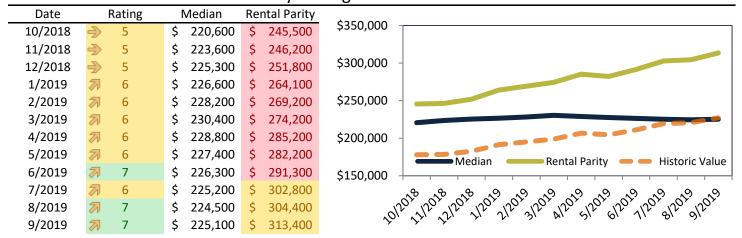
Charleston Heights Housing Market Value & Trends Update

Historically, properties in this market sell at a -27.5% discount. Today's discount is 28.1%. This market is 0.6% undervalued. Median home price is \$225,100, and resale \$/SF is \$154/SF. Prices rose 4.4% year-over-year.

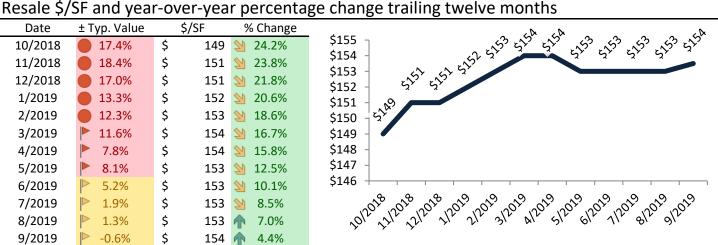
Monthly cost of ownership is \$963, and rents average \$1,340, making owning \$377 per month less costly than renting. Rents rose 8.0% year-over-year. The current capitalization rate (rent/price) is 5.7%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

			<u> </u>	
Date	% Change	Rent	Own	\$1,500 7 23 28 30 28 28 29 20 35 35 30 35 38
10/2018	5.8%	\$ 1,204	\$ 1,082	\$1,500
11/2018	5.9%	\$ 1,223	\$ 1,111	\$1,300 - \$25, \$25, \$3
12/2018	6.1%	\$ 1,248	\$ 1,116	
1/2019	6.6%	\$ 1,270	\$ 1,090	\$1,100 -
2/2019	6.7%	\$ 1,281	\$ 1,086	\$900 -
3/2019	6.7%	\$ 1,288	\$ 1,082	3300
4/2019	6.8%	\$ 1,294	\$ 1,038	\$700 -
5/2019	6.9%	\$ 1,302	\$ 1,049	Rent Own Historic Cost to Own Relative to Rent
6/2019	7.0%	\$ 1,311	\$ 1,018	\$500
7/2019	> 7.2%	\$ 1,320	\$ 981	8° 8° 8° 8° 8° 8° 8° 8° 8° 8° 8° 8° 8° 8
8/2019	> 7.5%	\$ 1,330	\$ 981	201203112031120311203112031120311203112
9/2019	% 8.0%	\$ 1,341	\$ 963	ууу

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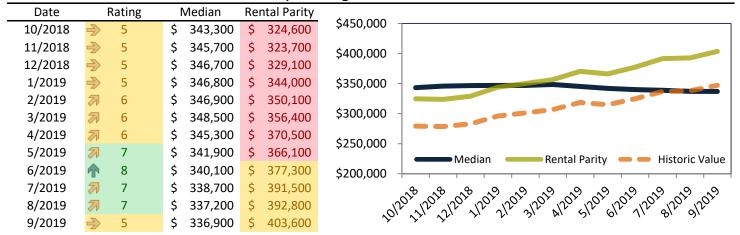
The Lakes Housing Market Value & Trends Update

Historically, properties in this market sell at a -14.0% discount. Today's discount is 16.5%. This market is 2.5% undervalued. Median home price is \$336,900, and resale \$/SF is \$175/SF. Prices rose 1.9% year-over-year.

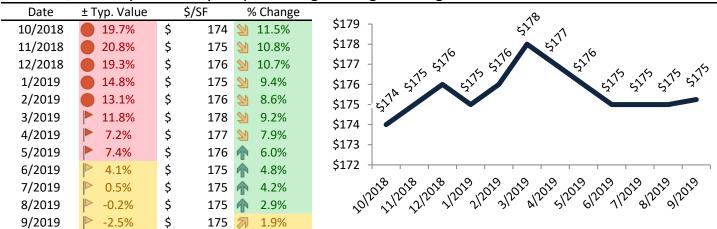
Monthly cost of ownership is \$1,441, and rents average \$1,727, making owning \$285 per month less costly than renting. Rents rose 8.3% year-over-year. The current capitalization rate (rent/price) is 4.9%.

Market rating = 5

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent	Own	\$1,800 7 22 32 32 34 66 24 65 68 68 26 27 27
10/2018	1.0%	\$ 1,592	\$ 1,684	\$1,800 30 60 60 60 60 60 60 60 60 60 60 70 70 70
11/2018	3.1%	\$ 1,608	\$ 1,717	\$1,600
12/2018	3.6%	\$ 1,631	\$ 1,718	\$1,500 -
1/2019	4.3%	\$ 1,654	\$ 1,667	
2/2019	4.9%	\$ 1,666	\$ 1,650	\$1,400
3/2019	5.4%	\$ 1,674	\$ 1,637	\$1,300
4/2019	5.8%	\$ 1,681	\$ 1,566	\$1,200 -
5/2019	6.2%	\$ 1,689	\$ 1,577	\$1,100 - Rent Own Historic Cost to Own Relative to Rent
6/2019	6.7%	\$ 1,698	\$ 1,530	\$1,000 +
7/2019	> 7.1%	\$ 1,707	\$ 1,476	LOLOGE THOSE
8/2019	> 7.7%	\$ 1,717	\$ 1,473	Johan Than Than Than Than Than Than Than T
9/2019	2 8.3%	\$ 1,727	\$ 1,441	, , ,

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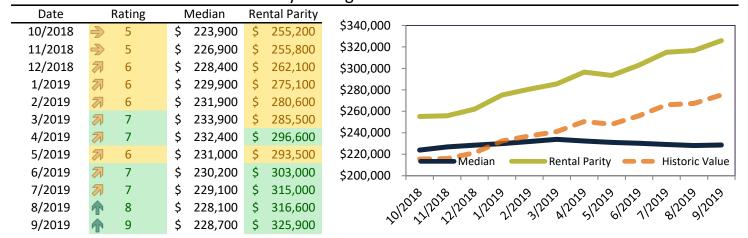
Winchester Housing Market Value & Trends Update

Historically, properties in this market sell at a -15.5% discount. Today's discount is 29.8%. This market is 14.3% undervalued. Median home price is \$228,700, and resale \$/SF is \$148/SF. Prices rose 4.6% year-over-year.

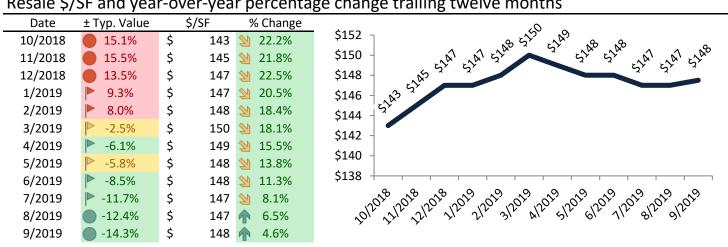
Monthly cost of ownership is \$978, and rents average \$1,394, making owning \$416 per month less costly than renting. Rents rose 9.9% year-over-year. The current capitalization rate (rent/price) is 5.9%.

Market rating = 9

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent	(Own	\$1,500 7 92 92 95 95 95 95 95 95
10/2018	3.5%	\$ 1,252	\$	1,098	
11/2018	3.6%	\$ 1,271	\$	1,127	57, 57, 3
12/2018	1.9%	\$ 1,299	\$	1,132	\$1,300
1/2019	4.5%	\$ 1,323	\$	1,105	\$1,200 -
2/2019	4.9%	\$ 1,335	\$	1,103	\$1,100 -
3/2019	6.2%	\$ 1,341	\$	1,098	\$1,000 -
4/2019	6.7%	\$ 1,346	\$	1,054	
5/2019	2 7.3%	\$ 1,354	\$	1,066	\$900 - Rent Own Historic Cost to Own Relative to Rent
6/2019	2 7.8%	\$ 1,363	\$	1,036	\$800
7/2019	2 8.4%	\$ 1,373	\$	998	
8/2019	9.0%	\$ 1,383	\$	997	201203212032120321202312023120231202312
9/2019	9 .9%	\$ 1,395	\$	978	у у у

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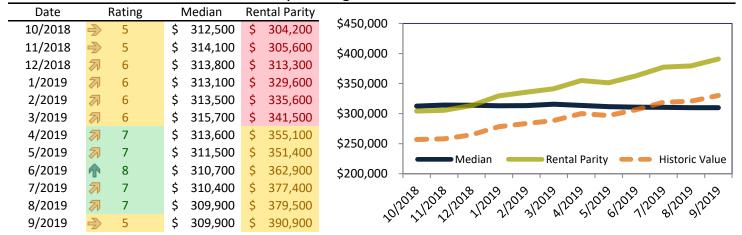
Green Valley South Housing Market Value & Trends Update

Historically, properties in this market sell at a -15.5% discount. Today's discount is 20.7%. This market is 5.2% undervalued. Median home price is \$309,900, and resale \$/SF is \$172/SF. Prices rose 1.9% year-over-year.

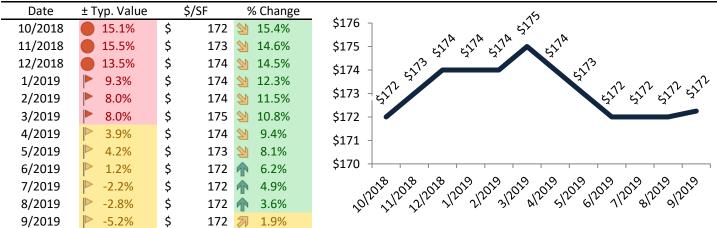
Monthly cost of ownership is \$1,325, and rents average \$1,672, making owning \$346 per month less costly than renting. Rents rose 8.4% year-over-year. The current capitalization rate (rent/price) is 5.2%.

Market rating = 5

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

			 	0 0
Date	% Change	Rent	Own	\$1,800 7 5 5 5 5 5 5
10/2018	1 3.5%	\$ 1,492	\$ 1,533	\$1,800
11/2018	1.6%	\$ 1,518	\$ 1,560	\$1,600 57, 57, 57, 57
12/2018	1.9%	\$ 1,553	\$ 1,555	\$1,500
1/2019	4.5%	\$ 1,585	\$ 1,505	
2/2019	4.9%	\$ 1,597	\$ 1,492	\$1,400 -
3/2019	5.5%	\$ 1,604	\$ 1,483	\$1,300 -
4/2019	5.8%	\$ 1,611	\$ 1,423	\$1,200 -
5/2019	6.3%	\$ 1,621	\$ 1,437	\$1,100 - Rent Own Historic Cost to Own Relative to Rent
6/2019	6.7%	\$ 1,633	\$ 1,398	\$1,000
7/2019	2 7.3%	\$ 1,645	\$ 1,353	02 02 02 03 03 03 03 03 03 03 03 03 03 03 03 03
8/2019	> 7.9%	\$ 1,658	\$ 1,354	1010 3 110 3 110 3 110 3 120 3
9/2019	8.4%	\$ 1,673	\$ 1,326	у у у

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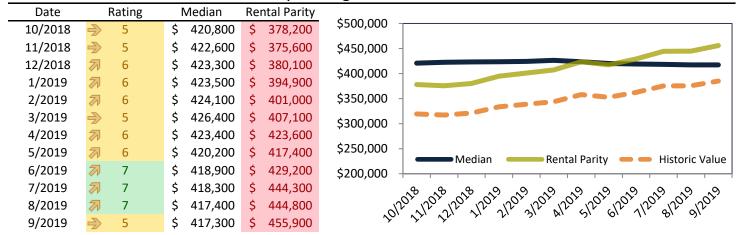


Historically, properties in this market sell at a -15.5% discount. Today's discount is 8.4%. This market is 7.1% overvalued. Median home price is \$417,300, and resale \$/SF is \$210/SF. Prices rose 1.6% year-over-year.

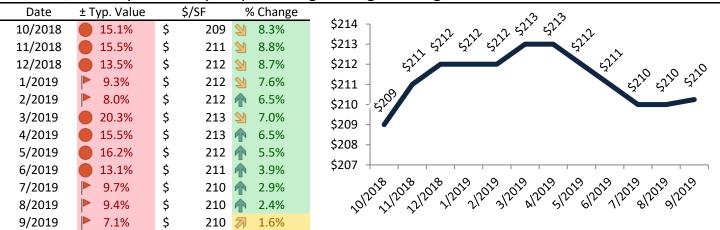
Monthly cost of ownership is \$1,785, and rents average \$1,950, making owning \$165 per month less costly than renting. Rents rose 6.6% year-over-year. The current capitalization rate (rent/price) is 4.5%.

Market rating = 5

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent		Own	\$2,200 7 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6
10/2018	1.5%	\$ 1,855	\$	2,064	
11/2018	3.6%	\$ 1,866	\$	2,099	\$5,000 \$7, \$7, \$7, \$7, \$7, \$7, \$7, \$7, \$7, \$7,
12/2018	3.9%	\$ 1,884	\$	2,098	\$1,800 -
1/2019	4.5%	\$ 1,899	\$	2,036	
2/2019	4.9%	\$ 1,908	\$	2,018	\$1,600 -
3/2019	4.7%	\$ 1,912	\$	2,003	\$1,400 -
4/2019	4.9%	\$ 1,922	\$	1,921	\$1,200
5/2019	4.9%	\$ 1,926	\$	1,939	Rent Own Historic Cost to Own Relative to Rent
6/2019	5.2%	\$ 1,931	\$	1,884	\$1,000
7/2019	5.6%	\$ 1,937	\$	1,823	0° 0° 0° 0° 0° 0° 0° 0° 0° 0° 0° 0°
8/2019	6.1%	\$ 1,943	\$	1,824	201213 11213 11213 11213 11213 11213 11213 11213 11213 11213 11213 11213
9/2019	6.6%	\$ 1.951	Ś	1.785	у у у

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Westgate Housing Market Value & Trends Update

Historically, properties in this market sell at a -15.5% discount. Today's discount is 16.7%. This market is 1.2% undervalued. Median home price is \$385,700, and resale \$/SF is \$179/SF. Prices rose 1.8% year-over-year.

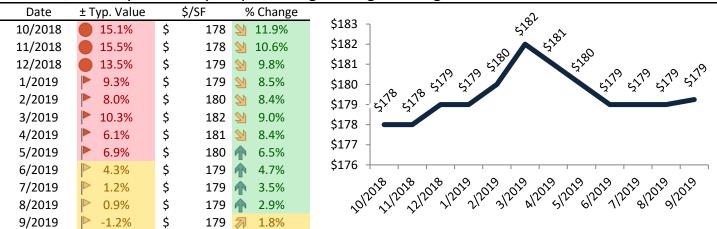
Monthly cost of ownership is \$1,650, and rents average \$1,982, making owning \$332 per month less costly than renting. Rents rose 7.0% year-over-year. The current capitalization rate (rent/price) is 4.9%.

Market rating = 5

Median Home Price and Rental Parity trailing twelve months

Date		Rating Median		Rental Parity		4500.000		
10/2018	=>	5	\$	383,400	\$	376,800	\$500,000	
11/2018	\Rightarrow	5	\$	384,800	\$	375,800	\$450,000	
12/2018	A	6	\$	384,800	\$	382,000	\$400,000	
1/2019	团	6	\$	384,700	\$	398,200	\$400,000	
2/2019	网	6	\$	385,900	\$	404,600	\$350,000 -	
3/2019	网	6	\$	389,300	\$	410,900	\$300,000	
4/2019	A	7	\$	387,300	\$	427,600		
5/2019	1	8	\$	385,600	\$	421,900	\$250,000	Median Rental Parity Historic Value
6/2019	1	8	\$	385,600	\$	434,400	\$200,000	- Nicolar arty - Mistoric value
7/2019	1	8	\$	385,700	\$	450,300		,
8/2019	1	8	\$	385,400	\$	451,300	7/2	23,120,21,20,2,120,3,120,3,120,8,120,8,120,8,120,9,120,9,120,9,120,9,120,9,120,9,120,9,120,9,120,9,120,9,120,9
9/2019	\Rightarrow	5	\$	385,700	\$	463,400	<i>\$</i> 0,	22. 20. 21. 11. 21. 11. 11. 11. 11. 11. 11. 11

Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent	Own	\$2,200 7 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6
10/2018	3.5%	\$ 1,848	\$ 1,880	
11/2018	1.6%	\$ 1,867	\$ 1,911	\$2,000 87, 87, 87, 3 3 3 3 3 3 3 3 3 3
12/2018	3.9%	\$ 1,893	\$ 1,907	\$1,800 -
1/2019	4.5%	\$ 1,915	\$ 1,850	¢1.000
2/2019	4.9%	\$ 1,925	\$ 1,836	\$1,600 -
3/2019	5.1%	\$ 1,930	\$ 1,828	\$1,400 -
4/2019	5.3%	\$ 1,940	\$ 1,757	\$1,200 -
5/2019	5.4%	\$ 1,947	\$ 1,779	Rent Own Historic Cost to Own Relative to Rent
6/2019	5.7%	\$ 1,954	\$ 1,735	\$1,000
7/2019	6.1%	\$ 1,963	\$ 1,681	~01013,12013,12013,12013,12013,12013,12013,12013,12013,12013,12013
8/2019	6.6%	\$ 1,972	\$ 1,684	201203212032120321203212033120331203312
9/2019	2 7.0%	\$ 1,983	\$ 1,650	, , ,

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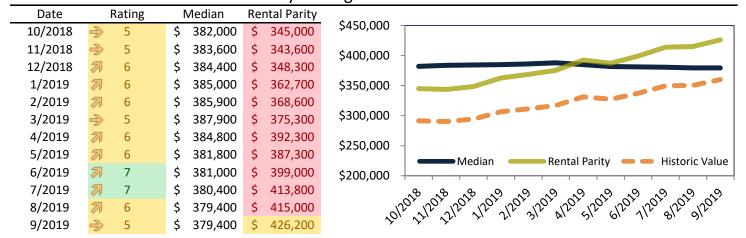
Green Valley Ranch Housing Market Value & Trends Update

Historically, properties in this market sell at a -15.5% discount. Today's discount is 10.9%. This market is 4.6% overvalued. Median home price is \$379,400, and resale \$/SF is \$187/SF. Prices rose 0.6% year-over-year.

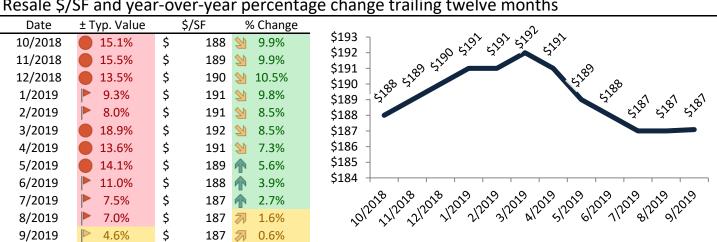
Monthly cost of ownership is \$1,623, and rents average \$1,823, making owning \$200 per month less costly than renting. Rents rose 7.5% year-over-year. The current capitalization rate (rent/price) is 4.6%.

Market rating = 5

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	%	6 Change		Rent		Own	\$2,000 7 7 70 10 10 10 10 10 10 10 10 10 10 10 10 10
10/2018	3	3.5%	\$	1,692	\$	1,873	\$2,000
11/2018	3	3.6%	\$	1,707	\$	1,905	\$1,800 \$7, \$7, \$7
12/2018	3	3.9%	\$	1,726	\$	1,905	
1/2019	1	4.5%	\$	1,744	\$	1,851	\$1,600 -
2/2019	1	4.9%	\$	1,754	\$	1,836	\$1,400 -
3/2019	1	4.9%	\$	1,763	\$	1,822	\$1,400
4/2019		5.3%	\$	1,780	\$	1,746	\$1,200
5/2019		5.6%	\$	1,787	\$	1,761	Rent Own Historic Cost to Own Relative to Rent
6/2019		6.0%	\$	1,795	\$	1,714	\$1,000
7/2019	1	6.4%	\$	1,804	\$	1,658	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
8/2019	1	7.0%	\$	1,813	\$	1,658	2012131121311213112131213121312131213121
9/2019	2	7.5%	Ś	1.824	Ś	1.623	y y y

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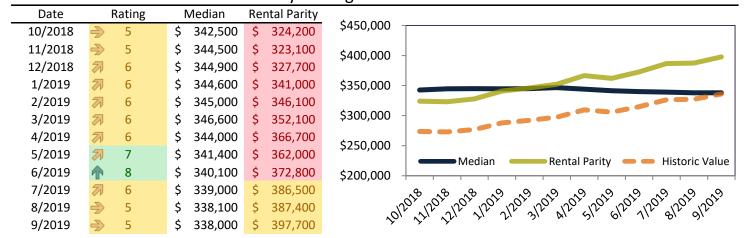
MacDonald Ranch Housing Market Value & Trends Update

Historically, properties in this market sell at a -15.5% discount. Today's discount is 15.0%. This market is 0.5% overvalued. Median home price is \$338,000, and resale \$/SF is \$205/SF. Prices fell 0.5% year-over-year.

Monthly cost of ownership is \$1,446, and rents average \$1,701, making owning \$255 per month less costly than renting. Rents rose 7.6% year-over-year. The current capitalization rate (rent/price) is 4.8%.

Market rating = 5

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months

					0 0	
Date	±Τ	yp. Value	\$/SF	% Change	0, 0	
10/2018		15.1%	\$ 209	13.6%	\$211 \$210] \$7 ⁰⁹ \$7 ¹⁰ \$7 ⁰⁹ \$7 ⁰⁹ \$7 ⁰⁹	
11/2018		15.5%	\$ 210	13.5%	\$210 - 51 51 51 51 51 50 51	
12/2018		13.5%	\$ 210	12.9%	Ψ=00	
1/2019		9.3%	\$ 209	10.6%		
2/2019		8.0%	\$ 209	2 8.9%	\$207 - \$206 -	
3/2019		14.0%	\$ 209	2 8.3%	\$205 -	
4/2019		9.3%	\$ 208	2 7.2%	\$204 -	
5/2019		9.8%	\$ 206	4.6%	\$203 -	
6/2019		6.8%	\$ 206	1 3.5%	\$202	
7/2019		3.2%	\$ 205	2.0%	2012231223122312231223122312231223122312	
8/2019		2.8%	\$ 205	7 1.0%	John Jin Jin Jin Jin Jin Jin All All All All All All	
9/2019		0.5%	\$ 205	- 0.5%		

Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent	Own	\$1,800 7 8 8 1,800 7 8 8 8 8 8 8 8 8 8 8
10/2018	3.5%	\$ 1,590	\$ 1,680	\$1,800 30 65 64 60 61 64 64 60 61 65 63 70
11/2018	1.6%	\$ 1,605	\$ 1,711	\$1,600
12/2018	3.9%	\$ 1,624	\$ 1,709	\$1,500 -
1/2019	4.5%	\$ 1,640	\$ 1,657	
2/2019	4.9%	\$ 1,647	\$ 1,641	\$1,400
3/2019	5.3%	\$ 1,654	\$ 1,628	\$1,300 -
4/2019	5.6%	\$ 1,664	\$ 1,561	\$1,200 -
5/2019	5.9%	\$ 1,670	\$ 1,575	\$1,100 - Rent Own Historic Cost to Own Relative to Rent
6/2019	6.2%	\$ 1,677	\$ 1,530	\$1,000
7/2019	6.6%	\$ 1,685	\$ 1,477	201203,11203,11203,11203,11203,11203,11203,11203,11203,11203,11203,11203
8/2019	> 7.1%	\$ 1,693	\$ 1,477	201203,11203,11203,11203,11203,11203,11203,11203,11203,11203,11203,11203
9/2019	2 7.6%	\$ 1,702	\$ 1,446	у у у

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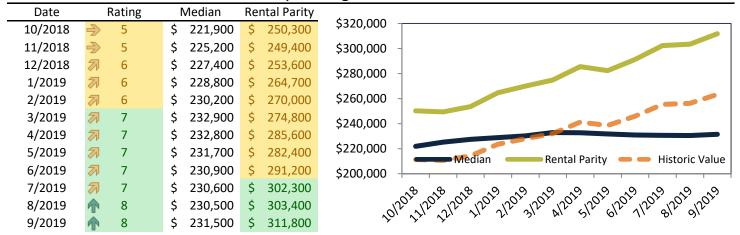


Historically, properties in this market sell at a -15.5% discount. Today's discount is 25.7%. This market is 10.2% undervalued. Median home price is \$231,500, and resale \$/SF is \$160/SF. Prices rose 5.0% year-over-year.

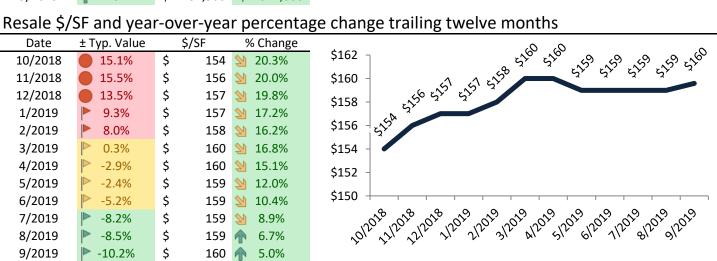
Monthly cost of ownership is \$990, and rents average \$1,334, making owning \$343 per month less costly than renting. Rents rose 8.9% year-over-year. The current capitalization rate (rent/price) is 5.5%.

Market rating = 8

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

					<u> </u>
Date	% Change	R	lent	Own	\$1,500 7 6 60 60 60 60 60 60 60 60
10/2018	1 3.5%	\$	1,228	\$ 1,088	\$1,500
11/2018	3.6%	\$	1,239	\$ 1,119	\$1,300
12/2018	3.9%	\$	1,257	\$ 1,127	
1/2019	4.5%	\$	1,273	\$ 1,100	\$1,100 -
2/2019	4.9%	\$	1,285	\$ 1,095	\$900 -
3/2019	5.5%	\$	1,291	\$ 1,094	\$300 -
4/2019	5.8%	\$	1,296	\$ 1,056	\$700 -
5/2019	6.4%	\$	1,303	\$ 1,069	Rent Own Historic Cost to Own Relative to Rent
6/2019	7.0%	\$	1,310	\$ 1,039	\$500 +
7/2019	2 7.6%	\$	1,318	\$ 1,005	02 02 02 02 02 02 02 02 02 02 02 02 02 0
8/2019	2 8.2%	\$	1,326	\$ 1,007	201203,11503,1203,1203,1203,1203,1203,1203,1203,12
9/2019	№ 8.9%	\$	1.334	\$ 990	у у у

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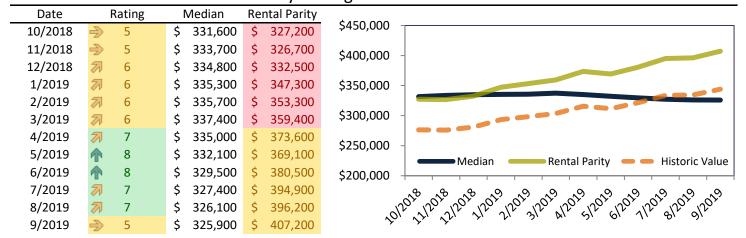


Historically, properties in this market sell at a -15.5% discount. Today's discount is 19.9%. This market is 4.4% undervalued. Median home price is \$325,900, and resale \$/SF is \$168/SF. Prices rose 1.3% year-over-year.

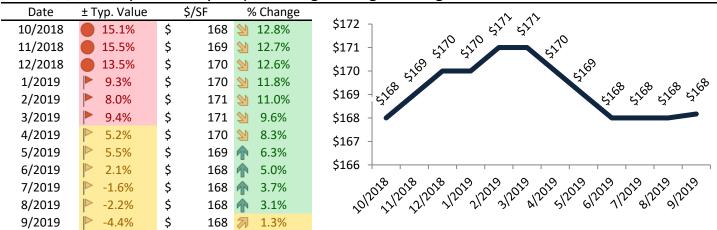
Monthly cost of ownership is \$1,394, and rents average \$1,742, making owning \$348 per month less costly than renting. Rents rose 9.0% year-over-year. The current capitalization rate (rent/price) is 5.1%.

Market rating = 5

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

			<u> </u>	, ,
Date	% Change	Rent	Own	. \$1,800 ¬ & A & A & A A A A A A
10/2018	1 3.5%	\$ 1,605	\$ 1,626	- \$1,800 (からう (からい (からい (からい (からい (からい (からい (からい (からい
11/2018	1.6%	\$ 1,623	\$ 1,657	\$1,600
12/2018	1.9%	\$ 1,648	\$ 1,659	
1/2019	4.5%	\$ 1,670	\$ 1,612	\$1,500
2/2019	4.9%	\$ 1,681	\$ 1,597	\$1,400
3/2019	5.3%	\$ 1,688	\$ 1,585	\$1,300 -
4/2019	5.6%	\$ 1,695	\$ 1,520	\$1,200 -
5/2019	6.2%	\$ 1,703	\$ 1,532	\$1,100 - Rent Own Historic Cost to Own Relative to Rent
6/2019	6.9%	\$ 1,712	\$ 1,482	\$1,000
7/2019	7.5%	\$ 1,721	\$ 1,427	8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8
8/2019	≥ 8.2%	\$ 1,731	\$ 1,425	Polaty laty laty laty laty laty laty laty
9/2019	9.0%	\$ 1,742	\$ 1,394	у у у

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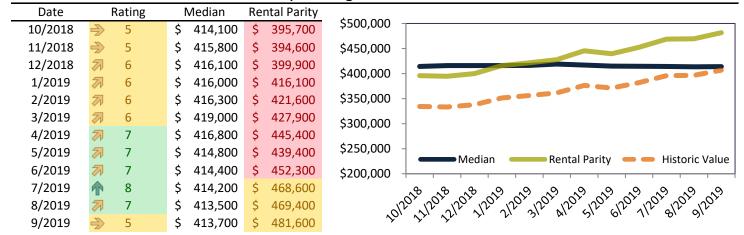


Historically, properties in this market sell at a -15.5% discount. Today's discount is 14.1%. This market is 1.4% overvalued. Median home price is \$413,700, and resale \$/SF is \$198/SF. Prices rose 1.1% year-over-year.

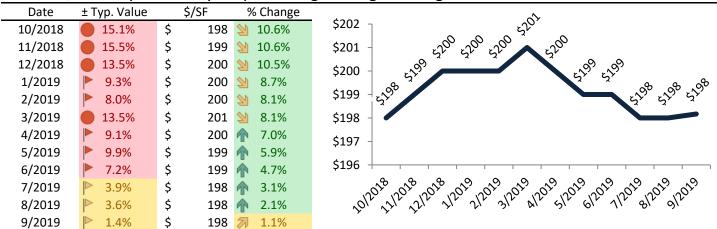
Monthly cost of ownership is \$1,770, and rents average \$2,060, making owning \$290 per month less costly than renting. Rents rose 8.1% year-over-year. The current capitalization rate (rent/price) is 4.8%.

Market rating = 5

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent		Own	\$2,200 7 6 6 6 6 6 6 6 6
10/2018	1 3.5%	\$ 1,94	1 \$	2,031	
11/2018	3.6%	\$ 1,96	0 \$	2,065	\$2,000 - 3 - 3 - 3 - 3 - 3 - 3 - 3
12/2018	1.9%	\$ 1,98	2 \$	2,062	\$1,800 -
1/2019	4.5%	\$ 2,00	1 \$	2,000	¢4.000
2/2019	4.9%	\$ 2,00	6 \$	1,981	\$1,600 -
3/2019	4.8%	\$ 2,01	0 \$	1,968	\$1,400 -
4/2019	5.0%	\$ 2,02	1 \$	1,891	\$1,200
5/2019	5.5%	\$ 2,02	8 \$	1,914	Rent Own Historic Cost to Own Relative to Rent
6/2019	6.2%	\$ 2,03	5 \$	1,864	\$1,000
7/2019	6.8%	\$ 2,04	3 \$	1,805	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
8/2019	2 7.4%	\$ 2,05	1 \$	1,807	201213 11213 11213 11213 11213 11213 11213 11213 11213 11213 11213 11213
9/2019	№ 8.1%	\$ 2.06	1 \$	1,770	y y y

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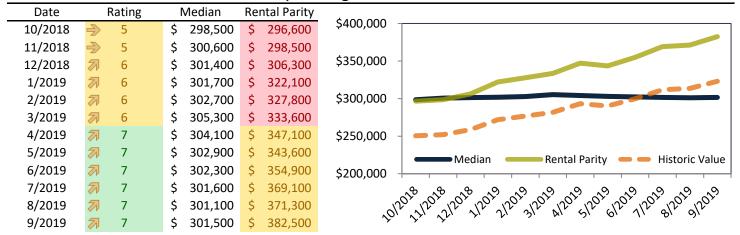


Historically, properties in this market sell at a -15.5% discount. Today's discount is 21.1%. This market is 5.6% undervalued. Median home price is \$301,500, and resale \$/SF is \$178/SF. Prices rose 2.5% year-over-year.

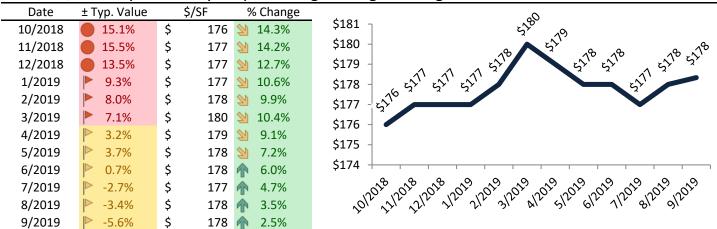
Monthly cost of ownership is \$1,289, and rents average \$1,636, making owning \$346 per month less costly than renting. Rents rose 9.8% year-over-year. The current capitalization rate (rent/price) is 5.2%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

				<u> </u>
Date	% Change	Rent	Own	\$1,700 7
10/2018	3.5%	\$ 1,455	\$ 1,464	
11/2018	3.6%	\$ 1,483	\$ 1,493	\$7. 3'
12/2018	3.9%	\$ 1,518	\$ 1,494	\$1,500
1/2019	4.5%	\$ 1,549	\$ 1,451	\$1,400 -
2/2019	4.9%	\$ 1,560	\$ 1,440	\$1,300 -
3/2019	5.4%	\$ 1,567	\$ 1,434	\$1,200 -
4/2019	6.0%	\$ 1,575	\$ 1,380	
5/2019	6.6%	\$ 1,585	\$ 1,397	\$1,100 - Rent Own Historic Cost to Own Relative to Rent
6/2019	2 7.4%	\$ 1,597	\$ 1,360	\$1,000
7/2019	3 8.2%	\$ 1,609	\$ 1,314	
8/2019	9.0%	\$ 1,622	\$ 1,316	1012 12 12 12 12 12 12 12 12 12 12 12 12 1
9/2019	9.8%	\$ 1,637	\$ 1,290	у у у

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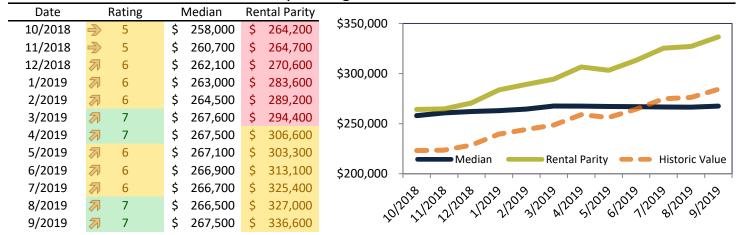


Historically, properties in this market sell at a -15.5% discount. Today's discount is 20.5%. This market is 5.0% undervalued. Median home price is \$267,500, and resale \$/SF is \$155/SF. Prices rose 4.4% year-over-year.

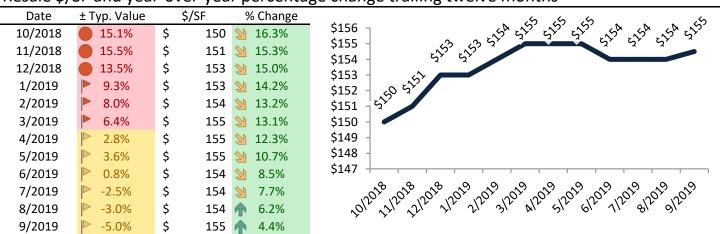
Monthly cost of ownership is \$1,144, and rents average \$1,440, making owning \$295 per month less costly than renting. Rents rose 11.4% year-over-year. The current capitalization rate (rent/price) is 5.2%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent	Own	\$1,500 7 (\$.76 .67 .97 .98 .98 .78 .78 .88
10/2018	3.5%	\$ 1,296	\$ 1,265	\$1,500
11/2018	3.6%	\$ 1,315	\$ 1,295	\$1,400 - 29, 37, 57, 57
12/2018	3.9%	\$ 1,341	\$ 1,299	5,51 3
1/2019	4.5%	\$ 1,364	\$ 1,265	\$1,300 -
2/2019	4.9%	\$ 1,376	\$ 1,258	\$1,200 -
3/2019	5.8%	\$ 1,383	\$ 1,257	\$1,200
4/2019	6.4%	\$ 1,391	\$ 1,214	\$1,100 -
5/2019	2 7.4%	\$ 1,399	\$ 1,232	Rent Own Historic Cost to Own Relative to Rent
6/2019	2 8.4%	\$ 1,409	\$ 1,201	\$1,000
7/2019	9.4%	\$ 1,418	\$ 1,162	8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8
8/2019	10.4%	\$ 1,429	\$ 1,164	2012131121311213112131213121312131213121
9/2019	№ 11.4%	\$ 1.440	\$ 1.145	у у у

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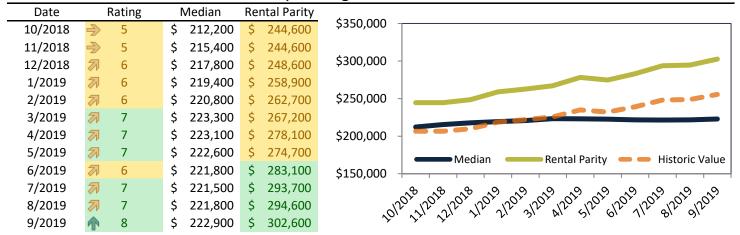


Historically, properties in this market sell at a -15.5% discount. Today's discount is 26.3%. This market is 10.8% undervalued. Median home price is \$222,900, and resale \$/SF is \$152/SF. Prices rose 5.3% year-over-year.

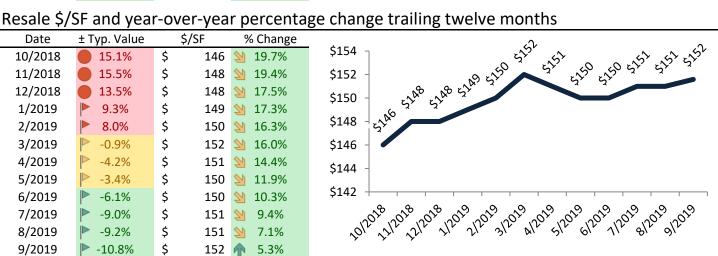
Monthly cost of ownership is \$953, and rents average \$1,294, making owning \$341 per month less costly than renting. Rents rose 9.3% year-over-year. The current capitalization rate (rent/price) is 5.6%.

Market rating = 8

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

				_		
Date	% Char	nge	Rent		Own	\$1,500 7 6 6 6 6 6 6
10/2018	1 3.5%	6 \$	1,200	\$	1,041	\$1,500
11/2018	1.6%	6 \$	1,215	\$	1,070	\$1,300 - 2, 2, 2, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3,
12/2018	1.9%	6 \$	1,232	\$	1,079	
1/2019	4.5%	6 \$	1,245	\$	1,055	\$1,100 -
2/2019	4.9%	6 \$	1,250	\$	1,050	\$900 -
3/2019	5.2 %	6 \$	1,255	\$	1,049	\$500 ·
4/2019	5.6%	6 \$	1,262	\$	1,012	\$700 -
5/2019	6.2 %	6 \$	1,268	\$	1,027	Rent Own Historic Cost to Own Relative to Rent
6/2019	> 7.1%	6 \$	1,274	\$	998	\$500
7/2019	2 7.8%	6 \$	1,280	\$	965	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
8/2019	3.6 %	6 \$	1,287	\$	969	201213-11213-11213-11213-11213-11213-11213-11213-11213-11213-11213
9/2019	9.3%	6 \$	1.295	\$	954	у у у

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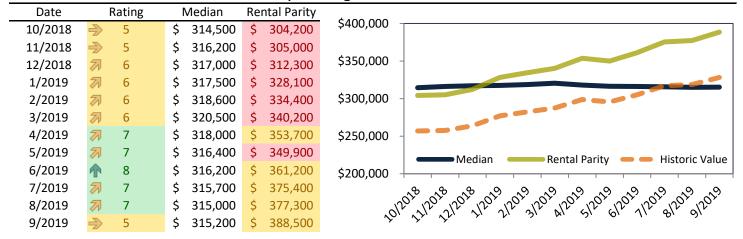


Historically, properties in this market sell at a -15.5% discount. Today's discount is 18.8%. This market is 3.3% undervalued. Median home price is \$315,200, and resale \$/SF is \$171/SF. Prices rose 1.9% year-over-year.

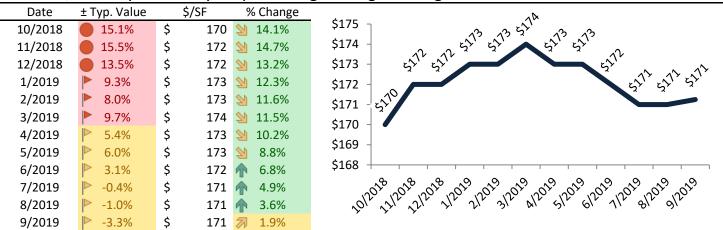
Monthly cost of ownership is \$1,348, and rents average \$1,662, making owning \$313 per month less costly than renting. Rents rose 9.2% year-over-year. The current capitalization rate (rent/price) is 5.1%.

Market rating = 5

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Cha	nge	Rent	Own	\$1,700 7 5 6 6 6 6 6 6 6 6 6 6
10/2018	3.59	% \$	1,492	\$ 1,542	8, 2, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7,
11/2018	3.69	% \$	1,515	\$ 1,571	\$1,000 Ky
12/2018	3.99	% \$	1,548	\$ 1,571	\$1,500 -
1/2019	4.59	% \$	1,578	\$ 1,527	\$1,400 -
2/2019	4.99	% \$	1,591	\$ 1,516	\$1,300 -
3/2019	5.29	% \$	1,598	\$ 1,505	\$1,200 -
4/2019	5.69	% \$	1,605	\$ 1,443	
5/2019	6.29	% \$	1,615	\$ 1,460	\$1,100 - Rent Own Historic Cost to Own Relative to Rent
6/2019	6.99	% \$	1,625	\$ 1,422	\$1,000
7/2019	2 7.69	% \$	1,636	\$ 1,376	\$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$
8/2019	21 8.49	% \$	1,649	\$ 1,376	201213 11213 11213 11213 11213 11213 11213 11213 11213 11213 11213 11213
9/2019	9.29	% \$	1.662	\$ 1,349	у у у

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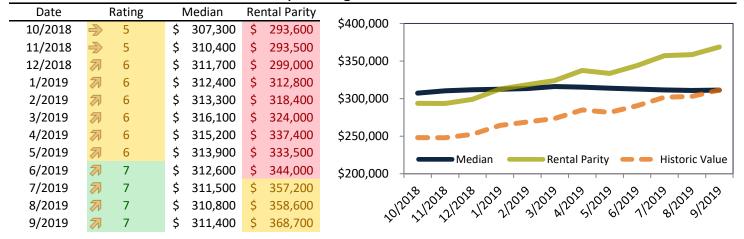


Historically, properties in this market sell at a -15.5% discount. Today's discount is 15.5%. This market is 0.0% undervalued. Median home price is \$311,400, and resale \$/SF is \$166/SF. Prices rose 2.7% year-over-year.

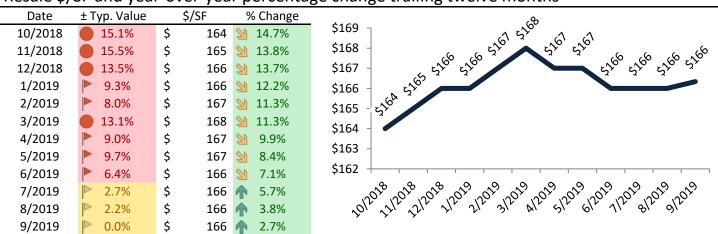
Monthly cost of ownership is \$1,332, and rents average \$1,577, making owning \$245 per month less costly than renting. Rents rose 8.5% year-over-year. The current capitalization rate (rent/price) is 4.9%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent	Own	\$1,700 7
10/2018	3.5%	\$ 1,440	\$ 1,507	2 4 47 40 42 72 72 72 72 72 72 72 72 72 72 72 72 72
11/2018	3.6%	\$ 1,458	\$ 1,542	الما الما الما الما الما الما الما الما
12/2018	3.9%	\$ 1,482	\$ 1,545	\$1,500
1/2019	4.5%	\$ 1,504	\$ 1,502	\$1,400 -
2/2019	4.9%	\$ 1,515	\$ 1,491	\$1,300 -
3/2019	5.1%	\$ 1,522	\$ 1,485	\$1,200 -
4/2019	5.3%	\$ 1,531	\$ 1,430	
5/2019	5.9%	\$ 1,539	\$ 1,448	\$1,100 - Rent Own Historic Cost to Own Relative to Rent
6/2019	6.5%	\$ 1,548	\$ 1,406	\$1,000
7/2019	3 7.2%	\$ 1,557	\$ 1,358	S S S S S S S S S S S S S S S S S
8/2019	> 7.9%	\$ 1,567	\$ 1,358	101013 11013 11013 11013 11013 11013 11013 11013 11013 11013 11013 11013 11013
9/2019	8.5%	\$ 1,578	\$ 1,332	у у у

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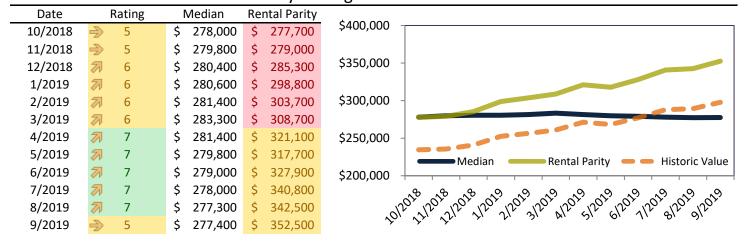


Historically, properties in this market sell at a -15.5% discount. Today's discount is 21.3%. This market is 5.8% undervalued. Median home price is \$277,400, and resale \$/SF is \$168/SF. Prices rose 1.3% year-over-year.

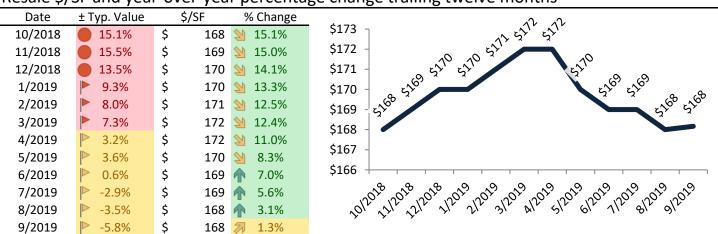
Monthly cost of ownership is \$1,186, and rents average \$1,508, making owning \$321 per month less costly than renting. Rents rose 9.5% year-over-year. The current capitalization rate (rent/price) is 5.2%.

Market rating = 5

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent	Own	\$1,600 7
10/2018	1 3.5%	\$ 1,362	\$ 1,363	
11/2018	1.6%	\$ 1,386	\$ 1,390	\$1,500 - 30 57, 28, 27, 28, 27
12/2018	3.9%	\$ 1,414	\$ 1,389	\$1,400
1/2019	4.5%	\$ 1,437	\$ 1,349	
2/2019	4.9%	\$ 1,445	\$ 1,339	\$1,300 -
3/2019	5.6%	\$ 1,450	\$ 1,330	\$1,200 -
4/2019	6.0%	\$ 1,457	\$ 1,277	\$1,100 -
5/2019	6.6%	\$ 1,466	\$ 1,291	Rent Own Historic Cost to Own Relative to Rent
6/2019	2 7.3%	\$ 1,475	\$ 1,255	\$1,000
7/2019	3 8.1%	\$ 1,486	\$ 1,212	
8/2019	2 8.8%	\$ 1,497	\$ 1,212	2012 3120 3120 3120 3120 3120 3120 3120
9/2019	9.5%	\$ 1.508	\$ 1.187	у у у

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USA Housing News Monthly Resale Market Report

USA Housing News monthly resale market report provides a clear picture of the health of the resale housing market. Builders, developers, lenders, and landowners find the information on location, valuation, and price trends, timely and relevant to their acquisition or disposition decisions. The USA Housing News report answers the most important questions to all parties: (1) Are current prices over or under valued, and (2) what direction are prices trending, up or down? Armed with better information, mangers make better decisions.

There is too much information about housing floating around the Internet, and much of it is bad or useless. It's easy to take data and create pretty charts and graphs that don't provide any information mangers might use to make a good decision. The USA Housing News eliminated the useless information and distilled the market down to three key pieces of information: (1) resale value relative to rent, (2) yearly change in resale prices, and (3) yearly changes in rents. The first establishes valuation, and the other two establish trend and momentum.

The table of contents on the second page of the USA Housing News monthly report organizes the reports by county so mangers can find the area they are most interested in. I recommend starting with the overview of the county as this provides important data on the broader real estate market.

Interpreting a USA Housing News Monthly resale market report

The first page of a county report breaks down into four parts: The news overview, Median Home Price and Rental Parity (trailing twelve months), Resale \$/SF and year-over-year percentage change (trailing twelve months), Rental rate and year-over-year percentage change (trailing twelve months).

News Overview

The news overview provides concise descriptions of the facts and conditions in the market. It states whether the market trades at a premium or a discount to rental parity and provides a measure of it.

Clark County County Housing Market Value & Trends Update

Historically, properties in this market sell at a -15.5% discount. Today's discount is 20.6%. This market is 5.1% undervalued. Median home price is \$279,000, and resale \$/SF is \$164/SF. Prices rose 2.7% year-over-year.

Monthly cost of ownership is \$1,193, and rents average \$1,505, making owning \$311 per month less costly than renting. Rents rose 9.4% year-over-year. The current capitalization rate (rent/price) is 5.2%.

Market rating = 7

A market trading at a premium to rental parity is more desirable, so buyers are willing to pay more than rental parity to live there. A market trading at a discount is less desirable, and people must be motivated to live there by saving versus renting. The news overview measures the current premium or discount, compares it to the historic premium or discount, and states whether the market is currently overvalued or undervalued. This is an important measure of future financial performance.

Median Home Price and Rental Parity Trailing Twelve Months

For those who want the bottom line without all the analysis and detail, the market rating is the first row of the first section of data. The rating encapsulates all the conditions of the market into one figure. Suffice to say that a rating of 10 is good and a rating of 1 is bad.



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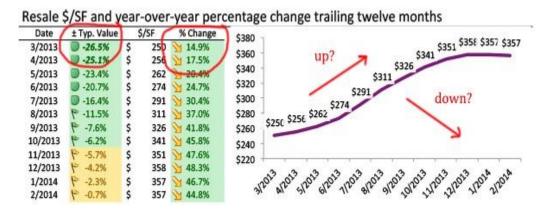
The chart displays three lines that reveal much about the market. The first two lines to note are the parallel green and orange lines, rental parity (green) and historic value (orange). As mentioned previously, some markets trade at a discount and some at a premium to rental parity. If the orange line (historic value) is above the green line (rental parity), the market is a premium market. If the orange line (historic value) is below the green line (rental parity), the market is a discount market. The larger the gap, the greater the premium or discount is.

The third line plotted against these two parallel lines is the median resale price for the area. This line reveals whether the market is currently trading at a premium or discount to rental parity and historic value. The more important of these relationships is between median resale price and historic value. Over time, the market has shown a tendency toward trading at historic value. If it trades above for a while, over time it will revert back to this value. That may happen either by an extended period of little or no appreciation or an outright decline in prices. If the market trades below its historic value, it's likely to see a rebound back to this value in the future. The best markets are those trading at a steep discount to its historic value.

Resale \$/SF and Year-Over-Year Percentage Change Trailing Twelve Months

Since the historic value is so important, the first column in next section displays the premium or discount from historic value over the last year. The second column and the chart shows the dollars-per-square-foot resale price in the market. The line on the chart visually shows the general direction of prices, and the third column shows the actual percentage change.

It's important to note that the percentage change in resale prices can be misleading. Many people erroneously extrapolate short-term movements in market prices to infinity, motivating them to buy at what is often the worst possible time. In reality, buying in a declining market when valuations are low is generally the best time to buy because sellers are motivated and supply is abundant. Buying in an appreciating market may not be wise, particularly if valuation signals a bubble. In short, valuation is much more important that price movement.



Rental Rate and Year-Over-Year Percentage Change Trailing Twelve Months

The final table and chart on the page is similar to the first grouping; it displays three lines, two of which are parallel and show current rent and the historic cost of ownership relative to rent, and the third line is the current cost of ownership. The relationships are similar, the charts will look similar, and the interpretations are the same.

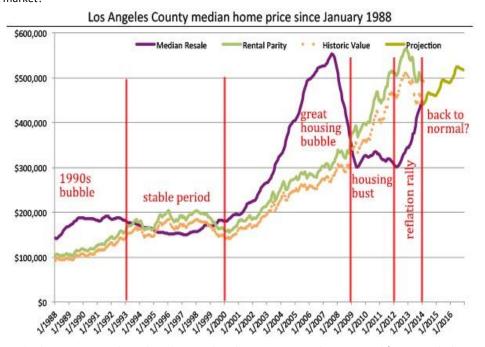
Date	% Change		Rent	Own	\$2,600 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
3/2013	₽ 2.6%	\$	2,300	\$ 1,478	* * * * * * * * * * * * * * *
4/2013	1 2.5%	\$	2,300	\$ 1,506	\$2,400 0 0 0 0 0
5/2013	1 2.5%	\$	2,308	\$ 1,545	\$2,200
6/2013	1 2.5%	\$	2,316	\$ 1,612	\$2,000 Previous
7/2013	₽ 2.5%	\$	2,324	\$ 1,719	\$1,800 historic discount Current
8/2013	會 2.3%	\$	2,333	\$ 1,838	diagonat fair wale
9/2013	會 2.5%	\$	2,349	\$ 1,936	\$1,600 discount to both
10/2013	♠ 2.8%	\$	2,358	\$ 1,977	\$1,400 Rent Own Historic Cost to Own Relative to Rent
11/2013	全 2.9%	\$	2,358	\$ 1,996	\$1,200
12/2013	☆ 3.1%	\$	2,350	\$ 2,032	22222222222
1/2014	₫ 3.2%	\$	2,342	\$ 2,073	3/rotanoratorataronataronataronataronataronataronataronataronataronatora
2/2014	☆ 3.3%	5	2,333	\$ 2,101	2 m 2 0 1 0 4 2 12 14 1

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This method of looking at the data is more revealing to those who like to focus on monthly costs rather than purchase price, which is how most homebuyers really think. It reveals how affordable properties are relative to monthly rent, which is what rental parity analysis is all about. The first column of data shows the rate of rent growth over the last year, and the next two columns show the cost of renting and the cost of owning during the same period.

Historic Market Data Charts

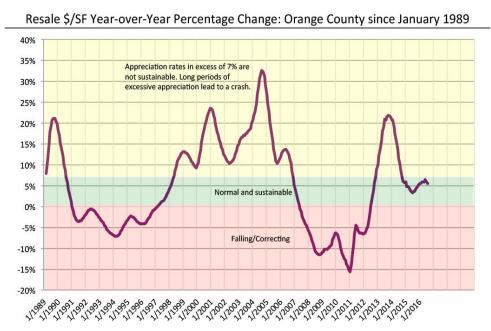
The next page of the report shows two charts: County median home price since January 1988, and County median rent and monthly cost of ownership since January 1988. These charts are designed to put current circumstances in historic context. They answer questions like, "How volatile are prices?" and "How does today's pricing compare to the valuations of the past?" and "Am I buying or selling a property in an overvalued or undervalued market?"



The chart above displays LA County through early 2014, but the pattern is similar across California. With the green line for rental parity and the orange line for historic value, it's easy to tell when the market is fairly valued, over valued, or under valued.

HISTORIC VALUATION

The next page in the report shows two charts: Historic Median Home Price Relative to Rental Parity: County since January 1988, and USA Housing News Market Timing System Rating: Los Angeles County since January 1988.



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The chart below shows, at a glance, how close the market trades to its historic norm. The benchmark period is shown in green, and the degree of market volatility can be inferred from the scale to the left. For example, LA County traded for as much as 42% below rental parity and 84% above it during the 26-year period shown. Needless to say, that is very volatile, and people who bought during the overvalued periods endured painful price corrections when their houses were worth far less than they paid. This kind of analysis is particularly useful to builders and developers because the residual impact on land values is even more dramatic.

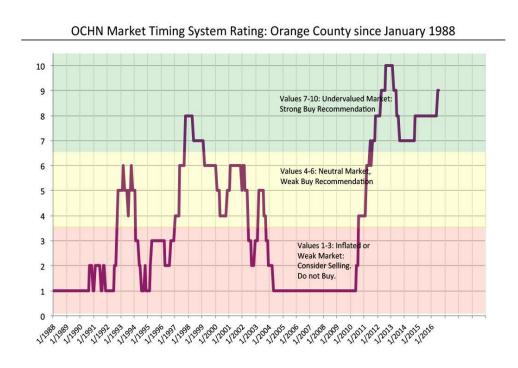
Value Relative to Rental Parity Historic Norm 91.0% 84.0% Stable period between housing bubbles from 77.0% 1993-1999 establishes 70.0% historic norm. 63.0% 56.0% 49.0% or Premium 42.0% 35.0% 28.0% Discount 21.0% 14.0% 7.0% 0.0% -7.0% -14.0% -21.0% -28.0%

Historic Median Home Price Relative to Rental Parity: Orange County since January 1988

USA Housing News Rating System Chart

-35.0%

The market timing rating system mechanically identifies both good and buy dimes to buy based on valuation, resale price change, and rental rate change. Since 1988, in Orange County, the system correctly identified the housing bubbles from the late 80s and the mid 00s as well as the buying opportunities in the mid 90s and early 10s. This system corrects the biggest weakness of most housing market analysis techniques that rely on momentum instead of valuation. This analysis predicts tops and bottoms in advance, not after the fact.



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The Importance of Rental Parity

Rental parity is important because it represents the threshold of affordability. When prices are above rental parity, it costs more to own than to rent, so owning is often not a wise financial decision. Owning may still be right for people, and many are willing to pay the premium to own to obtain the emotional benefits of ownership; however, on a purely financial basis, paying more than rental parity is generally not wise because prices will inevitably return to this price level in time. Builders and developers need to understand this relationship because it drives the behavior of the customers they hope to sell to.

When prices are below rental parity, it costs less to own than to rent, so owning under these circumstances is generally a wise choice. Since a buyer who pays less than rental parity for a house is saving money, there is a clear financial benefit obtained irrespective of fluctuations in resale price.

When the cost of ownership is less than rental parity, an owner is far less likely to be forced to sell at a loss. The property can always be rented to cover costs rather than sell for a loss. Further, this ability to rent and at least break even provides the owner with flexibility to move if necessary. Mobility to take a new job or buy a different house is denied to those who overpaid and who must pay more in the cost of ownership than they can obtain in rent.

With these advantages, buying at a price below rental parity using fixed-rate financing is critical. Many buyers with an analytical disposition consider rental parity in their buying decision.

RENTAL PARITY AS BASIS OF VALUE

Valuation is the least understood, yet most important, aspect of a housing market. Economists look at various ratios including price-to-income, price-to-rent, and other aggregate measures to attempt to establish valuation metrics. Each of these has strengths and weaknesses, but each of them fails because they don't directly connect the actions of an individual buyer to the activity in the broader market. For this reason, I strongly favor rental parity as the best measure of valuation. Rental parity ties together income, rent, interest rates, and financing terms in a way that matches the activities of individual buyers to the overall price activity in the market.

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