City of Irvine CALIFORNIA

MARCH 2022



HOUSING REPORT

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The Real State of USA Real Estate

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30 TAIT Housing Market Report Interpretation

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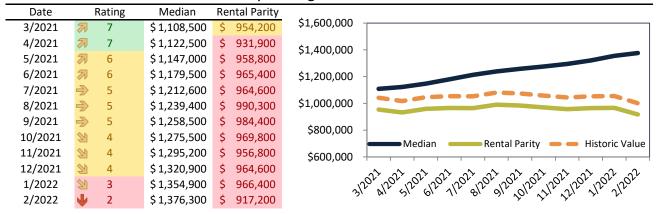


Historically, properties in this market sell at a 9.2% premium. Today's premium is 50.1%. This market is 40.9% overvalued. Median home price is \$1,376,300. Prices rose 25.2% year-over-year.

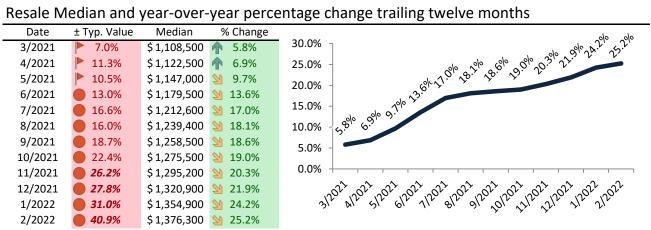
Monthly cost of ownership is \$5,866, and rents average \$3,910, making owning \$1,956 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 2.7%.

Market rating = 2

Median Home Price and Rental Parity trailing twelve months



Resale Median and year-over-year percentage change trailing twelve months

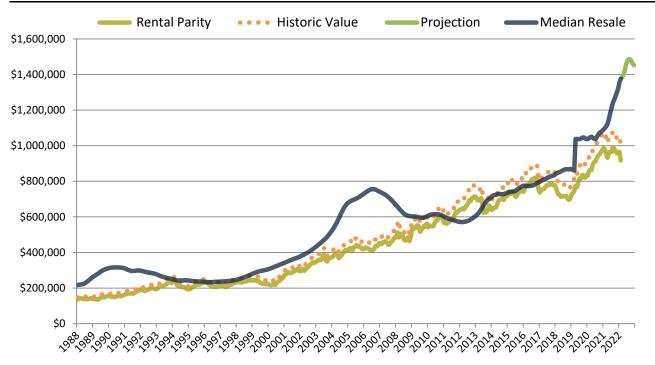


Rental rate and year-over-year percentage change trailing twelve months

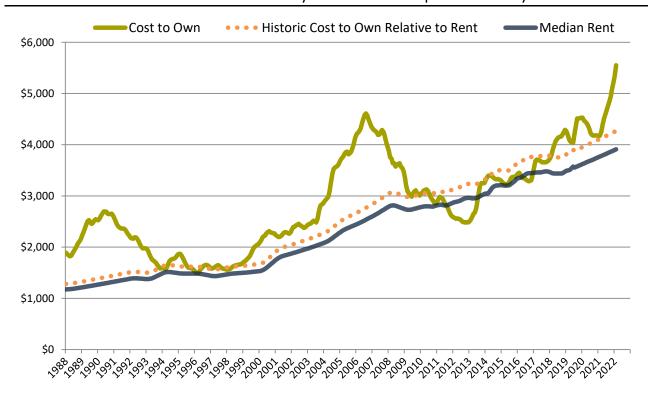
Date	% Change	Rent	Own	\$6,000 ¬
3/2021	3.7%	\$ 3,781 \$	4,392	
4/2021	1 3.7%	\$ 3,793 \$	4,568	\$5,500 -
5/2021	1.7%	\$ 3,804 \$	4,550	\$5,000 -
6/2021	1.7%	\$ 3,816 \$	4,661	21.500 2 3 10 5 1 29 12 10 86 86 8
7/2021	1 3.7%	\$ 3,827 \$	4,811	\$4,500 - 100 20 20 20 20 20 20 20 20 20 20 20 20 2
8/2021	1 3.7%	\$ 3,839 \$	4,804	\$4,000 - 57 - 57 - 57 - 57 - 57 - 57 - 57 -
9/2021	1.7%	\$ 3,851 \$	4,923	\$3,500 -
10/2021	3.7%	\$ 3,863 \$	5,080	Rent Own Historic Cost to Own Relative to Rent
11/2021	1.7%	\$ 3,874 \$	5,244	\$3,000
12/2021	1 3.7%	\$ 3,886 \$	5,321	3/2022 5/2022 1/2022 3/2022 1/2022
1/2022	1.7%	\$ 3,898 \$	5,465	3/2021 5/2021 1/2021 9/2021 21/2021 1/2022
2/2022	1.7%	\$ 3,910 \$	5,867	Υ



Irvine median home price since January 1988



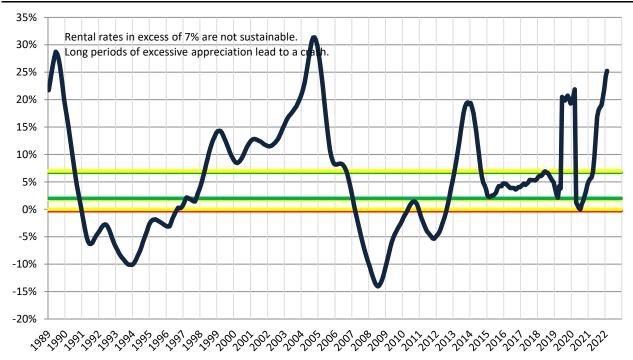
Irvine median rent and monthly cost of ownership since January 1988



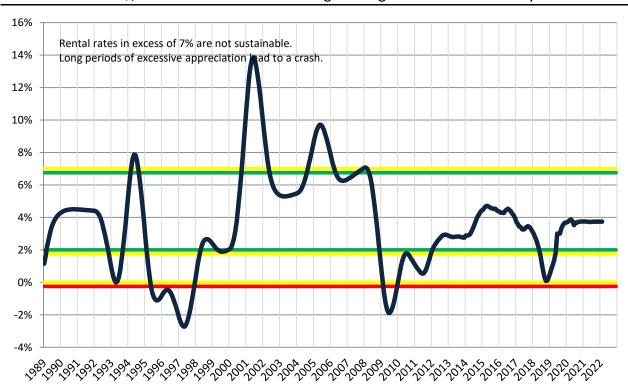
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Resale \$/SF Year-over-Year Percentage Change: Irvine since January 1989



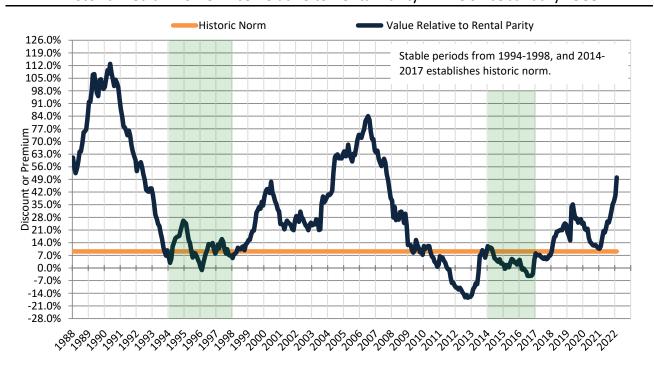
Rental \$/SF Year-over-Year Percentage Change: Irvine since January 1989



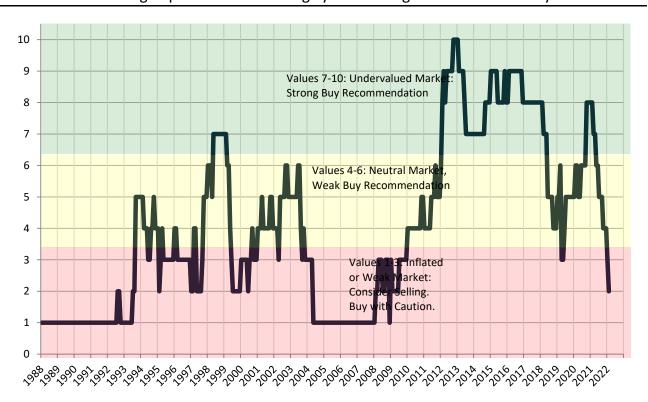
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Historic Median Home Price Relative to Rental Parity: Irvine since January 1988



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	Median Resale \$	Rent % Change YoY	/ledian Rent \$	ost of nership	nership m./Disc.	Cap Rate
Irvine	\$ 1,376,300	25.2%	\$ 1,376,300	1 3.7%	\$ 3,910	\$ 5,867	\$ 1,957	2.7%.
Los Angeles-Long Beach-Anaheim,	\$ 889,200	18.8%	\$ 889,200	3 .7%	\$ 3,287	\$ 3,790	\$ 503	3.5%.
Orange County	\$ 1,086,400	24.4%	\$ 1,086,400	1 3.7%	\$ 3,579	\$ 4,631	\$ 1,052	3.2%.
Anaheim	\$ 880,100	22.8%	\$ 880,100	1 3.7%	\$ 3,200	\$ 3,752	\$ 552	3.5%.
Santa Ana	\$ 812,200	21.8%	\$ 812,200	1 3.7%	\$ 3,107	\$ 3,462	\$ 355	3.7%.
Northwood	\$ 1,322,300	27.5%	\$ 1,322,300	1 3.7%	\$ 3,861	\$ 5,636	\$ 1,776	2.8%.
Northwood Point	\$ 1,703,600	25.8%	\$ 1,703,600	1 3.7%	\$ 4,607	\$ 7,262	\$ 2,655	2.6%.
92602	\$ 1,588,000	23.4%	\$ 1,588,000	1 3.7%	\$ 4,283	\$ 6,769	\$ 2,486	2.6%.
92603	\$ 2,135,400	24.4%	\$ 2,135,400	1 3.7%	\$ 6,986	\$ 9,102	\$ 2,116	3.1%.
92604	\$ 1,184,700	25.7%	\$ 1,184,700	1 3.7%	\$ 3,655	\$ 5,050	\$ 1,395	3.0%.
92606	\$ 1,267,900	27.3%	\$ 1,267,900	1 3.7%	\$ 3,871	\$ 5,405	\$ 1,533	2.9%.
92612	\$ 1,039,500	20.6%	\$ 1,039,500	1 3.7%	\$ 3,693	\$ 4,431	\$ 738	3.4%.
92614	\$ 1,163,600	23.0%	\$ 1,163,600	1 3.7%	\$ 3,838	\$ 4,960	\$ 1,122	3.2%.
92618	\$ 1,615,300	24.9%	\$ 1,615,300	1 3.7%	\$ 4,313	\$ 6,885	\$ 2,573	2.6%.
92620	\$ 1,480,200	26.1%	\$ 1,480,200	1 3.7%	\$ 4,103	\$ 6,310	\$ 2,207	2.7%.
Stanton	\$ 775,900	21.9%	\$ 775,900	1 3.7%	\$ 2,936	\$ 3,307	\$ 372	3.6%.
Huntington Beach	\$ 1,269,600	24.6%	\$ 1,269,600	1 3.7%	\$ 3,811	\$ 5,412	\$ 1,601	2.9%.
Garden Grove	\$ 892,800	22.6%	\$ 892,800	1 3.7%	\$ 3,137	\$ 3,806	\$ 669	3.4%.
Orange	\$ 999,400	23.1%	\$ 999,400	1 3.7%	\$ 3,500	\$ 4,260	\$ 760	3.4%.
Fountain Valley	\$ 1,156,200	23.2%	\$ 1,156,200	1 3.7%	\$ 3,695	\$ 4,928	\$ 1,233	3.1%.

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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	J 2	\$ 1,376,300	\$ 917,200	50.1 %	9.2%	40.9%
Los Angeles-Long Beach-Ana	1 8	\$ 889,200	\$ 771,100	▶ 3.8%	-2.3%	6.1%
Orange County	≥ 4	\$ 1,086,400	\$ 839,600	29.3%	1.9%	27.4%
Anaheim	№ 4	\$ 880,100	\$ 750,500	17.2%	-6.2%	23.4%
Santa Ana	≥ 4	\$ 812,200	\$ 729,000	11.4%	-11.9%	23.3%
Northwood	≥ 3	\$ 1,322,300	\$ 905,700	46.0%	16.2%	29.8%
Northwood Point	≥ 3	\$ 1,703,600	\$ 1,080,700	57.7 %	29.4%	28.3%
92602	J 1	\$ 1,588,000	\$ 1,004,700	58.0 %	13.6%	44.4%
92603	≥ 4	\$ 2,135,400	\$ 1,638,900	30.3%	3.1%	27.2 %
92604	≥ 3	\$ 1,184,700	\$ 857,400	38.2%	10.2%	28.0%
92606	≥ 4	\$ 1,267,900	\$ 908,200	39.6%	14.7%	24.9%
92612	⇒ 5	\$ 1,039,500	\$ 866,300	20.0%	0.3%	1 9.7%
92614	≥ 3	\$ 1,163,600	\$ 900,200	29.3%	-4.3%	33.6%
92618	J 1	\$ 1,615,300	\$ 1,011,700	59.7 %	-1.7%	6 1.4%
92620	J 2	\$ 1,480,200	\$ 962,500	53.8%	14.4%	39.4%
Stanton	№ 4	\$ 775,900	\$ 688,600	1 2.6%	-15.2%	27.8%
Huntington Beach	≥ 3	\$ 1,269,600	\$ 894,000	42.0%	12.3%	29.7%
Garden Grove	≥ 4	\$ 892,800	\$ 735,800	21.4%	-5.6%	27.0%
Orange	≥ 4	\$ 999,400	\$ 821,000	21.7%	0.5%	21.2%
Fountain Valley	≥ 4	\$ 1,156,200	\$ 866,900	33.4%	12.1%	21.3%

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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 \$889,200. Prices rose 18.8% year-over-year.

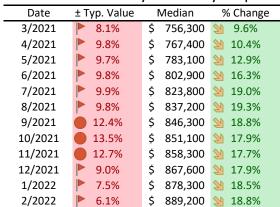
Monthly cost of ownership is \$3,790, and rents average \$3,287, making owning \$503 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 3.5%.

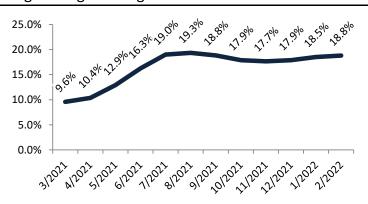
Market rating = 8

Median Home Price and Rental Parity trailing twelve months

Date	F	Rating	1	Median	Re	ntal Parity	44 000 000	
3/2021	A	6	\$	756,300	\$	802,100	\$1,000,000	
4/2021	A	6	\$	767,400	\$	783,300	\$900,000	-
5/2021	团	6	\$	783,100	\$	806,000	¢000.000	
6/2021	A	7	\$	802,900	\$	811,600	\$800,000	
7/2021	A	7	\$	823,800	\$	811,000	\$700,000	-
8/2021	A	7	\$	837,200	\$	832,500	\$600,000	
9/2021	\Rightarrow	5	\$	846,300	\$	827,600	\$000,000	
10/2021	\Rightarrow	5	\$	851,100	\$	815,300	\$500,000	Median —
11/2021	\Rightarrow	5	\$	858,300	\$	804,400	\$400,000	ivieulaii
12/2021	57	7	\$	867,600	\$	810,900	. ,	^ ^ ^ ^
1/2022	N	7	\$	878,300	\$	812,400		1202 1202 1202 1202 120
2/2022	1	8	\$	889,200	\$	771,100	3	DI 10 10 11

Resale Median 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	
3/2021	1 3.7%	\$ 3,17	'8 \$	2,997	\$3,700 - \$3,10°
4/2021	1 3.7%	\$ 3,18	88 \$	3,123	3,16,3,18,3,18,3,18,3,18,3,18,3,18,3,18,
5/2021	3.7%	\$ 3,19	8 \$	3,107	
6/2021	3.7%	\$ 3,20	8 \$	3,173	\$3,200 -
7/2021	1 3.7%	\$ 3,21	.8 \$	3,268	
8/2021	3.7%	\$ 3,22	7 \$	3,245	\$2,700 -
9/2021	1 3.7%	\$ 3,23	37 \$	3,310	
10/2021	1 3.7%	\$ 3,24	17 \$	3,389	Rent Own Historic Cost to Own Relative to Rent
11/2021	3.7%	\$ 3,25	7 \$	3,475	\$2,200
12/2021	1 3.7%	\$ 3,26	57 \$	3,495	
1/2022	3.7%	\$ 3,27	77 \$	3,543	31222 51222 11222 31222 71223
2/2022	1 3.7%	\$ 3,28	37 \$	3,790	Y

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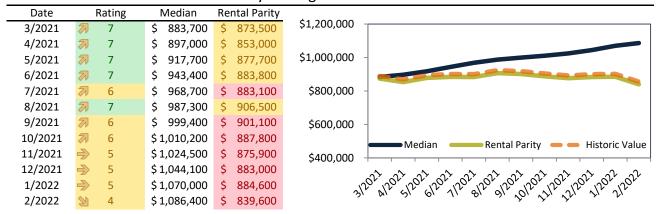
Orange County Housing Market Value & Trends Update

Historically, properties in this market sell at a 1.9% premium. Today's premium is 29.3%. This market is 27.4% overvalued. Median home price is \$1,086,400. Prices rose 24.4% year-over-year.

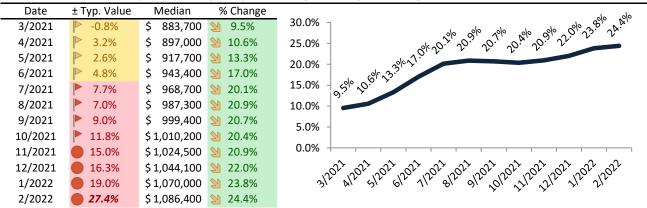
Monthly cost of ownership is \$4,630, and rents average \$3,579, making owning \$1,051 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 3.2%.

Market rating = 4

Median Home Price and Rental Parity trailing twelve months



Resale Median 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 ¬
3/2021	1.8%	\$ 3,461 \$	3,501	
4/2021	1.8%	\$ 3,472 \$	3,650	\$4,300 - 65 10 60 60 60 60 60 60 60 60 60 60 60 60 60
5/2021	1 3.7%	\$ 3,482 \$	3,641	\$4,300 - 50, 50, 50, 50, 50, 50, 50, 50, 50, 50,
6/2021	1.7%	\$ 3,493 \$	3,728	
7/2021	1 3.7%	\$ 3,504 \$	3,843	\$3,300 -
8/2021	1.7%	\$ 3,514 \$	3,827	\$2,800 -
9/2021	1 3.7%	\$ 3,525 \$	3,909	\$2,300
10/2021	1 3.7%	\$ 3,536 \$	4,023	Rent Own Historic Cost to Own Relative to Rent
11/2021	1.7%	\$ 3,547 \$	4,148	\$1,800
12/2021	1 3.7%	\$ 3,557 \$	4,206	aron won hon aron aron aron
1/2022	1 3.7%	\$ 3,568 \$	4,316	31222 51222 11222 31222 21222 11222
2/2022	1 3.7%	\$ 3,579 \$	4,631	Y

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Anaheim Housing Market Value & Trends Update

Historically, properties in this market sell at a -6.2% discount. Today's premium is 17.2%. This market is 23.4% overvalued. Median home price is \$880,100. Prices rose 22.8% year-over-year.

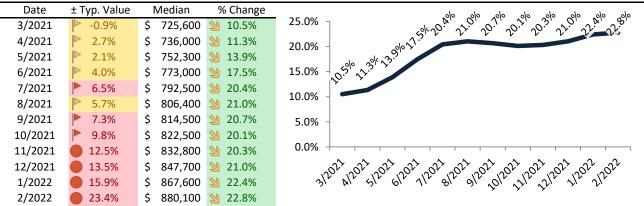
Monthly cost of ownership is \$3,751, and rents average \$3,199, making owning \$552 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 3.5%.

Market rating = 4

Median Home Price and Rental Parity trailing twelve months

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Resale Median and year-over-year percentage change trailing twelve months



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

Date	% Change	Rent	Own	
3/2021	1 3.7%	\$ 3,094 \$	2,875	\$3,900 -
4/2021	1 3.7%	\$ 3,103	2,995	
5/2021	1 3.7%	\$ 3,113 \$	2,985	\$3,400 - 3,00 3,10 3,12 3,12 3,12 3,12 3,10 3,10 3,10 3,10
6/2021	1.7%	\$ 3,122 \$	3,055	\$3,400 - 3,00 3,00 3,00 3,00 3,00 3,00 3,00
7/2021	1 3.7%	\$ 3,132 \$	3,144	
8/2021	1.7%	\$ 3,141 \$	3,126	\$2,900 -
9/2021	1 3.7%	\$ 3,151 \$	3,186	
10/2021	1 3.7%	\$ 3,161 \$	3,276	Rent Own Historic Cost to Own Relative to Rent
11/2021	1.7%	\$ 3,170 \$	3,372	\$2,400
12/2021	1 3.7%	\$ 3,180 \$	3,415	3/2022 5/2022 1/2022 3/2022 3/2022
1/2022	1.7%	\$ 3,190 \$	3,500	3/2021 5/2021 1/2021 9/2021 1/2022
2/2022	3.7%	\$ 3,200 \$	3,752	y

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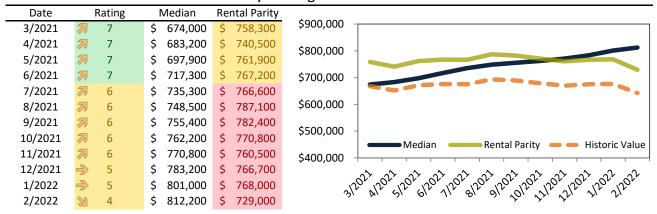
Santa Ana Housing Market Value & Trends Update

Historically, properties in this market sell at a -11.9% discount. Today's premium is 11.4%. This market is 23.3% overvalued. Median home price is \$812,200. Prices rose 21.8% year-over-year.

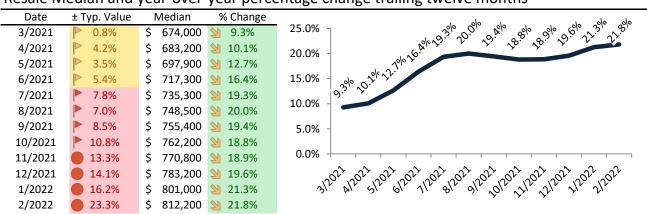
Monthly cost of ownership is \$3,462, and rents average \$3,107, making owning \$354 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 3.7%.

Market rating = 4

Median Home Price and Rental Parity trailing twelve months



Resale Median and year-over-year percentage change trailing twelve months



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

	•			
Date	% Change	Rent	Own	\$4,000 ¬
3/2021	1 3.7%	\$ 3,005 \$	2,670	Ψ 1,000
4/2021	1 3.7%	\$ 3,014 \$	2,780	\$3,500 - 50 5/2 5/2 5/2 5/2 5/2 5/2 5/2 5/2 5/2 5/2
5/2021	1 3.7%	\$ 3,023 \$	2,769	\$3,500 - 305 97 97 97 97 98 97 98 97 98 97 98 97 98 97 98 97 98
6/2021	1 3.7%	\$ 3,032 \$	2,835	
7/2021	1 3.7%	\$ 3,042 \$	2,917	\$3,000 -
8/2021	3.8%	\$ 3,051 \$	2,901	
9/2021	1 3.7%	\$ 3,061 \$	2,955	\$2,500 -
10/2021	1 3.7%	\$ 3,070 \$	3,035	Rent Own Historic Cost to Own Relative to Rent
11/2021	1 3.7%	\$ 3,079 \$	3,121	\$2,000
12/2021	1 3.7%	\$ 3,089 \$	3,155	3/202 5/202 1/202 3/202 3/202
1/2022	1 3.7%	\$ 3,098 \$	3,231	3/2021 5/2021 1/2021 3/2021 3/2022
2/2022	1.7%	\$ 3,107 \$	3,462	y

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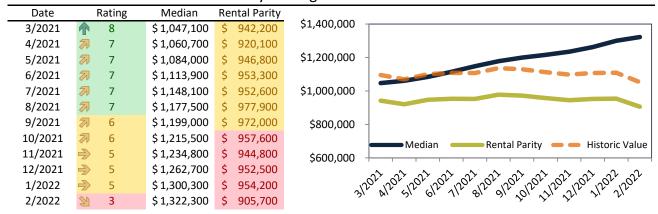
Northwood Housing Market Value & Trends Update

Historically, properties in this market sell at a 16.2% premium. Today's premium is 46.0%. This market is 29.8% overvalued. Median home price is \$1,322,300. Prices rose 27.5% year-over-year.

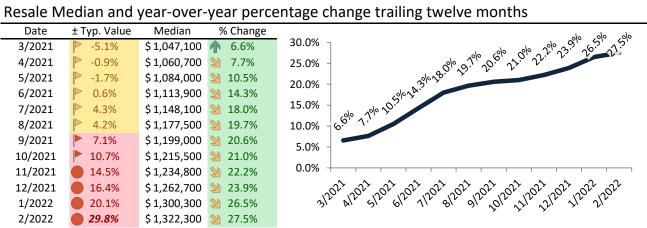
Monthly cost of ownership is \$5,636, and rents average \$3,860, making owning \$1,775 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 2.8%.

Market rating = 3

Median Home Price and Rental Parity trailing twelve months



Resale Median and year-over-year percentage change trailing twelve months



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

Date	% Change	Rent	Own	\$6,000 ¬
3/2021	1 3.7%	\$ 3,733 \$	4,149	
4/2021	1 3.7%	\$ 3,745 \$	4,317	\$5,500 -
5/2021	1 3.7%	\$ 3,756 \$	4,300	\$5,000 -
6/2021	1 3.7%	\$ 3,768 \$	4,402	\$4.500 0 6 6 9 9 N N N N N N N N N N
7/2021	1 3.7%	\$ 3,779 \$	4,555	\$4,500 - 133 165 165 165 165 165 165 165 165 165 165
8/2021	1 3.7%	\$ 3,791 \$	4,564	\$4,000 - 22, 22, 22, 22, 22, 22, 22, 24, 24, 24,
9/2021	1 3.7%	\$ 3,802 \$	4,690	\$3,500
10/2021	1 3.7%	\$ 3,814 \$	4,841	Rent Own Historic Cost to Own Relative to Rent
11/2021	1 3.7%	\$ 3,826 \$	5,000	\$3,000
12/2021	1 3.7%	\$ 3,837 \$	5,087	3/2022 5/2022 1/2022 3/2022 7/2023
1/2022	1 3.7%	\$ 3,849 \$	5,245	312021 512021 112021 312021 212022 112022
2/2022	1 3.7%	\$ 3,861 \$	5,636	y



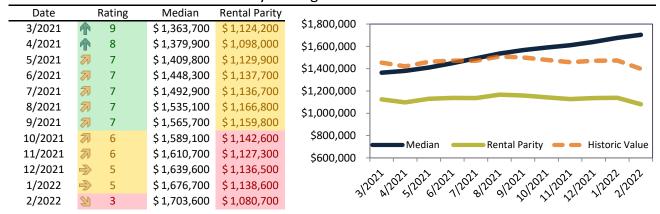
Northwood Point Housing Market Value & Trends Update

Historically, properties in this market sell at a 29.4% premium. Today's premium is 57.7%. This market is 28.3% overvalued. Median home price is \$1,703,600. Prices rose 25.8% year-over-year.

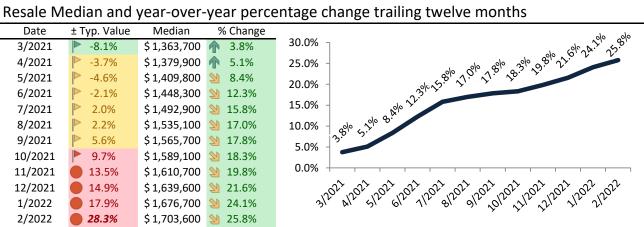
Monthly cost of ownership is \$7,261, and rents average \$4,606, making owning \$2,654 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 2.6%.

Market rating = 3

Median Home Price and Rental Parity trailing twelve months



Resale Median and year-over-year percentage change trailing twelve months



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

Date	% Change	Rent	Own	- \$7,500 ¬
3/2021	1 3.8%	\$ 4,455 \$	5,403	41,500
4/2021	3.8%	\$ 4,469 \$	5,616	\$6,500 -
5/2021	3.8%	\$ 4,483 \$	5,593	50,500
6/2021	1 3.7%	\$ 4,496 \$	5,724	45 500
7/2021	1 3.7%	\$ 4,510 \$	5,923	\$5,500 - 4,600 4,600 4,500 4,500 4,500 4,500 4,500 4,500 4,600
8/2021	1 3.7%	\$ 4,523 \$	5,951) "
9/2021	1 3.7%	\$ 4,537 \$	6,124	\$4,500 -
10/2021	1 3.7%	\$ 4,551 \$	6,329	Rent Own Historic Cost to Own Relative to Rent
11/2021	1 3.7%	\$ 4,565 \$	6,522	\$3,500
12/2021	1 3.7%	\$ 4,579 \$	6,605	3/2021 4/2021 1/2021 4/2021 1/2022
1/2022	1 3.7%	\$ 4,593 \$	6,763	31222 51222 11222 31222 21222 21222
2/2022	1 3.7%	\$ 4,607 \$	7,262	Y

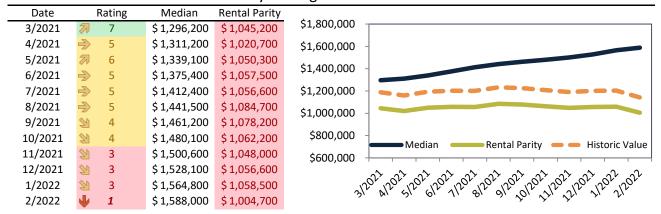


Historically, properties in this market sell at a 13.6% premium. Today's premium is 58.0%. This market is 44.4% overvalued. Median home price is \$1,588,000. Prices rose 23.4% year-over-year.

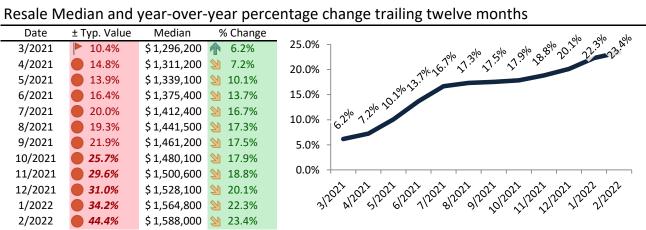
Monthly cost of ownership is \$6,769, and rents average \$4,282, making owning \$2,486 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 2.6%.

Market rating = 1

Median Home Price and Rental Parity trailing twelve months



Resale Median and year-over-year percentage change trailing twelve months



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

Date	% Change	Rent	Own	\$7,000 ¬
3/2021	1.8%	\$ 4,141 \$	5,136	ψ/,J000
4/2021	1 3.7%	\$ 4,154 \$	5,336	\$6,000 -
5/2021	1.7%	\$ 4,167 \$	5,313	J0,000
6/2021	1.7%	\$ 4,179 \$	5,436	65 000 NY 64 61 19 92 05 05 03 04 051 070 083
7/2021	1 3.7%	\$ 4,192 \$	5,603	\$5,000 - 20,25 - 20,5 -
8/2021	1.7%	\$ 4,205 \$	5,588	
9/2021	1 3.7%	\$ 4,218 \$	5,716	\$4,000 -
10/2021	1 3.7%	\$ 4,231 \$	5,894	Rent Own Historic Cost to Own Relative to Rent
11/2021	1.7%	\$ 4,244 \$	6,076	\$3,000
12/2021	1 3.7%	\$ 4,257	6,156	3/2022 5/2022 1/2022 3/2022 3/2022
1/2022	1.7%	\$ 4,270 \$	6,312	3/2021 5/2021 1/2021 9/2021 1/2022 1/2022
2/2022	1.7%	\$ 4,283	6,769	y

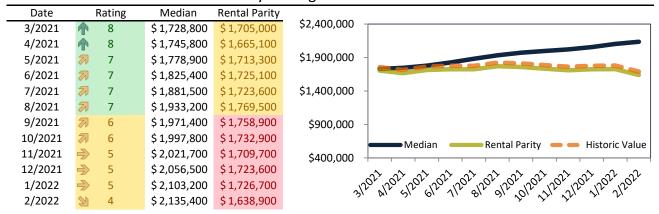


Historically, properties in this market sell at a 3.1% premium. Today's premium is 30.3%. This market is 27.2% overvalued. Median home price is \$2,135,400. Prices rose 24.4% year-over-year.

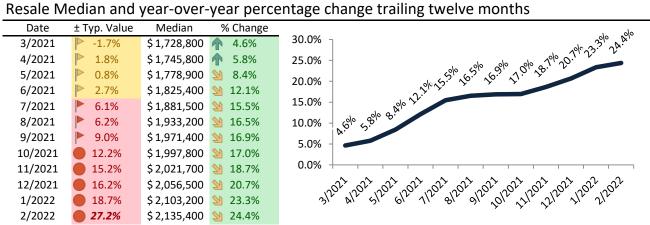
Monthly cost of ownership is \$9,102, and rents average \$6,986, making owning \$2,116 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 3.1%.

Market rating = 4

Median Home Price and Rental Parity trailing twelve months



Resale Median and year-over-year percentage change trailing twelve months



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

Date	% Change	Rent	Own	\$8,000 7
3/2021	1 3.8%	\$ 6,756 \$	6,850	\$8,000
4/2021	1 3.7%	\$ 6,777 \$	7,105	\$7,000 -
5/2021	1 3.7%	\$ 6,797 \$	7,057	\$7,000
6/2021	1 3.7%	\$ 6,818 \$	7,214	¢c 000
7/2021	1 3.7%	\$ 6,838 \$	7,464	\$6,000 -
8/2021	1 3.7%	\$ 6,859 \$	7,494	
9/2021	1 3.7%	\$ 6,880 \$	7,711	\$5,000 -
10/2021	1 3.7%	\$ 6,901 \$	7,956	Rent Own Historic Cost to Own Relative to Rent
11/2021	1 3.7%	\$ 6,923 \$	8,186	\$4,000
12/2021	1 3.7%	\$ 6,944 \$	8,285	3/2022 5/2022 1/2022 3/2022 1/2022
1/2022	1 3.7%	\$ 6,965 \$	8,483	3/2021 5/2021 1/2021 3/2021 1/2022
2/2022	1 3.7%	\$ 6,986 \$	9,102	y

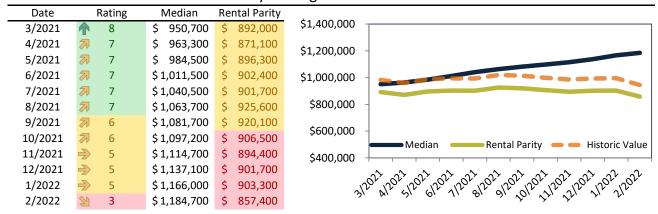


Historically, properties in this market sell at a 10.2% premium. Today's premium is 38.2%. This market is 28.0% overvalued. Median home price is \$1,184,700. Prices rose 25.7% year-over-year.

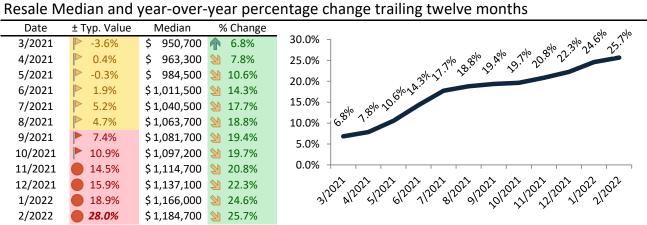
Monthly cost of ownership is \$5,049, and rents average \$3,654, making owning \$1,395 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 3.0%.

Market rating = 3

Median Home Price and Rental Parity trailing twelve months



Resale Median and year-over-year percentage change trailing twelve months



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

Date	% Change	Rent	Own	
3/2021	1 3.8%	\$ 3,534 \$	3,767	\$4,800 -
4/2021	1 3.7%	\$ 3,545 \$	3,920	\$4,300 - 37 45 45 45 45 45 45 45 45 45 45 45 45
5/2021	3.7%	\$ 3,556 \$	3,906	\$4,300 - 33, 33, 33, 33, 33, 33, 33, 33, 33, 3
6/2021	3.7%	\$ 3,567 \$	3,997	\$3,800
7/2021	1 3.7%	\$ 3,577 \$	4,128	\$3,300 -
8/2021	3.7%	\$ 3,588 \$	4,123	\$2,800 -
9/2021	1 3.7%	\$ 3,599 \$	4,231	ća 200
10/2021	1 3.7%	\$ 3,610 \$	4,370	\$2,300 - Rent Own Historic Cost to Own Relative to Rent
11/2021	3.7%	\$ 3,621 \$	4,513	\$1,800
12/2021	1 3.7%	\$ 3,633 \$	4,581	3/2022 5/2022 1/2022 3/2022 1/2022
1/2022	3.7%	\$ 3,644 \$	4,703	3/2021 5/2021 1/2021 9/2021 21/2022 1/2022
2/2022	3.7%	\$ 3,655 \$	5,050	Y

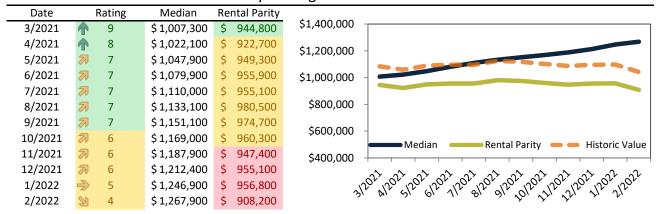


Historically, properties in this market sell at a 14.7% premium. Today's premium is 39.6%. This market is 24.9% overvalued. Median home price is \$1,267,900. Prices rose 27.3% year-over-year.

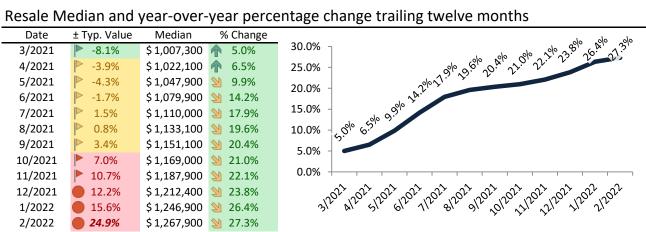
Monthly cost of ownership is \$5,404, and rents average \$3,871, making owning \$1,533 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 2.9%.

Market rating = 4

Median Home Price and Rental Parity trailing twelve months



Resale Median and year-over-year percentage change trailing twelve months



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

Date	% Change	Rent	Own	\$5,800 ¬
3/2021	1 3.7%	\$ 3,744 \$	3,991	<i>43,330</i>
4/2021	1 3.7%	\$ 3,755 \$	4,160	\$4,800 - 14 (5) (6) (8) (8) (8) (8) (8) (8) (8)
5/2021	1 3.7%	\$ 3,766 \$	4,157	\$4,800 - 100 150 150 170 170 170 170 170 170 170 170 170 17
6/2021	1 3.7%	\$ 3,778 \$	4,268	
7/2021	1 3.7%	\$ 3,789 \$	4,404	\$3,800 -
8/2021	1 3.7%	\$ 3,801 \$	4,392	
9/2021	1 3.7%	\$ 3,813 \$	4,503	\$2,800 -
10/2021	1 3.7%	\$ 3,824 \$	4,656	Rent Own Historic Cost to Own Relative to Rent
11/2021	1 3.7%	\$ 3,836 \$	4,810	\$1,800
12/2021	1 3.7%	\$ 3,848 \$	4,884	3/2022 5/2022 1/2022 3/2022 7/2023
1/2022	1 3.7%	\$ 3,860 \$	5,029	3/2021 5/2021 1/2021 9/2021 3/2022 3/2022
2/2022	1 3.7%	\$ 3,871 \$	5,405	y

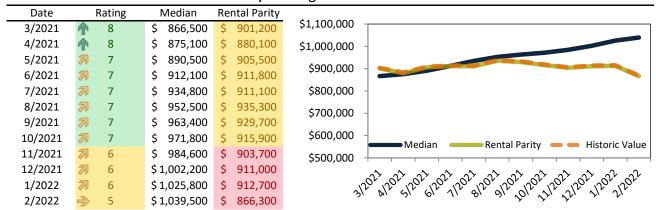


Historically, properties in this market sell at a 0.3% premium. Today's premium is 20.0%. This market is 19.7% overvalued. Median home price is \$1,039,500. Prices rose 20.6% year-over-year.

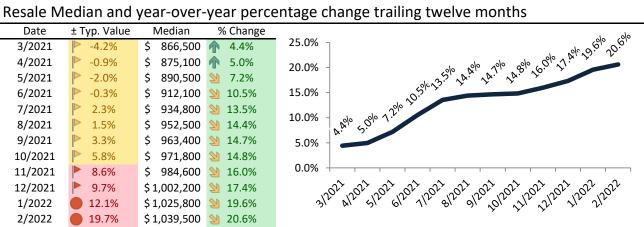
Monthly cost of ownership is \$4,431, and rents average \$3,692, making owning \$738 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 3.4%.

Market rating = 5

Median Home Price and Rental Parity trailing twelve months



Resale Median and year-over-year percentage change trailing twelve months



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

	•			• •
Date	% Change	Rent	Own	\$5,000 ¬
3/2021	1 3.7%	\$ 3,571 \$	3,433	φ5,555
4/2021	1 3.7%	\$ 3,582 \$	3,561	\$4,500 -
5/2021	1 3.7%	\$ 3,593 \$	3,533	1, 3, 3, 3, 3, 2, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3,
6/2021	1.7%	\$ 3,604 \$	3,605	\$4,000 375 375 375 376 376 376 376 376 376 376 376 376 376
7/2021	1 3.7%	\$ 3,615 \$	3,709	\$3,500
8/2021	1.7%	\$ 3,626 \$	3,692	55,500
9/2021	1 3.7%	\$ 3,637 \$	3,768	\$3,000 -
10/2021	1 3.7%	\$ 3,648 \$	3,870	Rent Own Historic Cost to Own Relative to Rent
11/2021	1.7%	\$ 3,659 \$	3,987	\$2,500
12/2021	1 3.7%	\$ 3,670 \$	4,037	
1/2022	3.7%	\$ 3,682 \$	4,138	3/222 5/222 1/222 3/222 2/222
2/2022	1.7%	\$ 3,693 \$	4,431	y

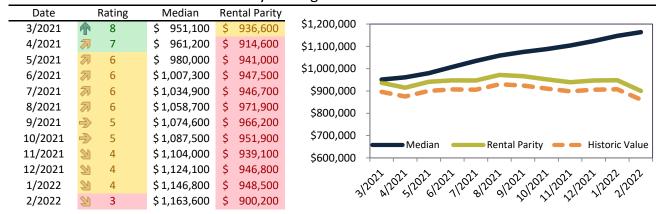


Historically, properties in this market sell at a -4.3% discount. Today's premium is 29.3%. This market is 33.6% overvalued. Median home price is \$1,163,600. Prices rose 23.0% year-over-year.

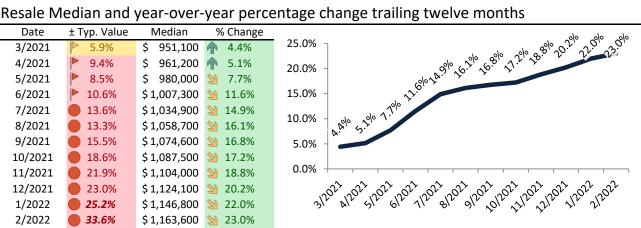
Monthly cost of ownership is \$4,960, and rents average \$3,837, making owning \$1,122 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 3.2%.

Market rating = 3

Median Home Price and Rental Parity trailing twelve months



Resale Median and year-over-year percentage change trailing twelve months



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

			_	
Date	% Change	Rent	Own	\$5,500 ¬
3/2021	3.7%	\$ 3,711 \$	3,768	
4/2021	1 3.7%	\$ 3,722 \$	3,912	\$5,000 -
5/2021	1.7%	\$ 3,734 \$	3,888	\$4,500 - 53, 53, 53, 53, 53, 53, 53, 53, 53, 53,
6/2021	1.7%	\$ 3,745 \$	3,981	24,000 - 42, 43, 43, 43, 43, 43, 43, 43, 43, 43, 43
7/2021	1 3.7%	\$ 3,756 \$	4,106	\$4,000 - 83, 83, 83, 83, 83, 83, 83, 83, 83, 83,
8/2021	1.7%	\$ 3,768 \$	4,104	\$3,500 -
9/2021	1 3.7%	\$ 3,779 \$	4,203	\$3,000
10/2021	1 3.7%	\$ 3,791 \$	4,331	Rent Own Historic Cost to Own Relative to Rent
11/2021	1.7%	\$ 3,803 \$	4,470	\$2,500
12/2021	1 3.7%	\$ 3,814 \$	4,528	31202 51202 11202 91202 31202
1/2022	1.7%	\$ 3,826 \$	4,626	312021 Start Trart Start That That
2/2022	1.7%	\$ 3,838 \$	4,960	y

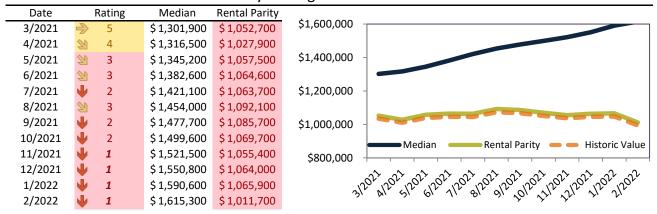


Historically, properties in this market sell at a -1.7% discount. Today's premium is 59.7%. This market is 61.4% overvalued. Median home price is \$1,615,300. Prices rose 24.9% year-over-year.

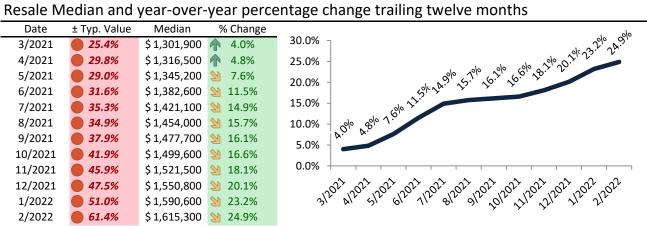
Monthly cost of ownership is \$6,885, and rents average \$4,312, making owning \$2,572 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 2.6%.

Market rating = 1

Median Home Price and Rental Parity trailing twelve months



Resale Median and year-over-year percentage change trailing twelve months



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

Date	% Change	Rent	Own	
3/2021	1.7%	\$ 4,171 \$	5,158	
4/2021	1.7%	\$ 4,183 \$	5,358	\$6,400 -
5/2021	3.7%	\$ 4,195 \$	5,337	
6/2021	3.7%	\$ 4,208 \$	5,464	\$5,400
7/2021	3.7%	\$ 4,220 \$	5,638	50, 12, 12, 12, 12, 12, 12, 12, 12, 12, 12
8/2021	3.7%	\$ 4,234 \$	5,636	\$ 1.100 \ \ \tau_1 \tau_2 \tau
9/2021	3.8%	\$ 4,247 \$	5,780	\$4,400
10/2021	3.8%	\$ 4,260 \$	5,972	Rent Own Historic Cost to Own Relative to Rent
11/2021	3.8%	\$ 4,273	6,161	\$3,400
12/2021	3.7%	\$ 4,286 \$	6,247	
1/2022	1.7%	\$ 4,299	6,416	3/2021 5/2021 1/2021 9/2021 3/2021 3/2022
2/2022	3.7%	\$ 4,313 \$	6,885	Y

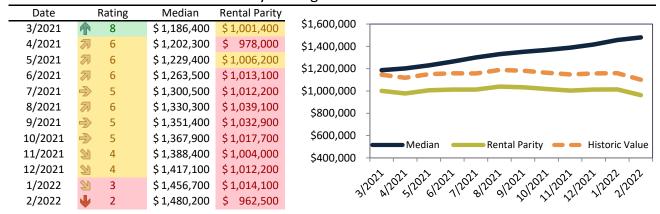


Historically, properties in this market sell at a 14.4% premium. Today's premium is 53.8%. This market is 39.4% overvalued. Median home price is \$1,480,200. Prices rose 26.1% year-over-year.

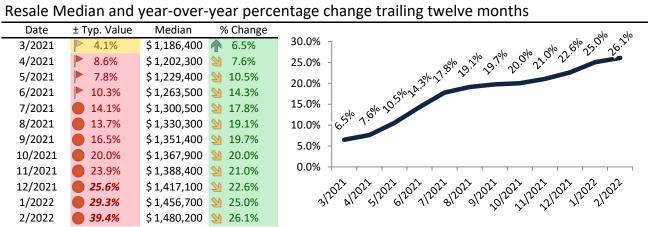
Monthly cost of ownership is \$6,309, and rents average \$4,103, making owning \$2,206 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 2.7%.

Market rating = 2

Median Home Price and Rental Parity trailing twelve months



Resale Median and year-over-year percentage change trailing twelve months



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

Date	% Change	Rent	Own	\$6,800 ¬
3/2021	3.8%	\$ 3,968 \$	4,701	75,000
4/2021	1.7%	\$ 3,980 \$	4,893	\$5,800 -
5/2021	1.7%	\$ 3,992 \$	4,877	\$4,800 53,98 53,9 54,00 5
6/2021	3.7%	\$ 4,004 \$	4,993	\$4,800 - 232 - 232 - 232 - 242 - 242 - 242 - 242 - 242 - 242 - 242 - 242
7/2021	1 3.7%	\$ 4,016 \$	5,159	\$3,800
8/2021	3.7%	\$ 4,028 \$	5,157	γ3,000 -
9/2021	1 3.7%	\$ 4,041 \$	5,286	\$2,800 -
10/2021	1.7%	\$ 4,053 \$	5,448	Rent Own Historic Cost to Own Relative to Rent
11/2021	1.7%	\$ 4,065 \$	5,622	\$1,800
12/2021	1.7%	\$ 4,078 \$	5,709	3/2022 5/2022 1/2022 3/2022 1/2022
1/2022	1.7%	\$ 4,091 \$	5,876	3/2021 5/2021 1/2021 9/2021 1/2022
2/2022	1.7%	\$ 4,103 \$	6,310	Υ



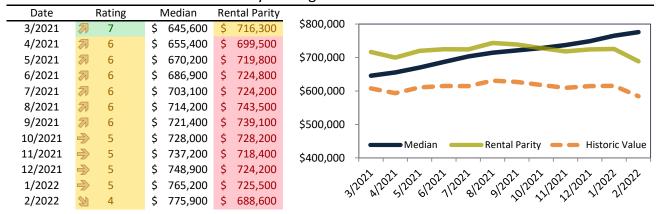
Stanton Housing Market Value & Trends Update

Historically, properties in this market sell at a -15.2% discount. Today's premium is 12.6%. This market is 27.8% overvalued. Median home price is \$775,900. Prices rose 21.9% year-over-year.

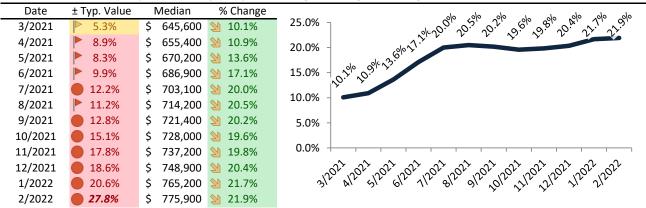
Monthly cost of ownership is \$3,307, and rents average \$2,935, making owning \$371 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 3.6%.

Market rating = 4

Median Home Price and Rental Parity trailing twelve months



Resale Median 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 ¬
3/2021	1 3.7%	\$ 2,838 \$	2,558	
4/2021	1 3.7%	\$ 2,847 \$	2,667	\$3,300 - 29 20 50 60 60 60 60 60 60 60 60 60 60 60 60 60
5/2021	1 3.7%	\$ 2,856 \$	2,659	\$3,300 - 3,83 3,81 3,85 3,85 3,85 3,85 3,85 3,85 3,85 3,85
6/2021	1 3.7%	\$ 2,865 \$	2,715	
7/2021	3.8%	\$ 2,873 \$	2,789	\$2,800 -
8/2021	3.8%	\$ 2,882 \$	2,768	
9/2021	1 3.7%	\$ 2,891 \$	2,822	\$2,300 -
10/2021	1 3.7%	\$ 2,900 \$	2,899	Rent Own Historic Cost to Own Relative to Rent
11/2021	1 3.7%	\$ 2,909 \$	2,985	\$1,800
12/2021	1 3.7%	\$ 2,918 \$	3,017	3/2022 5/2022 1/2022 3/2022 3/2022 3/2022
1/2022	1 3.7%	\$ 2,927 \$	3,086	3/2021 5/2021 1/2021 9/2021 21/2021 1/2022
2/2022	1 3.7%	\$ 2,936 \$	3,307	Y

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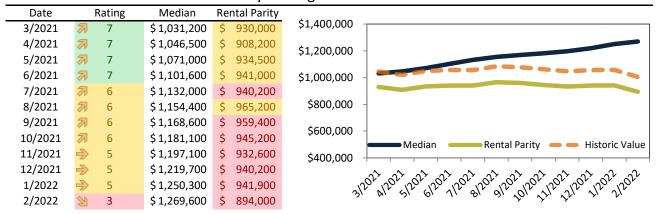
Huntington Beach Housing Market Value & Trends Update

Historically, properties in this market sell at a 12.3% premium. Today's premium is 42.0%. This market is 29.7% overvalued. Median home price is \$1,269,600. Prices rose 24.6% year-over-year.

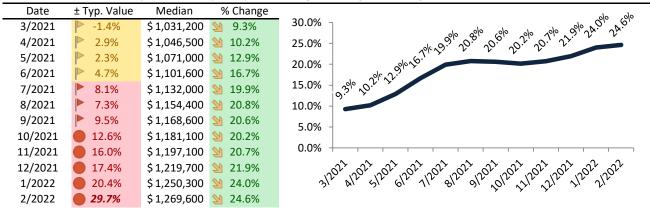
Monthly cost of ownership is \$5,411, and rents average \$3,810, making owning \$1,600 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 2.9%.

Market rating = 3

Median Home Price and Rental Parity trailing twelve months



Resale Median and year-over-year percentage change trailing twelve months



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

Date	% Change	Rent	Own	\$5,800 ¬
3/2021	1 3.7%	\$ 3,685 \$	4,086	
4/2021	1 3.7%	\$ 3,696 \$	4,259	\$5,300 -
5/2021	3.7%	\$ 3,708 \$	4,249	\$4,800 -
6/2021	3.7%	\$ 3,719 \$	4,354	54.300 95 96 40 40 40 40 45 46 46 46 48 49 8h
7/2021	1 3.7%	\$ 3,730 \$	4,491	\$4,300 - 3,60 3,00 3,10 3,10 3,10 3,10 3,10 3,10 3,1
8/2021	3.7%	\$ 3,742 \$	4,475	\$3,800 -
9/2021	1 3.7%	\$ 3,753 \$	4,571	\$3,300
10/2021	1 3.7%	\$ 3,765 \$	4,704	Rent Own Historic Cost to Own Relative to Rent
11/2021	3.7%	\$ 3,776 \$	4,847	\$2,800
12/2021	1 3.7%	\$ 3,788 \$	4,914	31202 11202 11202 01202 01202 01202
1/2022	3.7%	\$ 3,799 \$	5,043	3/2021 5/2021 1/2021 9/2021 3/2022 3/2022
2/2022	3.7%	\$ 3,811 \$	5,412	y

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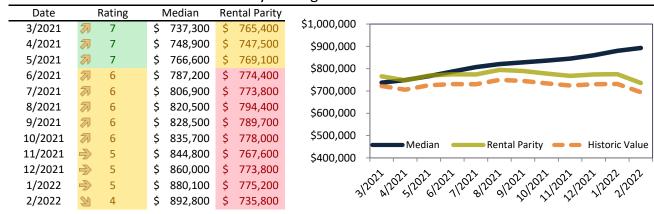
Garden Grove Housing Market Value & Trends Update

Historically, properties in this market sell at a -5.6% discount. Today's premium is 21.4%. This market is 27.0% overvalued. Median home price is \$892,800. Prices rose 22.6% year-over-year.

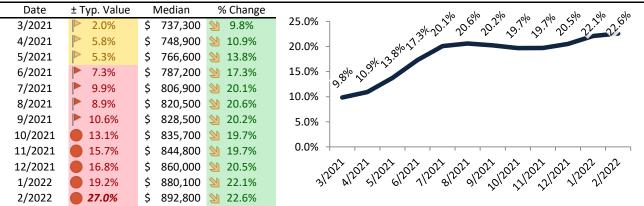
Monthly cost of ownership is \$3,805, and rents average \$3,136, making owning \$669 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 3.4%.

Market rating = 4

Median Home Price and Rental Parity trailing twelve months



Resale Median 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 ¬
3/2021	1 3.7%	\$ 3,033 \$	2,921	Ş4,300
4/2021	1 3.7%	\$ 3,042 \$	3,048	\$3,800 - 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
5/2021	3.7%	\$ 3,051 \$	3,041	\$3,800 - 50,033,00,50,00,50,00,50,00,00,00,00,00,00,00,
6/2021	3.7%	\$ 3,061 \$	3,111	\$3,300 42, 42, 42, 42, 42, 43, 43, 43, 4
7/2021	1 3.7%	\$ 3,070 \$	3,201	\$2,800
8/2021	3.7%	\$ 3,080 \$	3,181	\$2,800
9/2021	1 3.7%	\$ 3,089 \$	3,241	\$2,300 -
10/2021	1 3.7%	\$ 3,099 \$	3,328	Rent Own Historic Cost to Own Relative to Rent
11/2021	1.7%	\$ 3,108 \$	3,421	\$1,800
12/2021	1 3.7%	\$ 3,118 \$	3,464	3/2022 5/2022 1/2022 3/2022 1/2022
1/2022	3.7%	\$ 3,127 \$	3,550	312021 Start Train Start Than Thou
2/2022	3.7%	\$ 3,137 \$	3,806	y

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Historically, properties in this market sell at a 0.5% premium. Today's premium is 21.7%. This market is 21.2% overvalued. Median home price is \$999,400. Prices rose 23.1% year-over-year.

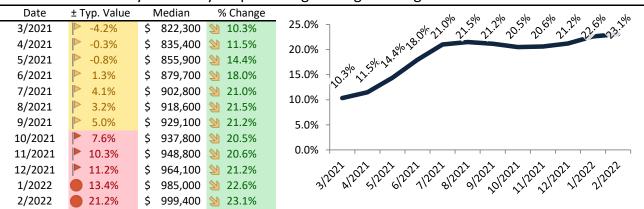
Monthly cost of ownership is \$4,260, and rents average \$3,499, making owning \$760 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 3.4%.

Market rating = 4

Median Home Price and Rental Parity trailing twelve months

Date		Rating	1	Median	Re	ntal Parity	4	
3/2021	27	7	\$	822,300	\$	854,000	\$1,100,000	
4/2021	A	7	\$	835,400	\$	834,100	\$1,000,000	
5/2021	2V	7	\$	855,900	\$	858,300	\$900,000 -	
6/2021	刻	7	\$	879,700	\$	864,200	\$800,000 -	
7/2021	N	7	\$	902,800	\$	863,400		
8/2021	57	7	\$	918,600	\$	886,300	\$700,000	
9/2021	57	7	\$	929,100	\$	881,000	\$600,000 -	
10/2021	团	6	\$	937,800	\$	868,000	\$500,000 -	Median Rental Parity — Historic Value
11/2021	团	6	\$	948,800	\$	856,400	\$400,000 -	ividual Relitar Failty Tristoric value
12/2021	A	6	\$	964,100	\$	863,400		
1/2022	网	6	\$	985,000	\$	864,900	2/7	or "105, 100, 105, 1100, 1100, 110, 1100,
2/2022	21	4	\$	999,400	\$	821,000	·5\	m 21 01 11 21 21 21 21 21 11

Resale Median and year-over-year percentage change trailing twelve months



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

D-4-	0/ 61	D t	0	
Date	% Change	Rent	Own	\$3,800 7 6 55 56 56 56 56 56 56 56 56 56
3/2021	3.8%	\$ 3,384 \$	3,258	\$3,800 3 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4
4/2021	1.8%	\$ 3,395 \$	3,400	2 2 2 1
5/2021	1.7%	\$ 3,405 \$	3,396	\$3,400 -
6/2021	1.7%	\$ 3,415 \$	3,477	\$3,200 -
7/2021	1 3.7%	\$ 3,426 \$	3,582	\$3,000 -
8/2021	1.7%	\$ 3,436 \$	3,561	\$2,800
9/2021	1 3.7%	\$ 3,446 \$	3,634	
10/2021	1 3.7%	\$ 3,457 \$	3,735	\$2,600 Rent Own Historic Cost to Own Relative to Rent
11/2021	1.7%	\$ 3,468 \$	3,842	\$2,400
12/2021	1 3.7%	\$ 3,478 \$	3,884	3/2022 5/2022 1/2022 3/2022 3/2022
1/2022	1.7%	\$ 3,489 \$	3,973	312021 512021 112021 312021 112022
2/2022	1.7%	\$ 3,500 \$	4,260	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 33.4%. This market is 21.3% overvalued. Median home price is \$1,156,200. Prices rose 23.2% year-over-year.

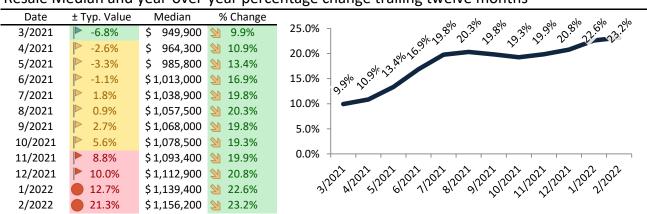
Monthly cost of ownership is \$4,928, and rents average \$3,695, making owning \$1,233 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 3.1%.

Market rating = 4

Median Home Price and Rental Parity trailing twelve months

Date	Rating Median		Rental Parity			
3/2021	2V	7	\$ 949,900	\$	901,800	\$1,200,000
4/2021	N	7	\$ 964,300	\$	880,800	\$1,100,000
5/2021	N	7	\$ 985,800	\$	906,300	¢1,000,000
6/2021	N	7	\$1,013,000	\$	912,500	\$1,000,000
7/2021	N	7	\$ 1,038,900	\$	911,800	\$900,000 -
8/2021	ZV	7	\$ 1,057,500	\$	935,900	\$800,000 -
9/2021	N	7	\$ 1,068,000	\$	930,300	
10/2021	N	7	\$ 1,078,500	\$	916,500	\$700,000 - Median Rental Parity - Historic Value
11/2021	A	6	\$ 1,093,400	\$	904,300	\$600,000
12/2021	A	6	\$ 1,112,900	\$	911,700	· · ·
1/2022	团	6	\$ 1,139,400	\$	913,300	3122, 122, 122, 122, 123, 123, 123, 123,
2/2022	2	4	\$ 1,156,200	\$	866,900	2, N. 2, O. 1, D. D. D. D. D. D. D.

Resale Median and year-over-year percentage change trailing twelve months



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

Date	% Change	Rent	Own	
Date	% Change	Rent	OWII	\$5,500 ¬
3/2021	1.8%	\$ 3,573 \$	3,764	
4/2021	3.8%	\$ 3,585 \$	3,924	\$5,000 -
5/2021	3.8%	\$ 3,596 \$	3,911	\$4,500
6/2021	1 3.7%	\$ 3,607 \$	4,003	\$4,000 45 45 45 45 45 45 45 45 45 45 45 45 45
7/2021	1 3.7%	\$ 3,617 \$	4,122	\$4,000 \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\
8/2021	1 3.7%	\$ 3,628 \$	4,099	\$3,500 -
9/2021	1 3.7%	\$ 3,639 \$	4,178	\$3,000
10/2021	1 3.7%	\$ 3,650 \$	4,295	Rent Own Historic Cost to Own Relative to Rent
11/2021	1 3.7%	\$ 3,661 \$	4,427	\$2,500
12/2021	1 3.7%	\$ 3,673 \$	4,483	3/2022 5/2022 1/2022 3/2022 1/2022
1/2022	1 3.7%	\$ 3,684 \$	4,596	3/2021 5/2021 1/2021 9/2021 3/2022 3/2022
2/2022	1 3.7%	\$ 3,695 \$	4,928	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

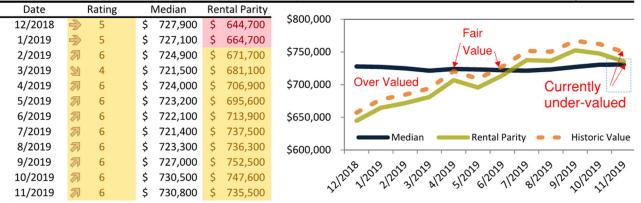


MEDIAN HOME PRICE AND RENTAL PARITY TRAILING TWELVE MONTHS

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

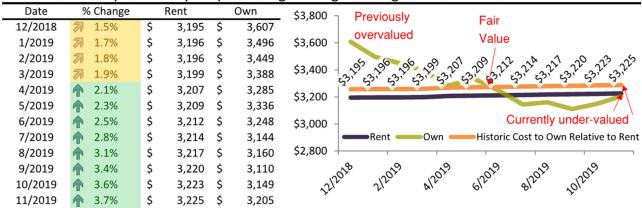
Date	± Typ. Value	\$/SF	% Change	9 9
12/2018	11.0%	\$ 42	7 14.1%	\$430 \$428 5421 5421 55 55
1/2019	7.5%	\$ 42	7 🏤 3.4%	\$428 - 22 22 25
2/2019	▶ 6.0%	\$ 42	5 🏚 2.4%	\$426 - \$426 - \$424 -
3/2019	▶ 4.0%	\$ 42	4 🔊 1.9%	2 4 403 403 41
4/2019	0.5%	\$ 42	5 🔊 1.9%	\$424 -
5/2019	▶ 2.0%	\$ 42	4 🔊 1.2%	\$422 -
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

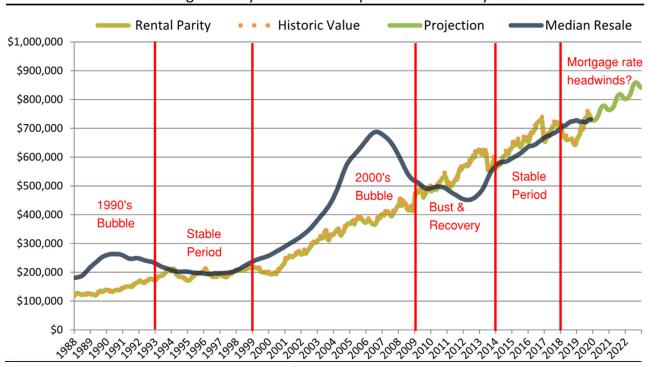


This method of looking at the data is more revealing to those who like to focus on monthly costs rather than purchase price. It reveals how affordable properties are relative to monthly rent, which is what rental parity analysis is all about. The first column of data shows the rate of rent growth over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

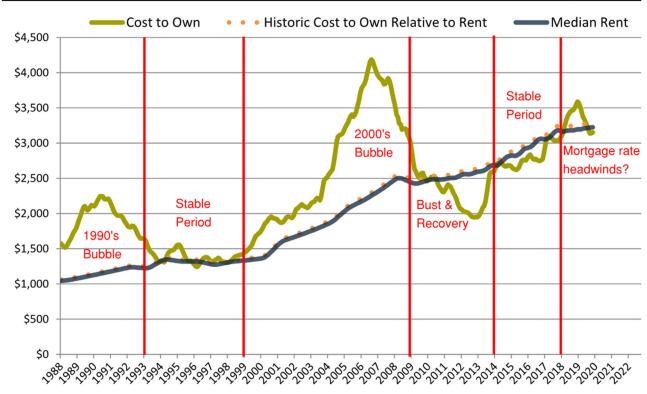
Orange County median home price since January 1988





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

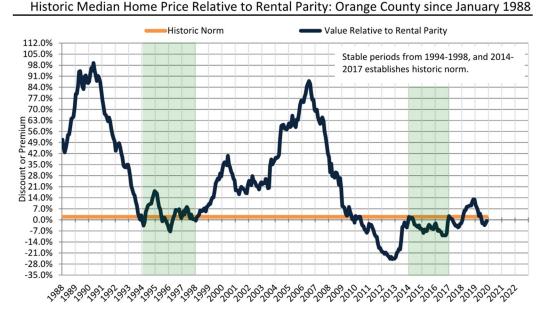


The chart above shows rent and monthly cost of ownership. It looks similar to the rental parity and resale home price chart, as it merely converts that information to a monthly format. For those who have difficulty relating to the large numbers of purchase price, viewing the data in terms of monthly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

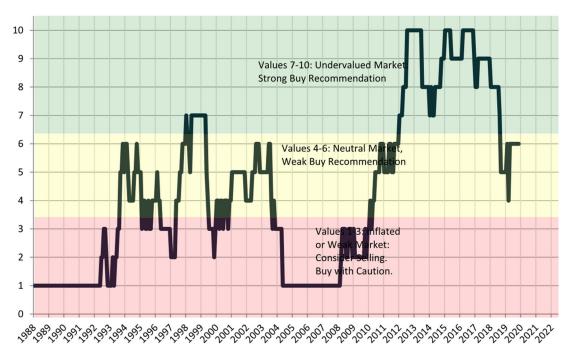


historic norm. The benchmark period is shown in green, and the degree of market volatility can be inferred from the scale to the left. For example, Orange County traded for as much as 25% below rental parity and 100% above it during the 31-year period shown.



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.