



IRVINE, CA AUGUST 2020

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The Real State of USA Real Estate

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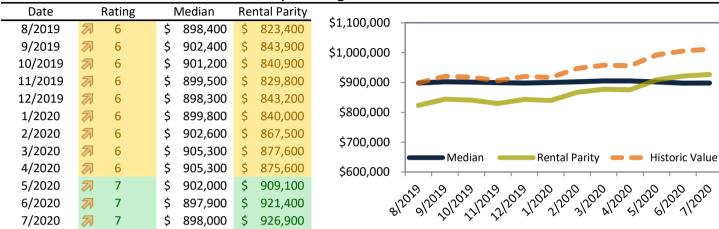


Historically, properties in this market sell at a 9.2% premium. Today's discount is 3.1%. This market is 12.3% undervalued. Median home price is \$898,000, and resale \$/SF is \$477/SF. Prices fell 0.2% year-over-year.

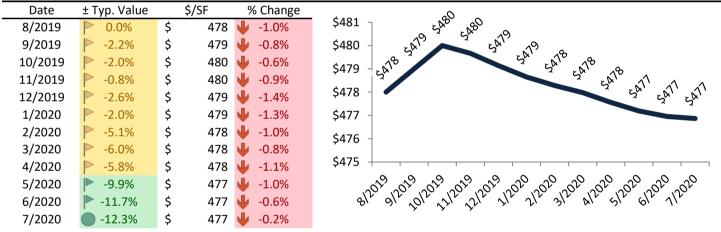
Monthly cost of ownership is \$3,631, and rents average \$3,748, making owning \$117 per month less costly than renting. Rents rose 4.8% year-over-year. The current capitalization rate (rent/price) is 4.0%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



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



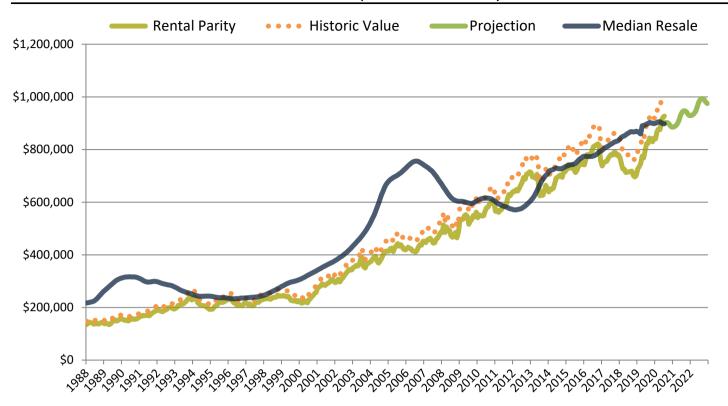
Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent	Own	\$4,500 ¬
8/2019	3.3%	\$ 3,598 \$	3,925	4 1,9800
9/2019	1.7%	\$ 3,611 \$	3,861	
10/2019	4.1%	\$ 3,625 \$	3,884	\$4,000 - 50,0
11/2019	4.4%	\$ 3,639 \$	3,944	(2) (2) (2) (2) (2) (2) (2) (2) (2) (2)
12/2019	4.5%	\$ 3,652 \$	3,891	
1/2020	4.6%	\$ 3,666 \$	3,926	\$3,500 -
2/2020	4.8%	\$ 3,680 \$	3,828	
3/2020	5.0%	\$ 3,695 \$	3,811	Rent Own Historic Cost to Own Relative to Rent
4/2020	5.1%	\$ 3,710 \$	3,835	\$3,000
5/2020	5.0%	\$ 3,723 \$	3,694	81223 301223 31223 31220 81220 81220
6/2020	4.9%	\$ 3,736 \$	3,640	81213 July 371213 71210 MIDIO 91210
7/2020	4.8%	\$ 3,748 \$	3,631	y y

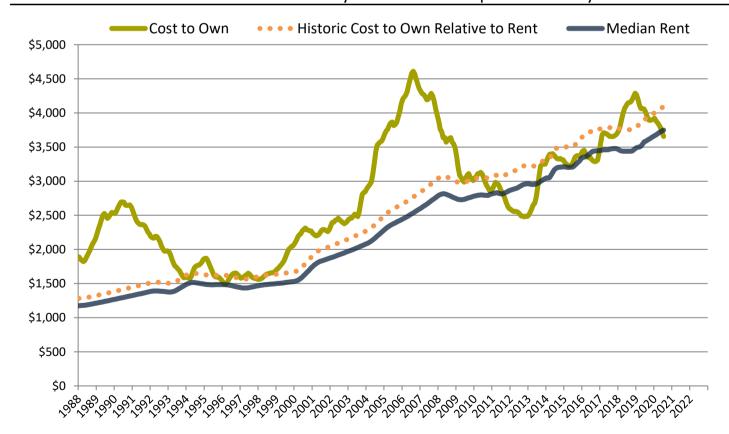
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Irvine median home price since January 1988



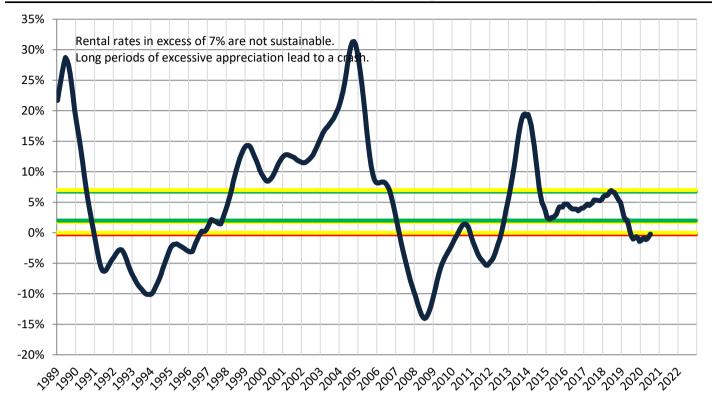
Irvine median rent and monthly cost of ownership since January 1988



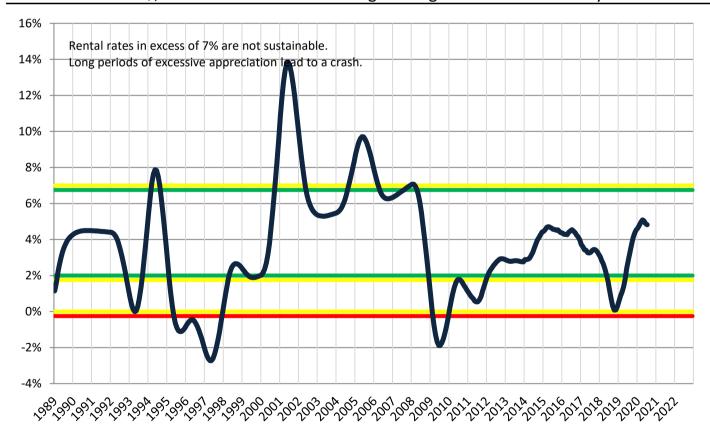
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Resale \$/SF Year-over-Year Percentage Change: Irvine since January 1989



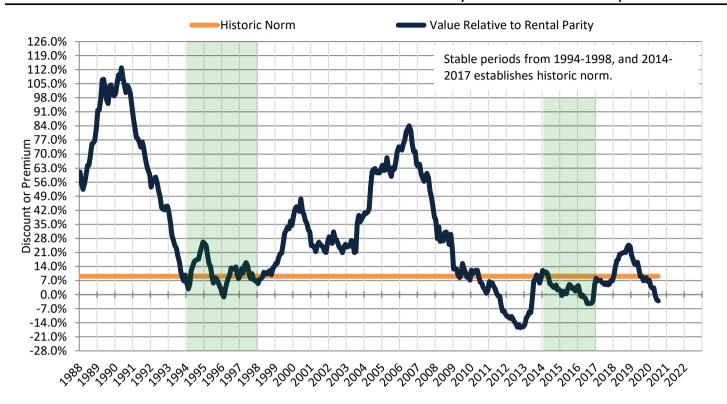
Rental \$/SF Year-over-Year Percentage Change: Irvine since January 1989



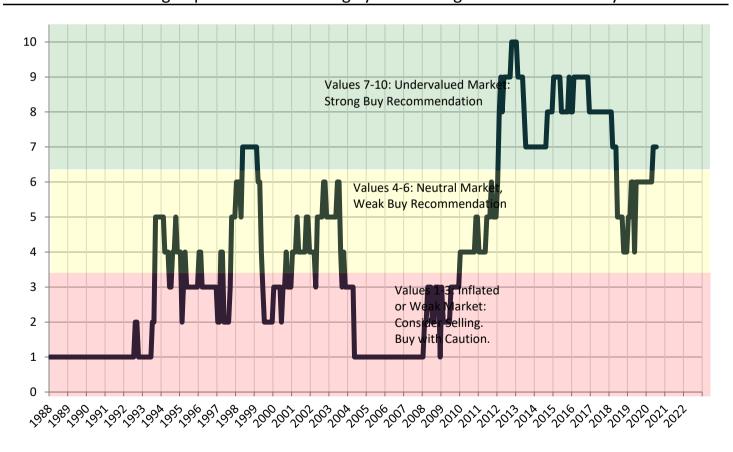
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Historic Median Home Price Relative to Rental Parity: Irvine since January 1988



TAIT Housing Report® Market Timing System Rating: Irvine since January 1988



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Cash Investor Capitalization Rate: Irvine since January 1988



Financed Investor Cash-on-Cash Return: Irvine since January 1988



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Resale Market Value and Trends

Market Performance and Trends: Irvine and Major Cities and Zips

Study Area	Median Resale \$	Resale % Change YoY	Resale \$/SF	Rent % Change YoY	Median Rent \$	Cost of Ownership	Ownership Prem./Disc.	Cap Rate
Irvine	\$ 898,000	- 0.2%	\$ 477	1 4.8%	\$ 3,748	\$ 3,631	\$ (117)	4.0%.
Los Angeles-Long Beach-Anaheim,	\$ 698,100	1.8%	\$ 435	1 2.5%	\$ 3,070	\$ 2,823	\$ (247)	4.2%.
Orange County	\$ 763,400	1 2.3%	\$ 433	3.4%	\$ 3,367	\$ 3,087	\$ (280)	4.2%.
Anaheim	\$ 642,600	3.4%	\$ 396	3.1%	\$ 2,992	\$ 2,599	\$ (394)	4.5%.
Santa Ana	\$ 594,200	3.8%	\$ 420	4.2%	\$ 2,947	\$ 2,403	\$ (544)	4.8%.
Northwood	\$ 930,800	3 0.7%	\$ 461	1 2.2%	\$ 3,573	\$ 3,764	\$ 191	3.7%.
Northwood Point	\$ 1,152,300	- 0.7%	\$ 479	1 2.2%	\$ 4,267	\$ 4,660	\$ 392	3.6%.
92602	\$ 1,042,000	7 0.3%	\$ 452	4.3%	\$ 4,080	\$ 4,214	\$ 134	3.8%.
92603	\$ 1,301,700	-3.7 %	\$ 568	f 5.5%	\$ 6,758	\$ 5,264	\$ (1,494)	5.0%.
92604	\$ 829,300	- 0.6%	\$ 476	f 5.7%	\$ 3,547	\$ 3,354	\$ (194)	4.1%.
92606	\$ 865,000	- 0.5%	\$ 467	f 5.8%	\$ 3,758	\$ 3,498	\$ (260)	4.2%.
92612	\$ 756,300	7 1.1%	\$ 500	4.1%	\$ 3,504	\$ 3,058	\$ (445)	4.4%.
92614	\$ 769,600	-1.7 %	\$ 483	f 5.7%	\$ 3,720	\$ 3,112	\$ (607)	4.6%.
92618	\$ 921,100	3 0.5%	\$ 476	≥ 10.1%	\$ 4,434	\$ 3,725	\$ (709)	4.6%.
92620	\$ 970,100	3 0.4%	\$ 472	5.4%	\$ 3,970	\$ 3,923	\$ (47)	3.9%.
Stanton	\$ 548,900	3.4%	\$ 397	1 3.7%	\$ 2,767	\$ 2,220	\$ (547)	4.8%.
Huntington Beach	\$ 885,500	1 2.1%	\$ 508	1 3.5%	\$ 3,584	\$ 3,581	\$ (4)	3.9%.
Garden Grove	\$ 662,100	1 3.8%	\$ 430	4.5%	\$ 2,992	\$ 2,677	\$ (314)	4.3%.
Orange	\$ 732,600	7 1.9%	\$ 401	1 3.2%	\$ 3,283	\$ 2,963	\$ (320)	4.3%.
Fountain Valley	\$ 864,900	1 2.5%	\$ 428	1 2.7%	\$ 3,444	\$ 3,498	\$ 54	3.8%.

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Market Timing Rating and Valuations: Irvine and Major Cities and Zips

Study Area	Rating	Median	Rental Parity	% Over/Under Rental Parity	Historic Premium	% Over/Under Historic Prem.
Irvine	7	\$ 898,000	\$ 926,900	-3.1%	9.2%	-12.3%
Los Angeles-Long Beach-Ana	8	\$ 698,100	\$ 759,200	▶ 3.8%	-2.3%	6.1%
Orange County	1 9	\$ 763,400	\$ 832,500	▶ -8.3%	1.9%	 ►-10.2%
Anaheim	1 8	\$ 642,600	\$ 739,900	- 13.2%	-6.2%	▶ -7.0%
Santa Ana	1 8	\$ 594,200	\$ 728,800	-18.4%	-11.9%	▶ -6.5%
Northwood	7	\$ 930,800	\$ 883,500	▶ 5.3%	16.2%	▶ -10.9%
Northwood Point	1 8	\$ 1,152,300	\$ 1,055,200	▶ 9.2%	29.4%	-20.2%
92602	7 7	\$ 1,042,000	\$ 1,008,900	▶ 3.2%	13.6%	▶ -10.4%
92603	1 9	\$ 1,301,700	\$ 1,671,200	22.1%	3.1%	25.2%
92604	1 8	\$ 829,300	\$ 877,100	 -5.4%	10.2%	15.6%
92606	1 9	\$ 865,000	\$ 929,400	▶ -6.9%	14.7%	21.6%
92612	7 7	\$ 756,300	\$ 866,400	12.7%	0.3%	-13.0%
92614	7	\$ 769,600	\$ 919,800	16.3%	-4.3%	-12.0%
92618	7	\$ 921,100	\$ 1,096,400	15.9%	-1.7%	-14.2%
92620	1 8	\$ 970,100	\$ 981,700	-1.2%	14.4%	15.6%
Stanton	% 8	\$ 548,900	\$ 684,200	19.8%	-15.2%	 ▶ -4.6%
Huntington Beach	1 9	\$ 885,500	\$ 886,300	-0.1%	12.3%	-12.4%
Garden Grove	1 8	\$ 662,100	\$ 739,800	 ►-10.5%	-5.6%	▶ -4.9%
Orange	7	\$ 732,600	\$ 811,800	▶ -9.7%	0.5%	▶ -10.2%
Fountain Valley	9	\$ 864,900	\$ 851,500	▶ 1.6%	12.1%	 ►-10.5%

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Los Angeles-Long Beach-Anaheim, CA Housing Market Value & Trends Update

Historically, properties in this market sell at a -2.3% discount. Today's premium is 3.8%. This market is 6.1% overvalued. Median home price is \$698,100, and resale \$/SF is \$435/SF. Prices rose 1.8% year-over-year.

Monthly cost of ownership is \$2,823, and rents average \$3,070, making owning \$247 per month less costly than renting. Rents rose 2.5% year-over-year. The current capitalization rate (rent/price) is 4.3%.

Market rating = 8

Median Home Price and Rental Parity trailing twelve months

Date		Rating	Me	edian	Rei	ntal Parity	4000 000	
8/2019	A	6	\$ 6	72,900	\$	684,700	\$800,000	
9/2019	团	6	\$ 6	76,100	\$	701,100		
10/2019	团	6	\$ 6	78,600	\$	697,900	\$700,000 -	
11/2019	A	7	\$ 6	80,300	\$	687,800		
12/2019	A	7	\$ 6	82,700	\$	698,000	\$600,000 -	
1/2020	A	7	\$ 6	85,700	\$	694,400		
2/2020	\Rightarrow	5	\$ 69	90,100	\$	716,000	\$500,000 -	
3/2020	\Rightarrow	5	\$ 69	94,300	\$	722,900		Median Rental Parity — Historic Value
4/2020	\Rightarrow	5	\$ 69	97,100	\$	720,000	\$400,000	- Niculari - Nertear artey - Tristorie value
5/2020	N	7	\$ 69	96,900	\$	746,400		0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0
6/2020	ZV	7	\$ 69	96,000	\$	755,600	<u> </u>	22 3/22 20/22 1/22 2/122 1/22 2/22 3/22 1/22 5/22 6/22 ² 1/22
7/2020	1	8	\$ 69	98,100	\$	759,200	φ,	21 70, 72, 71, 21 N. 21 M. 21 M. 41

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

Date	± Typ. Value	\$/SF	% Change	N. alk all
8/2019	8.1%	\$ 428	1.4%	\$436]
9/2019	9.8%	\$ 430	1.7%	\$434 -
10/2019	9.7%	\$ 431	1.4%	\$436 \$434 \$432 \$430 \$430 \$430
11/2019	9.8%	\$ 431	1.0%	7492
12/2019	9.9%	\$ 432	7.1%	\$430 - zxx
1/2020	9.8%	\$ 432	3 0.9%	\$428 -
2/2020	12.4%	\$ 432	1.0%	\$426 -
3/2020	13.5%	\$ 433	7.1%	
4/2020	12.7%	\$ 433	1.2%	\$424
5/2020	9.0%	\$ 434	1.5%	2012 2012 2012 2012 2012 2012 2012 2012
6/2020	7.5%	\$ 434	1.7%	8/2023/2023/2023/2023/1023/1020/212023/2020/1/2020/212020/1/2020
7/2020	6.1%	\$ 435	1.8%	<i>, , ,</i>

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

Date	% Change	Rent	Own	
8/2019	4.0%	\$ 2,992 \$	2,940	\$3,700 -
9/2019	1 3.7%	\$ 3,000 \$	2,893	2 2 28 46 28 20 27 48 40 25 26 26
10/2019	3.4%	\$ 3,008 \$	2,925	\$3,200 32,00 30,00
11/2019	1 2.9%	\$ 3,016 \$	2,983	\$3,200 - \forall \cdot \
12/2019	1 2.5%	\$ 3,024 \$	2,957	
1/2020	1 2.0%	\$ 3,030 \$	2,992	\$2,700 -
2/2020	1.7%	\$ 3,037 \$	2,927	
3/2020	1.7%	\$ 3,044 \$	2,923	Rent Own Historic Cost to Own Relative to Rent
4/2020	1.8%	\$ 3,050 \$	2,953	\$2,200
5/2020	1 2.1%	\$ 3,057 \$	2,854	93 93 93 90 90 90
6/2020	1 2.3%	\$ 3,064 \$	2,822	812023 2012023 2112023 212020 812020 812020
7/2020	2.5%	\$ 3.070 \$	2.823	у у

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Orange County Housing Market Value & Trends Update

Historically, properties in this market sell at a 1.9% premium. Today's discount is 8.3%. This market is 10.2% undervalued. Median home price is \$763,400, and resale \$/SF is \$433/SF. Prices rose 2.3% year-over-year.

Monthly cost of ownership is \$3,087, and rents average \$3,366, making owning \$279 per month less costly than renting. Rents rose 3.4% year-over-year. The current capitalization rate (rent/price) is 4.2%.

Market rating = 9

Median Home Price and Rental Parity trailing twelve months

Date		Rating	Median	Re	ntal Parity	4000 000	
8/2019	A	6	\$ 743,400	\$	748,700	\$900,000	
9/2019	网	6	\$ 747,900	\$	766,300	\$800,000 -	
10/2019	团	6	\$ 749,500	\$	762,400	4000,000	222222
11/2019	A	6	\$ 750,400	\$	751,200	\$700,000 -	
12/2019	A	6	\$ 751,400	\$	762,400		
1/2020	A	6	\$ 754,300	\$	758,800	\$600,000 -	
2/2020	网	6	\$ 758,000	\$	783,000	\$500,000 -	
3/2020	网	6	\$ 761,800	\$	791,300	\$500,000 -	Median Rental Parity — Historic Value
4/2020	网	6	\$ 763,600	\$	788,800	\$400,000	- Niculari - Nerticari arity Mistorie value
5/2020	A	7	\$ 762,900	\$	818,300		0, 0, 0, 0, 0, 0, 0, 0, 0, 0
6/2020	1	9	\$ 761,700	\$	828,500	<u> </u>	22 3122 1012 11122 11121 1121 1121 1121
7/2020	1	9	\$ 763,400	\$	832,500	φ,	21 70. 22. 20. 21 M. 21 M. 21

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

Date	± Typ. Value	\$/\$	SF	% Change	
8/2019	▶ -2.7%	\$	424	- 0.2%	\$434
9/2019	-4.3%	\$	427	3 0.5%	\$432 -
10/2019	▶ -3.6%	\$	429	3 0.9%	\$434 \$432 \$430 \$438
11/2019	▶ -2.1%	\$	429	3 0.8%	γ ⁴²⁰ η ¹ γ
12/2019	▶ -3.4%	\$	429	3 0.6%	
1/2020	▶ -2.5%	\$	430	3 0.6%	\$424 -
2/2020	► -5.1%	\$	430	3 1.2%	\$422 -
3/2020	▶ -5.7%	\$	430	3 1.0%	\$420 -
4/2020	► -5.1%	\$	431	7 1.4%	\$418
5/2020	-8.7%	\$	431	1.7%	
6/2020	-10.0%	\$	432	1 2.1%	812131212121212121212121212122212231222122251222612221222
7/2020	-10.2%	\$	433	2.3%	, , ,

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

Date	% Change	Rent	Own	\$3,800 7 45 49 46 48 63 63 63 63 63 63 63 63
8/2019	1 2.3%	\$ 3,271	\$ 3,248	\$3,800 3,10,10,10,00 20,20,20,20,20,20,20,20,20,20,20,20,20,2
9/2019	1 2.5%	\$ 3,279	\$ 3,200	\$3,300 -
10/2019	1 2.6%	\$ 3,286	\$ 3,231	33,300
11/2019	1 2.8%	\$ 3,294	\$ 3,291	¢2.000
12/2019	2.9%	\$ 3,303	\$ 3,255	\$2,800 -
1/2020	3.1%	\$ 3,312	\$ 3,292	
2/2020	3.3%	\$ 3,321	\$ 3,215	\$2,300 -
3/2020	3.5%	\$ 3,331	\$ 3,207	Rent Own Historic Cost to Own Relative to Rent
4/2020	1 3.7%	\$ 3,342	\$ 3,235	\$1,800
5/2020	3.7%	\$ 3,351	\$ 3,124	29 29 29 20 20
6/2020	3.5%	\$ 3,359	\$ 3,088	812013 JO12013 J12013 J12020 W12020 612020
7/2020	3 4%	\$ 3,367	\$ 3.087	y y

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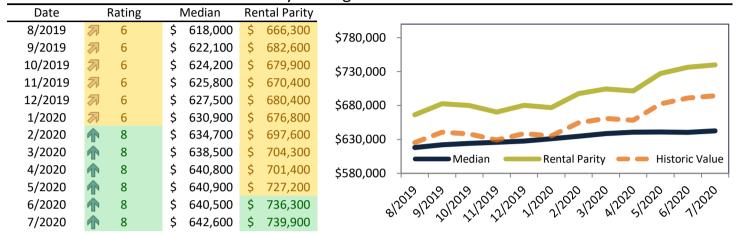
Anaheim Housing Market Value & Trends Update

Historically, properties in this market sell at a -6.2% discount. Today's discount is 13.2%. This market is 7.0% undervalued. Median home price is \$642,600, and resale \$/SF is \$396/SF. Prices rose 3.4% year-over-year.

Monthly cost of ownership is \$2,598, and rents average \$2,992, making owning \$393 per month less costly than renting. Rents rose 3.1% year-over-year. The current capitalization rate (rent/price) is 4.5%.

Market rating = 8

Median Home Price and Rental Parity trailing twelve months



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

Date	± Typ. Value	\$/SI	F	% Change	\$400 \$395 \$390 \$390
8/2019	P -1.1%	\$	384	3 0.5%	\$400
9/2019	▶ -2.7%	\$	387	1.0%	5395
10/2019	▶ -2.0%	\$	390	1.8%	gh 43% 43 43 4
11/2019	▶ -0.5%	\$	391	1.7%	\$390 - 39% 5278
12/2019	▶ -1.6%	\$	391	1.5%	\$385 -
1/2020	▶ -0.6%	\$	392	2.0%	2202
2/2020	▶ -2.9%	\$	392	1 2.4%	\$380 -
3/2020	▶ -3.2%	\$	393	1 2.0%	
4/2020	▶ -2.5%	\$	394	1 2.2%	\$375
5/2020	▶ -5.7%	\$	394	1 2.7%	8122812291229 11228 11228 11220 11220 11220 11220 11220 11220
6/2020	-6.9%	\$	395	1 2.9%	8/2013/2012/1/2013/1/2013/1/2023/1/2026/1/2026/1/2020
7/2020	-7.0%	\$	396	1.4%	

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

Date	% Change	Rent	Own	\$3,200 7
8/2019	1.2%	\$ 2,911	\$ 2,700	\$3,000 - 5.5.5.5.5.5.5.5.5.5.5.5.5.5.5.5.5.5.5
9/2019	1.5%	\$ 2,921	\$ 2,662	\$3,000 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
10/2019	1.8%	\$ 2,931	\$ 2,691	33,000
11/2019	1.8%	\$ 2,940	\$ 2,744	¢3 900
12/2019	1 3.7%	\$ 2,947	\$ 2,718	\$2,800 -
1/2020	1.4%	\$ 2,953	\$ 2,753	
2/2020	1.2%	\$ 2,959	\$ 2,692	\$2,600 -
3/2020	3.1%	\$ 2,965	\$ 2,688	Rent Own Historic Cost to Own Relative to Rent
4/2020	3.1%	\$ 2,972	\$ 2,715	\$2,400
5/2020	3.1%	\$ 2,978	\$ 2,625	41019 01019 11019 11010 MODO 61010
6/2020	3.1%	\$ 2,985	\$ 2,597	812023 2012023 212023 212020 M2020 612020
7/2020	3.1%	\$ 2,992	\$ 2,599	y

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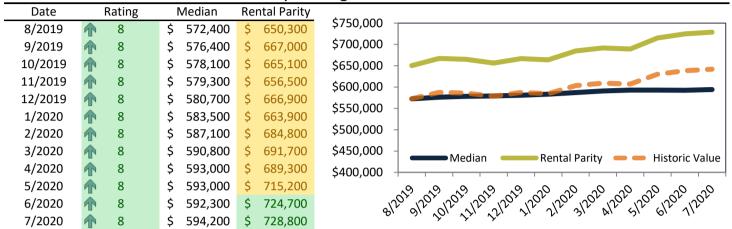
Santa Ana Housing Market Value & Trends Update

Historically, properties in this market sell at a -11.9% discount. Today's discount is 18.4%. This market is 6.5% undervalued. Median home price is \$594,200, and resale \$/SF is \$420/SF. Prices rose 3.8% year-over-year.

Monthly cost of ownership is \$2,402, and rents average \$2,947, making owning \$544 per month less costly than renting. Rents rose 4.2% year-over-year. The current capitalization rate (rent/price) is 4.8%.

Market rating = 8

Median Home Price and Rental Parity trailing twelve months



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

Date	± Typ. Value	\$/SF	% Change	2 20
8/2019	▶ -0.1%	\$ 406	1 2.0%	\$425] (a) \$425]
9/2019	▶ -1.7%	\$ 409	2.5%	\$420 -
10/2019	▶ -1.2%	\$ 412	3.0%	\$425 \$420 \$415 \$410
11/2019	▶ 0.2%	\$ 413	1 2.7%	, 06 5 h
12/2019	▶ -1.0%	\$ 414	1 2.6%	\$410 - 5 ^x
1/2020	▶ -0.2%	\$ 414	2.6%	\$405 -
2/2020	▶ -2.3%	\$ 415	1 2.8%	\$400 -
3/2020	▶ -2.7%	\$ 416	1 2.8%	
4/2020	▶ -2.0%	\$ 417	2.7%	\$395
5/2020	⊳ -5.2%	\$ 418	1 2.9%	8/2013/1012/2/1012/2/1012/1/2012/1012/1/2013/1012/1/2013/1012/1/2013/1012/1/2013/1012/1/2013/1012/1/2013/1012
6/2020	-6.3%	\$ 419	3.5%	8/1 3/1 2/1 2/1 2/1 3/1 3/1 8/1 3/1 1/1
7/2020	-6.5%	\$ 420	3.8%	

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

Date	% Change	Rent	Own	\$3,000 7 22 25 26 29 29 29 29 29 29 29 29
8/2019	4.7%	\$ 2,842	\$ 2,501	\$3,000 30 30 30 30 30 30 30 30 30 30 30
9/2019	5.1%	\$ 2,854	\$ 2,466	\$2,800
10/2019	5.4%	\$ 2,867	\$ 2,492	
11/2019	5.4%	\$ 2,879	\$ 2,540	\$2,600 -
12/2019	5.1%	\$ 2,889	\$ 2,515	\$2,400 -
1/2020	4.8%	\$ 2,897	\$ 2,546	\$2,400°
2/2020	4.5%	\$ 2,905	\$ 2,490	\$2,200 -
3/2020	4.3%	\$ 2,912	\$ 2,487	Rent Own Historic Cost to Own Relative to Rent
4/2020	4.2%	\$ 2,920	\$ 2,512	\$2,000
5/2020	4.1%	\$ 2,929	\$ 2,429	23 23 23 20 20 20
6/2020	4.2%	\$ 2,938	\$ 2,401	812023 2012023 212023 212020 W12020 612020
7/2020	4.2%	\$ 2 947	\$ 2403	y y

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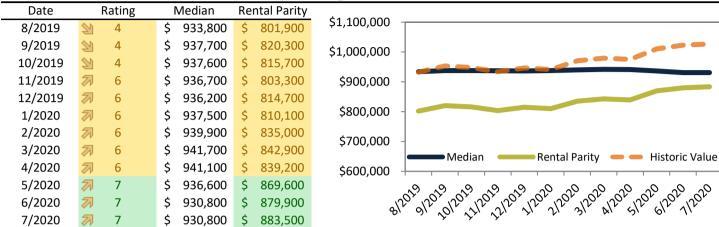
Northwood Housing Market Value & Trends Update

Historically, properties in this market sell at a 16.2% premium. Today's premium is 5.3%. This market is 10.9% undervalued. Median home price is \$930,800, and resale \$/SF is \$461/SF. Prices rose 0.7% year-over-year.

Monthly cost of ownership is \$3,764, and rents average \$3,572, making owning \$191 per month more costly than renting. Rents rose 2.2% year-over-year. The current capitalization rate (rent/price) is 3.7%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



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

Date	± Typ. Value	\$/SF	% Change	Δ
8/2019	▶ 0.2%	\$ 45	-0.4%	\$463
9/2019	-1.9%	\$ 46	-0.2%	\$463 \$462 - 5467 5467 5467 5467 5467 5467 5467 5467
10/2019	-1.3%	\$ 46	2 🌓 -0.2%	\$461 -
11/2019	▷ 0.4%	\$ 46	2 🖖 -0.5%	
12/2019	-1.3%	\$ 46	-1.0%	\$460 - 45
1/2020	▶ -0.5%	\$ 46	-0.8%	\$459 -
2/2020	▶ -3.6%	\$ 46	-0.4%	\$458 -
3/2020	▶ -4.5%	\$ 46	-0.5%	
4/2020	-4.1%	\$ 46	-0.3%	\$457
5/2020	-8.5%	\$ 46	-0.1%	8/2023/2023/1/2023/1/2023/1/2023/1/2023/1/2023/1/2020/1/2020
6/2020	-10.4%	\$ 46	0.2%	8/1 3/1 2/1 2/1 2/1 3/1 3/1 3/1 3/1 6/1 1/1
7/2020	-10.9%	\$ 46	0.7%	, , ,

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

Date	% Change	Rent	Own	\$4,400 ¬
8/2019	1.6%	\$ 3,504	\$ 4,080	
9/2019	1.8%	\$ 3,510	\$ 4,012	\$4,200
10/2019	1.9%	\$ 3,516	\$ 4,041	\$4,000
11/2019	2.1%	\$ 3,523	\$ 4,108	\$3,800 - 35,60 53,5
12/2019	1 2.1%	\$ 3,529	\$ 4,055	\$3'600 ⁻¹
1/2020	1 2.2%	\$ 3,535	\$ 4,091	\$3,400 -
2/2020	1 2.3%	\$ 3,542	\$ 3,987	
3/2020	1 2.3%	\$ 3,549	\$ 3,965	\$3,200 Rent Own Historic Cost to Own Relative to
4/2020	1 2.4%	\$ 3,555	\$ 3,987	\$3,000
5/2020	2.3%	\$ 3,562	\$ 3,836	81219 201219 21219 21220 A1220 61220
6/2020	2.3%	\$ 3,567	\$ 3,774	stats totals that that they was electe
7/2020	2.2%	\$ 3.573	\$ 3.764	у у

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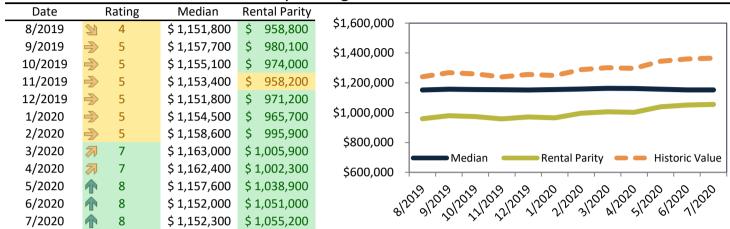
Northwood Point Housing Market Value & Trends Update

Historically, properties in this market sell at a 29.4% premium. Today's premium is 9.2%. This market is 20.2% undervalued. Median home price is \$1,152,300, and resale \$/SF is \$479/SF. Prices fell 0.7% year-over-year.

Monthly cost of ownership is \$4,659, and rents average \$4,267, making owning \$392 per month more costly than renting. Rents rose 2.2% year-over-year. The current capitalization rate (rent/price) is 3.6%.

Market rating = 8

Median Home Price and Rental Parity trailing twelve months



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

Date	± Typ. Value	\$/SF	% Change	1 all all all all all all all all all al
8/2019	-9.2%	\$ 482	-2.2%	\$485] 250 50 50 50 50 50 50 50 50 50 50 50 50 5
9/2019	-11.3%	\$ 484	-1.6%	3404] 180 SX SX
10/2019	-10.8%	\$ 484	-1.6%	3 180
11/2019	-9.0%	\$ 483	-1.8%	5,00
12/2019	-10.8%	\$ 482	-2.3%	\$481 - \$480 -
1/2020	-9.8%	\$ 482	-2.1%	\$479 -
2/2020	-13.0%	\$ 481	-1.8%	\$478 -
3/2020	-13.8%	\$ 480	-1.8%	\$477 -
4/2020	-13.4%	\$ 480	-1.5%	\$476
5/2020	-17.9%	\$ 479	-1.2%	81202 31202 01202 11202 11202 11202 31202 11202 51202 61202 11202
6/2020	-19.8%	\$ 479	-0.8%	8/2023/2023/2023/2023/2023/2023/2023/202
7/2020	-20.2%	\$ 479	-0.7%	, , ,

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

Date	% Change	Rent	Own	. \$6,000 ¬
8/2019	- 0.4%	\$ 4,189	\$ 5,032	4 9/222
9/2019	3 0.1%	\$ 4,194	\$ 4,953	\$5,500 -
10/2019	3 0.4%	\$ 4,198	\$ 4,979	
11/2019	3 0.5%	\$ 4,202	\$ 5,058	\$5,000
12/2019	3 0.8%	\$ 4,207	\$ 4,989	\$4,500 54,500 54,500 54,500 54,500 54,500 54,500 54,500 54,500 54,500
1/2020	1.2%	\$ 4,214	\$ 5,038	34,500 3 3 3 3 3 3 7 7 7 7 7 7
2/2020	1.7%	\$ 4,224	\$ 4,914	\$4,000 -
3/2020	1 2.1%	\$ 4,235	\$ 4,896	Rent Own Historic Cost to Own Relative to Rent
4/2020	1 2.5%	\$ 4,246	\$ 4,924	\$3,500
5/2020	1 2.4%	\$ 4,255	\$ 4,741	25 25 25 20 20 20
6/2020	1 2.3%	\$ 4,261	\$ 4,670	stats totals thats that was evan
7/2020	1 2.2%	\$ 4,267	\$ 4,660	y y

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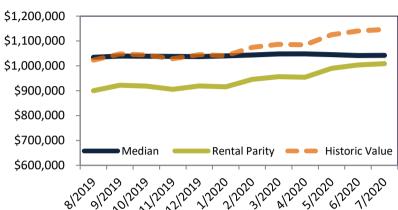
Historically, properties in this market sell at a 13.6% premium. Today's premium is 3.2%. This market is 10.4% undervalued. Median home price is \$1,042,000, and resale \$/SF is \$452/SF. Prices rose 0.3% year-over-year.

Monthly cost of ownership is \$4,213, and rents average \$4,080, making owning \$133 per month more costly than renting. Rents rose 4.3% year-over-year. The current capitalization rate (rent/price) is 3.8%.

Market rating = 7

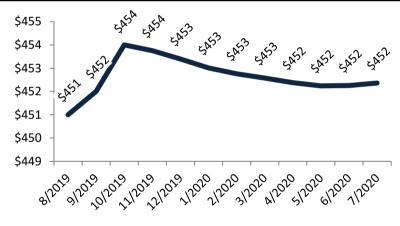
Median Home Price and Rental Parity trailing twelve months

е	Rating	Median	Rental Parity	Ć4 200 000
19 🔊	6	\$ 1,034,400	\$ 900,200	\$1,200,000
19 🔊	6	\$ 1,039,400	\$ 922,000	\$1,100,000 -
19 🐬	6	\$ 1,038,900	\$ 918,200	\$1,000,000
19 🐬	6	\$ 1,038,100	\$ 905,400	\$1,000,000
19 🐬	6	\$ 1,037,600	\$ 919,500	\$900,000
20 🔊	6	\$ 1,040,100	\$ 915,700	\$800,000
20 🔊	6	\$ 1,043,900	\$ 945,600	
20 🔊	6	\$ 1,047,800	\$ 956,400	\$700,000 -
20 🔊	6	\$ 1,048,200	\$ 954,100	\$600,000
20 🔊	7	\$ 1,045,000	\$ 990,300	
20 🔊	7	\$ 1,041,300	\$ 1,003,300	2/2019/2019
20 🔊	7	\$ 1,042,000	\$ 1,008,900	8, 3, 70,
	e 19	19	19	\$ 1,034,400 \$ 900,200 19 6 \$ 1,039,400 \$ 922,000 19 6 \$ 1,038,900 \$ 918,200 19 6 \$ 1,038,100 \$ 905,400 19 6 \$ 1,037,600 \$ 919,500 20 6 \$ 1,040,100 \$ 915,700 20 6 \$ 1,043,900 \$ 945,600 20 6 \$ 1,047,800 \$ 956,400 20 7 6 \$ 1,048,200 \$ 954,100 20 7 \$ 1,045,000 \$ 990,300 20 7 \$ 1,041,300 \$ 1,003,300



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

17		 		
Date	± Typ. Value	\$/SF	%	6 Change
8/2019	▶ 1.3%	\$ 451	1	-0.9%
9/2019	▶ -0.9%	\$ 452	1	-1.1%
10/2019	-0.5%	\$ 454	•	-0.7%
11/2019	▶ 1.0%	\$ 454	•	-0.7%
12/2019	-0.8%	\$ 453	•	-1.0%
1/2020	▶ 0.0%	\$ 453	•	-1.1%
2/2020	▶ -3.2%	\$ 453	•	-0.7%
3/2020	► -4.1%	\$ 453	•	-0.5%
4/2020	-3.8%	\$ 452	1	-0.6%
5/2020	-8.1%	\$ 452	•	-0.4%
6/2020	-9.8%	\$ 452	A	0.1%
7/2020	-10.4%	\$ 452	A	0.3%



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

Date	% Change	Rent	Own	\$5,000 ¬
8/2019	1 2.7%	\$ 3,933 \$	4,519	1-1
9/2019	3.0%	\$ 3,945 \$	4,447	\$4,500 - 32,55 (8 1) 23 00 01 00 00 00 00
10/2019	3.4%	\$ 3,958 \$	4,478	\$4,500 - 33,000 53,000 53,000 53,000 54,0000 54,000 54,000 54,000 54,000 54,000 54,000 54,000 54,000 54,0000
11/2019	3.6%	\$ 3,971 \$	4,552	
12/2019	1 3.7%	\$ 3,983 \$	4,494	\$4,000 -
1/2020	3.9%	\$ 3,996 \$	4,539	
2/2020	4.2%	\$ 4,011 \$	4,428	\$3,500 -
3/2020	4.5%	\$ 4,026 \$	4,411	Rent Own Historic Cost to Own Relative to Rent
4/2020	4.7%	\$ 4,042 \$	4,440	\$3,000
5/2020	4.6%	\$ 4,056 \$	4,280	93 93 93 90 90 90
6/2020	4.4%	\$ 4,068 \$	4,222	812023 2012023 2112023 112020 112020 PLEOSO
7/2020	4.3%	\$ 4,080 \$	4,214	y y

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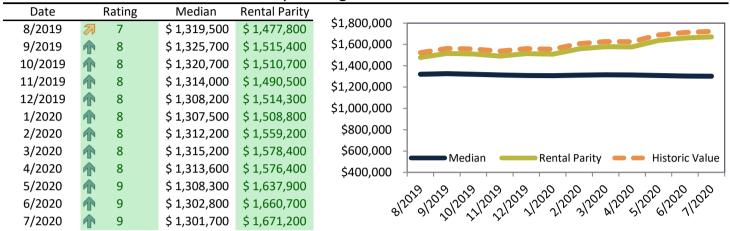


Historically, properties in this market sell at a 3.1% premium. Today's discount is 22.1%. This market is 25.2% undervalued. Median home price is \$1,301,700, and resale \$/SF is \$568/SF. Prices fell 3.7% year-over-year.

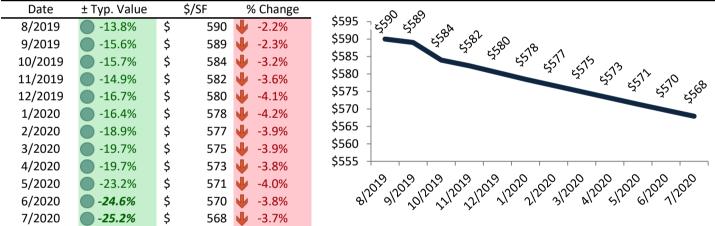
Monthly cost of ownership is \$5,263, and rents average \$6,758, making owning \$1494 per month less costly than renting. Rents rose 5.5% year-over-year. The current capitalization rate (rent/price) is 5.0%.

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	%	6 Change	Rent	Own	\$8,000 7
8/2019	1	3.5%	\$ 6,457	\$ 5,765	\$7,000 36 36 36 36 36 36 36 36 36 36 36 36 36
9/2019		4.0%	\$ 6,484	\$ 5,672	\$7,000 60, 60, 60, 60, 60, 60, 60, 60, 60,
10/2019	1	4.5%	\$ 6,512	\$ 5,693	37,000
11/2019	1	4.5%	\$ 6,536	\$ 5,762	¢c 000
12/2019		4.6%	\$ 6,560	\$ 5,667	\$6,000 -
1/2020		4.7%	\$ 6,584	\$ 5,705	
2/2020		5.2%	\$ 6,614	\$ 5,566	\$5,000 -
3/2020	1	5.5%	\$ 6,645	\$ 5,537	Rent Own Historic Cost to Own Relative to Rent
4/2020	1	5.8%	\$ 6,678	\$ 5,565	\$4,000
5/2020	1	5.8%	\$ 6,708	\$ 5,358	81218 201218 21218 212020 812020 812020
6/2020	1	5.6%	\$ 6,733	\$ 5,282	state into itale itale state
7/2020	AN	5.5%	\$ 6.758	\$ 5.264	y y

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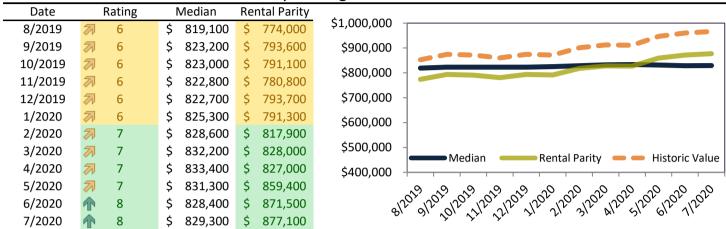


Historically, properties in this market sell at a 10.2% premium. Today's discount is 5.4%. This market is 15.6% undervalued. Median home price is \$829,300, and resale \$/SF is \$476/SF. Prices fell 0.6% year-over-year.

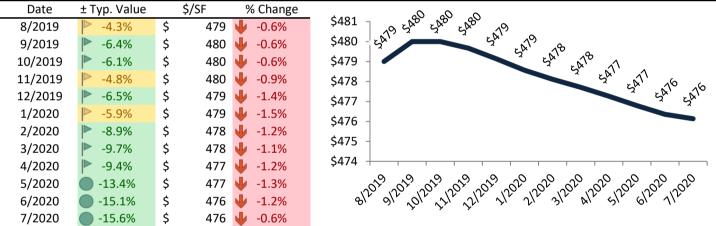
Monthly cost of ownership is \$3,353, and rents average \$3,547, making owning \$193 per month less costly than renting. Rents rose 5.7% year-over-year. The current capitalization rate (rent/price) is 4.1%.

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	% Change	Rent	Own	. \$4,300 ¬
8/2019	1 3.9%	\$ 3,382	\$ 3,579	
9/2019	4.3%	\$ 3,396	\$ 3,522	\$3,800 33, 33, 33, 33, 33, 33, 33, 33, 33, 3
10/2019	4.7%	\$ 3,410	\$ 3,547	
11/2019	4.9%	\$ 3,424	\$ 3,608	\$3,300 -
12/2019	5.1%	\$ 3,438	\$ 3,564	\$2,800 -
1/2020	5.3%	\$ 3,453	\$ 3,601	\$2,800 ·
2/2020	5.6%	\$ 3,469	\$ 3,515	\$2,300 -
3/2020	5.9%	\$ 3,486	\$ 3,504	Rent Own Historic Cost to Own Relative to Rent
4/2020	6.1%	\$ 3,504	\$ 3,531	\$1,800 +
5/2020	6.1%	\$ 3,520	\$ 3,404	29 29 29 20 20 20
6/2020	5.8%	\$ 3,533	\$ 3,358	stats totals that that was place
7/2020	5.7%	\$ 3,547	\$ 3,354	у у

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Historically, properties in this market sell at a 14.7% premium. Today's discount is 6.9%. This market is 21.6% undervalued. Median home price is \$865,000, and resale \$/SF is \$467/SF. Prices fell 0.5% year-over-year.

Monthly cost of ownership is \$3,497, and rents average \$3,758, making owning \$260 per month less costly than renting. Rents rose 5.8% year-over-year. The current capitalization rate (rent/price) is 4.2%.

Market rating = 9

Median Home Price and Rental Parity trailing twelve months

						<u> </u>
	Rating		Median	Re	ntal Parity	44.400.000
A	7	\$	865,100	\$	819,300	\$1,100,000
ZN	7	\$	868,600	\$	840,300	\$1,000,000
刻	7	\$	868,200	\$	838,000	\$900,000 -
ZV	7	\$	867,900	\$	827,500	\$800,000 -
ZV	7	\$	867,700	\$	841,400	\$700,000 -
A	7	\$	869,800	\$	838,800	
1	8	\$	872,000	\$	867,000	\$600,000 -
1	8	\$	873,400	\$	877,600	\$500,000 - Median Rental Parity - Historic Value
1	8	\$	872,400	\$	876,300	\$400,000
1	8	\$	869,000	\$	910,400	00 00 00 00 00 00 00 00 00 00
1	9	\$	865,000	\$	923,300	8/203/2012/2012/2012/1202/1202/2012/2012/
1	9	\$	865,000	\$	929,400	9, 2, 2, 2, 2, 2, 2, 3, 3, 3, 4, 2, 0, 4,
	为为为为为为个个个个个个	7 7 7 7 7 7 8 4 8 4 8 4 8 9	7	7 \$ 865,100 7 \$ 868,600 7 \$ 868,200 7 \$ 867,900 7 \$ 867,700 7 \$ 869,800 • 8 \$ 872,000 • 8 \$ 873,400 • 8 \$ 872,400 • 8 \$ 869,000 • 9 \$ 865,000	7 \$ 865,100 \$ 7 \$ 868,600 \$ 7 \$ 868,200 \$ 7 \$ 867,900 \$ 7 \$ 867,700 \$ 7 \$ 869,800 \$ 1 7 \$ 872,000 \$ 1 8 \$ 872,000 \$ 1 8 \$ 872,400 \$ 1 8 \$ 869,000 \$ 1 9 \$ 865,000 \$	7 \$ 865,100 \$ 819,300 7 \$ 868,600 \$ 840,300 7 \$ 868,200 \$ 838,000 7 \$ 867,900 \$ 827,500 7 \$ 867,700 \$ 841,400 7 \$ 869,800 \$ 838,800 1 8 \$ 872,000 \$ 867,000 1 8 \$ 873,400 \$ 877,600 1 8 \$ 872,400 \$ 876,300 1 8 \$ 869,000 \$ 910,400 1 9 \$ 865,000 \$ 923,300

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

Date	± Typ. Value	\$/SF	% Change	4 40 40
8/2019	-9.1%	\$ 470	-0.2%	\$471 750 500
9/2019	-11.3%	\$ 470	- 0.2%	\$470 - 5400 5400 500
10/2019	-11.1%	\$ 469	- 0.4%	\$469
11/2019	-9.8%	\$ 469	- 0.7%	\$468 -
12/2019	-11.6%	\$ 468	-1.0%	\$467 -
1/2020	-11.0%	\$ 468	-1.1%	\$466 -
2/2020	-14.1%	\$ 468	- 0.7%	
3/2020	-15.2%	\$ 467	- 0.7%	\$465 -
4/2020	-15.2%	\$ 467	-0.6%	\$464
5/2020	-19.3%	\$ 467	-0.6%	212023120201202312023120231202031202031202051202012020
6/2020	-21.0%	\$ 467	- 0.7%	8/2013/1213/1/2013/1/2013/1/2023/12028/12028/12020/12020
7/2020	-21.6%	\$ 467	-0.5%	, , ,

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

Date	% Change	Rent	Own	\$4,800 ¬
8/2019	1 3.9%	\$ 3,580	\$ 3,780	
9/2019	4.5%	\$ 3,596	\$ 3,716	\$4,300 - 38 39 53 62 62 62 62 62 62 62 62 62 62 62 62 62
10/2019	4.9%	\$ 3,612	\$ 3,742	\$3,800 - 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2,
11/2019	5.2%	\$ 3,629	\$ 3,806	ć2 200
12/2019	5.4%	\$ 3,645	\$ 3,759	\$3,300 -
1/2020	5.5%	\$ 3,661	\$ 3,796	\$2,800 -
2/2020	5.8%	\$ 3,677	\$ 3,699	\$2,300 -
3/2020	6.0%	\$ 3,695	\$ 3,677	Rent Own Historic Cost to Own Relative to Rent
4/2020	6.1%	\$ 3,712	\$ 3,696	\$1,800
5/2020	6.0%	\$ 3,729	\$ 3,559	81229 201229 21222 11220 81220 812020
6/2020	5.8%	\$ 3,744	\$ 3,507	81213 July 212013 11212 Mayo 612020
7/2020	5.8%	\$ 3,758	\$ 3,498	y y

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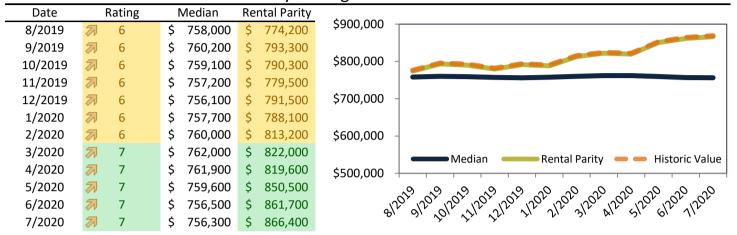


Historically, properties in this market sell at a 0.3% premium. Today's discount is 12.7%. This market is 13.0% undervalued. Median home price is \$756,300, and resale \$/SF is \$500/SF. Prices rose 1.1% year-over-year.

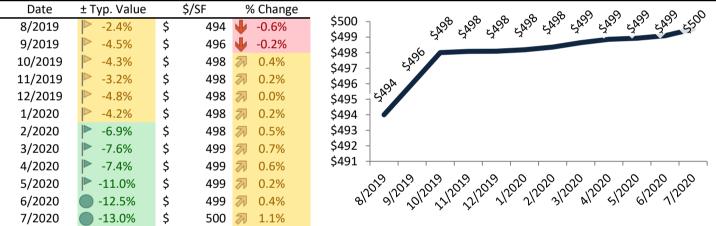
Monthly cost of ownership is \$3,058, and rents average \$3,503, making owning \$445 per month less costly than renting. Rents rose 4.1% year-over-year. The current capitalization rate (rent/price) is 4.4%.

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	\$3,700 7 22 24 30 34 39 39 39 30 36 37 39 39 39
8/2019	1.2%	\$ 3,38	3 \$	3,312	
9/2019	3.5%	\$ 3,39	4 \$	3,253	\$3,200 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2,
10/2019	3.9%	\$ 3,40	7 \$	3,272	\$3,300 -
11/2019	4.0%	\$ 3,41	.8 \$	3,320	43.400
12/2019	4.0%	\$ 3,42	9 \$	3,275	\$3,100 -
1/2020	4.0%	\$ 3,43	9 \$	3,306	\$2,900 -
2/2020	4.1%	\$ 3,45	0 \$	3,224	\$2,700 -
3/2020	4.1%	\$ 3,46	1 \$	3,208	Rent Own Historic Cost to Own Relative to Rent
4/2020	4.2%	\$ 3,47	2 \$	3,228	\$2,500
5/2020	4.2%	\$ 3,48	3 \$	3,111	
6/2020	4.1%	\$ 3,49	3 \$	3,067	8/2023 20/2023 21/2023 21/2020 KI2020 6/2020
7/2020	4.1%	\$ 3,50	4 \$	3,058	y

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Historically, properties in this market sell at a -4.3% discount. Today's discount is 16.3%. This market is 12.0% undervalued. Median home price is \$769,600, and resale \$/SF is \$483/SF. Prices fell 1.7% year-over-year.

Monthly cost of ownership is \$3,112, and rents average \$3,719, making owning \$607 per month less costly than renting. Rents rose 5.7% year-over-year. The current capitalization rate (rent/price) is 4.6%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months

Date		Rating	Median	Re	ntal Parity	¢050.000	
8/2019	刁	6	\$ 768,100	\$	811,300	\$950,000	
9/2019	团	6	\$ 771,100	\$	832,300	\$900,000 -	
10/2019	刻	6	\$ 770,200	\$	830,200	\$850,000 -	
11/2019	A	6	\$ 769,000	\$	819,900	\$800,000 -	
12/2019	A	6	\$ 768,700	\$	833,600		
1/2020	团	6	\$ 770,700	\$	830,900	\$750,000 -	
2/2020	网	6	\$ 773,400	\$	858,500	\$700,000 -	
3/2020	团	6	\$ 775,800	\$	868,700	\$650,000 -	Median Rental Parity Historic Value
4/2020	网	6	\$ 776,100	\$	867,300	\$600,000 -	iviculari inchiari arity — Tristoric value
5/2020	N	7	\$ 773,300	\$	901,100		00 00 00 00 00 00 00 00 00
6/2020	A	7	\$ 769,400	\$	913,800	a/Y	523/1523/1523/1523/1520/15203/1520/1/202/1020/1020/1020
7/2020	A	7	\$ 769,600	\$	919,800	יסי	2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2

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

Date	± Typ. Value	\$/SF	% Change	0 0 0 0
8/2019	▶ -1.0%	\$ 490	-0.8%	\$492 \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
9/2019	▶ -3.0%	\$ 490	-0.8%	5400
10/2019	-2.9%	\$ 490	-0.8%	\$488 -
11/2019	▶ -1.9%	\$ 490	-1.3 %	\$486 -
12/2019	▶ -3.5%	\$ 489	-2.1%	\$484 -
1/2020	▶ -2.9%	\$ 488	-2.2 %	\$482 -
2/2020	⊳ -5.6%	\$ 487	-2.2 %	
3/2020	-6.4%	\$ 486	-2.4%	\$480 -
4/2020	-6.2%	\$ 485	-2.4%	\$478
5/2020	-9.9%	\$ 484	-2.4%	8122 8122 9122 1222 1122 1122 1122 1122
6/2020	-11.5%	\$ 483	-2.1 %	81202 91202 91202 21202 21202 11202 21202 81202 81202 81202 11202
7/2020	-12.0%	\$ 483	-1.7%	

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

Date	%	Change	Rent	Own	\$3,900 - 18 65 69 66 65 66 67 68 68 68 68
8/2019	1	4.5%	\$ 3,545	\$ 3,356	\$3,700 37 57 57 57 57 57 57 57 57 57 57 57 57 57
9/2019	1	5.0%	\$ 3,561	\$ 3,299	\$3,700 X X X X X X X X X X X X X X X X X X
10/2019		5.4%	\$ 3,579	\$ 3,320	\$3,500 -
11/2019		5.6%	\$ 3,596	\$ 3,372	\$3,300 -
12/2019		5.7%	\$ 3,611	\$ 3,330	\$3,100 -
1/2020		5.6%	\$ 3,626	\$ 3,363	\$2,900 -
2/2020		5.7%	\$ 3,641	\$ 3,280	
3/2020	1	5.8%	\$ 3,658	\$ 3,266	\$2,700 - Rent Own Historic Cost to Own Relative to Rent
4/2020	1	5.9%	\$ 3,674	\$ 3,288	\$2,500
5/2020		5.9%	\$ 3,690	\$ 3,167	73 73 73 70 70 70
6/2020		5.8%	\$ 3,705	\$ 3,119	81213 Jolans 212023 112020 MIDIO 612020
7/2020	AN .	5.7%	\$ 3.720	\$ 3.112	y

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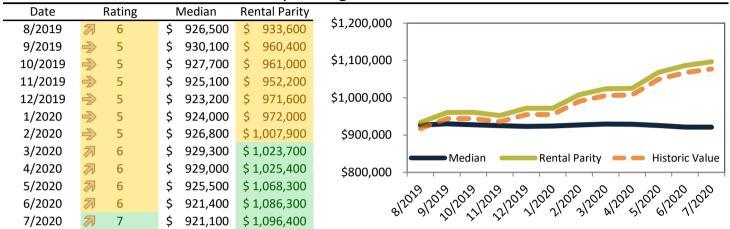


Historically, properties in this market sell at a -1.7% discount. Today's discount is 15.9%. This market is 14.2% undervalued. Median home price is \$921,100, and resale \$/SF is \$476/SF. Prices rose 0.5% year-over-year.

Monthly cost of ownership is \$3,724, and rents average \$4,433, making owning \$708 per month less costly than renting. Rents rose 10.1% year-over-year. The current capitalization rate (rent/price) is 4.6%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



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

Date	± Typ. Value	\$/SF	% Change	4
8/2019	▶ 1.0%	\$ 474	- 0.4%	\$479] 5478 5478 5478 547 67 67 65 6
9/2019	-1.4%	\$ 476	-0.2%	\$478 -
10/2019	▶ -1.7%	\$ 478	3 0.0%	\$478 - \$477 - \$416 \$416 \$416 \$416 \$416 \$416 \$416
11/2019	-1.1%	\$ 478	- 0.5%	\$476 -
12/2019	▶ -3.2%	\$ 478	- 0.7%	\$475 - 5414
1/2020	▶ -3.2%	\$ 477	-0.8%	\$474 -
2/2020	-6.3%	\$ 477	- 0.6%	·
3/2020	-7.5%	\$ 477	- 0.7%	\$473 -
4/2020	-7.7%	\$ 477	- 0.7%	\$472
5/2020	-11.6%	\$ 476	-0.8%	812231223122312231223122312223122231222
6/2020	-13.4%	\$ 476	- 0.2%	8/2029/2029/2022/2/2023/2020/2020/2020/20
7/2020	-14.2%	\$ 476	3 0.5%	

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

Date	% Change	Rent		Own	\$4,800 7
8/2019	6.7%	\$ 4,079	\$	4,048	\$4,800 \$4,600 \$4,400 \$4,200
9/2019	> 7.7%	\$ 4,110	\$	3,979	34,000] 0 0 N 16 20 NALAN 54, 54, 54, 54, 54, 5
10/2019	2 8.6%	\$ 4,142	\$	3,999	\$4,400
11/2019	9.3%	\$ 4,176	\$	4,057	\$4,200
12/2019	9.8%	\$ 4,209	\$	3,999	\$4,000 -
1/2020	10.1%	\$ 4,242	\$	4,032	\$3,800 -
2/2020	2 10.4%	\$ 4,275	\$	3,931	
3/2020	10.7%	\$ 4,310	\$	3,912	\$3,600 - Rent Own Historic Cost to Own Relative to Rent
4/2020	10.9%	\$ 4,344	\$	3,935	\$3,400
5/2020	10.6%	\$ 4,375	\$	3,790	23 23 23 20 20 20
6/2020	10.3%	\$ 4,404	\$	3,735	812023 2012023 212023 212020 W12020 612020
7/2020	≥ 10.1%	\$ 4.434	Ś	3.725	у у

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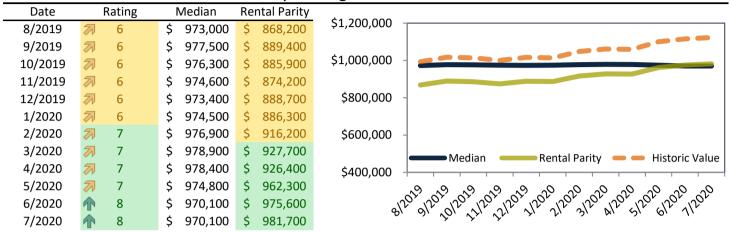


Historically, properties in this market sell at a 14.4% premium. Today's discount is 1.2%. This market is 15.6% undervalued. Median home price is \$970,100, and resale \$/SF is \$472/SF. Prices rose 0.4% year-over-year.

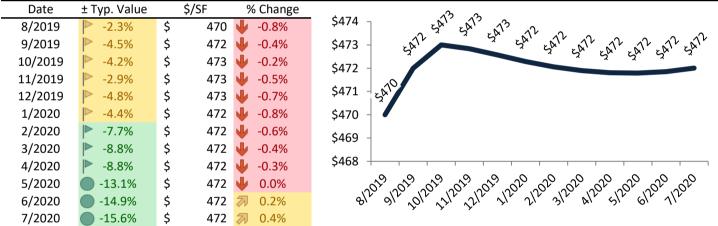
Monthly cost of ownership is \$3,922, and rents average \$3,969, making owning \$046 per month less costly than renting. Rents rose 5.4% year-over-year. The current capitalization rate (rent/price) is 3.9%.

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	% Change	Rent	Own	\$4,800 7
8/2019	1 2.8%	\$ 3,793	\$ 4,251	\$4,300] 3,00 30 60 60 60 60 60 60 60 60 60 60 60 60 60
9/2019	1.2%	\$ 3,806	\$ 4,182	\$4,300 3 43 63 63 63 63 63 63 63 63 63 63 63 63 63
10/2019	3.6%	\$ 3,819	\$ 4,208	\$3,800 -
11/2019	4.0%	\$ 3,834	\$ 4,274	
12/2019	4.5%	\$ 3,850	\$ 4,216	\$3,300 -
1/2020	5.0%	\$ 3,868	\$ 4,252	\$2,800 -
2/2020	5.4%	\$ 3,886	\$ 4,144	\$2,300 -
3/2020	5.7%	\$ 3,906	\$ 4,121	Rent Own Historic Cost to Own Relative to Rent
4/2020	5.9%	\$ 3,925	\$ 4,145	\$1,800 +
5/2020	5.8%	\$ 3,941	\$ 3,992	
6/2020	5.5%	\$ 3,955	\$ 3,933	81213 July 31213 31212 May 11212 61212
7/2020	5.4%	\$ 3,970	\$ 3,923	Y Y

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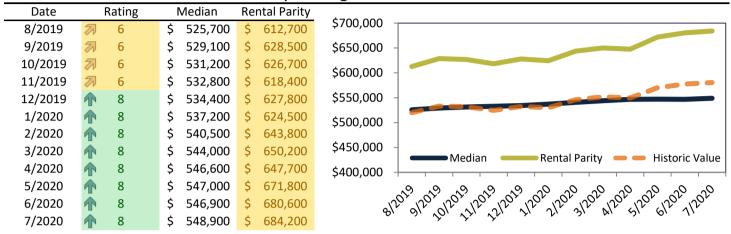
Stanton Housing Market Value & Trends Update

Historically, properties in this market sell at a -15.2% discount. Today's discount is 19.8%. This market is 4.6% undervalued. Median home price is \$548,900, and resale \$/SF is \$397/SF. Prices rose 3.4% year-over-year.

Monthly cost of ownership is \$2,219, and rents average \$2,767, making owning \$547 per month less costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 4.8%.

Market rating = 8

Median Home Price and Rental Parity trailing twelve months



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

Date	± Typ. Value	\$/SF	% Change	\$398 \$396 \$394 \$392 \$390 \$388
8/2019	▶ 1.0%	\$ 386	1.3%	\$398
9/2019	▶ -0.7%	\$ 388	1.6%	\$396 -
10/2019	▶ -0.1%	\$ 390	1.8%	\$394]
11/2019	▶ 1.3%	\$ 391	2.0%	\$390 - 06 \$300 1
12/2019	▶ 0.3%	\$ 391	1 2.1%	\$388 - 5300
1/2020	▶ 1.2%	\$ 392	1 2.3%	\$386 -
2/2020	▶ -0.9%	\$ 393	1 2.8%	\$384 -
3/2020	▶ -1.2%	\$ 393	1 2.5%	\$382 -
4/2020	▶ -0.4%	\$ 394	1 2.7%	\$380 +
5/2020	▶ -3.4%	\$ 395	1 2.9%	81202 91202 01202 11202 11202 11202 11202 11202 51202 61202 11202
6/2020	▶ -4.5%	\$ 396	3.1%	8/202 8/202 1/202 2/102 2/102 2/102 3/202 1/202 5/202 6/202 1/202
7/2020	-4.6%	\$ 397	3.4%	

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

Date	% Change	Rent	Own	- \$3,000 7 1 .50 10 10 10 10 10 10 10 10 10 10 10 10 10
8/2019	4.9%	\$ 2,677	\$ 2,297	
9/2019	f 5.2%	\$ 2,689	\$ 2,264	\$5,800 - \$1, 2, 3, 3, 3, 3, 3, 4, 4, 4,
10/2019	5.5%	\$ 2,702	\$ 2,290	\$2,600 -
11/2019	5.3%	\$ 2,712	\$ 2,336	ć2.400
12/2019	4.9%	\$ 2,720	\$ 2,315	\$2,400 -
1/2020	4.3%	\$ 2,725	\$ 2,344	\$2,200 -
2/2020	4.0%	\$ 2,731	\$ 2,293	\$2,000
3/2020	3.8%	\$ 2,737	\$ 2,290	Rent Own Historic Cost to Own Relative to Rent
4/2020	1 3.7%	\$ 2,744	\$ 2,316	\$1,800
5/2020	3.7%	\$ 2,751	\$ 2,240	29 29 29 20 20 20
6/2020	3.8%	\$ 2,759	\$ 2,217	grais jorais vrais vrais mais erais
7/2020	3.7%	\$ 2,767	\$ 2,220	у у

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Huntington Beach Housing Market Value & Trends Update

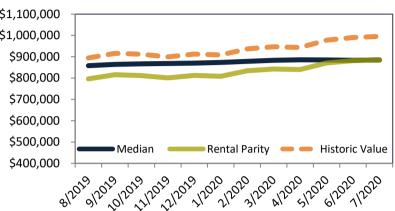
Historically, properties in this market sell at a 12.3% premium. Today's discount is 0.1%. This market is 12.4% undervalued. Median home price is \$885,500, and resale \$/SF is \$508/SF. Prices rose 2.1% year-over-year.

Monthly cost of ownership is \$3,580, and rents average \$3,584, making owning \$003 per month less costly than renting. Rents rose 3.5% year-over-year. The current capitalization rate (rent/price) is 3.9%.

Market rating = 9

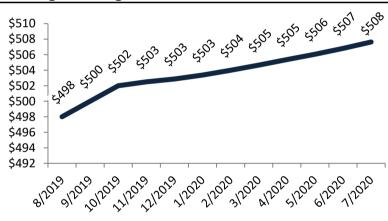
Median Home Price and Rental Parity trailing twelve months

-	Date	Rating	Median	Rental Parity	Ć1 100 000
·-	8/2019	a 6	\$ 858,100	\$ 796,200	\$1,100,000
	9/2019	a 6	\$ 864,500	\$ 815,500	\$1,000,000 -
	10/2019	5 6	\$ 867,000	\$ 812,000	\$900,000 -
	11/2019	a 6	\$ 868,500	\$ 800,500	\$800,000
	12/2019	a 6	\$ 870,000	\$ 812,500	\$700,000
	1/2020	a 6	\$ 873,600	\$ 808,600	
	2/2020	7	\$ 878,400	\$ 834,000	\$600,000 -
	3/2020	7	\$ 883,200	\$ 842,600	\$500,000 - Med
	4/2020	5 6	\$ 885,700	\$ 839,700	\$400,000
	5/2020	₹ 7	\$ 884,800	\$ 870,800	
	6/2020	7	\$ 883,100	\$ 881,900	8/2018/2012/
	7/2020	9	\$ 885.500	\$ 886,300	8. 9. %. ,



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

-	Date	± Typ. Value	\$/SF	%	6 Change	
	8/2019	-4.5%	\$ 498	W	1.0%	\$510
	9/2019	-6.3%	\$ 500	W	1.4%	\$508 - \$506 - ను టో
	10/2019	-5.6%	\$ 502	W	1.6%	\$508 - \$506 - \$504 - \$502 - \$500 - \$500 -
	11/2019	-3.8%	\$ 503	W	1.3%	\$502 - 80 2500 1
	12/2019	⊳ -5.2%	\$ 503	W	1.0%	\$500 - 500
	1/2020	-4.3%	\$ 503	W	1.3%	\$498 -
	2/2020	-7.0%	\$ 504	W	1.6%	\$496 -
	3/2020	-7.5%	\$ 505	W	1.7%	\$494 -
	4/2020	-6.8%	\$ 505	W	1.9%	\$492 +
	5/2020	-10.7%	\$ 506	W	1.8%	2019 2019 2019 2019 20
	6/2020	-12.2%	\$ 507	W	2.0%	812018 12018 1213 1212 1212
	7/2020	-12.4%	\$ 508	1	2.1%	



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

Date	% Change	Rent	Own	\$4,200 ¬
8/2019	3.1%	\$ 3,479	3,749	¢4,000
9/2019	1.3%	\$ 3,489 \$	3,699	
10/2019	3.6%	\$ 3,500 \$	3,737	\$3,800 - 10 10 10 10 10 10 10 10 10 10 10 10 10
11/2019	3.6%	\$ 3,510 \$	3,808	\$3,600 2, 23, 23, 23, 24, 27, 2
12/2019	3.6%	\$ 3,520 \$	3,769	\$3,400
1/2020	1.5%	\$ 3,528 \$	3,812	\$3,200 -
2/2020	3.5%	\$ 3,538 \$	3,726	
3/2020	3.6%	\$ 3,547 \$	3,718	\$3,000 - Rent Own Historic Cost to Own Relative to Rent
4/2020	3.6%	\$ 3,557	3,752	\$2,800
5/2020	3.6%	\$ 3,567	3,624	75 75 75 70 70 70
6/2020	3.5%	\$ 3,576 \$	3,580	81213 July 21/212 1/2010 MUDIO 61/2010
7/2020	3.5%	\$ 3,584 \$	3,581	у у

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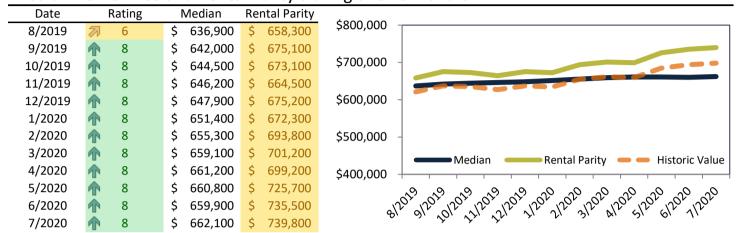
Garden Grove Housing Market Value & Trends Update

Historically, properties in this market sell at a -5.6% discount. Today's discount is 10.5%. This market is 4.9% undervalued. Median home price is \$662,100, and resale \$/SF is \$430/SF. Prices rose 3.8% year-over-year.

Monthly cost of ownership is \$2,677, and rents average \$2,991, making owning \$314 per month less costly than renting. Rents rose 4.5% year-over-year. The current capitalization rate (rent/price) is 4.3%.

Market rating = 8

Median Home Price and Rental Parity trailing twelve months



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

Date	± Typ. Value	\$/SF	% Change	\$435 \$430 \$425 \$420
8/2019	▶ 2.4%	\$ 417	2.0%	\$435]
9/2019	▶ 0.7%	\$ 420	1 2.2%	5430 -
10/2019	▶ 1.4%	\$ 422	1 2.4%	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
11/2019	▶ 2.9%	\$ 423	1 2.4%	\$425 - 120 4 4 4 4
12/2019	▶ 1.6%	\$ 423	1 2.0%	\$420 6427 3
1/2020	▶ 2.5%	\$ 424	1 2.2%	\$420 7 9
2/2020	▶ 0.1%	\$ 425	1 2.6%	\$415 -
3/2020	▶ -0.4%	\$ 426	1 2.6%	
4/2020	▶ 0.2%	\$ 427	1 2.5%	\$410
5/2020	▶ -3.3%	\$ 427	1 2.8%	81202 91202 1202 21202 21202 21202 31202 11202 91202 11202
6/2020	-4.6%	\$ 428	1 3.3%	8/2 3/2 2/2 2/2 2/2 2/2 3/2 8/2 8/2 8/2 8/2
7/2020	-4.9%	\$ 430	3.8%	

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

Date	% Change	Rent	Own	\$3,200 7 N N N N N N N N N N N N N N N N N N
8/2019	4.4%	\$ 2,876	\$ 2,	\$3,200 \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
9/2019	4.8%	\$ 2,889	\$ 2,	47
10/2019	5.1%	\$ 2,902	\$ 2,	778 \$2,800 -
11/2019	5.2%	\$ 2,914	\$ 2,	34 \$2,600 -
12/2019	5.1%	\$ 2,925	\$ 2,	06 \$2,400
1/2020	4.9%	\$ 2,934	\$ 2,	\$42 \$2,200 -
2/2020	4.7%	\$ 2,943	\$ 2,	779
3/2020	4.6%	\$ 2,952	\$ 2,	Rent ——Own ——Historic Cost to Own Relative to Rent
4/2020	4.6%	\$ 2,962	\$ 2,	\$1,800
5/2020	4.6%	\$ 2,972	\$ 2,	106
6/2020	4.6%	\$ 2,982	\$ 2,	706 812013 1012013 112013 112020 112020 612020
7/2020	4 5%	\$ 2,992	\$ 2	577

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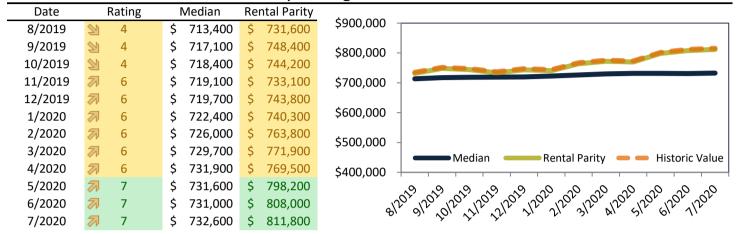


Historically, properties in this market sell at a 0.5% premium. Today's discount is 9.7%. This market is 10.2% undervalued. Median home price is \$732,600, and resale \$/SF is \$401/SF. Prices rose 1.9% year-over-year.

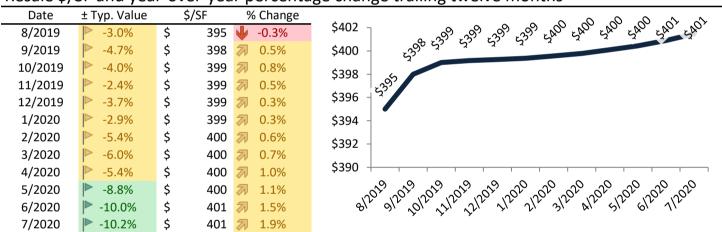
Monthly cost of ownership is \$2,962, and rents average \$3,282, making owning \$320 per month less costly than renting. Rents rose 3.2% year-over-year. The current capitalization rate (rent/price) is 4.3%.

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	\$3,800 ¬
8/2019	1.6%	\$ 3,197	\$ 3,117	
9/2019	1.8%	\$ 3,202	\$ 3,068	
10/2019	2.0%	\$ 3,208	\$ 3,097	\$3,400 \tau_k ta_k ta_k ta_k ta_k ta_k ta_k ta_k ta
11/2019	1 2.2%	\$ 3,215	\$ 3,153	\$3,200 -
12/2019	1.4%	\$ 3,222	\$ 3,117	\$3,000 -
1/2020	1 2.7%	\$ 3,231	\$ 3,152	\$2,800 -
2/2020	3.0%	\$ 3,240	\$ 3,079	
3/2020	1.3%	\$ 3,250	\$ 3,072	\$2,600 - Rent Own Historic Cost to Own Relative to Rent
4/2020	3.5%	\$ 3,260	\$ 3,101	\$2,400
5/2020	3.5%	\$ 3,269	\$ 2,996	
6/2020	1.3%	\$ 3,276	\$ 2,964	8/2029 20/2029 21/2020 21/2020 61/2020
7/2020	3.2%	\$ 3,283	\$ 2,963	y y

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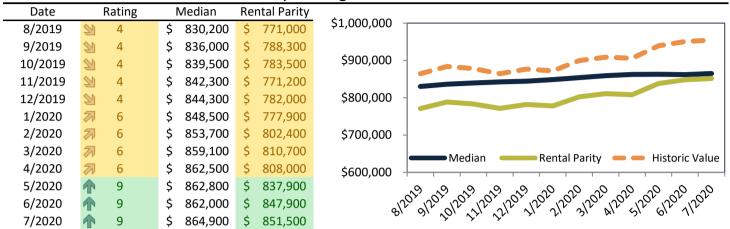
Fountain Valley Housing Market Value & Trends Update

Historically, properties in this market sell at a 12.1% premium. Today's premium is 1.6%. This market is 10.5% undervalued. Median home price is \$864,900, and resale \$/SF is \$428/SF. Prices rose 2.5% year-over-year.

Monthly cost of ownership is \$3,497, and rents average \$3,443, making owning \$053 per month more costly than renting. Rents rose 2.7% year-over-year. The current capitalization rate (rent/price) is 3.8%.

Market rating = 9

Median Home Price and Rental Parity trailing twelve months



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

Date	± Typ. Value	\$/SF	% Change	\$430 \$428 \$426 \$424 \$422 \$420
8/2019	► -4.4%	\$ 419	3 0.5%	\$430] S NO EXP. EXP.
9/2019	-6.1%	\$ 421	7 0.7%	\$428 - 3 20 20 20 EAR EAR EAR EAR EAR
10/2019	► -5.0%	\$ 423	7 1.2%	\$426 - 402 201 201 201 201
11/2019	▶ -2.9%	\$ 423	7 1.0%	\$424 - 2502
12/2019	▶ -4.1%	\$ 424	3 0.9%	\$422 - 205 1
1/2020	▶ -3.0%	\$ 424	3 0.9%	· · ·
2/2020	▶ -5.7%	\$ 424	1.3%	\$418 -
3/2020	-6.1%	\$ 425	1.4%	\$416 -
4/2020	-5.4%	\$ 425	1.8%	\$414 +
5/2020	-9.1%	\$ 426	1 2.2%	81202 31202 01202 11202 11202 11202 11202 11202 51202 61202 11202
6/2020	-10.4%	\$ 427	2.3%	8/2023/16/20/2012/2/16/2/16/2/16/2/16/2/16/2/1
7/2020	-10.5%	\$ 428	2.5%	, , ,

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

Date	% Change	Rent	Own	\$4,000 ¬
8/2019	1.5%	\$ 3,369 \$	3,627	
9/2019	1.6%	\$ 3,373 \$	3,577	\$3.500 - 53, 53, 53, 53, 53, 53, 53, 53, 53, 53,
10/2019	1.6%	\$ 3,377 \$	3,619	\$3,200 - 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 3, 3
11/2019	3 1.7%	\$ 3,382 \$	3,694	
12/2019	3.8%	\$ 3,388 \$	3,657	
1/2020	2.1%	\$ 3,395 \$	3,703	\$3,000 -
2/2020	1 2.5%	\$ 3,404 \$	3,621	
3/2020	1 2.8%	\$ 3,413 \$	3,617	Rent Own Historic Cost to Own Relative to Rent
4/2020	3.1%	\$ 3,423 \$	3,654	\$2,500
5/2020	3.0%	\$ 3,432 \$	3,533	41019 101019 11019 11010 11010 612010
6/2020	1 2.8%	\$ 3,438 \$	3,495	812023 2012023 212023 212020 112020 612020
7/2020	1 2.7%	\$ 3,444 \$	3,498	y

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TAIT Housing Report

TAIT housing report and newsletter provides a clear picture of the health of the housing market. Readers find the information on location, valuation, and price trends, timely and relevant to their decision to buy or sell real estate. The TAIT report answers the most important questions:

- (1) Where should I look for bargains?
- (2) Are current prices over or under valued?
- (3) What direction are prices headed, up or down?

The TAIT monthly market report has 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 resale value relative to rent, or Rental Parity, is calculated by taking the median rent reported by Zillow and utilizing that value as a payment to calculate the size of the loan that payment would support. The result is the price someone could pay and their resulting cost of ownership (payment mostly) would equal the cost of renting; thus the name Rental Parity. The median is the raw median number provided by Zillow. The historic value is what the median "should" be based on the historic relationship between rental parity and the median during periods of market stability (1992-1998 and 2014-2017). This historic value is important because some areas trade below rental parity and some trade above based on how desirable the area is. Whenever the median is above the historic value, the market is overvalued, and whenever the median is below the historic value, it is undervalued. Without this benchmark, there is no way to determine if the current median is overvalued or undervalued. The addition of this benchmark is the key innovation of the TAIT Housing Report.

Using and Interpreting the TAIT Monthly Report

The table of contents on the front page of the TAIT monthly report organizes the reports by area. The typical page of an area report breaks down into four parts:

- (1) The news overview,
- (2) Median Home Price and Rental Parity trailing twelve months,
- (3) Resale \$/SF and year-over-year percentage change trailing twelve months,
- (4) 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. 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.



Resale Market Value and Trends

Orange County Housing Market Value & Trends Update

Historically, properties in this market sell at a 1.9% premium. Today's discount is 0.7%. This market is 2.6% undervalued. Median home price is \$730,800, and resale \$/SF is \$429/SF. Prices rose 0.8% year-over-year.

Monthly cost of ownership is \$3,204, and rents average \$3,225, making owning \$020 per month less costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 4.2%.

Market rating = 6

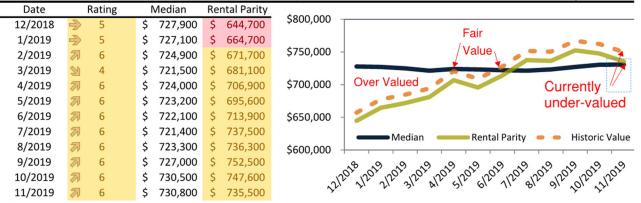


MEDIAN HOME PRICE AND RENTAL PARITY TRAILING TWELVE MONTHS

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. A rating of 10 is good and a rating of 1 is bad. A highly rated property or market is a good financial buy.

Median Home Price and Rental Parity trailing twelve months

Premium Market Example



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.

Valuation is more important that price movement. The best markets trade at a discount to 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.

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

Date	± Typ. Value	\$/SF	% Change	9 9
12/2018	11.0%	\$ 42	7 14.1%	\$430 \$428 5421 5421 55
1/2019	7.5%	\$ 42	7 🏤 3.4%	\$428 - 22 22 25
2/2019	▶ 6.0%	\$ 42	5 🏚 2.4%	\$426 - \$426 - \$424 -
3/2019	▶ 4.0%	\$ 42	4 🔊 1.9%	2 4 403 403 41
4/2019	0.5%	\$ 42	5 🔊 1.9%	\$424 -
5/2019	▶ 2.0%	\$ 42	4 🔊 1.2%	\$422 -
6/2019	-0.8%	\$ 42	3 🔊 0.5%	\$420 -
7/2019	-4.1%	\$ 42	3 🔊 0.0%	
8/2019	▶ -3.7%	\$ 42	4 🌓 -0.2%	\$418
9/2019	-5.3%	\$ 42	7 🔊 0.5%	21202 1202 1202 31203 31203 1202 51203 61203 11203 51203 51203 1203
10/2019	-4.2%	\$ 42	9 🔊 0.9%	21/1013/1013/1013/1013/1013/1013/1013/10
11/2019	▶ -2.6%	\$ 42	9 🔊 0.8%	, , , , , , , , , , , , , , , , , , ,



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.

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

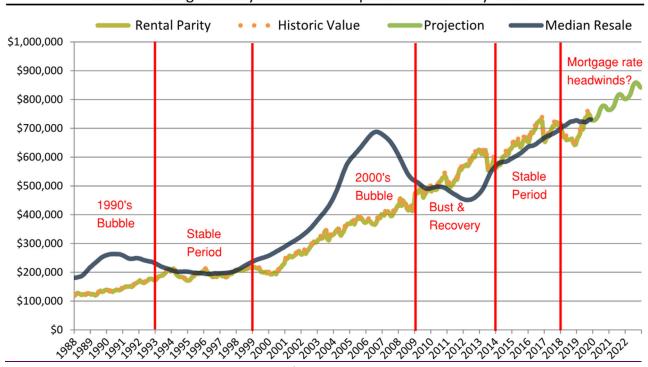


This method of looking at the data is more revealing to those who like to focus on monthly costs rather than purchase price. It reveals how affordable properties are relative to monthly rent, which is what rental parity analysis is all about. The first column of data shows the rate of rent growth over 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 fluctuations of the past?" and "How much danger is there in buying today?"

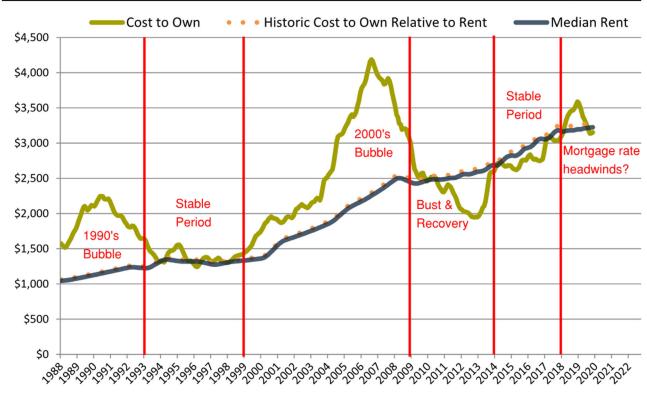
Orange County median home price since January 1988





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, overvalued, or undervalued.

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

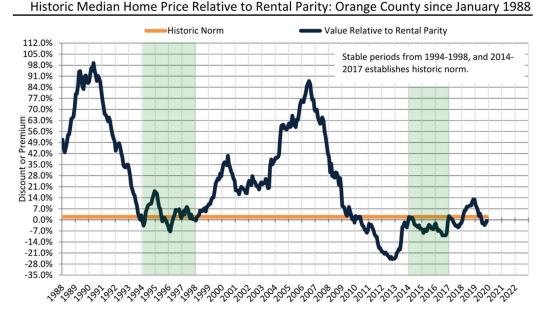


The chart above shows rent and monthly cost of ownership. It looks similar to the rental parity and resale home price chart, as it merely converts that information to a monthly format. For those who have difficulty relating to the large numbers of purchase price, viewing the data in terms of monthly expenses is easier to put into context.

HISTORIC VALUATION

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

The chart above shows, at a glance, how close the market trades to its

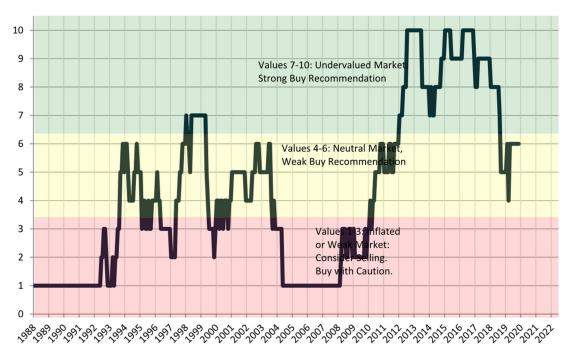


historic norm. The benchmark period is shown in green, and the degree of market volatility can be inferred from the scale to the left. For example, Orange County traded for as much as 25% below rental parity and 100% above it during the 31-year period shown.



TAIT RATING SYSTEM CHART

The market timing rating system mechanically identifies both good and buy dimes to buy based on valuation, resale price change, and rental rate change.



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.

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 are stuck paying 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. Every buyer should 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.