City of Irvine CALIFORNIA

June 2023



HOUSING REPORT

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The Real State of USA Real Estate

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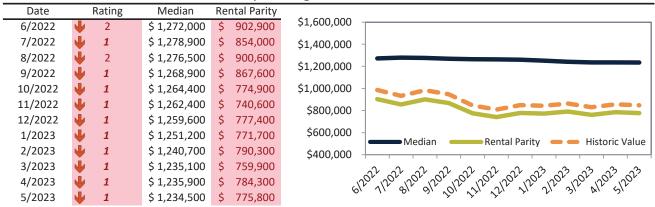


Historically, properties in this market sell at a 9.2% premium. Today's premium is 59.2%. This market is 50.0% overvalued. Median home price is \$1,234,500. Prices fell 1.4% year-over-year.

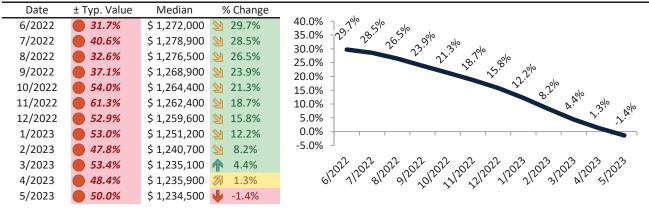
Monthly cost of ownership is \$7,307, and rents average \$4,592, making owning \$2,715 per month more costly than renting. Rents rose 2.7% year-over-year. The current capitalization rate (rent/price) is 3.6%.

Market rating = 1

Median Home Price and Rental Parity trailing twelve months



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



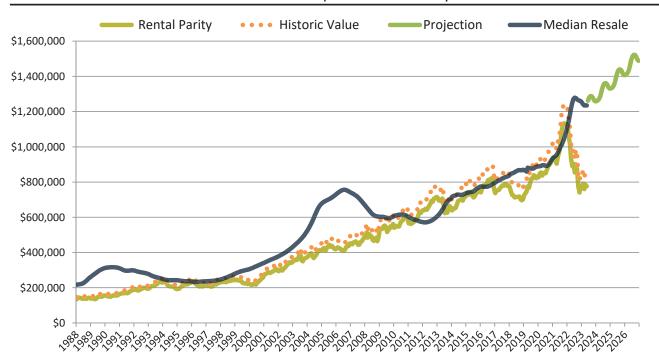
Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent	Own	\$9,000 ¬
6/2022	22.5%	\$ 4,625	\$ 6,515	
7/2022	21.0%	\$ 4,676	\$ 7,003	\$8,000 -
8/2022	2 18.6%	\$ 4,718	\$ 6,687	\$7,000 -
9/2022	15.8%	\$ 4,730	\$ 6,918	45 000 25 46 49 20 41 26 44 4 2 2 2 2
10/2022	2 13.0%	\$ 4,717	\$ 7,697	\$6,000 - 65 66 43 44 54 30 45 54 54 54 54 54 54 54 54 54 54 54 54
11/2022	2 10.5%	\$ 4,686	\$ 7,987	\$5,000 - 7 - 7 - 7 - 7 - 7 - 7 - 7 - 7 - 5 - 5
12/2022	2 8.3%	\$ 4,631	\$ 7,503	\$4,000 -
1/2023	6.5%	\$ 4,564	\$ 7,399	Rent Own Historic Cost to Own Relative to Rent
2/2023	5.0%	\$ 4,533	\$ 7,116	\$3,000
3/2023	1 3.9%	\$ 4,532	\$ 7,365	
4/2023	3.4%	\$ 4,590	\$ 7,232	whole shop whose these those wings
5/2023	2.7%	\$ 4,593	\$ 7,308	y

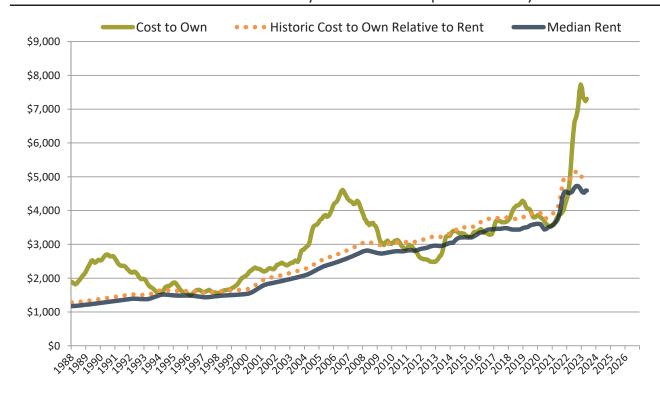
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Irvine median home price since January 1988



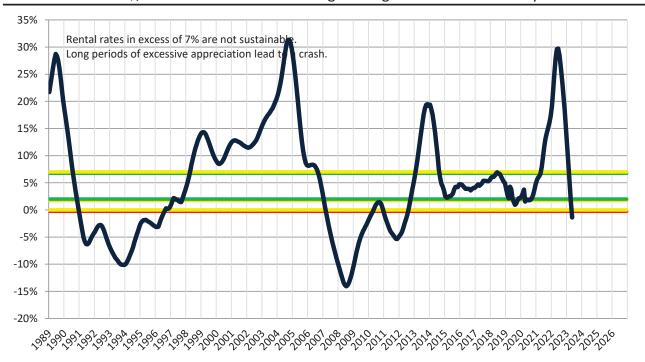
Irvine median rent and monthly cost of ownership since January 1988



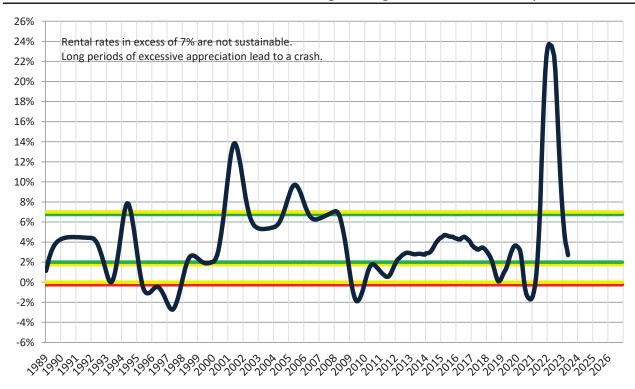
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Resale \$/SF Year-over-Year Percentage Change: Irvine since January 1989



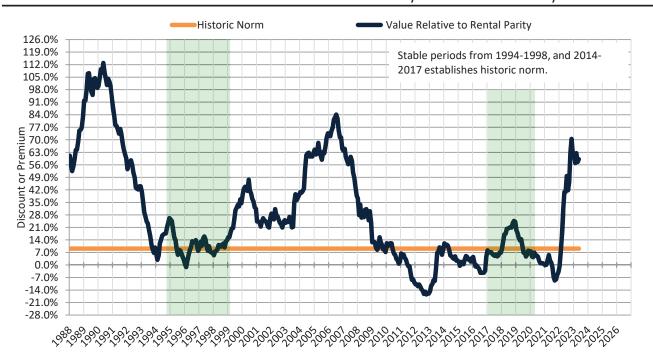
Rental \$/SF Year-over-Year Percentage Change: Irvine since January 1989



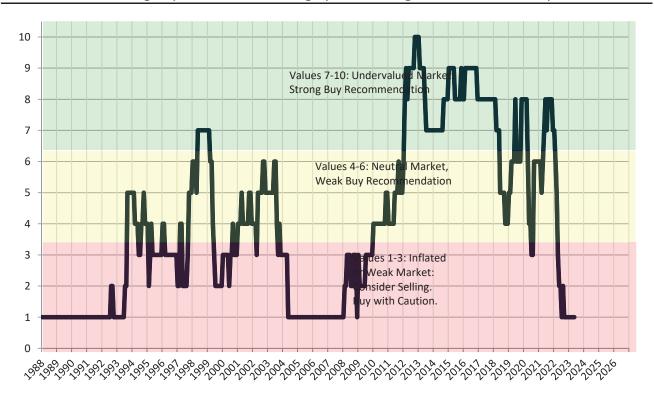
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Historic Median Home Price Relative to Rental Parity: Irvine since January 1988



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	Median Resale \$	Rent % Change YoY	Median Rent \$	Cost of Ownership	Ownership Prem./Disc.	Cap Rate
Irvine	\$ 1,234,500	-1.4%	\$ 1,234,500	1 2.7%	\$ 4,593	\$ 7,308	\$ 2,715	3.6%.
Los Angeles, CA	\$ 868,000	- 5.1%	\$ 868,000	5 .3%	\$ 4,057	\$ 5,138	\$ 1,081	4.5%.
Orange County	\$ 1,002,500	4 -4.0%	\$ 1,002,500	1 4.2%	\$ 4,247	\$ 5,934	\$ 1,687	4.1%.
Anaheim	\$ 818,000	4 -4.1%	\$ 818,000	1 4.9%	\$ 3,640	\$ 4,842	\$ 1,202	4.3%.
Santa Ana	\$ 732,500	- 3.6%	\$ 732,500	1 4.7%	\$ 3,734	\$ 4,336	\$ 602	4.9%.
Northwood	\$ 1,308,900	- 1.8%	\$ 1,308,900	- 0.4%	\$ 3,600	\$ 7,748	\$ 4,148	2.6%.
Northwood Point	\$ 1,597,400	3 1.4%	\$ 1,597,400	3 1.0%	\$ 5,033	\$ 9,456	\$ 4,423	3.0%.
92602	\$ 1,560,300	3 1.9%	\$ 1,560,300	1 2.9%	\$ 5,132	\$ 9,236	\$ 4,104	3.2%.
92603	\$ 1,785,600	- 1.7%	\$ 1,785,600	1 4.6%	\$ 3,185	\$ 10,570	\$ 7,385	1.7%.
92604	\$ 1,105,100	- 0.6%	\$ 1,105,100	1 2.7%	\$ 4,154	\$ 6,542	\$ 2,388	3.6%.
92606	\$ 1,190,500	-2.0%	\$ 1,190,500	3.0%	\$ 4,687	\$ 7,047	\$ 2,361	3.8%.
92612	\$ 969,700	-1.2 %	\$ 969,700	1 3.6%	\$ 4,398	\$ 5,740	\$ 1,343	4.4%.
92614	\$ 1,007,900	3 0.3%	\$ 1,007,900	1 3.2%	\$ 4,612	\$ 5,966	\$ 1,354	4.4%.
92618	\$ 1,275,800	- 1.7%	\$ 1,275,800	1 2.1%	\$ 5,167	\$ 7,552	\$ 2,385	3.9%.
92620	\$ 1,361,600	- 2.1%	\$ 1,361,600	1 4.2%	\$ 4,908	\$ 8,060	\$ 3,152	3.5%.
Stanton	\$ 678,900	- 2.1%	\$ 678,900	1 4.1%	\$ 3,220	\$ 4,019	\$ 798	4.6%.
Huntington Beach	\$ 1,156,700	4 -4.8%	\$ 1,156,700	1.4%	\$ 4,450	\$ 6,847	\$ 2,397	3.7%.
Garden Grove	\$ 839,500	- 5.0%	\$ 839,500	≥ 8.6%	\$ 3,657	\$ 4,969	\$ 1,313	4.2%.
Orange	\$ 955,700	4 .9%	\$ 955,700	1 4.2%	\$ 4,099	\$ 5,657	\$ 1,558	4.1%.
Fountain Valley	\$ 1,157,000	4.1 %	\$ 1,157,000	2 7.6%	\$ 4,355	\$ 6,849	\$ 2,494	3.6%.

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

Study Area	Ratin	g	Median	Re	ntal Parity	% Over/Under Rental Parity	Historic Premium	% Over/Under Historic Prem.
Irvine	J 1		\$ 1,234,500	\$	775,800	59.2 %	9.2%	50.0%
Los Angeles, CA	⇒ 5		\$ 868,000	\$	685,300	26.6%	23.3%	▶ 3.3%
Orange County	J 1		\$ 1,002,500	\$	717,400	39.7%	1.9%	37.8%
Anaheim	J 1		\$ 818,000	\$	614,900	33.0%	-6.2%	39.2%
Santa Ana	J 2		\$ 732,500	\$	630,700	1 6.2%	-11.9%	28.1%
Northwood	J 1		\$ 1,308,900	\$	608,100	115.2%	16.2%	99.0%
Northwood Point	J 1		\$ 1,597,400	\$	850,100	87.9%	29.4%	58.5 %
92602	J 1		\$ 1,560,300	\$	866,900	80.0%	13.6%	66.4%
92603	J 1		\$ 1,785,600	\$	538,000	231.9%	3.1%	228.8%
92604	J 1		\$ 1,105,100	\$	701,600	57.5 %	10.2%	47.3 %
92606	J 1		\$ 1,190,500	\$	791,700	50.4%	14.7%	35.7%
92612	J 2		\$ 969,700	\$	742,800	30.5%	0.3%	30.2%
92614	J 2		\$ 1,007,900	\$	779,100	29.4%	-4.3%	33.7%
92618	J 1		\$ 1,275,800	\$	872,900	46.2%	-1.7%	47.9 %
92620	J 1		\$ 1,361,600	\$	829,000	64.3%	14.4%	49.9%
Stanton	J 1		\$ 678,900	\$	544,000	24.8%	-15.2%	40.0%
Huntington Beach	1		\$ 1,156,700	\$	751,700	53.9%	12.3%	41.6%
Garden Grove	1		\$ 839,500	\$	617,700	35.9%	-5.6%	41.5%
Orange	1		\$ 955,700	\$	692,400	38.0%	0.5%	37.5%
Fountain Valley	1		\$ 1,157,000	\$	735,600	57.3 %	12.1%	45.2%

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Los Angeles, CA Housing Market Value & Trends Update

Historically, properties in this market sell at a 23.3% premium. Today's premium is 26.6%. This market is 3.3% overvalued. Median home price is \$868,000. Prices fell 5.1% year-over-year.

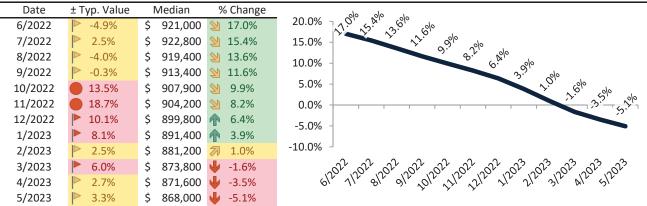
Monthly cost of ownership is \$5,138, and rents average \$4,057, making owning \$1,081 per month more costly than renting. Rents rose 5.3% year-over-year. The current capitalization rate (rent/price) is 4.5%.

Market rating = 5

Median Home Price and Rental Parity trailing twelve months

Date		Rating	ı	Median	Re	ntal Parity	
6/2022	团	6	\$	921,000	\$	777,900	\$1,000,000
7/2022	团	6	\$	922,800	\$	733,500	\$900,000
8/2022	团	6	\$	919,400	\$	770,500	¢900,000
9/2022	团	6	\$	913,400	\$	742,300	\$800,000
10/2022	\Rightarrow	5	\$	907,900	\$	663,800	\$700,000 -
11/2022	2	4	\$	904,200	\$	636,800	\$600,000 -
12/2022	团	6	\$	899,800	\$	674,600	\$666,666
1/2023	团	6	\$	891,400	\$	678,300	\$500,000 - Rental Parity - Historic Value
2/2023	\Rightarrow	5	\$	881,200	\$	700,300	\$400,000
3/2023	\Rightarrow	5	\$	873,800	\$	675,700	· · ·
4/2023	团	6	\$	871,600	\$	691,800	61201,125,91203,125,7125,7125,7125,7125,3125,9125,9125,3
5/2023	\Rightarrow	5	\$	868,000	\$	685,300	0, 1, 0, 12, 12, 12, 13, 14, 19, 19, 19, 19, 19, 19, 19, 19, 19, 19

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	
6/2022	24.6%	\$ 3,985	\$ 4,718	
7/2022	14.4%	\$ 4,016	\$ 5,053	\$6,200 -
8/2022	13.7%	\$ 4,037	\$ 4,816	¢5 200
9/2022	12.9%	\$ 4,047	\$ 4,979	\$5,200 - 50,00 50,0
10/2022	11.8%	\$ 4,041	\$ 5,527	\$4,200 +
11/2022	10.9%	\$ 4,030	\$ 5,721	Ç 1)200
12/2022	9.8%	\$ 4,019	\$ 5,360	\$3,200 -
1/2023	2 8.9%	\$ 4,012	\$ 5,271	Rent Own Historic Cost to Own Relative to Rent
2/2023	2 7.9%	\$ 4,016	\$ 5,054	\$2,200
3/2023	2 7.1%	\$ 4,029	\$ 5,210	3 ²
4/2023	6.2%	\$ 4,049	\$ 5,100	61202 11223 81223 1222 1222 11223 11223 11223 11223 11223 11223 11223
5/2023	5.3%	\$ 4,057	\$ 5,138	у у у

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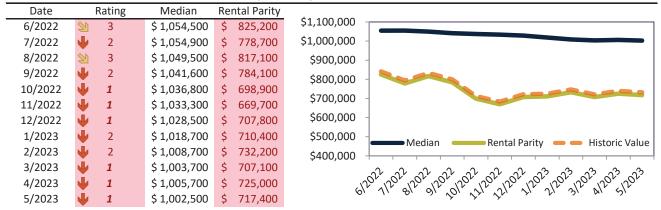
Orange County Housing Market Value & Trends Update

Historically, properties in this market sell at a 1.9% premium. Today's premium is 39.7%. This market is 37.8% overvalued. Median home price is \$1,002,500. Prices fell 4.0% year-over-year.

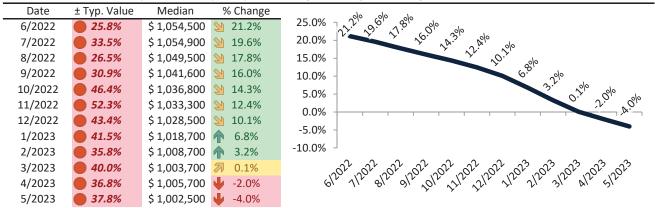
Monthly cost of ownership is \$5,934, and rents average \$4,247, making owning \$1,687 per month more costly than renting. Rents rose 4.2% year-over-year. The current capitalization rate (rent/price) is 4.1%.

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	\$6,800 ¬
6/2022	19.6%	\$ 4,227	\$ 5,401	40,000
7/2022	18.8%	\$ 4,264	\$ 5,776	\$5,800 -
8/2022	18.2%	\$ 4,281	\$ 5,498	\$4,800 - 50, 25 - 50, 26 - 50, 26 - 50, 25 - 50, 25 - 50, 26 - 50, 27 - 50,
9/2022	15.5%	\$ 4,275	\$ 5,678	\$4,800 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
10/2022	13.6%	\$ 4,255	\$ 6,312	\$3,800 -
11/2022	11.6%	\$ 4,238	\$ 6,538	53,800
12/2022	9.9%	\$ 4,216	\$ 6,126	\$2,800 -
1/2023	2 8.4%	\$ 4,201	\$ 6,024	Rent Own Historic Cost to Own Relative to Rent
2/2023	2 7.2%	\$ 4,199	\$ 5,785	\$1,800
3/2023	6.1%	\$ 4,217	\$ 5,985	22 22 22 22 22 22 22 22 22 22 22 22
4/2023	1 5.2%	\$ 4,243	\$ 5,885	9/2013/1/2013/1013/1021/1013/1/2013/1013/1
5/2023	4.2%	\$ 4,247	\$ 5,934	y y y

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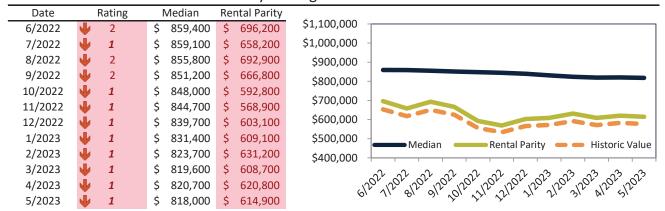
Anaheim Housing Market Value & Trends Update

Historically, properties in this market sell at a -6.2% discount. Today's premium is 33.0%. This market is 39.2% overvalued. Median home price is \$818,000. Prices fell 4.1% year-over-year.

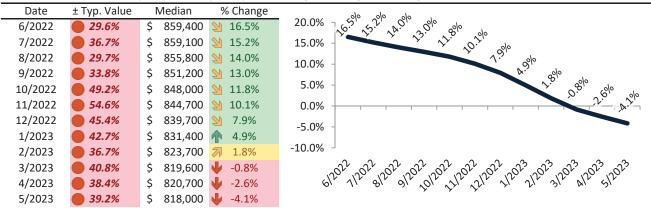
Monthly cost of ownership is \$4,842, and rents average \$3,640, making owning \$1,201 per month more costly than renting. Rents rose 4.9% year-over-year. The current capitalization rate (rent/price) is 4.3%.

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	Rer	nt	Own	\$7,000 ¬
6/2022	15.2%	\$ 3	3,566 \$	4,402	<i>γ</i> ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
7/2022	14.8%	\$ 3	3,604 \$	4,704	\$6,000 -
8/2022	13.9%	\$ 3	3,630 \$	4,483	
9/2022	12.7%	\$ 3	3,636 \$	4,640	\$5,000 - 66 64 60 68 60 68 60 68 60 68 60
10/2022	11.4%	\$ 3	3,609 \$	5,162	\$4,000 - 32, 63, 63, 63, 63, 63, 63, 63, 63, 63, 63
11/2022	10.1%	\$ 3	3,600 \$	5,345	Ş4,000
12/2022	2 8.9%	\$ 3	3,593 \$	5,002	\$3,000 -
1/2023	2 7.9%	\$ 3	3,602 \$	4,916	Rent Own Historic Cost to Own Relative to Rent
2/2023	2 7.2%	\$ 3	3,621 \$	4,724	\$2,000
3/2023	6.5%	\$ 3	3,630 \$	4,887	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
4/2023	5.6%	\$ 3	3,633 \$	4,802	9/2013/12013/12013/12013/12013/12013/12013/12013/12013/12013/12013
5/2023	4.9%	\$ 3	3,640 \$	4,842	y y y

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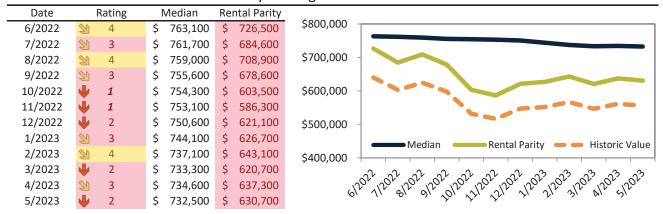
Santa Ana Housing Market Value & Trends Update

Historically, properties in this market sell at a -11.9% discount. Today's premium is 16.2%. This market is 28.1% overvalued. Median home price is \$732,500. Prices fell 3.6% year-over-year.

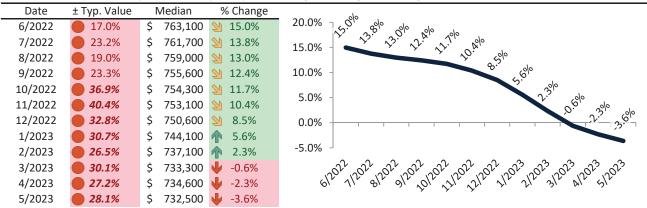
Monthly cost of ownership is \$4,336, and rents average \$3,733, making owning \$602 per month more costly than renting. Rents rose 4.7% year-over-year. The current capitalization rate (rent/price) is 4.9%.

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	\$7.000 ¬
6/2022	19.6%	\$ 3,7	21 \$	3,909	7.,000
7/2022	19.2%	\$ 3,7	19 \$	4,171	\$6,000 -
8/2022	17.7%	\$ 3,7	L4 \$	3,976	
9/2022	15.8%	\$ 3,70	00 \$	4,119	\$2,000 - 12, 18, 14, 10, 14, 10, 10, 10, 10, 10, 10, 10, 10, 10, 10
10/2022	2 13.4%	\$ 3,6	74 \$	4,592	\$4,000 \\ Sy, \text{Sy, \text{
11/2022	11.6%	\$ 3,7	10 \$	4,765	\$4,000
12/2022	2 10.2%	\$ 3,70	00 \$	4,471	\$3,000 -
1/2023	9.2%	\$ 3,70)6 \$	4,400	Rent Own Historic Cost to Own Relative to Rent
2/2023	2 8.0%	\$ 3,68	39 \$	4,227	\$2,000
3/2023	6.8%	\$ 3,70)1 \$	4,373	22 25 25 25 25 25 25 25 25 25 25 25 25 2
4/2023	5.9%	\$ 3,7	30 \$	4,299	61202 11203 81203 11205 1205 11205 11205 11205 31205 11205 31205 31205 31205
5/2023	4.7%	\$ 3,7	34 \$	4,336	y y y

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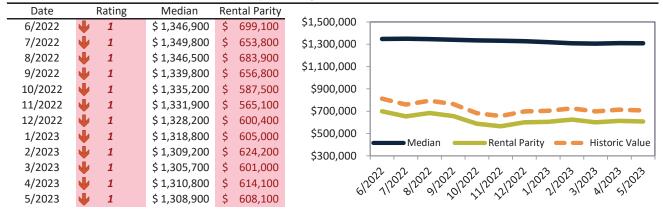
Northwood Housing Market Value & Trends Update

Historically, properties in this market sell at a 16.2% premium. Today's premium is 115.2%. This market is 99.0% overvalued. Median home price is \$1,308,900. Prices fell 1.8% year-over-year.

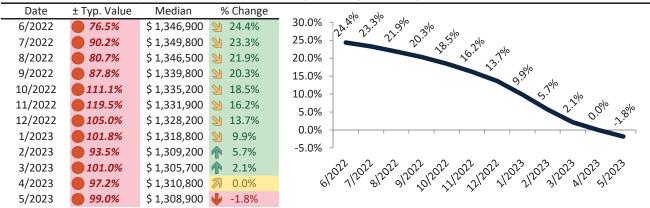
Monthly cost of ownership is \$7,748, and rents average \$3,599, making owning \$4,148 per month more costly than renting. Rents fell 0.4% year-over-year. The current capitalization rate (rent/price) is 2.6%.

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	- \$9,000 ¬
6/2022	-1.7%	\$ 3,581	\$ 6,899	
7/2022	-1.7%	\$ 3,580	\$ 7,391	\$8,000 -
8/2022	-1.7%	\$ 3,583	\$ 7,054	\$7,000 -
9/2022	-1.7%	\$ 3,581	\$ 7,304	45.000
10/2022	-1.6%	\$ 3,577	\$ 8,128	\$6,000 -
11/2022	-1.6%	\$ 3,576	\$ 8,427	\$5,000 - 32 53 53 53 53 53 53 53 53 53 53 53 53 53
12/2022	-1.4%	\$ 3,577	\$ 7,912	\$4,000
1/2023	-1.3 %	\$ 3,578	\$ 7,799	Rent Own Historic Cost to Own Relative to Rent
2/2023	-1.1%	\$ 3,580	\$ 7,509	\$3,000
3/2023	- 0.9%	\$ 3,584	\$ 7,786	22 22 22 22 22 22 22 22 22 22 23 23
4/2023	- 0.7%	\$ 3,594	\$ 7,670	8125, 1125, 8125, 8125, 125, 1712, 1712, 1725, 1725, 3125, 1725, 3125, 3
5/2023	-0.4%	\$ 3,600	\$ 7,748	у у у

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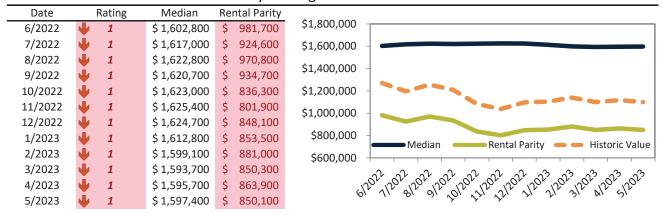
Northwood Point Housing Market Value & Trends Update

Historically, properties in this market sell at a 29.4% premium. Today's premium is 87.9%. This market is 58.5% overvalued. Median home price is \$1,597,400. Prices rose 1.4% year-over-year.

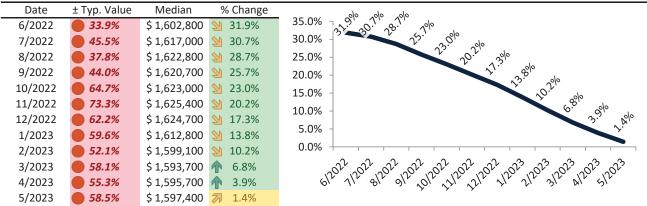
Monthly cost of ownership is \$9,455, and rents average \$5,032, making owning \$4,423 per month more costly than renting. Rents rose 1.0% year-over-year. The current capitalization rate (rent/price) is 3.0%.

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	%	6 Change	Rent	Own	. \$11,500 ¬
6/2022	刁	0.7%	\$ 5,029	\$ 8,210	, VII,500
7/2022	团	0.9%	\$ 5,063	\$ 8,854	\$9,500 -
8/2022	团	1.4%	\$ 5,086	\$ 8,501	\$3,500
9/2022	团	2.0%	\$ 5,096	\$ 8,835	47.500
10/2022	1	2.3%	\$ 5,091	\$ 9,880	\$7,500 -
11/2022		2.3%	\$ 5,074	\$ 10,284	\$7,500 -
12/2022	团	1.9%	\$ 5,052	\$ 9,678	\$5,500
1/2023	团	1.5%	\$ 5,047	\$ 9,537	Rent Own Historic Cost to Own Relative to Rent
2/2023	A	1.2%	\$ 5,053	\$ 9,171	\$3,500
3/2023	团	1.2%	\$ 5,070	\$ 9,503	22 25 25 25 25 25 25 25 25 25 25 25 25 2
4/2023	团	1.2%	\$ 5,056	\$ 9,338	6\1012\1\1013\1013\1013\1013\1\1013\1\1013\1\1013\1\1013\1\1013\1\1013\1\1013\1\1013\1\1013\1\1013\1\1\1\1
5/2023	团	1.0%	\$ 5,033	\$ 9,456	y y y

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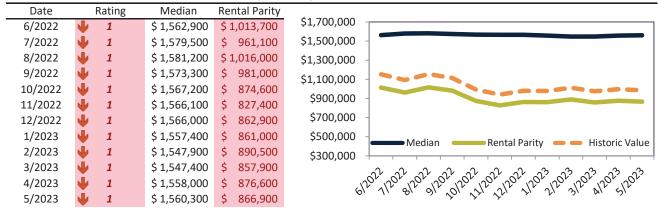


Historically, properties in this market sell at a 13.6% premium. Today's premium is 80.0%. This market is 66.4% overvalued. Median home price is \$1,560,300. Prices rose 1.9% year-over-year.

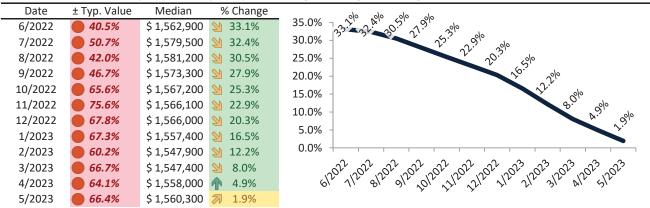
Monthly cost of ownership is \$9,236, and rents average \$5,131, making owning \$4,104 per month more costly than renting. Rents rose 2.9% year-over-year. The current capitalization rate (rent/price) is 3.2%.

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	\$11,000 ¬
6/2022	22.9%	\$ 5,193	\$ 8,005	411 ,000
7/2022	21.1%	\$ 5,262	\$ 8,649	\$9,000 -
8/2022	18.9%	\$ 5,323	\$ 8,283	35,000
9/2022	16.4%	\$ 5,348	\$ 8,577	67 000 02 63 03 89 05 05 00 0 0 0 0
10/2022	14.1%	\$ 5,325	\$ 9,540	\$7,000 - 43 40 32 30 45 45 45 45 45 45 45 45 45 45
11/2022	11.5%	\$ 5,235	\$ 9,909	
12/2022	9.0%	\$ 5,140	\$ 9,328	\$5,000 -
1/2023	6.9%	\$ 5,092	\$ 9,209	Rent Own Historic Cost to Own Relative to Rent
2/2023	5.5%	\$ 5,108	\$ 8,878	\$3,000
3/2023	4.6%	\$ 5,116	\$ 9,227	52 52 52 52 52 52 52 52 52 52 52 52 52 5
4/2023	1.7%	\$ 5,130	\$ 9,117	9/2013/1053/2013/105/5/105/3/105/1/2013/105/3/2013/105/3/2013
5/2023	1 2.9%	\$ 5,132	\$ 9,236	y y y

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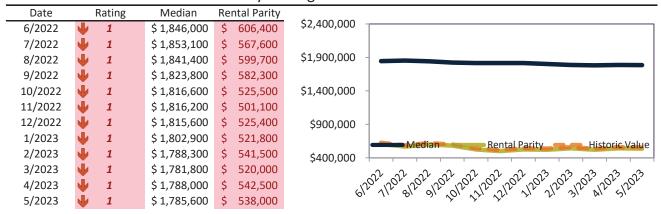


Historically, properties in this market sell at a 3.1% premium. Today's premium is 231.9%. This market is 228.8% overvalued. Median home price is \$1,785,600. Prices fell 1.7% year-over-year.

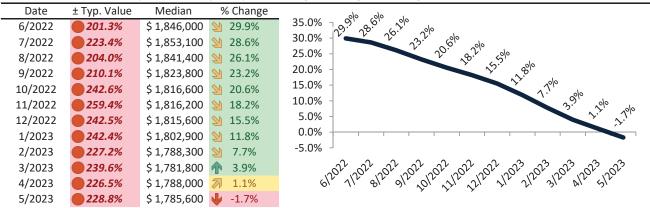
Monthly cost of ownership is \$10,569, and rents average \$3,184, making owning \$7,385 per month more costly than renting. Rents rose 4.6% year-over-year. The current capitalization rate (rent/price) is 1.7%.

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	%	6 Change	Rent	Own	\$11,000 7
6/2022	1	-1.6%	\$ 3,106	\$ 9,456	
7/2022	1	2.8%	\$ 3,108	\$ 10,147	\$10,000 -
8/2022	1	5.4%	\$ 3,142	\$ 9,647	\$9,000 -
9/2022	1	6.9%	\$ 3,175	\$ 9,943	\$8,000 -
10/2022	2	7.5%	\$ 3,199	\$ 11,059	\$7,000 -
11/2022		6.9%	\$ 3,171	\$ 11,491	\$6,000 -
12/2022	1	6.7%	\$ 3,130	\$ 10,815	
1/2023	1	5.8%	\$ 3,086	\$ 10,661	\$5,000 Rent Mistoric Cost to Own Relative to Rent
2/2023	1	5.4%	\$ 3,106	\$ 10,256	\$4,000
3/2023	1	4.8%	\$ 3,101	\$ 10,625	22 25 25 25 25 25 25 25 25 25 25 25 25 2
4/2023		4.7%	\$ 3,175	\$ 10,463	81201,1121,81203,1203,1201,71201,71201,71201,31201,31201,31201,3
5/2023	1	4.6%	\$ 3,185	\$ 10,570	у у у

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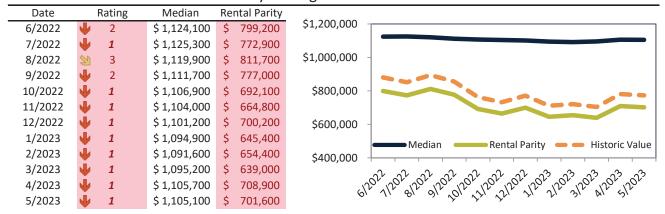


Historically, properties in this market sell at a 10.2% premium. Today's premium is 57.5%. This market is 47.3% overvalued. Median home price is \$1,105,100. Prices fell 0.6% year-over-year.

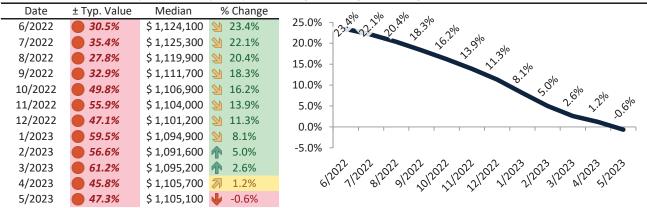
Monthly cost of ownership is \$6,541, and rents average \$4,153, making owning \$2,388 per month more costly than renting. Rents rose 2.7% year-over-year. The current capitalization rate (rent/price) is 3.6%.

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	Ow	vn	Ć7 000 J
6/2022	23.2%	\$ 4,094	\$.	5,758	\$7,800 -
7/2022	22.8%	\$ 4,232	\$	6,162	\$6,800 -
8/2022	21.2%	\$ 4,253	\$	5,867	\$5,800 - 26 32 53 36 33 51 12
9/2022	19.1%	\$ 4,236	\$	6,061	\$5,800 - \$4,800 - \$4,752 - \$4,254 - \$4,254 - \$4,254 - \$4,800 - \$4,800 - \$4,800 - \$4,54
10/2022	16.9%	\$ 4,213	\$	6,738	\$5,800 - \$4,8
11/2022	15.5%	\$ 4,207	\$	6,985	\$3,800 -
12/2022	13.6%	\$ 4,171	\$	6,560	¢3.800
1/2023	9.3%	\$ 3,817	\$	6,475	\$2,800 - Rent Own Historic Cost to Own Relative to Rent
2/2023	5.8%	\$ 3,754	\$	6,261	\$1,800
3/2023	1 2.9%	\$ 3,810	\$	6,531	" They her her her her her her her her; her; h
4/2023	1.5%	\$ 4,149	\$	6,470	8/2013 1/2013 1/2013 9/12/3 1/2013 1/2013 1/2013 1/2013 3/2013 1/2013 1/2013
5/2023	1 2.7%	\$ 4,154	\$	6,542	у у у

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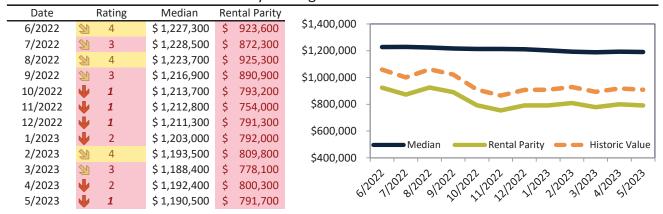


Historically, properties in this market sell at a 14.7% premium. Today's premium is 50.4%. This market is 35.7% overvalued. Median home price is \$1,190,500. Prices fell 2.0% year-over-year.

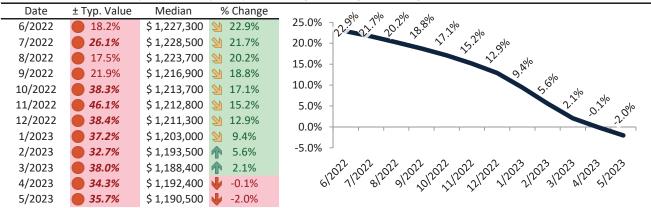
Monthly cost of ownership is \$7,047, and rents average \$4,686, making owning \$2,360 per month more costly than renting. Rents rose 3.0% year-over-year. The current capitalization rate (rent/price) is 3.8%.

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	
6/2022	22.7%	\$ 4,731	\$ 6,286	
7/2022	20.9%	\$ 4,776	\$ 6,727	\$7,800 -
8/2022	18.7%	\$ 4,847	\$ 6,411	22 16 25 29 12 28 28 28 20 23 21
9/2022	16.1%	\$ 4,857	\$ 6,634	\$5,800 54,732,476,887,485,487,547,547,548,548,548,548,548,548
10/2022	2 13.1%	\$ 4,829	\$ 7,388	3 3 3 3 3 3 3 3
11/2022	10.4%	\$ 4,771	\$ 7,674	¢3 900
12/2022	2 8.1%	\$ 4,714	\$ 7,215	\$3,800 -
1/2023	6.4%	\$ 4,684	\$ 7,114	Rent Own Historic Cost to Own Relative to Rent
2/2023	5.1%	\$ 4,644	\$ 6,845	\$1,800
3/2023	4.2%	\$ 4,640	\$ 7,086	22 25 25 25 25 25 25 25 25 25 25 25 25 2
4/2023	1.7%	\$ 4,683	\$ 6,978	61202 11203 81203 91202 1202 1202 11203 11203 31203 11203 11203
5/2023	3.0%	\$ 4,687	\$ 7,047	y y y

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Historically, properties in this market sell at a 0.3% premium. Today's premium is 30.5%. This market is 30.2% overvalued. Median home price is \$969,700. Prices fell 1.2% year-over-year.

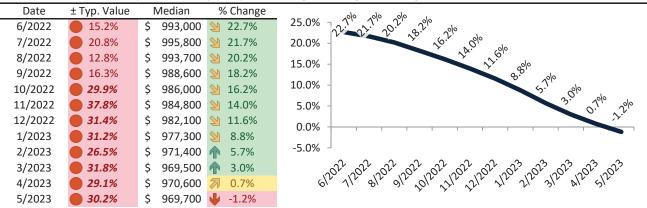
Monthly cost of ownership is \$5,740, and rents average \$4,397, making owning \$1,342 per month more costly than renting. Rents rose 3.6% year-over-year. The current capitalization rate (rent/price) is 4.4%.

Market rating = 2

Median Home Price and Rental Parity trailing twelve months

Date		Rating	١	Иedian	Re	ntal Parity		
6/2022	2	4	\$	993,000	\$	860,000	\$1,100,000	
7/2022	2	4	\$	995,800	\$	822,200	\$1,000,000	
8/2022	\Rightarrow	5	\$	993,700	\$	878,400	¢000 000	
9/2022	2	4	\$	988,600	\$	847,500	\$900,000 -	
10/2022	4	2	\$	986,000	\$	757,300	\$800,000	
11/2022	•	1	\$	984,800	\$	713,100	\$700,000	
12/2022	•	2	\$	982,100	\$	745,800	\$700,000	
1/2023	2	3	\$	977,300	\$	743,200	\$600,000 -	Median Rental Parity Historic Value
2/2023	\Rightarrow	5	\$	971,400	\$	766,100	\$500,000	Neutral Party Tristoric Value
3/2023	2	4	\$	969,500	\$	734,000		2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
4/2023	4	2	\$	970,600	\$	749,900	1/2	37, 120, 312, 312, 312, 312, 312, 312, 312, 312
5/2023	•	2	\$	969,700	\$	742,800	61	11 21 21 21 21 21 21 21 21

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



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

Date	% Change	Rer	nt	Own	
6/2022	23.9%	\$ 4	1,405 \$	5,086	\$7,500 -
7/2022	22.2%	\$ 4	4,502 \$	5,452	40.500
8/2022	19.9%	\$ 4	1,602 \$	5,206	\$6,500
9/2022	16.5%	\$ 4	1,620 \$	5,389	\$5,500 - 4 10 - 40 - 40 - 40 - 40 - 40 - 40
10/2022	2 13.3%	\$ 4	4,610 \$	6,002	
11/2022	10.1%	\$ 4	4,513 \$	6,231	\$4,500 -
12/2022	2 7.8%	\$ 4	1,443 \$	5,850	\$3,500
1/2023	6.1%	\$ 4	1,395 \$	5,779	Rent Own Historic Cost to Own Relative to Rent
2/2023	4.9%	\$ 4	1,394 \$	5,571	\$2,500
3/2023	4.2%	\$ 4	1,377 \$	5,781	3 ²
4/2023	1.9%	\$ 4	1,389 \$	5,680	61202 11223 81223 1222 1222 11223 11223 11223 11223 11223 11223 11223
5/2023	1.6%	\$ 4	1,398 \$	5,740	у у у

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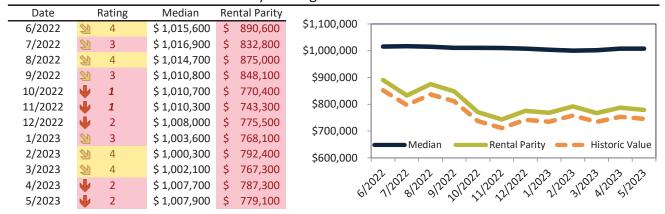


Historically, properties in this market sell at a -4.3% discount. Today's premium is 29.4%. This market is 33.7% overvalued. Median home price is \$1,007,900. Prices rose 0.3% year-over-year.

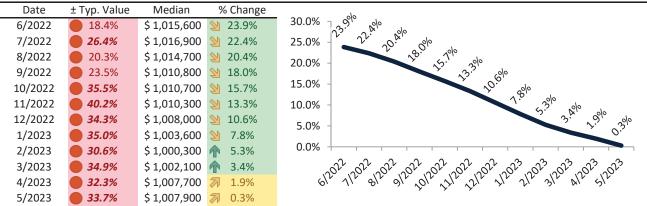
Monthly cost of ownership is \$5,966, and rents average \$4,612, making owning \$1,354 per month more costly than renting. Rents rose 3.2% year-over-year. The current capitalization rate (rent/price) is 4.4%.

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	\$7,500 ¬
6/2022	23.5%	\$ 4,562	\$ 5,202	<i>\$7,</i> 300
7/2022	21.6%	\$ 4,560	\$ 5,568	\$6,500 -
8/2022	18.9%	\$ 4,584	\$ 5,316	62 60 gh 20 00 00 20 23 55 15 01 22
9/2022	15.7%	\$ 4,624	\$ 5,510	\$5,500 - 24,502 24,502 24,500 24,500 24,500 24,500 24,500 24,500
10/2022	2 13.0%	\$ 4,690	\$ 6,153	\$4,500
11/2022	2 10.6%	\$ 4,704	\$ 6,392	54,300
12/2022	2 8.6%	\$ 4,620	\$ 6,004	\$3,500 -
1/2023	6.7%	\$ 4,543	\$ 5,935	Rent Own Historic Cost to Own Relative to Rent
2/2023	5.5%	\$ 4,545	\$ 5,737	\$2,500
3/2023	4.4%	\$ 4,575	\$ 5,975	52 52 52 52 52 52 52 52 52 52 52 52 52 5
4/2023	1.7%	\$ 4,607	\$ 5,897	8/202 1/202 8/203 9/202 1/202 1/202 1/202 1/202 3/202 3/202 5/2023
5/2023	1.2%	\$ 4,612	\$ 5,966	y y y

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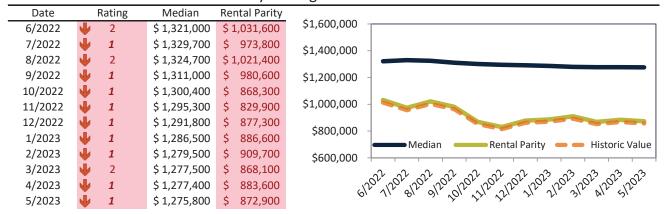


Historically, properties in this market sell at a -1.7% discount. Today's premium is 46.2%. This market is 47.9% overvalued. Median home price is \$1,275,800. Prices fell 1.7% year-over-year.

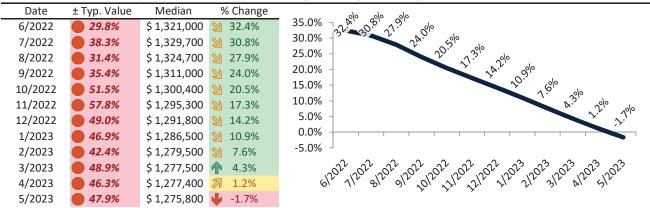
Monthly cost of ownership is \$7,552, and rents average \$5,167, making owning \$2,384 per month more costly than renting. Rents rose 2.1% year-over-year. The current capitalization rate (rent/price) is 3.9%.

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	
6/2022	23.5%	\$ 5,284	\$ 6,766	\$8,400 -
7/2022	21.7%	\$ 5,332	\$ 7,281	
8/2022	19.0%	\$ 5,351	\$ 6,940	\$7,400 -
9/2022	15.7%	\$ 5,346	\$ 7,147	\$6,400 - 51,26 53,25 53,26 53,26 55,26 55,26 55,26 55,26
10/2022	12.2%	\$ 5,286	\$ 7,916	
11/2022	9.4%	\$ 5,252	\$ 8,196	\$5,400 -
12/2022	2 7.4%	\$ 5,226	\$ 7,695	\$4,400 -
1/2023	6.2%	\$ 5,243	\$ 7,608	Rent Own Historic Cost to Own Relative to Rent
2/2023	5.0%	\$ 5,218	\$ 7,338	\$3,400
3/2023	4.0%	\$ 5,177	\$ 7,618	32 32 32 32 32 32 32 32 32 32 32 32 32 3
4/2023	3.0%	\$ 5,171	\$ 7,475	61202 11203 81203 81202 1202 11202 11203 11203 31203 11203 11203
5/2023	1 2.1%	\$ 5,167	\$ 7,552	у у у

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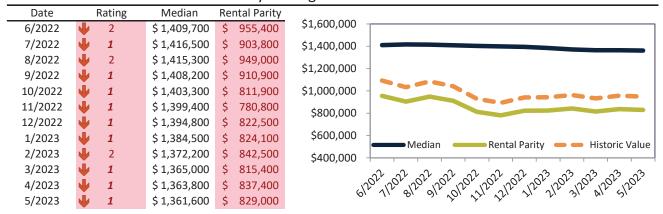


Historically, properties in this market sell at a 14.4% premium. Today's premium is 64.3%. This market is 49.9% overvalued. Median home price is \$1,361,600. Prices fell 2.1% year-over-year.

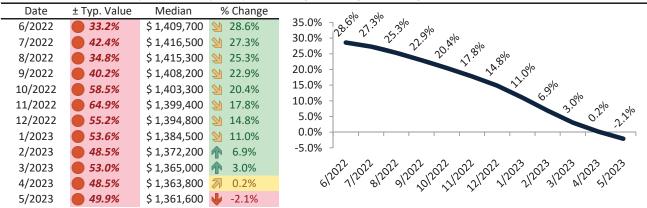
Monthly cost of ownership is \$8,060, and rents average \$4,907, making owning \$3,152 per month more costly than renting. Rents rose 4.2% year-over-year. The current capitalization rate (rent/price) is 3.5%.

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	\$9,800 ¬
6/2022	21.3%	\$ 4,89	4 \$	7,221	<i>y</i> 5)500
7/2022	20.3%	\$ 4,94	9 \$	7,756	\$7,800 -
8/2022	18.7%	\$ 4,97	2 \$	7,414	
9/2022	16.8%	\$ 4,96	6 \$	7,677	\$5,800 54, 54, 54, 54, 54, 54, 54, 54, 54, 54,
10/2022	14.5%	\$ 4,94	3 \$	8,543	\$5,800 - 54, 55, 55, 54, 54, 54, 54, 54, 54, 54,
11/2022	12.3%	\$ 4,94	1 \$	8,854	
12/2022	9.7%	\$ 4,90	0 \$	8,308	\$3,800 -
1/2023	21 7.8%	\$ 4,87	3 \$	8,187	Rent Own Historic Cost to Own Relative to Rent
2/2023	6.4%	\$ 4,83	2 \$	7,870	\$1,800
3/2023	5.7%	\$ 4,86	3 \$	8,139	22 25 25 25 25 25 25 25 25 25 25 25 25 2
4/2023	5.0%	\$ 4,90	1 \$	7,981	6/202 1/202 8/202 9/202 2/202 1/202 1/202 1/202 3/202 3/202 3/202 3/202
5/2023	4.2%	\$ 4,90	8 \$	8,060	у у У

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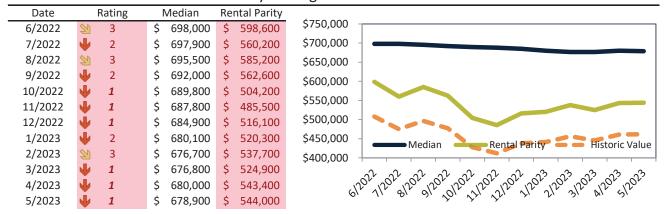
Stanton Housing Market Value & Trends Update

Historically, properties in this market sell at a -15.2% discount. Today's premium is 24.8%. This market is 40.0% overvalued. Median home price is \$678,900. Prices fell 2.1% year-over-year.

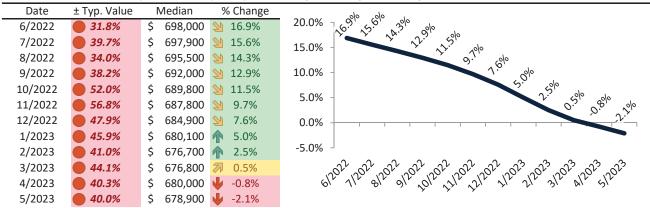
Monthly cost of ownership is \$4,018, and rents average \$3,220, making owning \$798 per month more costly than renting. Rents rose 4.1% year-over-year. The current capitalization rate (rent/price) is 4.6%.

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	\$4,800 ¬
6/2022	4.5%	\$ 3,0)66 \$	3,575	
7/2022	4.6%	\$ 3,0	67 \$	3,821	\$4,300 -
8/2022	4.5%	\$ 3,0)66 \$	3,644	\$3,800 - 68 761 768 766 766 766 766 766 766 766 766 766
9/2022	4.4%	\$ 3,0)67 \$	3,772	\$3,800 - 66,00,00,00,00,00,00,00,00,00,00,00,00,0
10/2022	4.2%	\$ 3,0	70 \$	4,199	\$3,300 - 3, 3, 3, 3, 3, 3, 3, 3 3 3 7
11/2022	4.0%	\$ 3,0)72 \$	4,352	\$2,800 -
12/2022	1 3.7%	\$ 3,0)75 \$	4,080	\$2,300 -
1/2023	1.4%	\$ 3,0)77 \$	4,022	Rent Own Historic Cost to Own Relative to Rent
2/2023	1 3.1%	\$ 3,0)84 \$	3,881	\$1,800
3/2023	1.3%	\$ 3,1	.30 \$	4,036	202 202 202 202 202 202 202 203 203 203
4/2023	1.6%	\$ 3,1	.80 \$	3,979	9/2013/12013/12013/12013/12013/12013/12013/12013/12013/12013
5/2023	4.1%	\$ 3,2	20 \$	4,019	y y y

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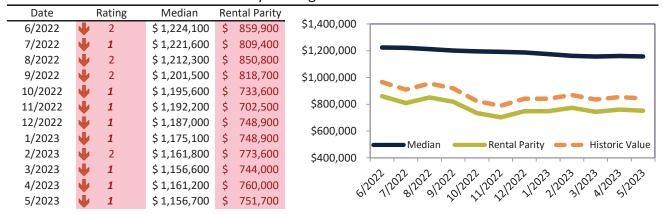
Huntington Beach Housing Market Value & Trends Update

Historically, properties in this market sell at a 12.3% premium. Today's premium is 53.9%. This market is 41.6% overvalued. Median home price is \$1,156,700. Prices fell 4.8% year-over-year.

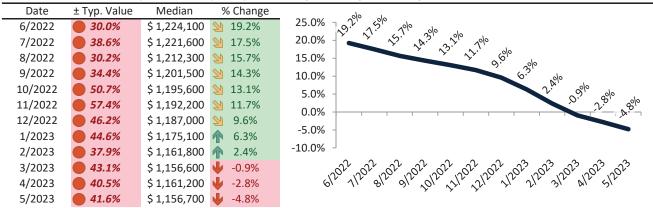
Monthly cost of ownership is \$6,847, and rents average \$4,449, making owning \$2,397 per month more costly than renting. Rents rose 4.4% year-over-year. The current capitalization rate (rent/price) is 3.7%.

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	\$7,800 ¬
6/2022	2 16.7%	\$ 4,405	\$ 6,270	<i>\$7,500</i>
7/2022	16.4%	\$ 4,432	\$ 6,689	\$6,800 -
8/2022	15.5%	\$ 4,457	\$ 6,351	
9/2022	14.4%	\$ 4,464	\$ 6,550	\$5,800 - 20,05 20,51 20,060 20,
10/2022	2 13.1%	\$ 4,466	\$ 7,278	\$4,800 - 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
11/2022	11.8%	\$ 4,445	\$ 7,543	ŷ 4 ,800
12/2022	2 10.8%	\$ 4,461	\$ 7,071	\$3,800 -
1/2023	9.5%	\$ 4,429	\$ 6,949	Rent Own Historic Cost to Own Relative to Rent
2/2023	2 8.3%	\$ 4,437	\$ 6,663	\$2,800
3/2023	6.9%	\$ 4,437	\$ 6,897	20 20 20 20 20 20 20 20 20 20 20 20 20 2
4/2023	5.6%	\$ 4,447	\$ 6,795	9/2013/1013/1013/1013/201013/1013/1013/10
5/2023	4.4%	\$ 4,450	\$ 6,847	, , ,

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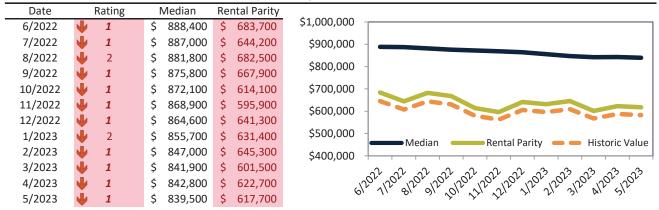
Garden Grove Housing Market Value & Trends Update

Historically, properties in this market sell at a -5.6% discount. Today's premium is 35.9%. This market is 41.5% overvalued. Median home price is \$839,500. Prices fell 5.0% year-over-year.

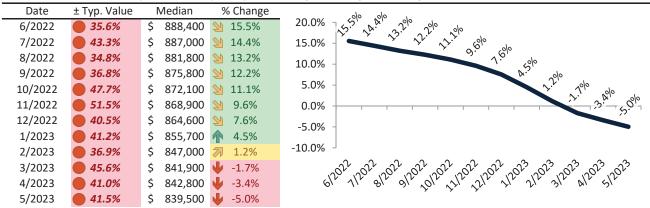
Monthly cost of ownership is \$4,969, and rents average \$3,656, making owning \$1,312 per month more costly than renting. Rents rose 8.6% year-over-year. The current capitalization rate (rent/price) is 4.2%.

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	\$5,800 ¬
6/2022	213.4%	\$ 3,502	\$	4,551	40,000
7/2022	2 13.1%	\$ 3,527	\$	4,857	\$4,800
8/2022	12.9%	\$ 3,576	\$	4,620	\$4,800 - 53,800 - 53,5
9/2022	12.8%	\$ 3,641	\$	4,774	
10/2022	2 13.0%	\$ 3,739	\$	5,309	\$3,800 - 72 - 72 - 73 - 73 - 73 - 73 - 73 - 73
11/2022	13.8%	\$ 3,771	\$	5,498	
12/2022	14.0%	\$ 3,821	\$	5,150	\$2,800 -
1/2023	13.7%	\$ 3,734	\$	5,060	Rent Own Historic Cost to Own Relative to Rent
2/2023	13.0%	\$ 3,701	\$	4,858	\$1,800
3/2023	2 10.9%	\$ 3,587	\$	5,020	\(\frac{1}{2} \) \(\frac{1} \) \(\frac{1}{2} \) \(\frac{1}{2} \) \(\frac{1}{2} \) \(\frac{1} \) \(\frac{1} \) \(\frac{1} \) \(\frac{1}{2} \) \(\fr
4/2023	2 10.1%	\$ 3,644	\$	4,932	8/1203 1/203 8/203 8/203 9/203 1/203 1/203 1/203 3/203 8/1203 3/203 8/203 8/203
5/2023	21 8.6%	\$ 3,657	\$	4,969	y y y

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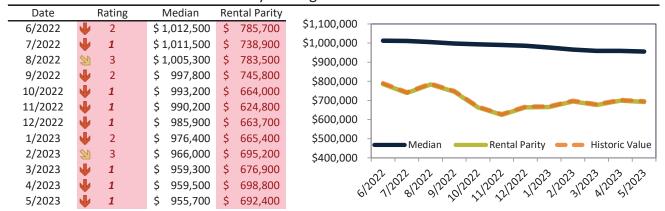


Historically, properties in this market sell at a 0.5% premium. Today's premium is 38.0%. This market is 37.5% overvalued. Median home price is \$955,700. Prices fell 4.9% year-over-year.

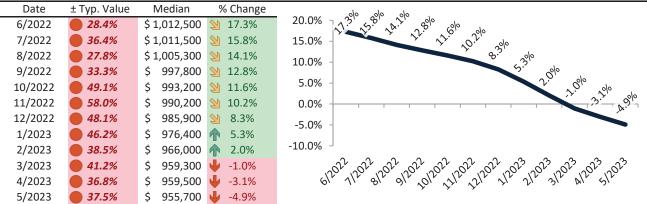
Monthly cost of ownership is \$5,657, and rents average \$4,099, making owning \$1,558 per month more costly than renting. Rents rose 4.2% year-over-year. The current capitalization rate (rent/price) is 4.1%.

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	
6/2022	15.5%	\$ 4,025	\$ 5,186	\$6,400
7/2022	14.5%	\$ 4,046	\$ 5,538	30,400
8/2022	13.5%	\$ 4,105	\$ 5,266	\$5,400
9/2022	11.8%	\$ 4,066	\$ 5,440	\$5,400 - CON
10/2022	10.5%	\$ 4,042	\$ 6,046	\$4,400 - 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
11/2022	2 8.6%	\$ 3,954	\$ 6,265	
12/2022	2 7.4%	\$ 3,954	\$ 5,873	\$3,400 -
1/2023	5.8%	\$ 3,935	\$ 5,774	Rent Own Historic Cost to Own Relative to Rent
2/2023	5.2%	\$ 3,987	\$ 5,540	\$2,400
3/2023	4.8%	\$ 4,037	\$ 5,720	\(\frac{1}{2} \) \(\frac{1} \) \(\frac{1}{2} \) \(\frac{1}{2} \) \(\frac{1}{2} \) \(\frac{1} \) \(\frac{1} \) \(\frac{1} \) \(\frac{1}2 \) \(\frac
4/2023	4.7%	\$ 4,090	\$ 5,615	6/202 1/203 8/203 9/2020 1/202 1/202 1/202 1/203 3/203 3/203 3/203
5/2023	4.2%	\$ 4,099	\$ 5,657	y y y

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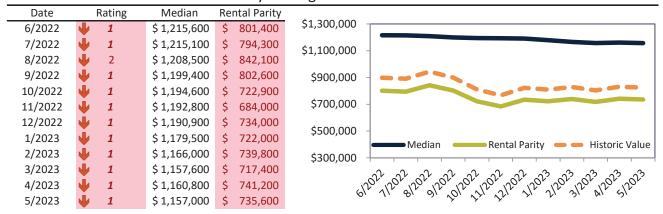
Fountain Valley Housing Market Value & Trends Update

Historically, properties in this market sell at a 12.1% premium. Today's premium is 57.3%. This market is 45.2% overvalued. Median home price is \$1,157,000. Prices fell 4.1% year-over-year.

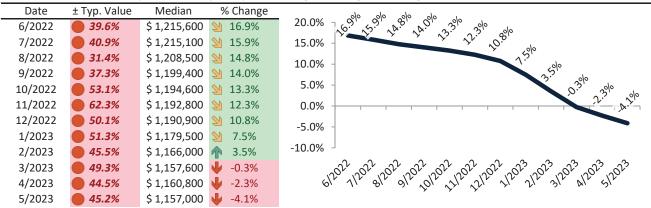
Monthly cost of ownership is \$6,848, and rents average \$4,354, making owning \$2,494 per month more costly than renting. Rents rose 7.6% year-over-year. The current capitalization rate (rent/price) is 3.6%.

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	40.700
			_		\$8,500 7
6/2022	12.9%	\$ 4,105	\$	6,227	4
7/2022	2 15.1%	\$ 4,349	\$	6,653	\$7,500 -
8/2022	15.3%	\$ 4,412	\$	6,331	\$6,500 -
9/2022	15.0%	\$ 4,376	\$	6,539	\$5,500 - 105,200 54,200 54,200 54,200 54,200 62,200 62,200 64,200
10/2022	24.3%	\$ 4,401	\$	7,272	\$5,500 - 20 3 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 24 25 25 25 25 25 25 25 25 25 25 25 25 25
11/2022	13.0%	\$ 4,328	\$	7,547	\$4,500
12/2022	12.3%	\$ 4,372	\$	7,094	\$3,500 -
1/2023	10.8%	\$ 4,270	\$	6,975	Rent — Own — Historic Cost to Own Relative to Rent
2/2023	10.1%	\$ 4,243	\$	6,687	\$2,500
3/2023	24 8.4%	\$ 4,278	\$	6,903	202 202 202 202 202 202 202 202 203 203
4/2023	9.0%	\$ 4,337	\$	6,793	8/1505 1/205 8/205 3/255 1/205 1/205 1/205 3/2000 3/20
5/2023	2 7.6%	\$ 4,355	\$	6,849	, , ,

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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

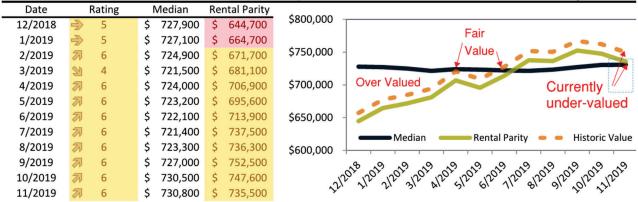


MEDIAN HOME PRICE AND RENTAL PARITY TRAILING TWELVE MONTHS

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

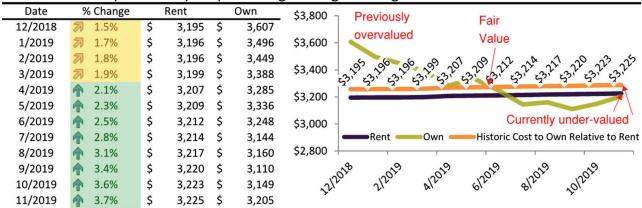
Date	± Typ. Value	\$/SF	% Change	9 9
12/2018	11.0%	\$ 427	4.1%	\$430 \$428 \$428 \$428
1/2019	7.5%	\$ 427	1 3.4%	\$428 - 5 5 5
2/2019	▶ 6.0%	\$ 425	1 2.4%	\$426 - \$426 - \$424 - \$424 - \$424 - \$424 - \$424 - \$424 - \$424 - \$424 - \$424 - \$425 - \$424 - \$425 - \$424 - \$425 - \$426 - \$4
3/2019	▶ 4.0%	\$ 424	匆 1.9%	4420 Sh
4/2019	▶ 0.5%	\$ 425	1.9%	\$424 -
5/2019	▶ 2.0%	\$ 424	3 1.2%	\$422 -
6/2019	-0.8%	\$ 423	3 0.5%	\$420 -
7/2019	▶ -4.1%	\$ 423	3 0.0%	
8/2019	▶ -3.7%	\$ 424	- 0.2%	\$418
9/2019	-5.3%	\$ 427	3 0.5%	27/2013 1/2013 1/2013 1/2013 1/2013 1/2013 1/2013 1/2013 1/2013 1/2013 1/2013
10/2019	-4.2%	\$ 429	3 0.9%	27/202 1/202 3/202 3/202 8/202 8/202 8/202 1/202 8/202 9/202 9/202 21/202
11/2019	▶ -2.6%	\$ 429	3 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

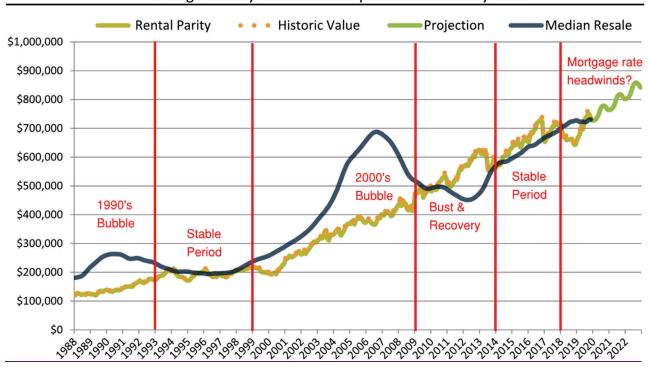


This method of looking at the data is more revealing to those who like to focus on monthly costs rather than purchase price. It reveals how affordable properties are relative to monthly rent, which is what rental parity analysis is all about. The first column of data shows the rate of rent growth over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

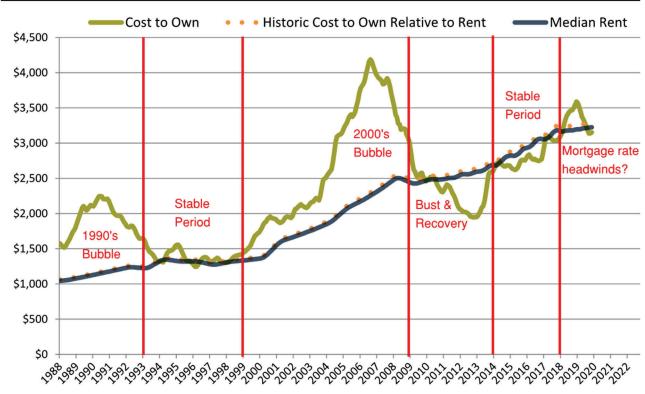
Orange County median home price since January 1988





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

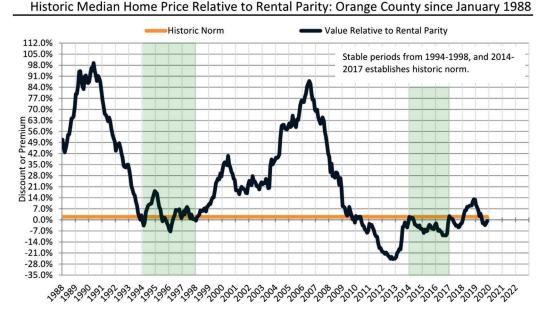


The chart above shows rent and monthly cost of ownership. It looks similar to the rental parity and resale home price chart, as it merely converts that information to a monthly format. For those who have difficulty relating to the large numbers of purchase price, viewing the data in terms of monthly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

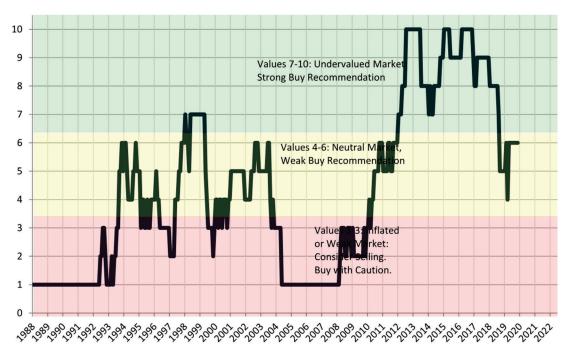


historic norm. The benchmark period is shown in green, and the degree of market volatility can be inferred from the scale to the left. For example, Orange County traded for as much as 25% below rental parity and 100% above it during the 31-year period shown.



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.