

County of Riverside

CALIFORNIA

August 2023



Rents rose 3.2% year-over-year. The current capitalization rate (rent/price) is 5.0%

HOUSING REPORT

www.tait.com



WE'RE HIRING

A family company since 1964.

What Makes Us Different



We are an ethical, kind, family-company with a "family-first" mentality



We value life balance, and offer flexible alternative work schedules to all associates



We thrive in a collaborative and entrepreneurial environment that challenges the status-quo



We believe that continued learning is essential to personal growth, and offer regular educational opportunities



We take pride in our projects, and their impact on communities

To find out more, visit us at
WWW.TAIT.COM/CAREERS-AT-TAIT/



TAIT

& ASSOCIATES



The Real State of USA Real Estate

Table of Contents

4	Riverside County Housing Market Value & Trends Update
5	Riverside County median home price since January 1988
5	Riverside County median rent and monthly cost of ownership since January 1988
6	Resale \$/SF Year-over-Year Percentage Change: Riverside County since January 1989
6	Rental \$/SF Year-over-Year Percentage Change: Riverside County since January 1989
7	Historic Median Home Price Relative to Rental Parity: Riverside County since January 1988
7	TAIT Housing Report® Market Timing System Rating: Riverside County since January 1988
8	Cash Investor Capitalization Rate: Riverside County since January 1988
8	Financed Investor Cash-on-Cash Return: Riverside County since January 1988
9	Market Performance and Trends: Riverside County and Major Cities and Zips
11	Market Timing Rating and Valuations: Riverside County and Major Cities and Zips

Area Reports

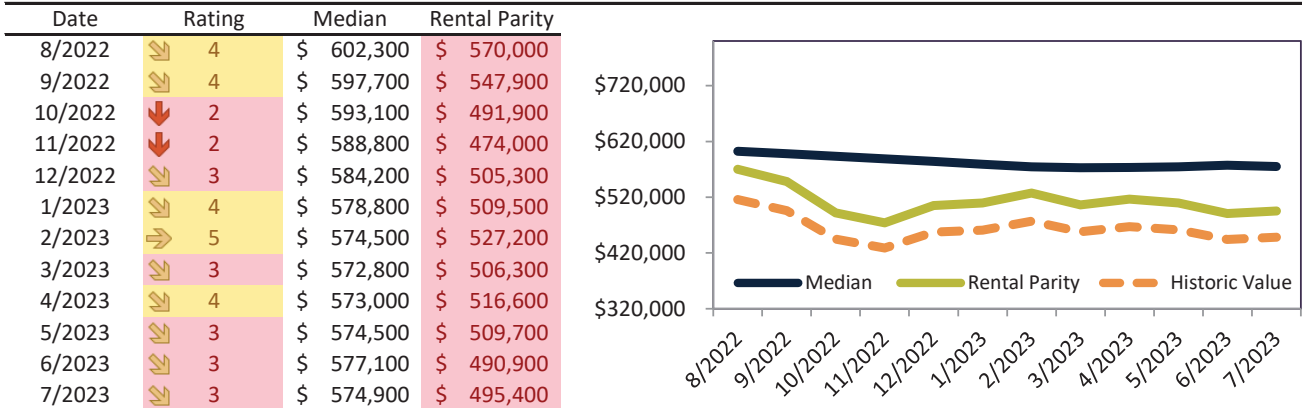
13	San Bernardino	39	Blythe
14	Riverside, CA	40	Murrieta
15	Banning	41	Norco
16	Beaumont	42	Nuevo
17	Calimesa	43	Palm Desert
18	Canyon Lake	44	Palm Springs
19	Cathedral City	45	Pedley
20	Coachella	46	Perris
21	Corona	47	Rancho Mirage
22	Corona Hills	48	Riverside
23	South Corona	49	Arlanza
24	Desert Hot Springs	50	Canyon Crest
25	Eastvale	51	La Sierra
26	Glen Avon	52	La Sierra South
27	Hemet	53	Magnolia Center
28	Highgrove	54	Orangecrest
29	Home Gardens	55	Ramona
30	Idyllwild	56	University
31	Indian Wells	55	Ramona
32	Indio	56	University
33	La Quinta	57	Rubidoux
34	Lake Elsinore	58	San Jacinto
35	Menifee	59	Sunnyslope
36	Sun City	60	Temecula
37	Mira Loma	61	Thousand Palms
38	Moreno Valley		
62	TAIT Housing Market Report Interpretation		

Riverside County Housing Market Value & Trends Update

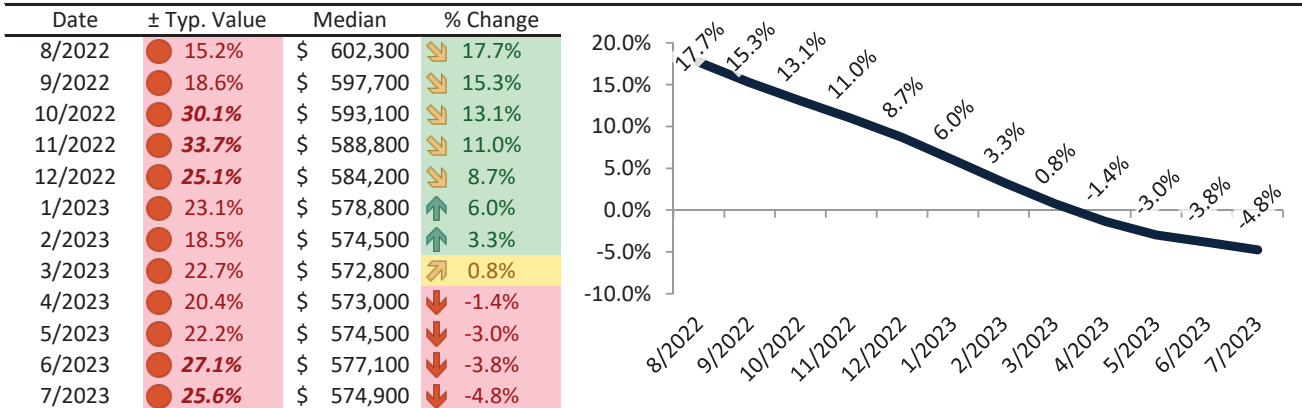
Historically, properties in this market sell at a -9.5% discount. Today's premium is 16.1%. This market is 25.6% overvalued. Median home price is \$574,900. Prices fell 4.8% year-over-year. Monthly cost of ownership is \$3,503, and rents average \$3,019, making owning \$484 per month more costly than renting. Rents rose 3.2% year-over-year. The current capitalization rate (rent/price) is 5.0%.

Market rating = 3

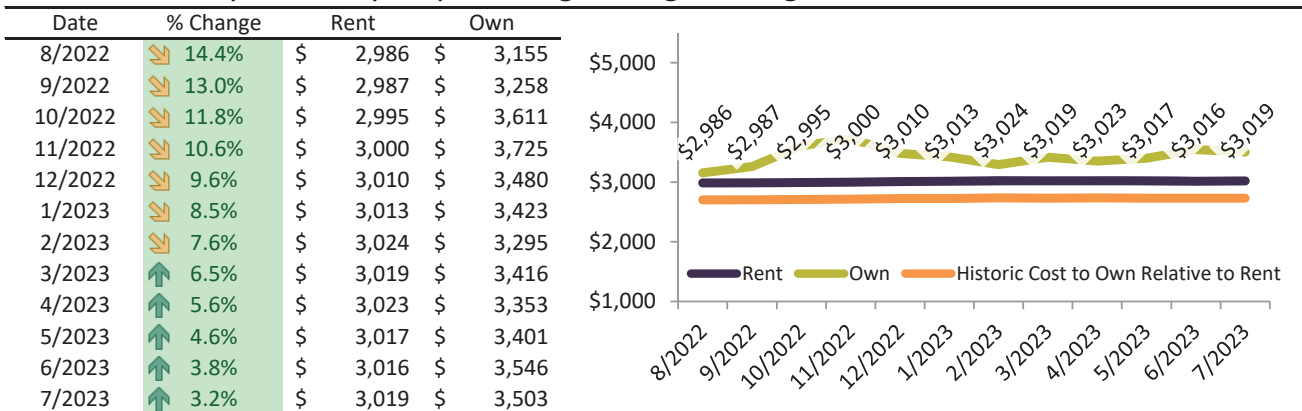
Median Home Price and Rental Parity trailing twelve months



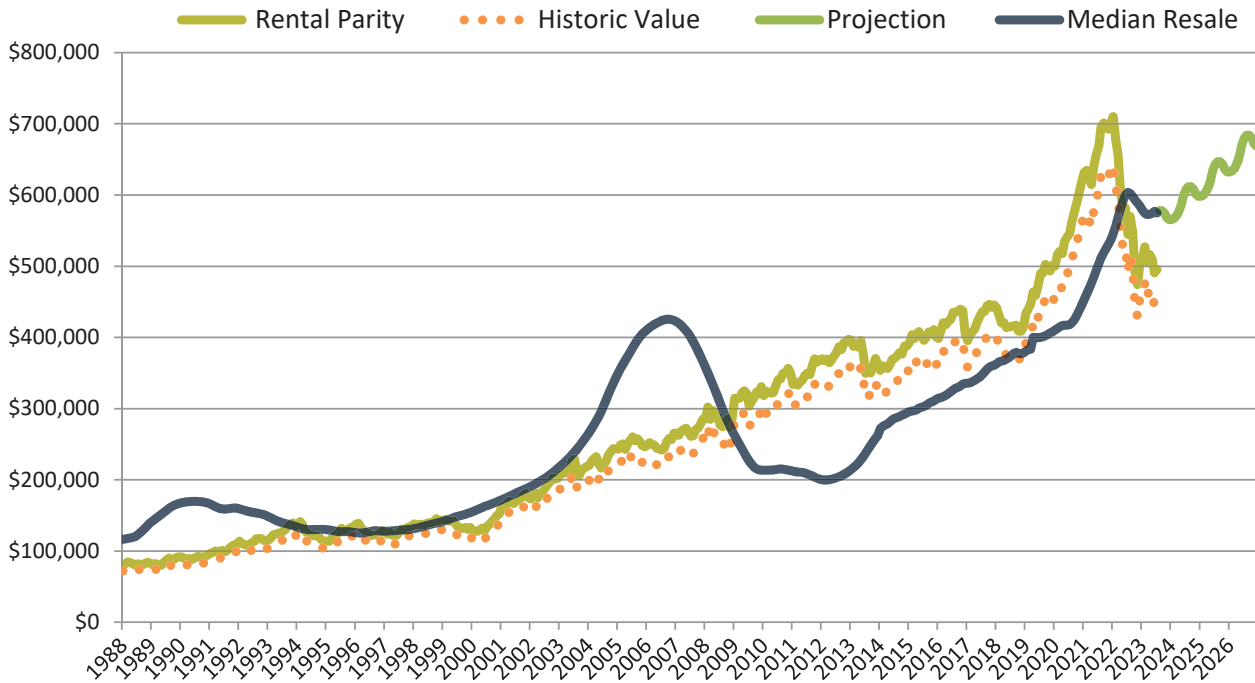
Resale Median and year-over-year percentage change trailing twelve months



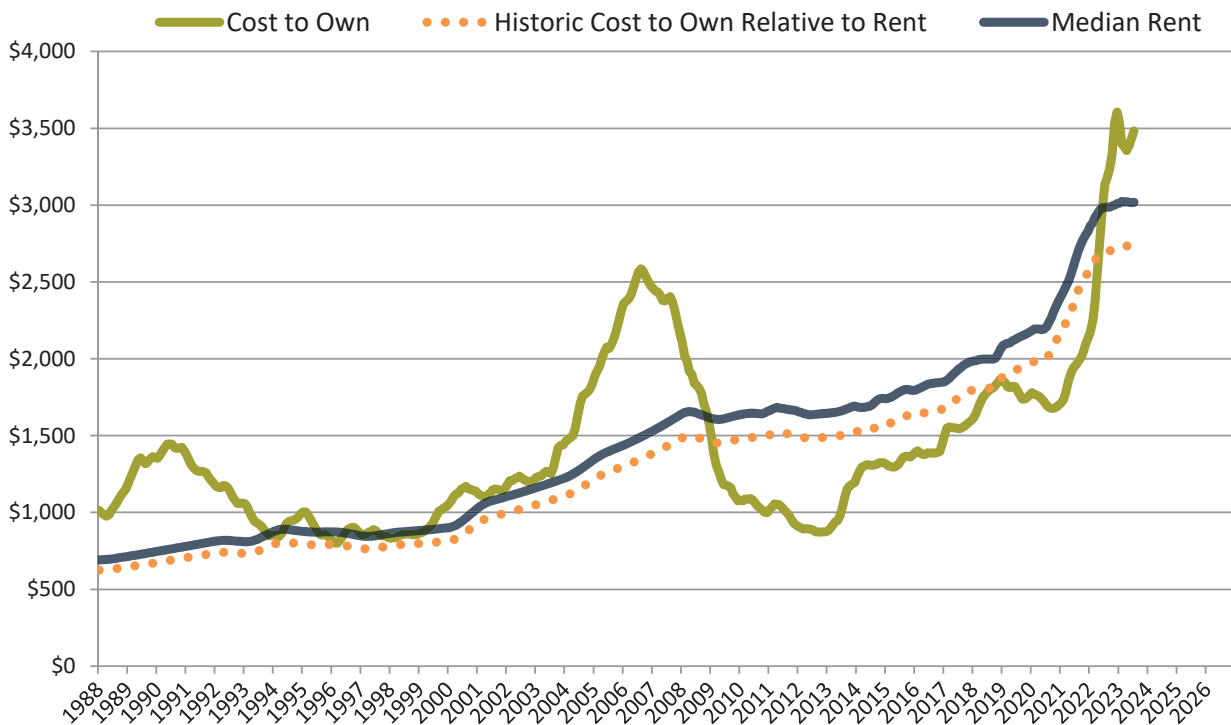
Rental rate and year-over-year percentage change trailing twelve months



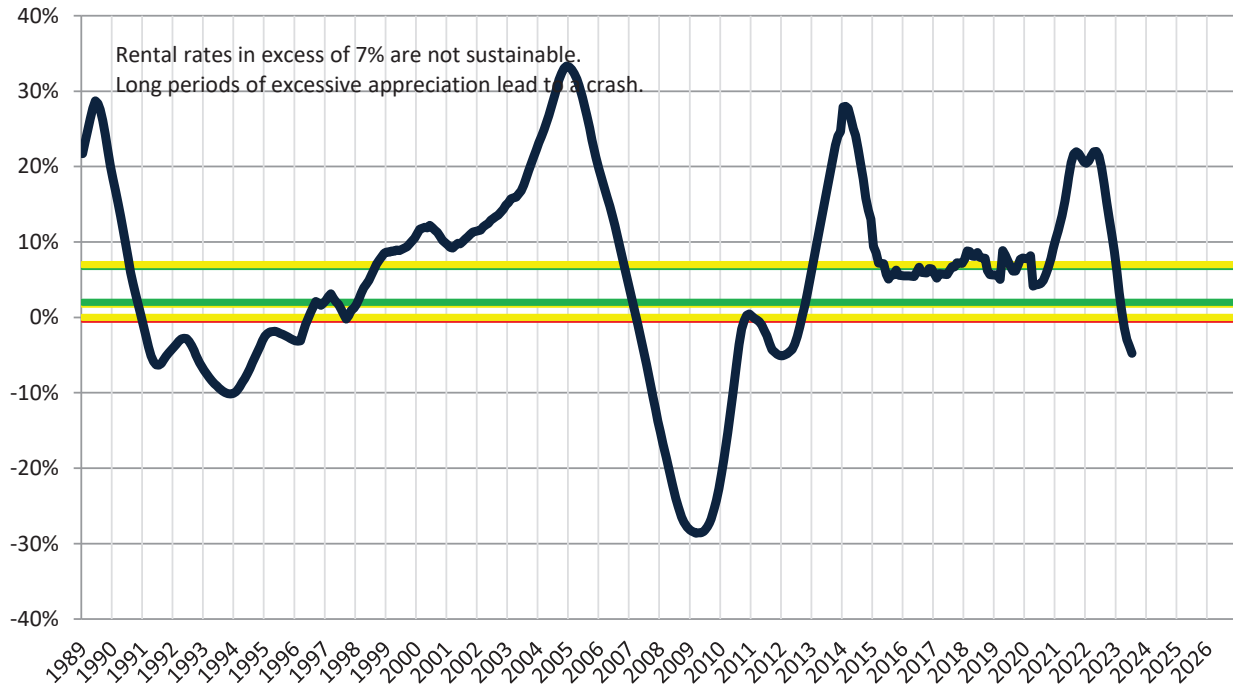
Riverside County median home price since January 1988



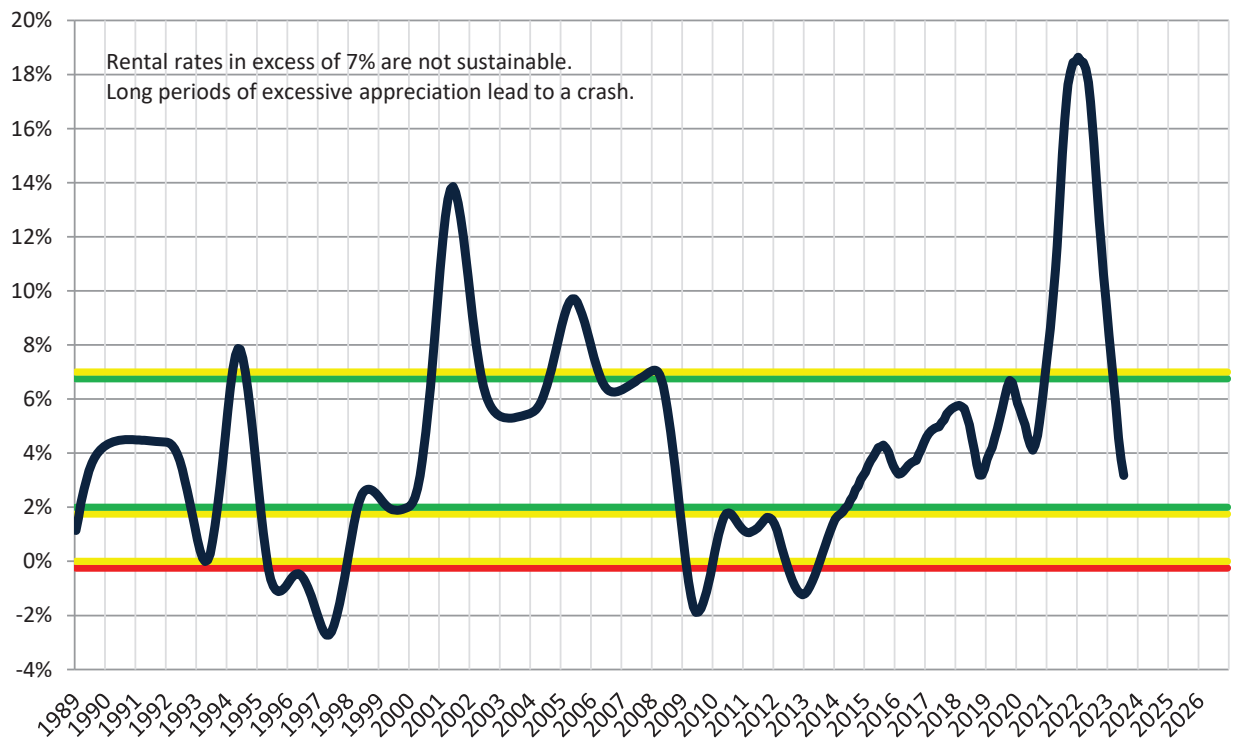
Riverside County median rent and monthly cost of ownership since January 1988



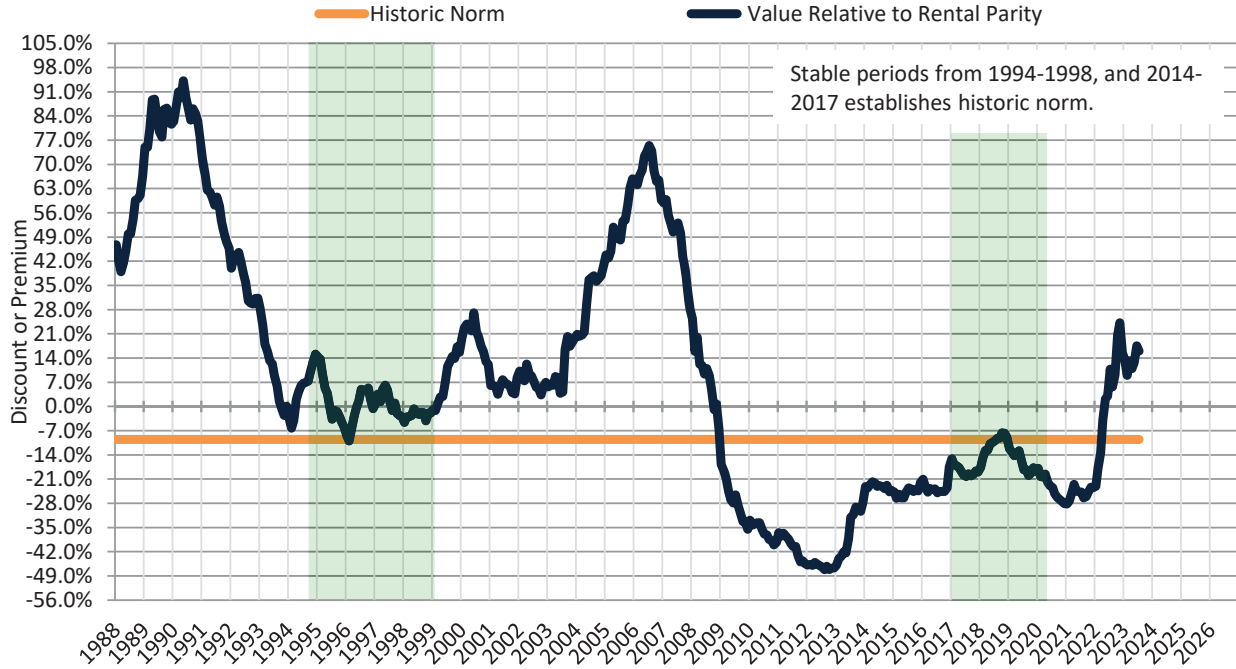
Resale \$/SF Year-over-Year Percentage Change: Riverside County since January 1989



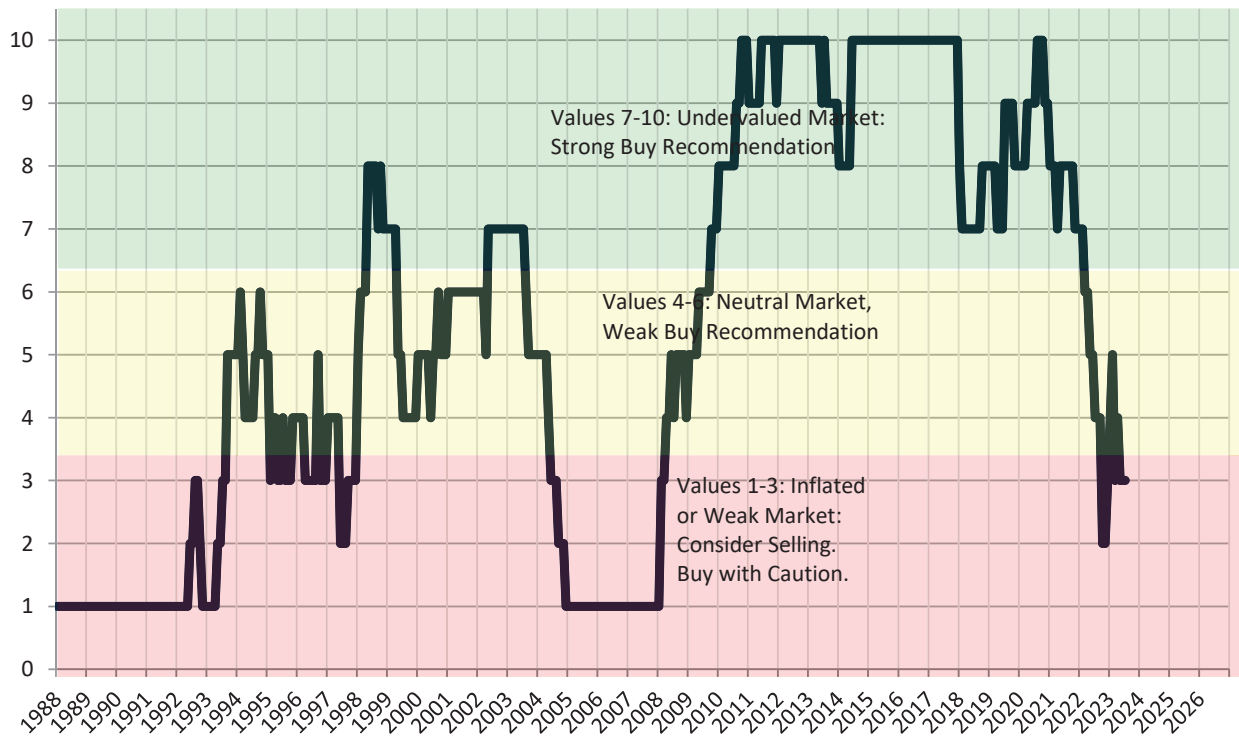
Rental \$/SF Year-over-Year Percentage Change: Riverside County since January 1989



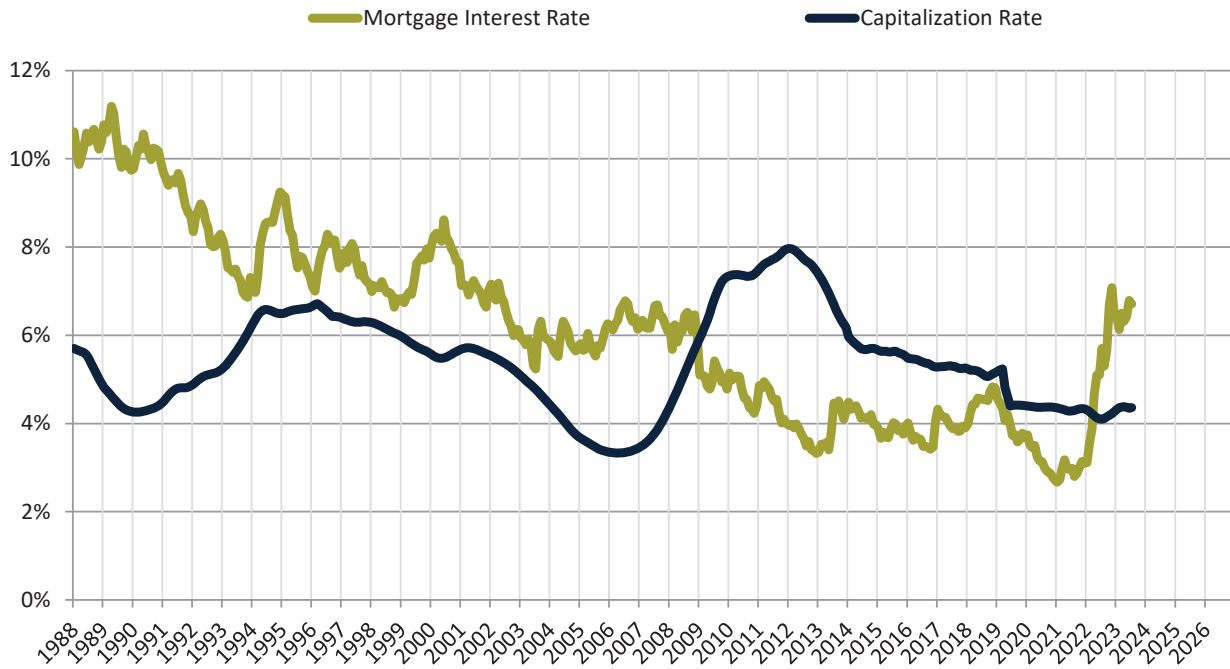
Historic Median Home Price Relative to Rental Parity: Riverside County since January 1988



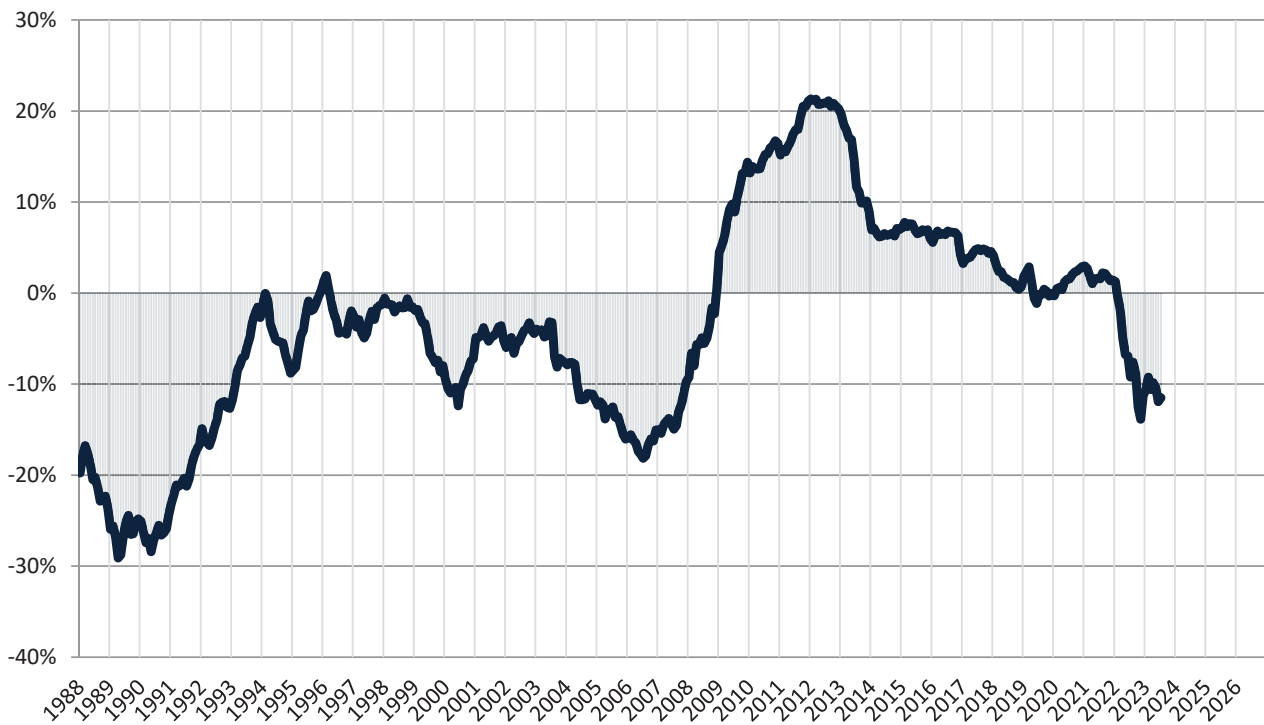
TAIT Housing Report® Market Timing System Rating: Riverside County since January 1988



Cash Investor Capitalization Rate: Riverside County since January 1988



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



Market Performance and Trends: Riverside County 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
Riverside County	\$ 574,900	↓ -4.8%	\$ 574,900	↑ 3.2%	\$ 3,019	\$ 3,503	\$ 484	5.0%
San Bernardino County	\$ 518,600	↓ -4.2%	\$ 518,600	↑ 3.7%	\$ 2,600	\$ 3,160	\$ 560	4.8%
Riverside, CA	\$ 551,300	↓ -4.4%	\$ 551,300	↑ 3.4%	\$ 2,884	\$ 3,360	\$ 475	5.0%
Banning	\$ 389,800	↓ -3.7%	\$ 389,800	↔ 12.5%	\$ 2,423	\$ 2,375	\$ (48)	6.0%
Beaumont	\$ 506,200	↓ -4.0%	\$ 506,200	↔ 19.6%	\$ 2,800	\$ 3,085	\$ 285	5.3%
Calimesa	\$ 533,800	↓ -5.5%	\$ 533,800	↑ 5.6%	\$ 2,306	\$ 3,253	\$ 946	4.1%
Canyon Lake	\$ 672,500	↓ -5.1%	\$ 672,500	↔ 20.3%	\$ 3,662	\$ 4,098	\$ 436	5.2%
Cathedral City	\$ 482,900	↓ -3.4%	\$ 482,900	↑ 4.9%	\$ 2,547	\$ 2,943	\$ 395	5.1%
Coachella	\$ 398,600	↓ -2.3%	\$ 398,600	↑ 2.6%	\$ 1,970	\$ 2,429	\$ 459	4.7%
Corona	\$ 711,100	↓ -4.2%	\$ 711,100	↑ 2.3%	\$ 3,174	\$ 4,333	\$ 1,159	4.3%
Corona Hills	\$ 680,600	↓ -6.8%	\$ 680,600	↑ 2.7%	\$ 2,747	\$ 4,147	\$ 1,400	3.9%
South Corona	\$ 847,500	↓ -4.1%	\$ 847,500	↑ 4.6%	\$ 3,334	\$ 5,164	\$ 1,830	3.8%
Desert Hot Springs	\$ 370,000	↓ -4.2%	\$ 370,000	↓ -1.1%	\$ 2,005	\$ 2,255	\$ 249	5.2%
Eastvale	\$ 869,900	↓ -2.8%	\$ 869,900	↔ 1.1%	\$ 3,858	\$ 5,301	\$ 1,443	4.3%
Glen Avon	\$ 456,600	↑ 2.3%	\$ 456,600	↑ 5.7%	\$ 2,474	\$ 2,782	\$ 308	5.2%
Hemet	\$ 419,000	↓ -4.4%	\$ 419,000	↑ 3.6%	\$ 2,496	\$ 2,553	\$ 57	5.7%
Indian Wells	\$ 1,248,000	↓ -3.9%	\$ 1,248,000	↑ 3.7%	\$ 8,103	\$ 7,605	\$ (498)	6.2%
Indio	\$ 501,600	↓ -3.2%	\$ 501,600	↑ 6.8%	\$ 2,595	\$ 3,057	\$ 461	5.0%
Lake Elsinore	\$ 549,200	↓ -5.3%	\$ 549,200	↑ 2.2%	\$ 2,870	\$ 3,347	\$ 477	5.0%
Menifee	\$ 544,800	↓ -4.6%	\$ 544,800	↑ 3.8%	\$ 2,972	\$ 3,320	\$ 348	5.2%
Sun City	\$ 411,900	↓ -3.5%	\$ 411,900	↑ 6.0%	\$ 1,998	\$ 2,510	\$ 512	4.7%
Mira Loma	\$ 529,500	↔ 1.2%	\$ 529,500	↓ -0.1%	\$ 2,650	\$ 3,227	\$ 576	4.8%
Moreno Valley	\$ 514,600	↓ -3.4%	\$ 514,600	↔ 0.3%	\$ 2,700	\$ 3,136	\$ 436	5.0%
Blythe	\$ 222,100	↓ -5.3%	\$ 222,100	↑ 3.7%	\$ 1,667	\$ 1,353	\$ (314)	7.2%

Market Performance and Trends: Riverside County 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
Murrieta	\$ 653,900	↓ -3.9%	\$ 653,900	↑ 2.3%	\$ 3,152	\$ 3,985	\$ 833	4.6%
Norco	\$ 807,500	↓ -3.2%	\$ 807,500	↑ 3.7%	\$ 2,904	\$ 4,921	\$ 2,017	3.5%
Nuevo	\$ 533,900	↓ -3.3%	\$ 533,900	↑ 3.7%	\$ 2,294	\$ 3,253	\$ 959	4.1%
Palm Desert	\$ 559,600	↓ -4.9%	\$ 559,600	↑ 5.3%	\$ 4,218	\$ 3,410	\$ (807)	7.2%
Palm Springs	\$ 645,600	↓ -4.5%	\$ 645,600	↔ 8.8%	\$ 4,685	\$ 3,934	\$ (750)	7.0%
Pedley	\$ 482,200	↑ 2.5%	\$ 482,200	↑ 4.1%	\$ 2,594	\$ 2,938	\$ 344	5.2%
Perris	\$ 499,100	↓ -3.7%	\$ 499,100	↔ 11.7%	\$ 2,901	\$ 3,041	\$ 141	5.6%
Rancho Mirage	\$ 865,100	↓ -3.6%	\$ 865,100	↔ 8.8%	\$ 4,192	\$ 5,272	\$ 1,080	4.7%
Riverside	\$ 593,700	↓ -3.3%	\$ 593,700	↑ 2.7%	\$ 2,872	\$ 3,618	\$ 746	4.6%
Arlanza	\$ 520,800	↓ -1.3%	\$ 520,800	↑ 4.3%	\$ 2,349	\$ 3,174	\$ 824	4.3%
Canyon Crest	\$ 678,300	↓ -3.6%	\$ 678,300	↑ 2.7%	\$ 2,706	\$ 4,133	\$ 1,427	3.8%
La Sierra	\$ 573,400	↓ -2.8%	\$ 573,400	↑ 4.9%	\$ 2,482	\$ 3,494	\$ 1,013	4.2%
La Sierra South	\$ 600,900	↓ -3.2%	\$ 600,900	↑ 4.9%	\$ 2,502	\$ 3,662	\$ 1,159	4.0%
Magnolia Center	\$ 539,700	↓ -2.3%	\$ 539,700	↑ 6.5%	\$ 2,384	\$ 3,289	\$ 905	4.2%
Orangetrest	\$ 716,800	↓ -3.0%	\$ 716,800	↑ 2.1%	\$ 2,735	\$ 4,368	\$ 1,633	3.7%
Ramona	\$ 758,900	↓ -4.1%	\$ 758,900	↓ -11.8%	\$ 2,381	\$ 4,625	\$ 2,244	3.0%
University	\$ 552,700	↓ -2.2%	\$ 552,700	↑ 5.7%	\$ 2,456	\$ 3,368	\$ 912	4.3%
Rubidoux	\$ 398,600	↔ 1.0%	\$ 398,600	↑ 5.9%	\$ 2,464	\$ 2,429	\$ (35)	5.9%
San Jacinto	\$ 449,600	↓ -5.1%	\$ 449,600	↔ 12.6%	\$ 2,158	\$ 2,740	\$ 582	4.6%
Sunnyslope	\$ 396,400	↔ 0.1%	\$ 396,400	↑ 3.8%	\$ 2,504	\$ 2,416	\$ (88)	6.1%
Temecula	\$ 715,400	↓ -4.7%	\$ 715,400	↑ 2.3%	\$ 3,186	\$ 4,359	\$ 1,174	4.3%
Thousand Palms	\$ 364,500	↓ -3.5%	\$ 364,500	↑ 3.7%	\$ 2,186	\$ 2,221	\$ 36	5.8%
Wildomar	\$ 612,000	↓ -4.6%	\$ 612,000	↑ 2.9%	\$ 2,700	\$ 3,729	\$ 1,029	4.2%
Winchester	\$ 651,400	↓ -5.5%	\$ 651,400	↑ 2.1%	\$ 2,698	\$ 3,969	\$ 1,272	4.0%

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

Study Area	Rating	Median	Rental Parity	% Over/Under Rental Parity	Historic Premium	% Over/Under Historic Prem.
Riverside County	⬇️ 3	\$ 574,900	\$ 495,400	● 16.1%	-9.5%	● 25.6%
San Bernardino County	⬇️ 2	\$ 518,600	\$ 426,600	● 20.4%	-8.9%	● 29.3%
Riverside, CA	⬇️ 3	\$ 551,300	\$ 473,200	● 16.5%	-10.5%	● 27.0%
Banning	⬇️ 1	\$ 389,800	\$ 397,600	▶ -2.0%	-32.0%	● 30.0%
Beaumont	⬇️ 3	\$ 506,200	\$ 459,500	▶ 10.2%	-8.2%	● 18.4%
Calimesa	⬇️ 1	\$ 533,800	\$ 378,400	● 41.1%	-7.4%	● 48.5%
Canyon Lake	⬇️ 2	\$ 672,500	\$ 600,900	▶ 11.9%	-3.5%	● 15.4%
Cathedral City	⬇️ 1	\$ 482,900	\$ 418,000	● 15.5%	-28.2%	● 43.7%
Coachella	⬇️ 1	\$ 398,600	\$ 323,300	● 20.7%	-25.9%	● 46.6%
Corona	⬇️ 1	\$ 711,100	\$ 520,800	● 36.5%	-4.4%	● 40.9%
Corona Hills	⬇️ 1	\$ 680,600	\$ 450,800	● 51.0%	-5.5%	● 56.5%
South Corona	⬇️ 1	\$ 847,500	\$ 547,100	● 54.9%	-5.2%	● 60.1%
Desert Hot Springs	⬇️ 1	\$ 370,000	\$ 329,000	● 12.5%	-27.3%	● 39.8%
Eastvale	⬇️ 1	\$ 869,900	\$ 633,100	● 37.4%	2.3%	● 35.1%
Glen Avon	➡️ 5	\$ 456,600	\$ 406,000	● 12.4%	-14.7%	● 27.1%
Hemet	⬇️ 4	\$ 419,000	\$ 409,500	▶ 2.3%	-17.3%	● 19.6%
Indian Wells	⬇️ 3	\$ 1,248,000	\$ 1,329,600	▶ -6.1%	-32.1%	● 26.0%
Indio	⬇️ 1	\$ 501,600	\$ 425,800	● 17.8%	-26.3%	● 44.1%
Lake Elsinore	⬇️ 2	\$ 549,200	\$ 470,800	● 16.7%	-6.3%	● 23.0%
Menifee	⬇️ 3	\$ 544,800	\$ 487,700	▶ 11.7%	-11.3%	● 23.0%
Sun City	⬇️ 1	\$ 411,900	\$ 327,800	● 25.7%	-24.5%	● 50.2%
Mira Loma	⬇️ 1	\$ 529,500	\$ 434,900	● 21.7%	0.0%	● 21.7%
Moreno Valley	⬇️ 1	\$ 514,600	\$ 443,000	● 16.2%	-15.5%	● 31.7%
Blythe	⬇️ 2	\$ 222,100	\$ 273,500	● -18.8%	-42.1%	● 23.3%

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

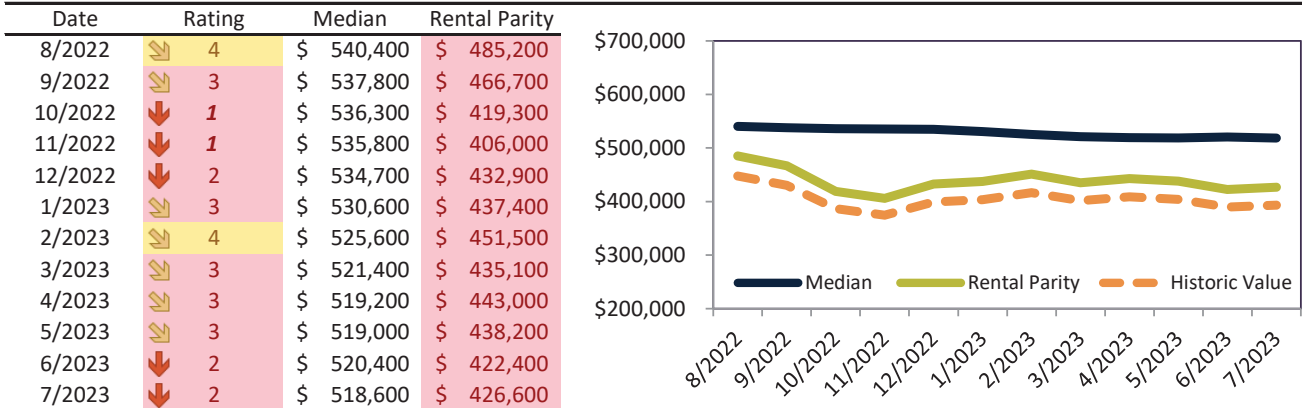
Study Area	Rating	Median	Rental Parity	% Over/Under Rental Parity	Historic Premium	% Over/Under Historic Prem.
Murrieta	⬇️ 3	\$ 653,900	\$ 517,200	● 26.4%	0.8%	● 25.6%
Norco	⬇️ 1	\$ 807,500	\$ 476,500	● 69.4%	-10.5%	● 70.0%
Nuevo	⬇️ 1	\$ 533,900	\$ 376,500	● 41.8%	-8.8%	● 50.6%
Palm Desert	⇒ 5	\$ 559,600	\$ 692,100	● -19.2%	-27.9%	▶ 8.7%
Palm Springs	⬇️ 3	\$ 645,600	\$ 768,700	● -16.0%	-34.4%	● 18.4%
Pedley	⇒ 5	\$ 482,200	\$ 425,700	● 13.2%	-11.5%	● 24.7%
Perris	⬇️ 3	\$ 499,100	\$ 476,000	▶ 4.8%	-14.0%	● 18.8%
Rancho Mirage	⬇️ 1	\$ 865,100	\$ 687,800	● 25.8%	-31.2%	● 57.0%
Riverside	⬇️ 2	\$ 593,700	\$ 471,300	● 26.0%	-8.2%	● 34.2%
Arlanza	⬇️ 1	\$ 520,800	\$ 385,500	● 35.1%	-20.5%	● 55.6%
Canyon Crest	⬇️ 1	\$ 678,300	\$ 444,100	● 52.7%	-2.3%	● 55.0%
La Sierra	⬇️ 1	\$ 573,400	\$ 407,200	● 40.8%	-11.6%	● 52.4%
La Sierra South	⬇️ 1	\$ 600,900	\$ 410,600	● 46.3%	-7.6%	● 53.9%
Magnolia Center	⬇️ 1	\$ 539,700	\$ 391,200	● 38.0%	-15.0%	● 53.0%
Orangetrest	⬇️ 1	\$ 716,800	\$ 448,800	● 59.7%	0.7%	● 59.0%
Ramona	⬇️ 1	\$ 758,900	\$ 390,600	● 94.3%	2.9%	● 91.4%
University	⬇️ 1	\$ 552,700	\$ 402,900	● 37.2%	-17.2%	● 54.4%
Rubidoux	⬇️ 4	\$ 398,600	\$ 404,400	▶ -1.5%	-19.8%	● 18.3%
San Jacinto	⬇️ 1	\$ 449,600	\$ 354,000	● 27.0%	-11.8%	● 38.8%
Sunnyslope	⇒ 5	\$ 396,400	\$ 410,800	▶ -3.5%	-14.9%	▶ 11.4%
Temecula	⬇️ 1	\$ 715,400	\$ 522,700	● 36.9%	-2.0%	● 38.9%
Thousand Palms	⬇️ 1	\$ 364,500	\$ 358,600	▶ 1.7%	-35.1%	● 36.8%
Wildomar	⬇️ 1	\$ 612,000	\$ 443,000	● 38.1%	-0.4%	● 38.5%
Winchester	⬇️ 1	\$ 651,400	\$ 442,700	● 47.1%	6.1%	● 41.0%

San Bernardino County Housing Market Value & Trends Update

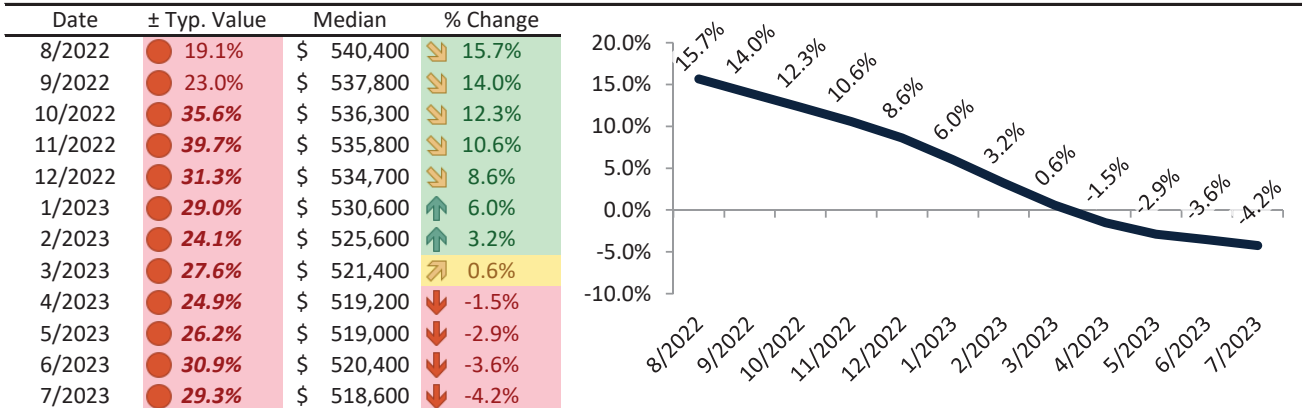
Historically, properties in this market sell at a -8.9% discount. Today's premium is 20.4%. This market is 29.3% overvalued. Median home price is \$518,600. Prices fell 4.2% year-over-year. Monthly cost of ownership is \$3,160, and rents average \$2,599, making owning \$560 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 4.8%.

Market rating = 2

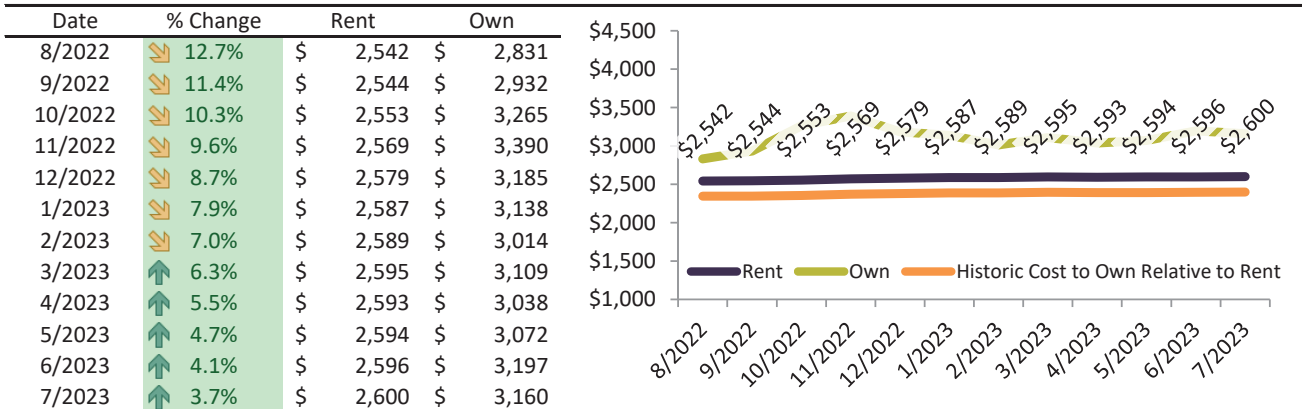
Median Home Price and Rental Parity trailing twelve months



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



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

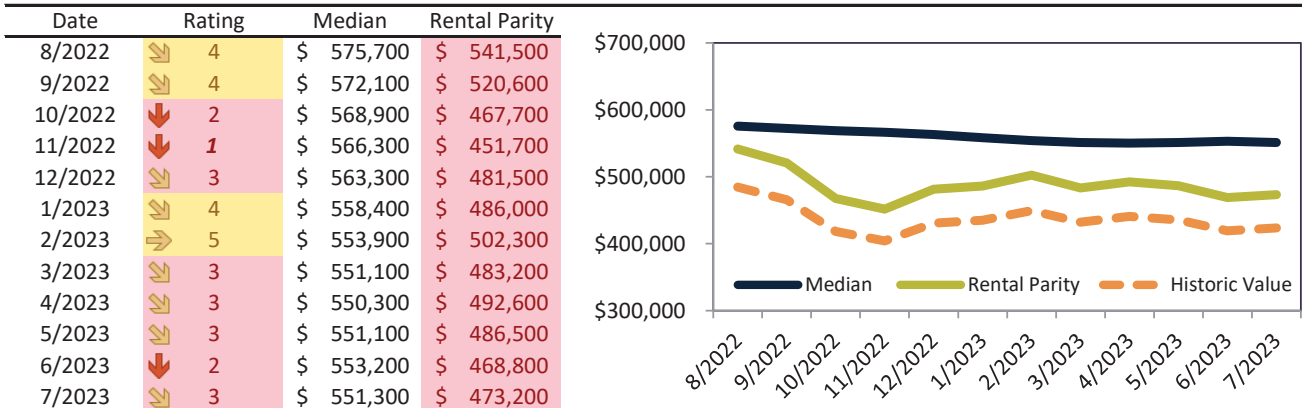


Riverside, CA Housing Market Value & Trends Update

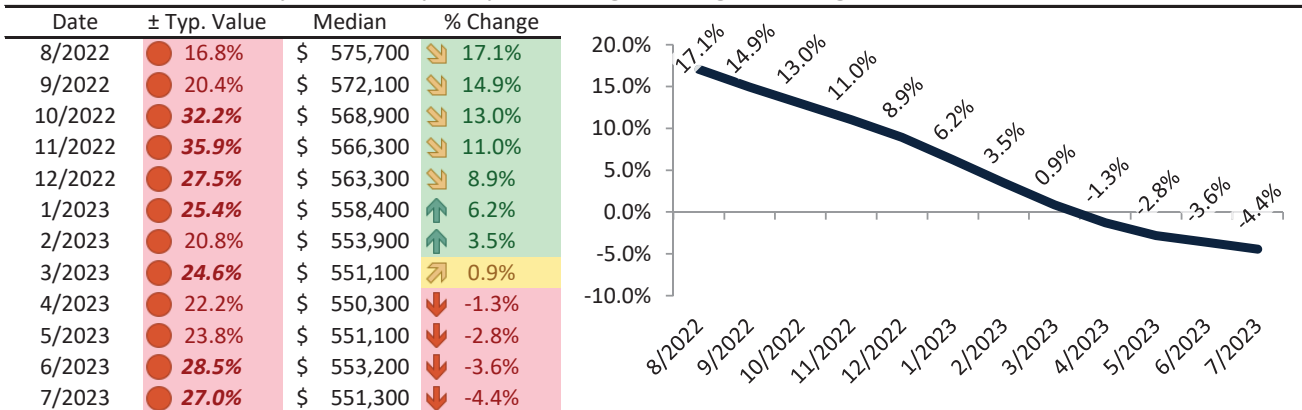
Historically, properties in this market sell at a -10.5% discount. Today's premium is 16.5%. This market is 27.0% overvalued. Median home price is \$551,300. Prices fell 4.4% year-over-year. Monthly cost of ownership is \$3,359, and rents average \$2,884, making owning \$475 per month more costly than renting. Rents rose 3.4% year-over-year. The current capitalization rate (rent/price) is 5.0%.

Market rating = 3

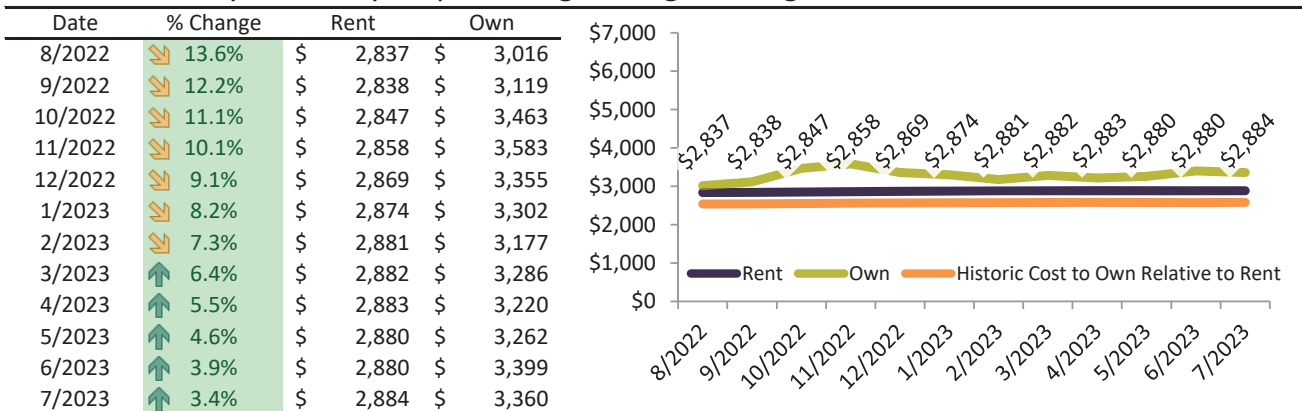
Median Home Price and Rental Parity trailing twelve months



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



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



Banning Housing Market Value & Trends Update

Historically, properties in this market sell at a -32.0% discount. Today's discount is 2.0%. This market is 30.0% overvalued.

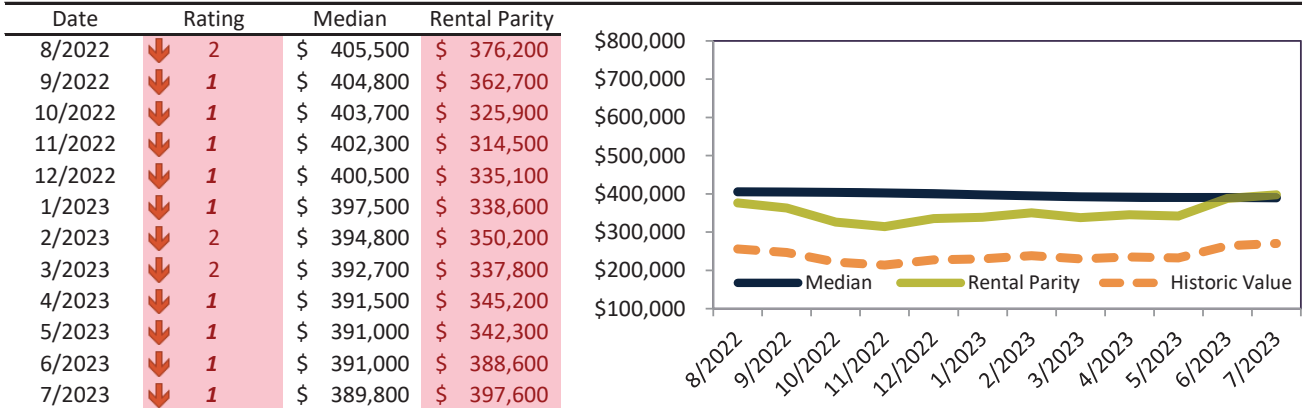
Median home price is \$389,800. Prices fell 3.7% year-over-year.

Monthly cost of ownership is \$2,375, and rents average \$2,423, making owning \$048 per month less costly than renting.

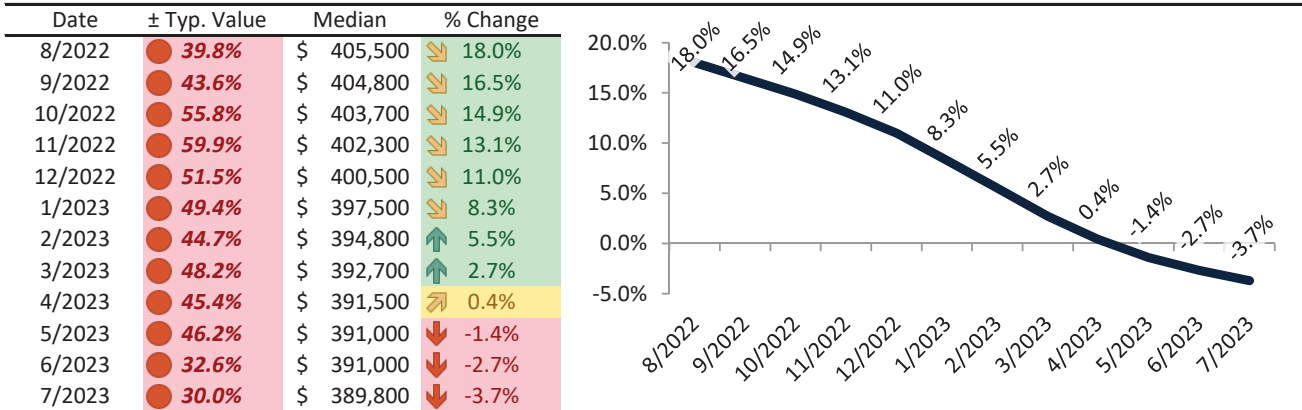
Rents rose 12.5% year-over-year. The current capitalization rate (rent/price) is 6.0%.

Market rating = 1

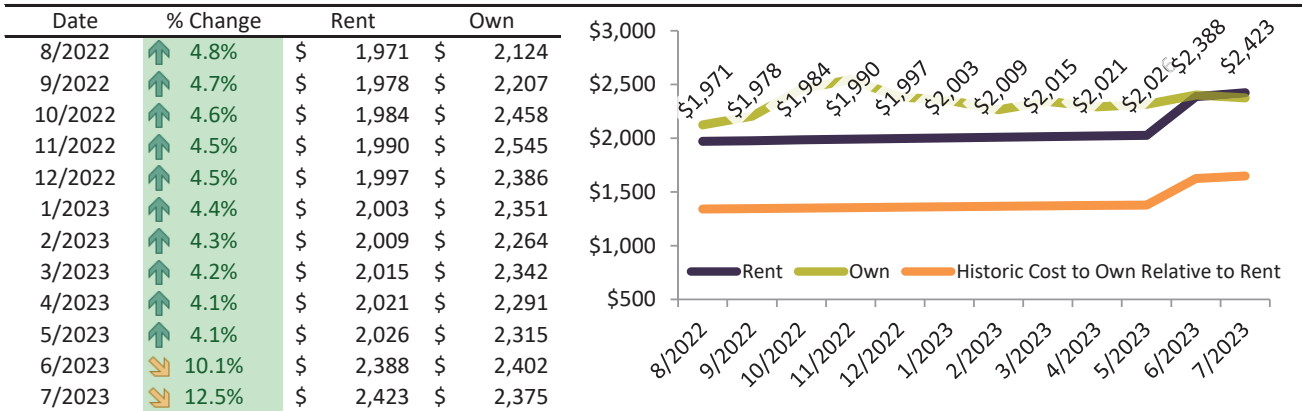
Median Home Price and Rental Parity trailing twelve months



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



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

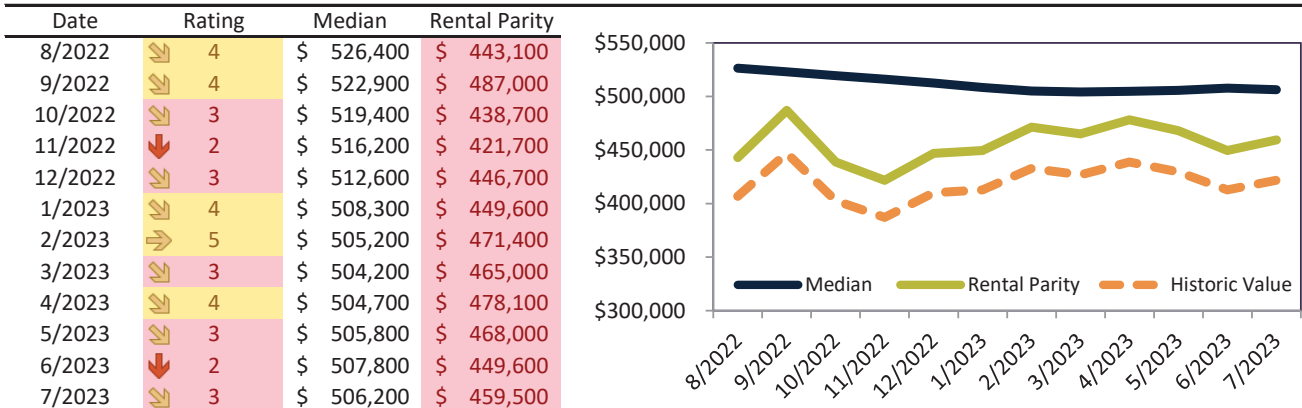


Beaumont Housing Market Value & Trends Update

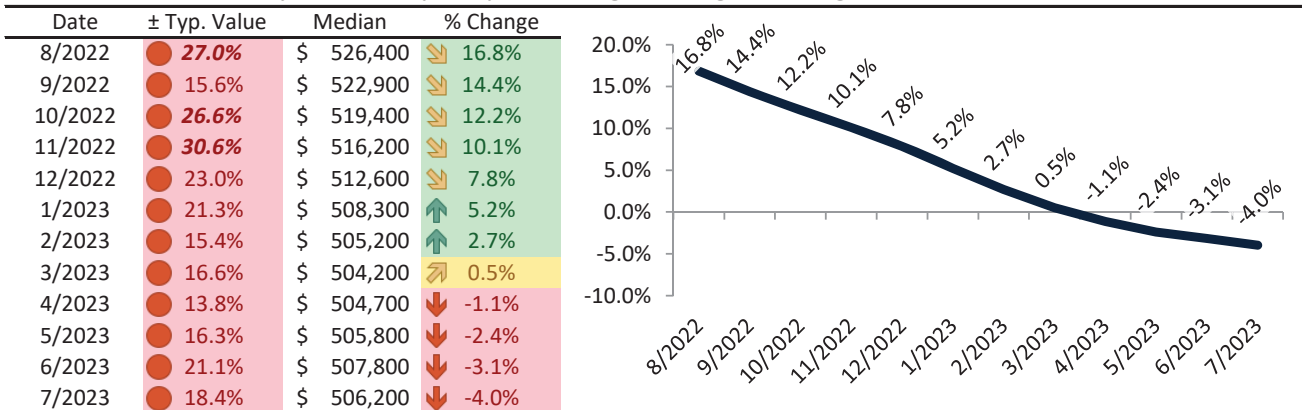
Historically, properties in this market sell at a -8.2% discount. Today's premium is 10.2%. This market is 18.4% overvalued. Median home price is \$506,200. Prices fell 4.0% year-over-year. Monthly cost of ownership is \$3,084, and rents average \$2,800, making owning \$284 per month more costly than renting. Rents rose 19.6% year-over-year. The current capitalization rate (rent/price) is 5.3%.

Market rating = 3

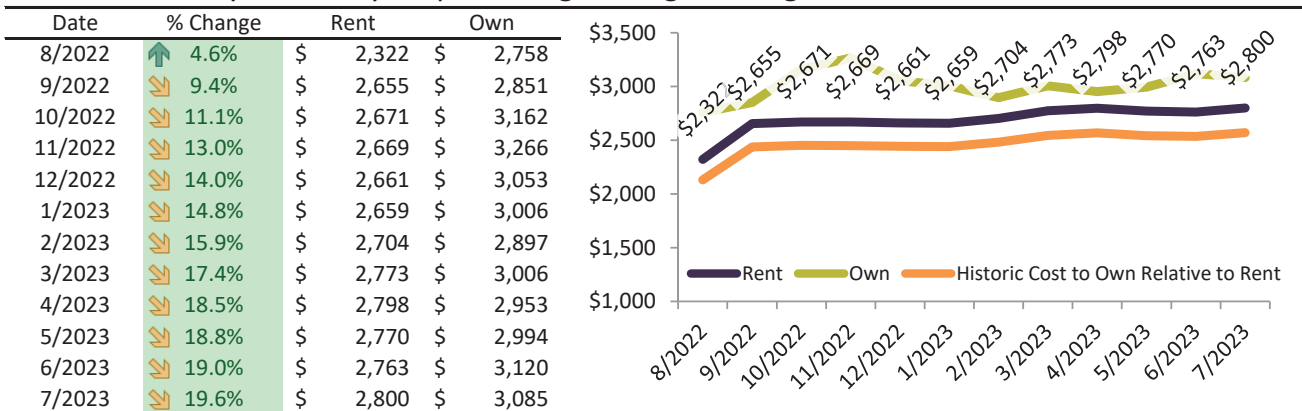
Median Home Price and Rental Parity trailing twelve months



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



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

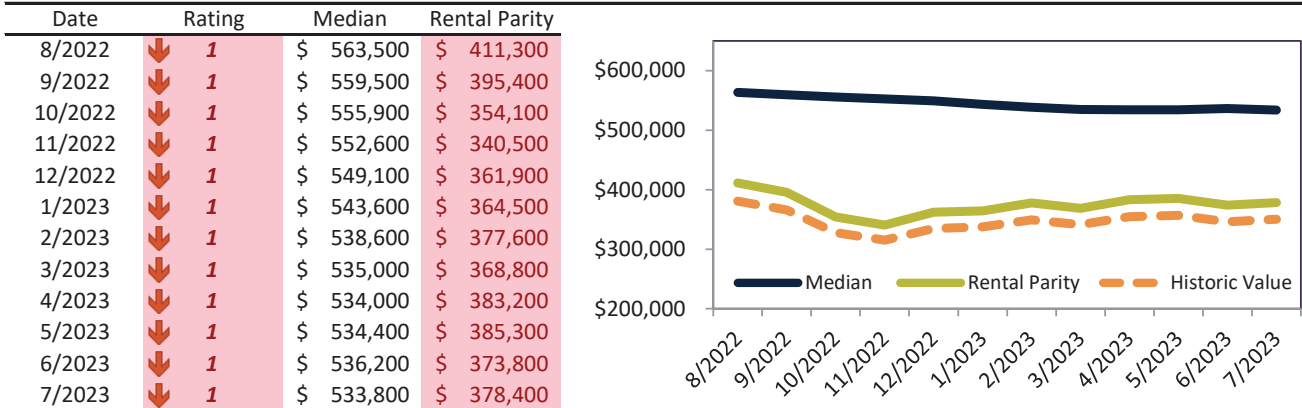


Calimesa Housing Market Value & Trends Update

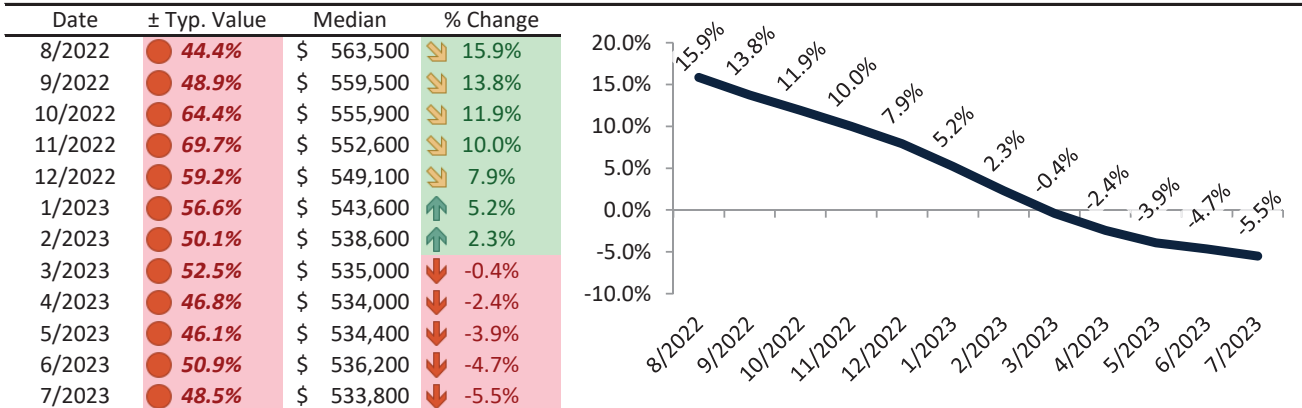
Historically, properties in this market sell at a -7.4% discount. Today's premium is 41.1%. This market is 48.5% overvalued. Median home price is \$533,800. Prices fell 5.5% year-over-year. Monthly cost of ownership is \$3,252, and rents average \$2,306, making owning \$946 per month more costly than renting. Rents rose 5.6% year-over-year. The current capitalization rate (rent/price) is 4.1%.

Market rating = 1

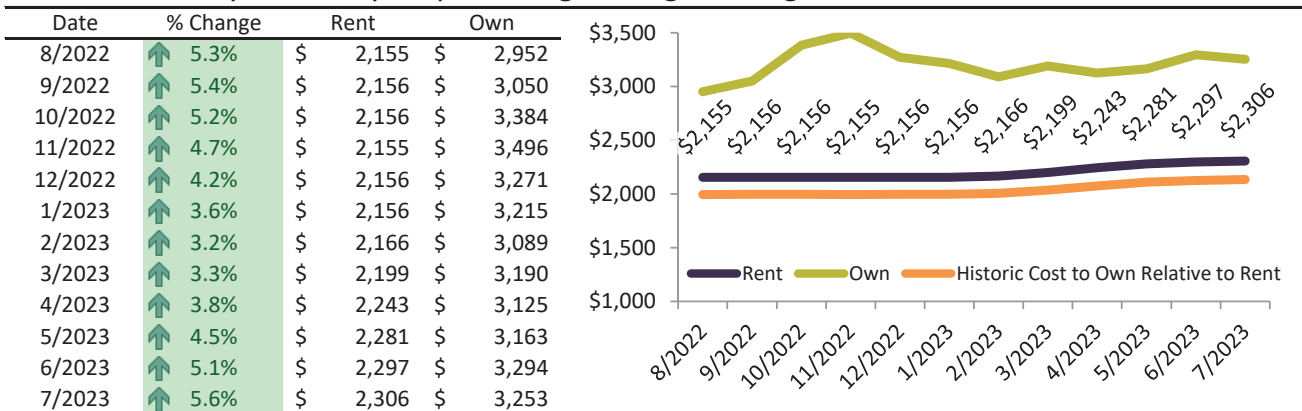
Median Home Price and Rental Parity trailing twelve months



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



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

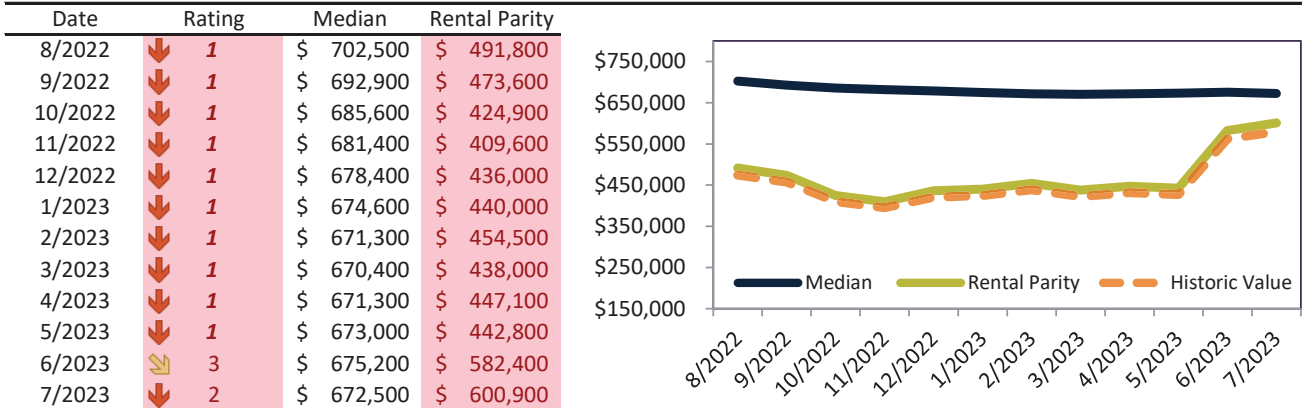


Canyon Lake Housing Market Value & Trends Update

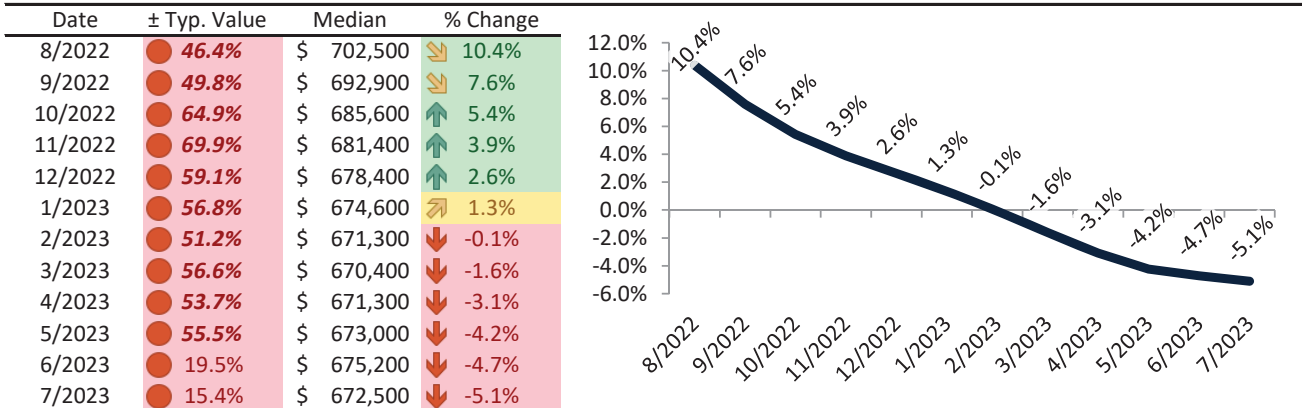
Historically, properties in this market sell at a -3.5% discount. Today's premium is 11.9%. This market is 15.4% overvalued. Median home price is \$672,500. Prices fell 5.1% year-over-year. Monthly cost of ownership is \$4,098, and rents average \$3,662, making owning \$435 per month more costly than renting. Rents rose 20.3% year-over-year. The current capitalization rate (rent/price) is 5.2%.

Market rating = 2

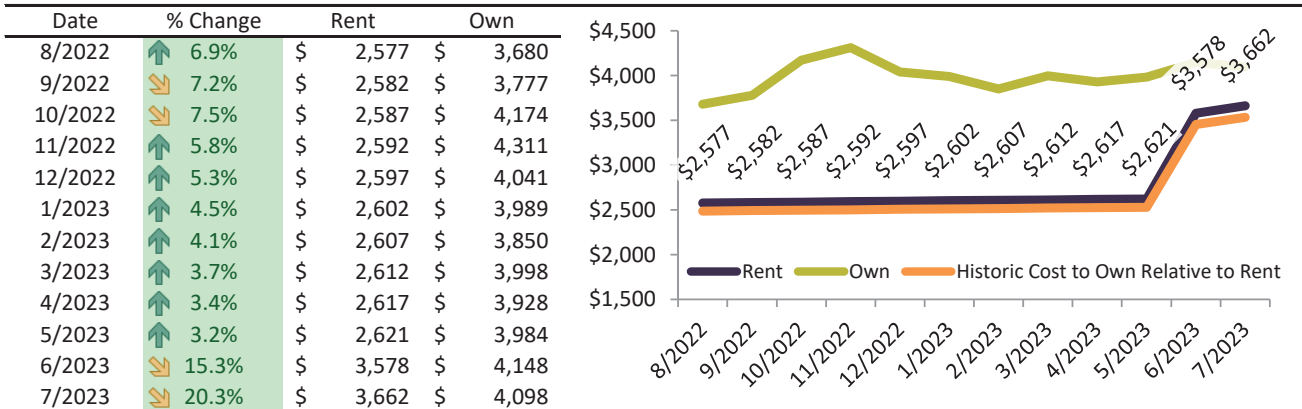
Median Home Price and Rental Parity trailing twelve months



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



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

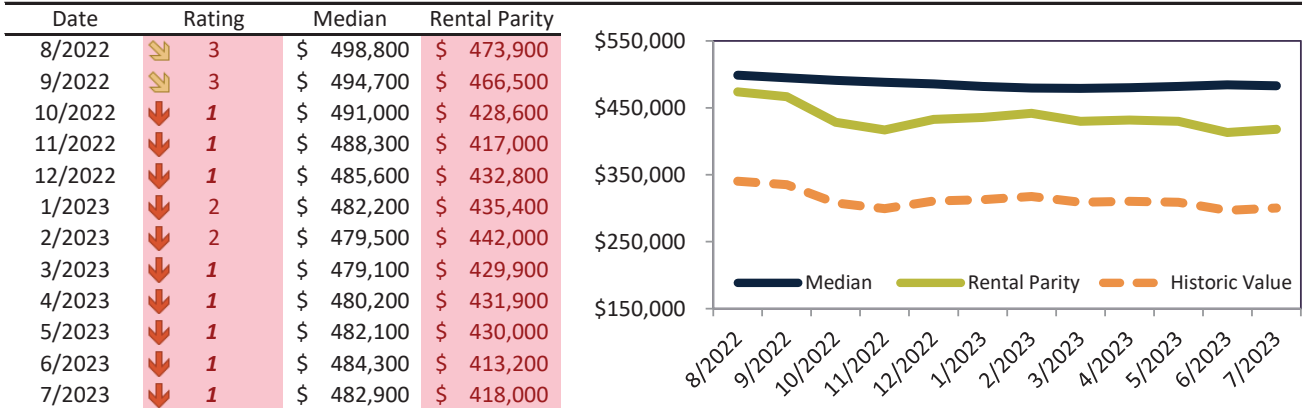


Cathedral City Housing Market Value & Trends Update

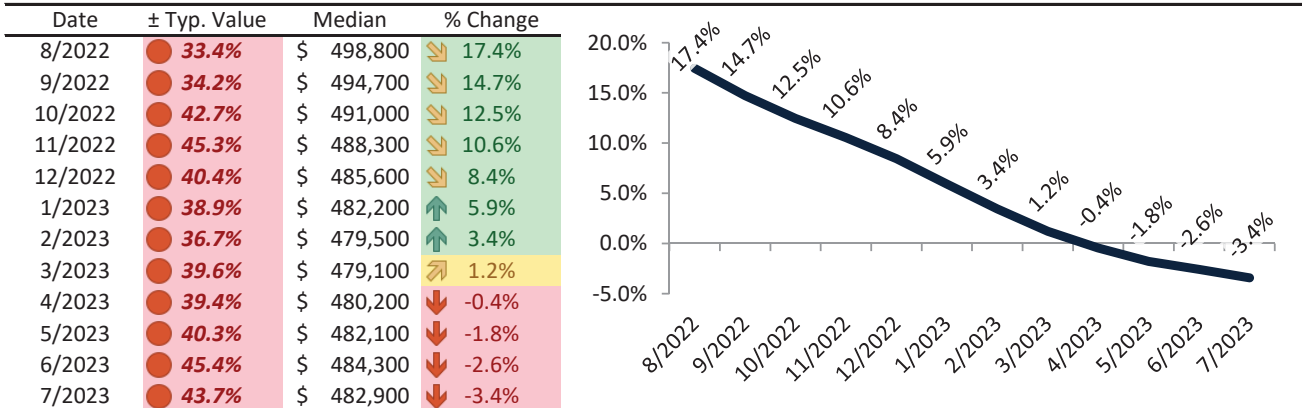
Historically, properties in this market sell at a -28.2% discount. Today's premium is 15.5%. This market is 43.7% overvalued. Median home price is \$482,900. Prices fell 3.4% year-over-year. Monthly cost of ownership is \$2,942, and rents average \$2,547, making owning \$395 per month more costly than renting. Rents rose 4.9% year-over-year. The current capitalization rate (rent/price) is 5.1%.

Market rating = 1

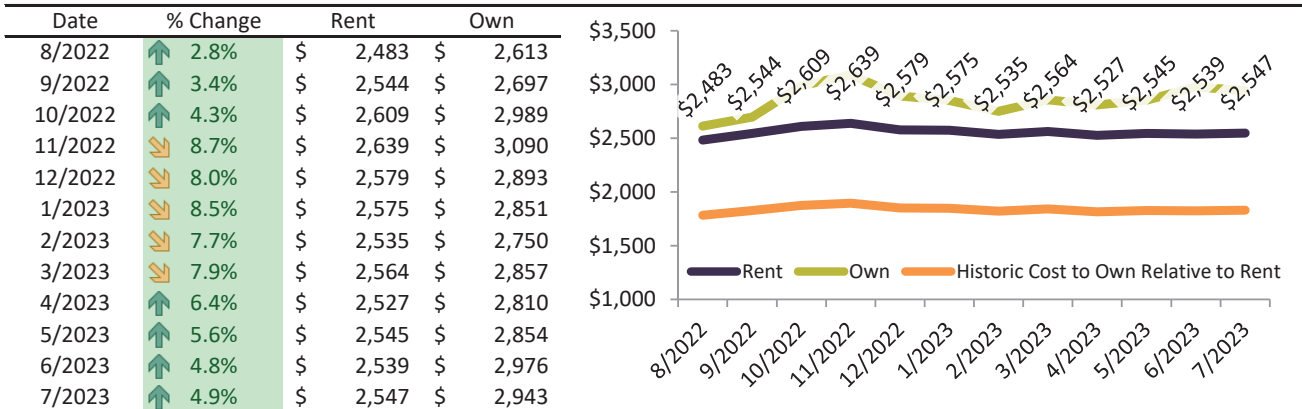
Median Home Price and Rental Parity trailing twelve months



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



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

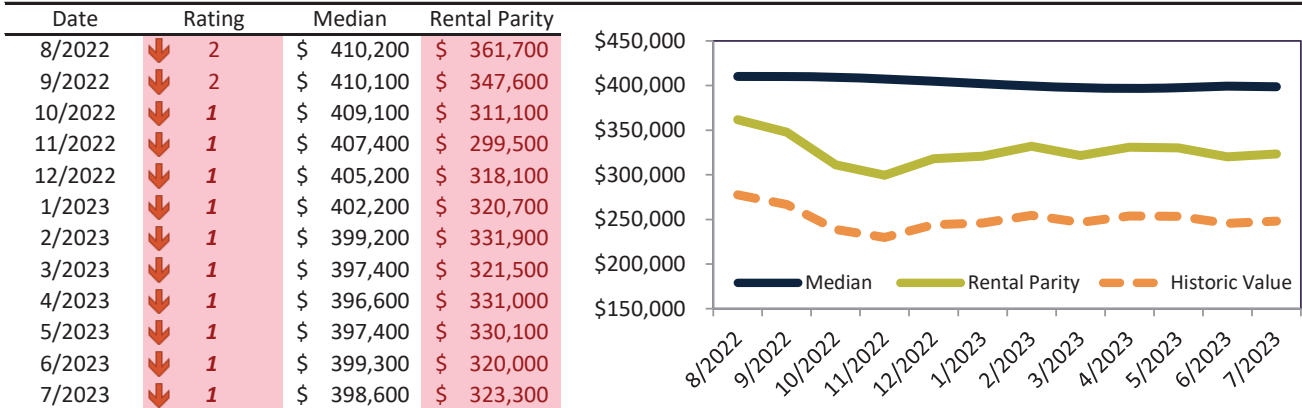


Coachella Housing Market Value & Trends Update

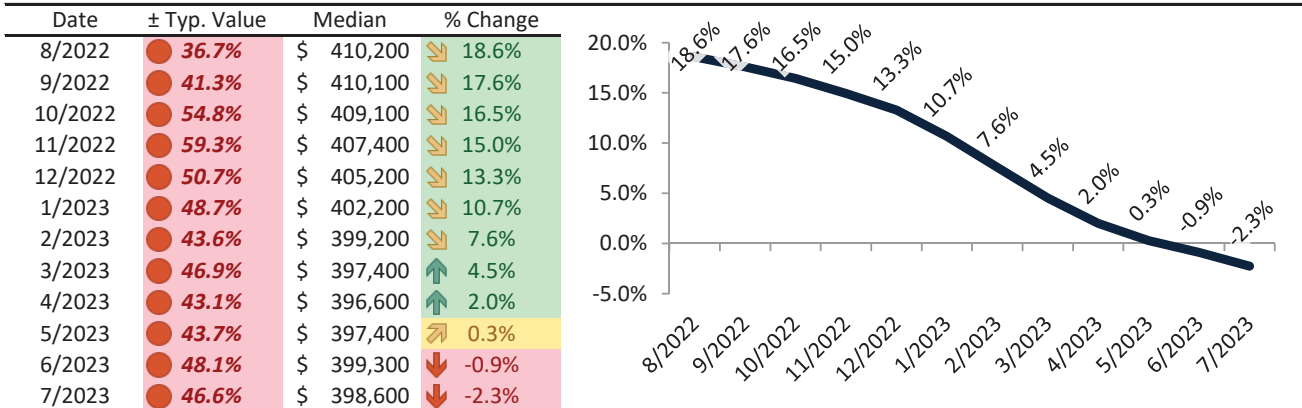
Historically, properties in this market sell at a -25.9% discount. Today's premium is 20.7%. This market is 46.6% overvalued. Median home price is \$398,600. Prices fell 2.3% year-over-year. Monthly cost of ownership is \$2,428, and rents average \$1,970, making owning \$458 per month more costly than renting. Rents rose 2.6% year-over-year. The current capitalization rate (rent/price) is 4.7%.

Market rating = 1

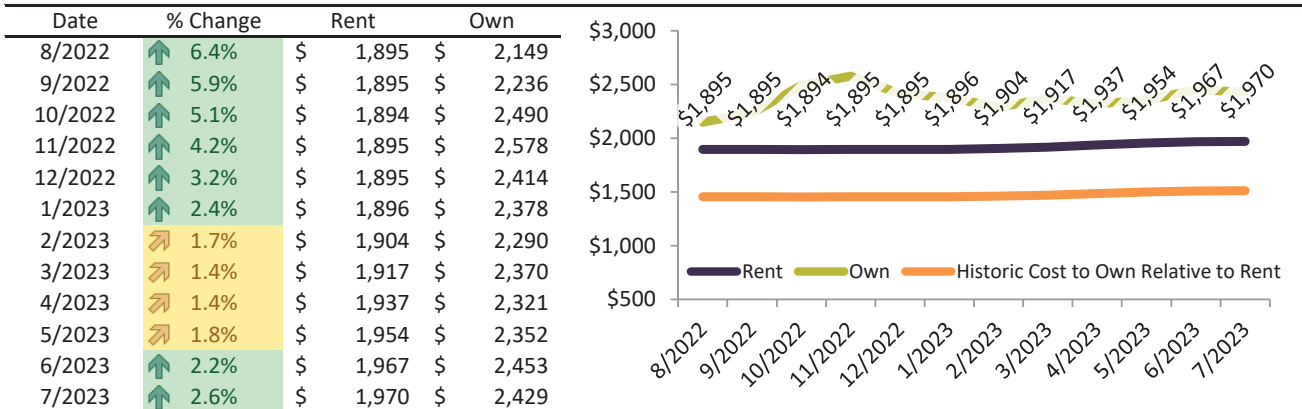
Median Home Price and Rental Parity trailing twelve months



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



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

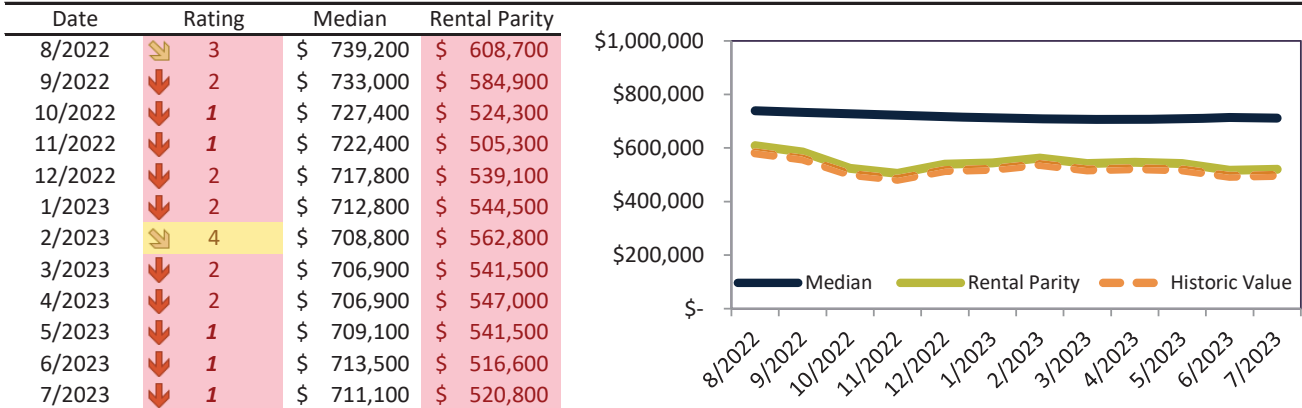


Corona Housing Market Value & Trends Update

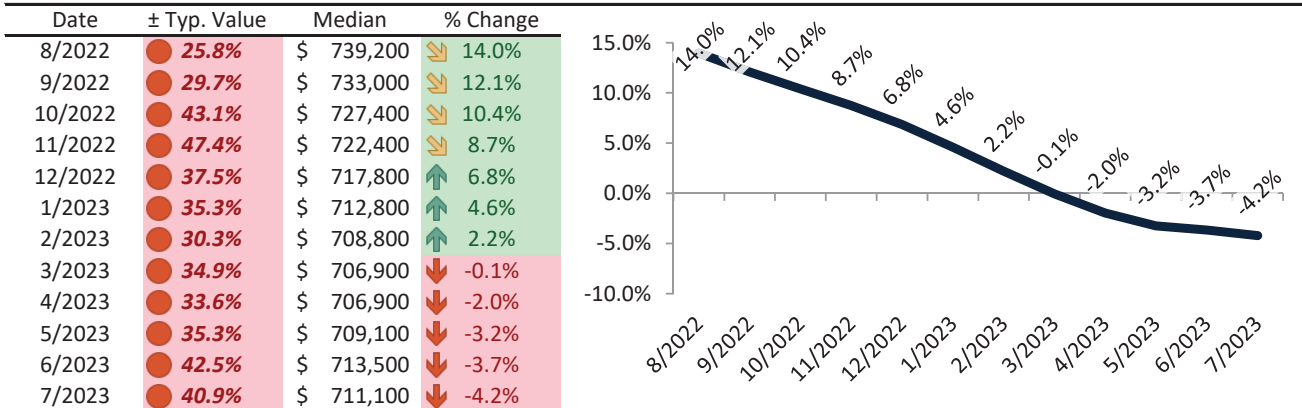
Historically, properties in this market sell at a -4.4% discount. Today's premium is 36.5%. This market is 40.9% overvalued. Median home price is \$711,100. Prices fell 4.2% year-over-year. Monthly cost of ownership is \$4,333, and rents average \$3,173, making owning \$1,159 per month more costly than renting. Rents rose 2.3% year-over-year. The current capitalization rate (rent/price) is 4.3%.

Market rating = 1

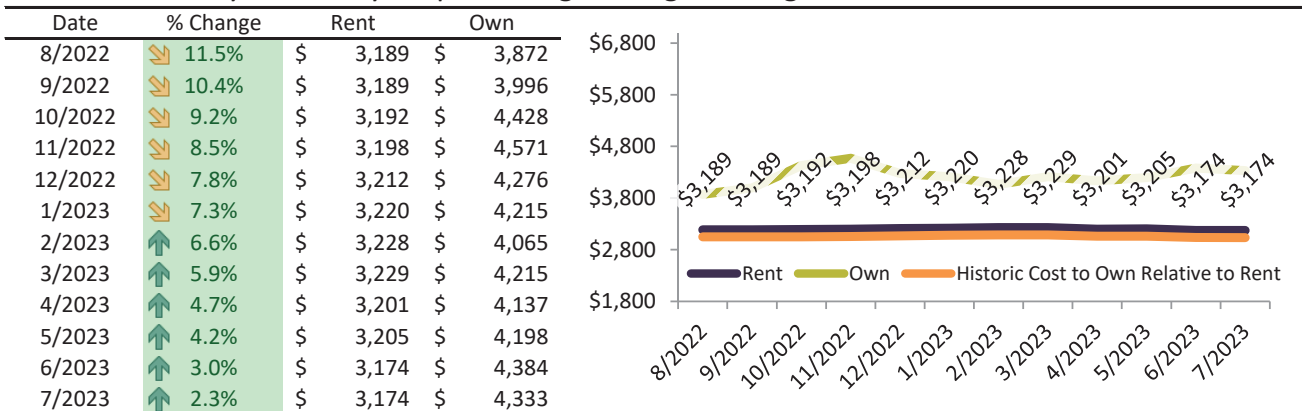
Median Home Price and Rental Parity trailing twelve months



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



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

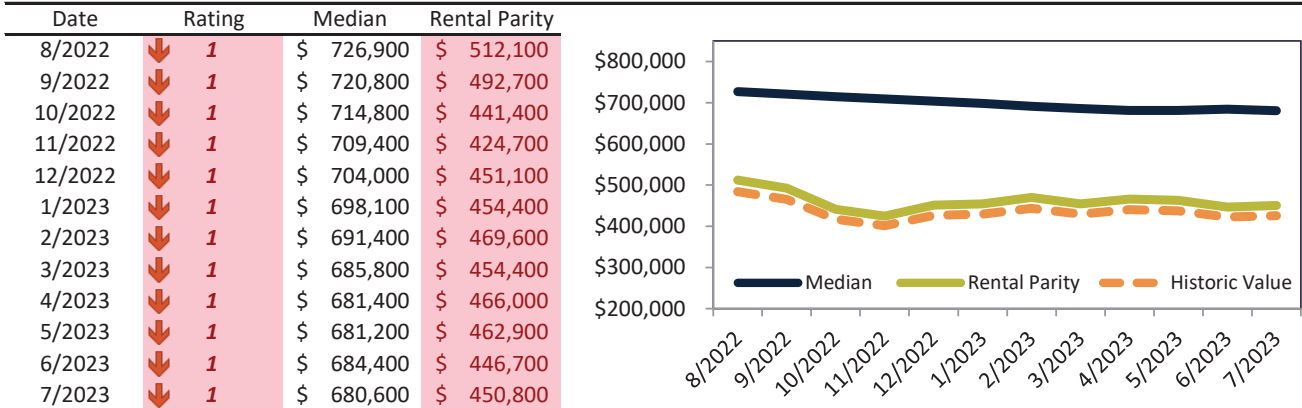


Corona Hills Housing Market Value & Trends Update

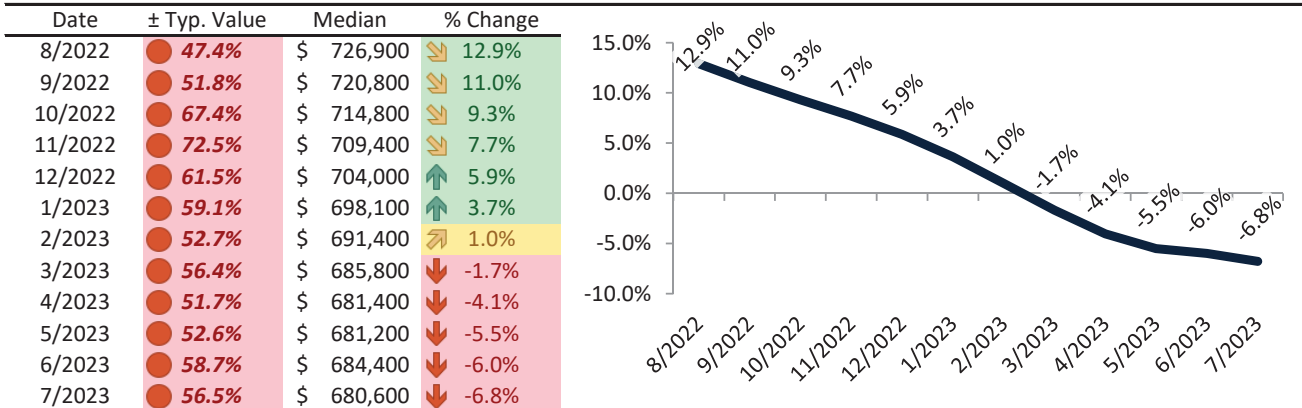
Historically, properties in this market sell at a -5.5% discount. Today's premium is 51.0%. This market is 56.5% overvalued. Median home price is \$680,600. Prices fell 6.8% year-over-year. Monthly cost of ownership is \$4,147, and rents average \$2,747, making owning \$1,400 per month more costly than renting. Rents rose 2.7% year-over-year. The current capitalization rate (rent/price) is 3.9%.

Market rating = 1

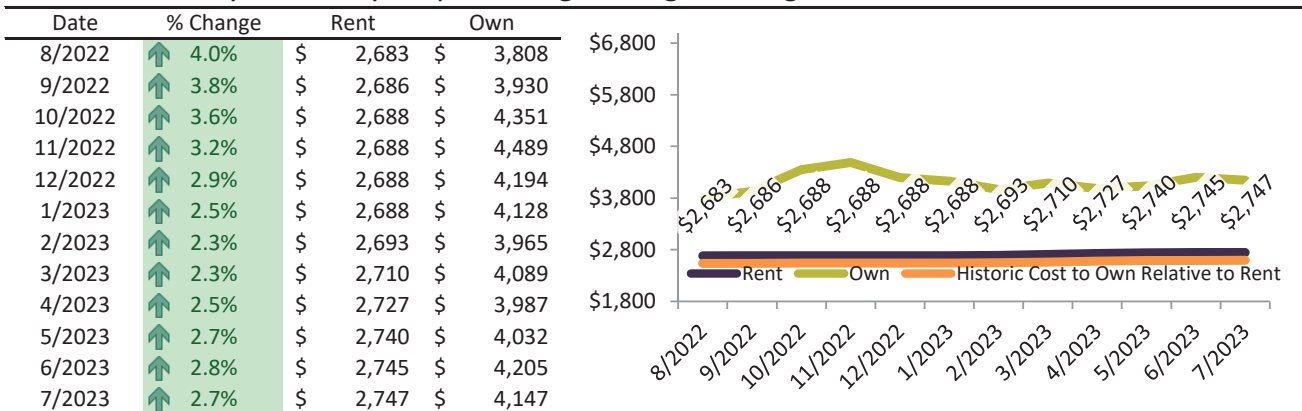
Median Home Price and Rental Parity trailing twelve months



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



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

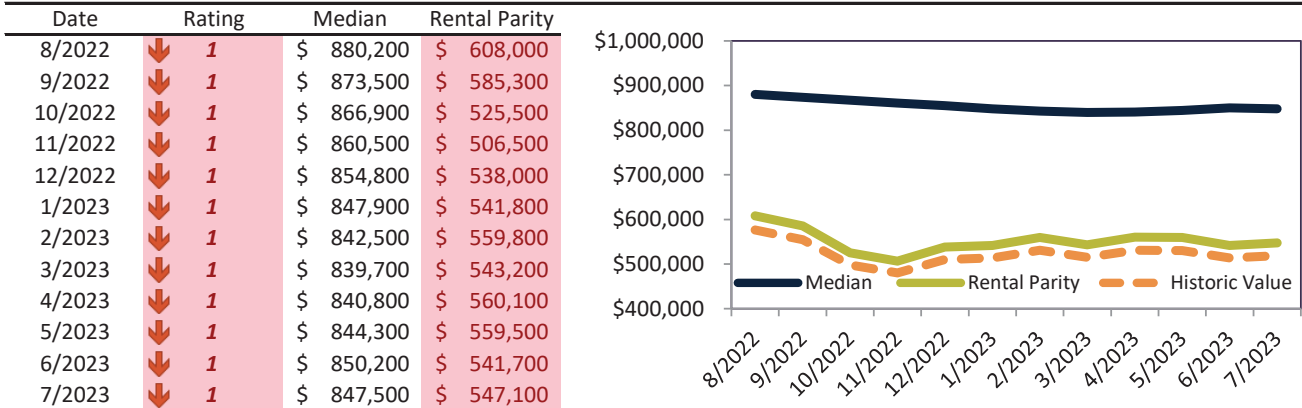


South Corona Housing Market Value & Trends Update

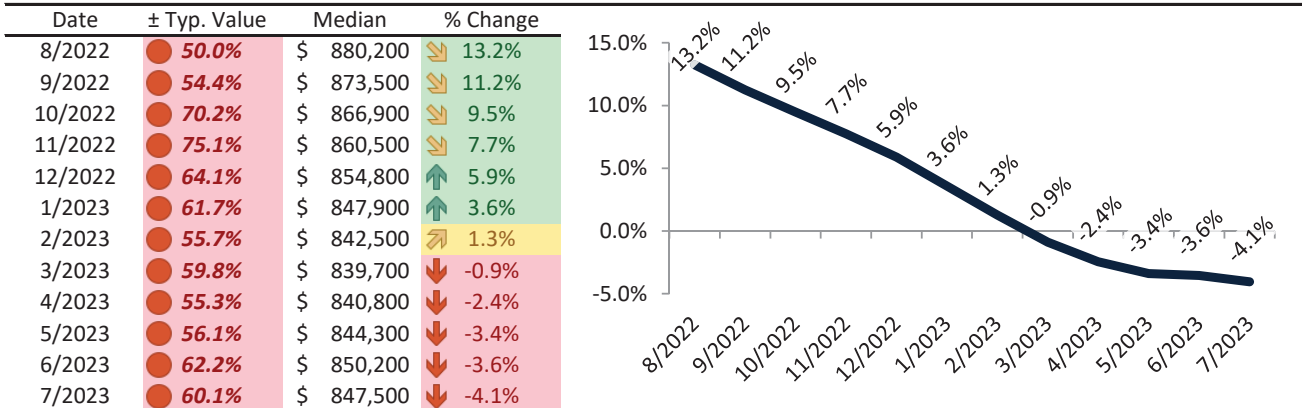
Historically, properties in this market sell at a -5.2% discount. Today's premium is 54.9%. This market is 60.1% overvalued. Median home price is \$847,500. Prices fell 4.1% year-over-year. Monthly cost of ownership is \$5,164, and rents average \$3,334, making owning \$1,830 per month more costly than renting. Rents rose 4.6% year-over-year. The current capitalization rate (rent/price) is 3.8%.

Market rating = 1

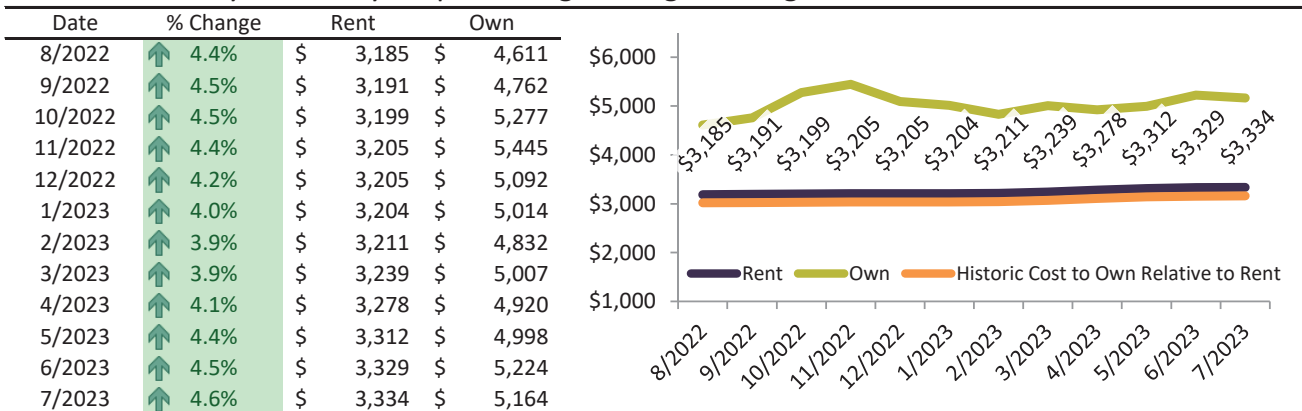
Median Home Price and Rental Parity trailing twelve months



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



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

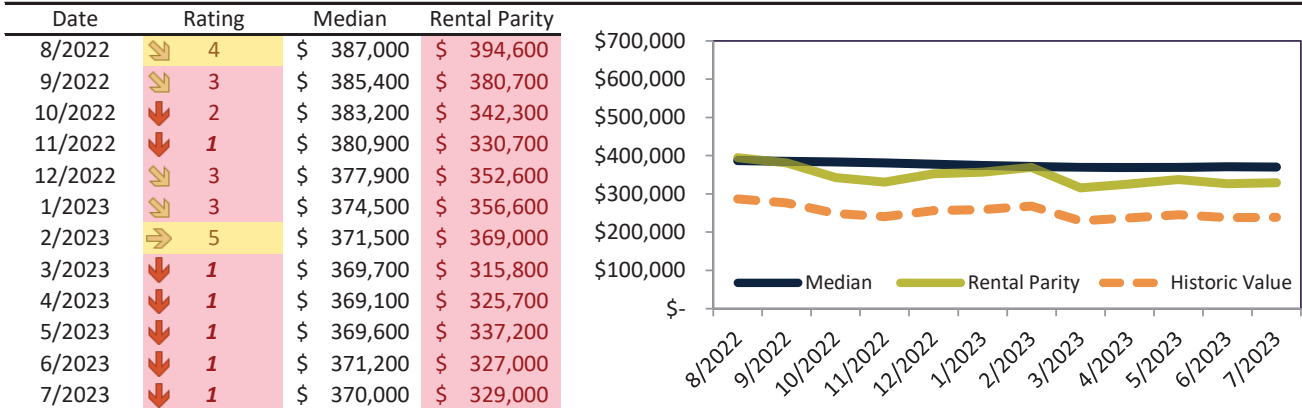


Desert Hot Springs Housing Market Value & Trends Update

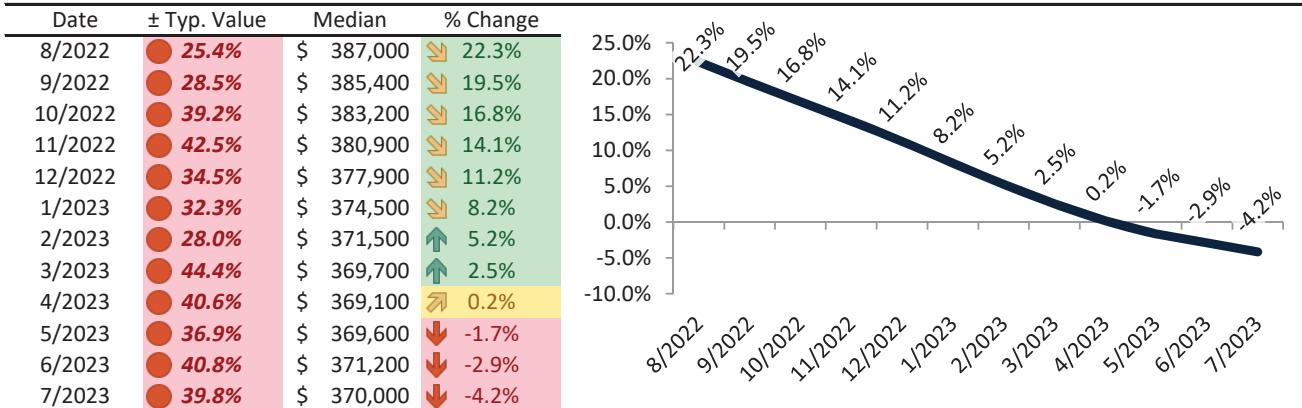
Historically, properties in this market sell at a -27.3% discount. Today's premium is 12.5%. This market is 39.8% overvalued. Median home price is \$370,000. Prices fell 4.2% year-over-year. Monthly cost of ownership is \$2,254, and rents average \$2,005, making owning \$249 per month more costly than renting. Rents fell 1.1% year-over-year. The current capitalization rate (rent/price) is 5.2%.

Market rating = 1

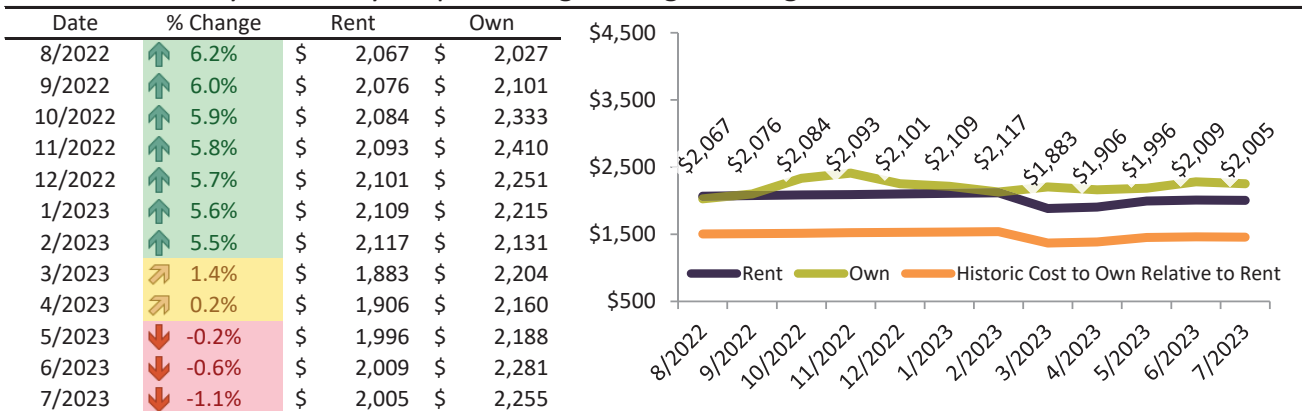
Median Home Price and Rental Parity trailing twelve months



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



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



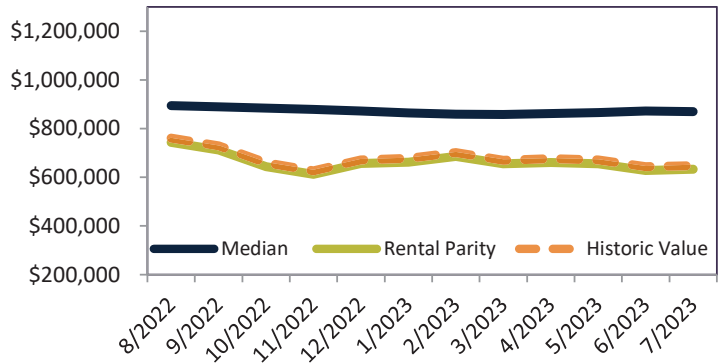
Eastvale Housing Market Value & Trends Update

Historically, properties in this market sell at a 2.3% premium. Today's premium is 37.4%. This market is 35.1% overvalued. Median home price is \$869,900. Prices fell 2.8% year-over-year. Monthly cost of ownership is \$5,300, and rents average \$3,858, making owning \$1,442 per month more costly than renting. Rents rose 1.1% year-over-year. The current capitalization rate (rent/price) is 4.3%.

Market rating = 1

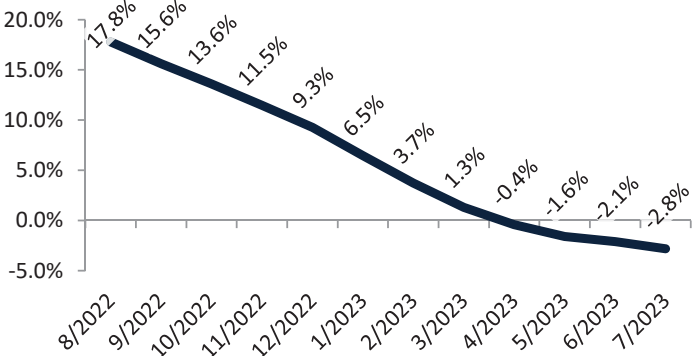
Median Home Price and Rental Parity trailing twelve months

Date	Rating	Median	Rental Parity
8/2022	4	\$ 894,500	\$ 743,500
9/2022	3	\$ 889,000	\$ 712,700
10/2022	2	\$ 883,900	\$ 644,200
11/2022	1	\$ 878,600	\$ 612,300
12/2022	2	\$ 873,000	\$ 656,400
1/2023	4	\$ 865,100	\$ 662,000
2/2023	5	\$ 859,400	\$ 685,500
3/2023	2	\$ 858,100	\$ 655,200
4/2023	3	\$ 861,300	\$ 660,900
5/2023	2	\$ 866,000	\$ 655,700
6/2023	1	\$ 871,800	\$ 628,500
7/2023	1	\$ 869,900	\$ 633,100



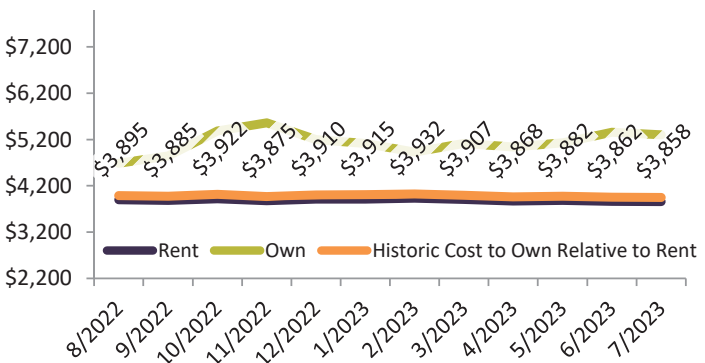
Resale Median and year-over-year percentage change trailing twelve months

Date	± Typ. Value	Median	% Change
8/2022	18.0%	\$ 894,500	17.8%
9/2022	22.4%	\$ 889,000	15.6%
10/2022	34.9%	\$ 883,900	13.6%
11/2022	41.2%	\$ 878,600	11.5%
12/2022	30.7%	\$ 873,000	9.3%
1/2023	28.4%	\$ 865,100	6.5%
2/2023	23.0%	\$ 859,400	3.7%
3/2023	28.6%	\$ 858,100	1.3%
4/2023	28.0%	\$ 861,300	-0.4%
5/2023	29.7%	\$ 866,000	-1.6%
6/2023	36.4%	\$ 871,800	-2.1%
7/2023	35.1%	\$ 869,900	-2.8%



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

Date	% Change	Rent	Own
8/2022	10.7%	\$ 3,895	\$ 4,686
9/2022	9.5%	\$ 3,885	\$ 4,846
10/2022	9.3%	\$ 3,922	\$ 5,381
11/2022	7.5%	\$ 3,875	\$ 5,559
12/2022	7.3%	\$ 3,910	\$ 5,200
1/2023	6.2%	\$ 3,915	\$ 5,116
2/2023	6.0%	\$ 3,932	\$ 4,929
3/2023	4.9%	\$ 3,907	\$ 5,117
4/2023	3.7%	\$ 3,868	\$ 5,040
5/2023	2.8%	\$ 3,882	\$ 5,126
6/2023	1.8%	\$ 3,862	\$ 5,356
7/2023	1.1%	\$ 3,858	\$ 5,301

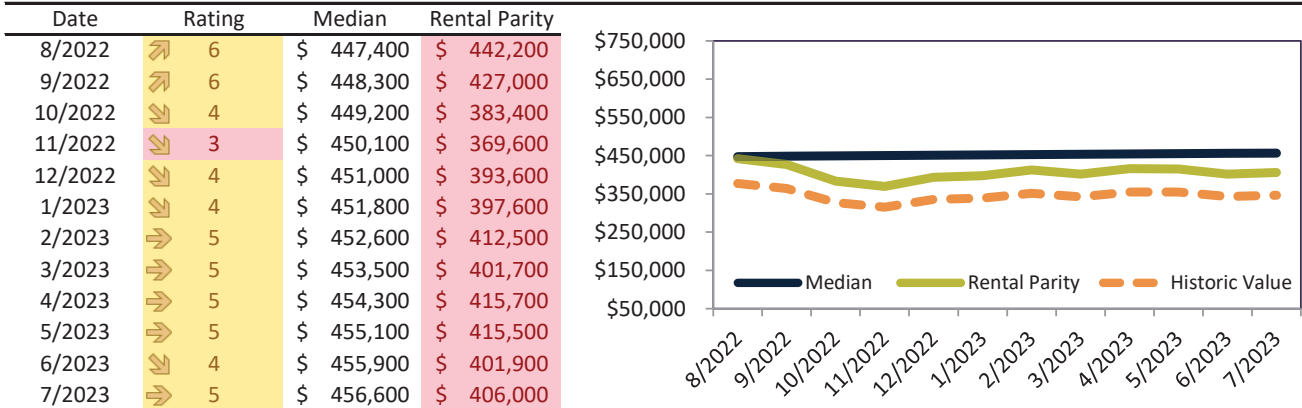


Glen Avon Housing Market Value & Trends Update

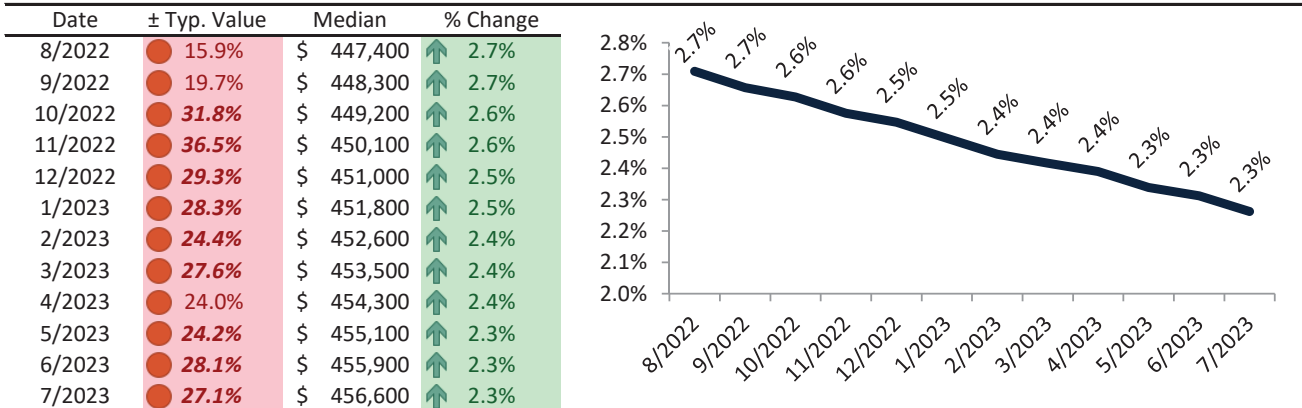
Historically, properties in this market sell at a -14.7% discount. Today's premium is 12.4%. This market is 27.1% overvalued. Median home price is \$456,600. Prices rose 2.3% year-over-year. Monthly cost of ownership is \$2,782, and rents average \$2,474, making owning \$308 per month more costly than renting. Rents rose 5.7% year-over-year. The current capitalization rate (rent/price) is 5.2%.

Market rating = 5

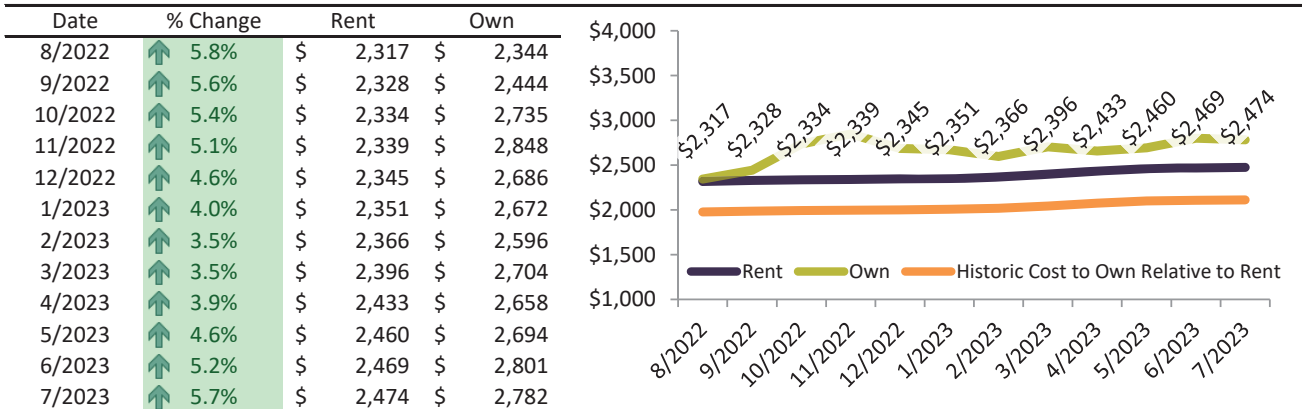
Median Home Price and Rental Parity trailing twelve months



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



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

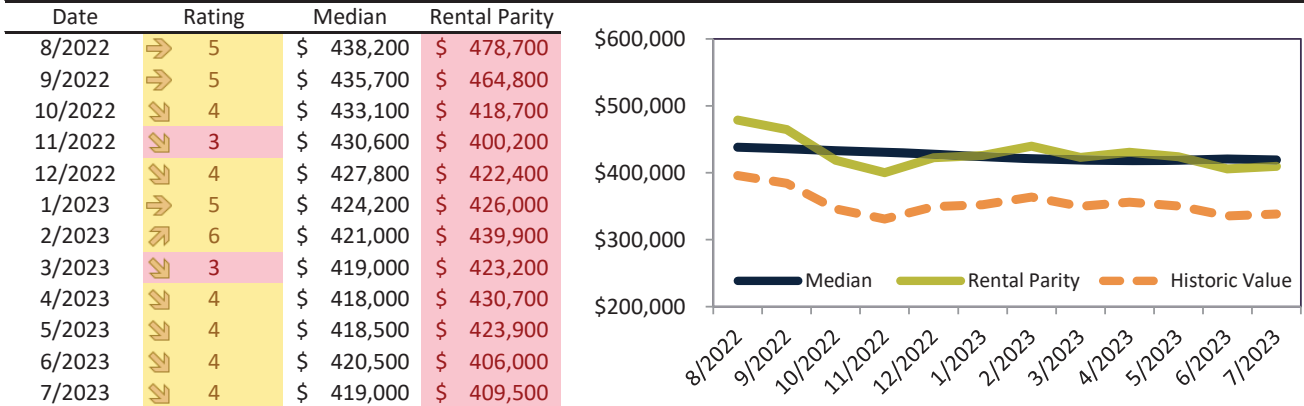


Hemet Housing Market Value & Trends Update

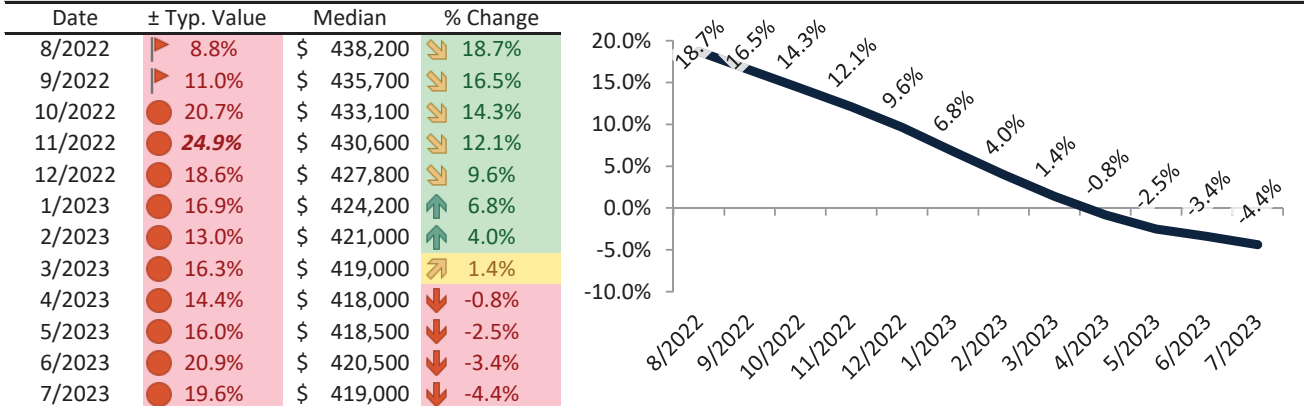
Historically, properties in this market sell at a -17.3% discount. Today's premium is 2.3%. This market is 19.6% overvalued. Median home price is \$419,000. Prices fell 4.4% year-over-year. Monthly cost of ownership is \$2,553, and rents average \$2,495, making owning \$57 per month more costly than renting. Rents rose 3.6% year-over-year. The current capitalization rate (rent/price) is 5.7%.

Market rating = 4

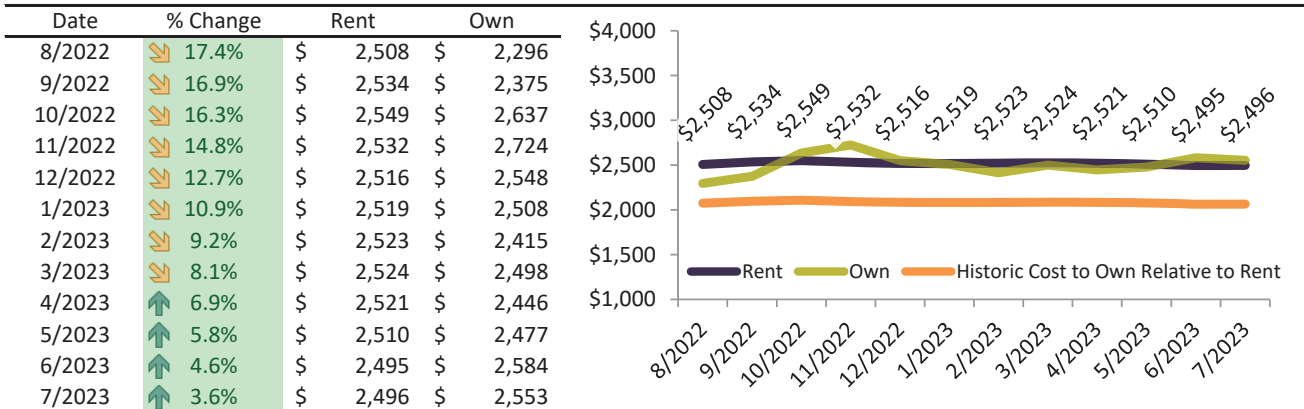
Median Home Price and Rental Parity trailing twelve months



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



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



Highgrove Housing Market Value & Trends Update

Historically, properties in this market sell at a -20.8% discount. Today's discount is 22.7%. This market is 1.9% undervalued.

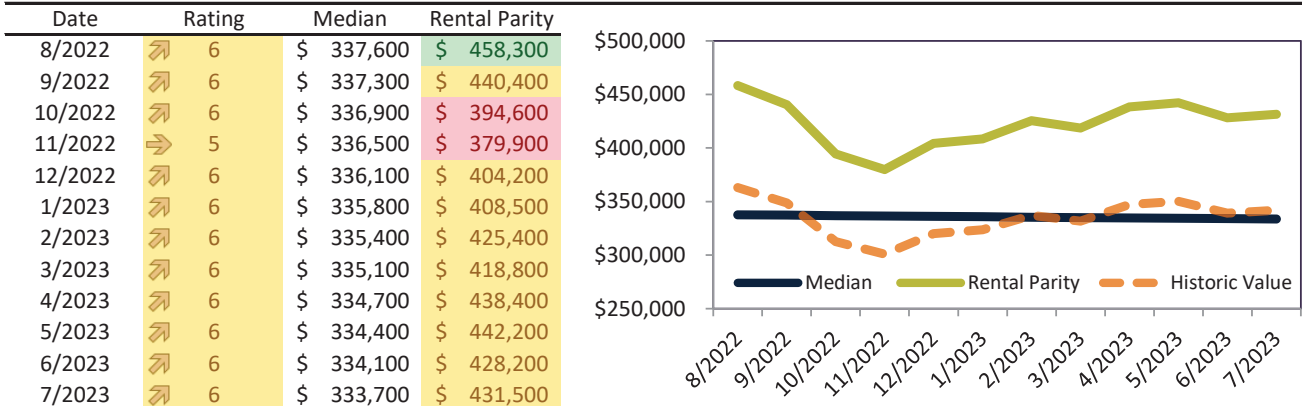
Median home price is \$333,700. Prices fell 1.3% year-over-year.

Monthly cost of ownership is \$2,033, and rents average \$2,629, making owning \$596 per month less costly than renting.

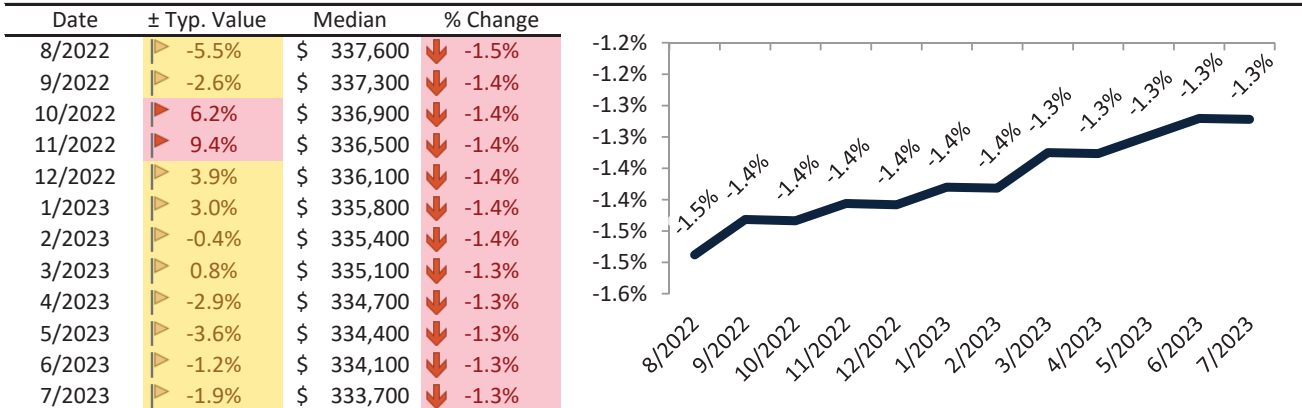
Rents rose 6.4% year-over-year. The current capitalization rate (rent/price) is 7.6%.

Market rating = 6

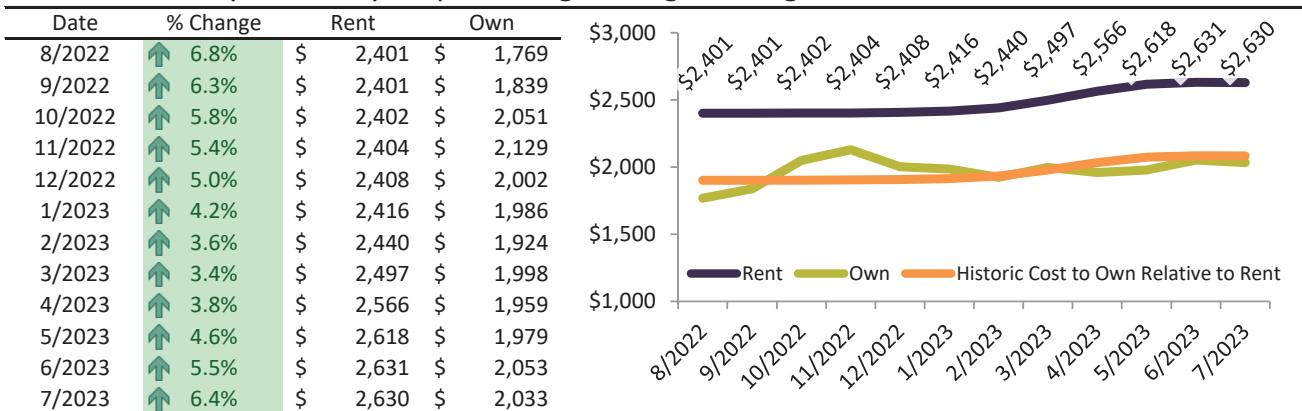
Median Home Price and Rental Parity trailing twelve months



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



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

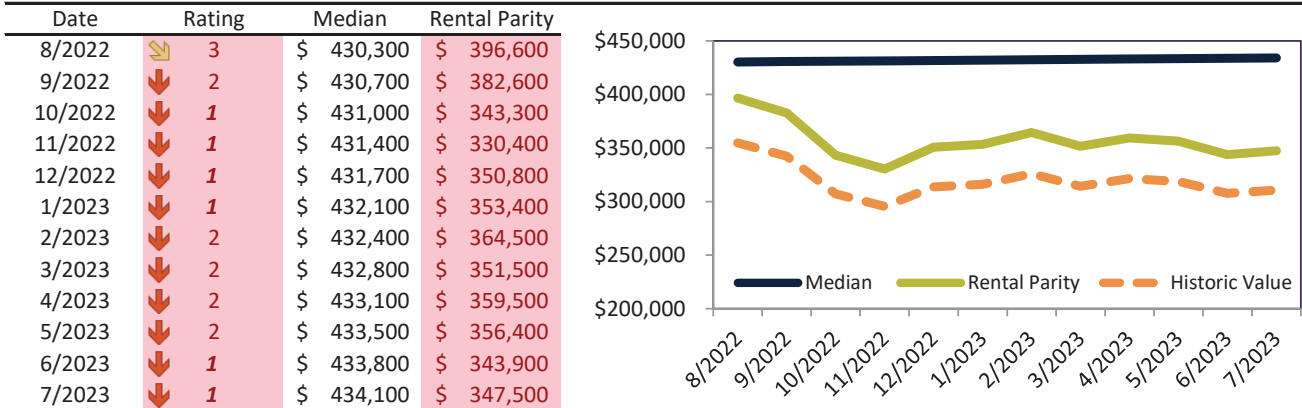


Home Gardens Housing Market Value & Trends Update

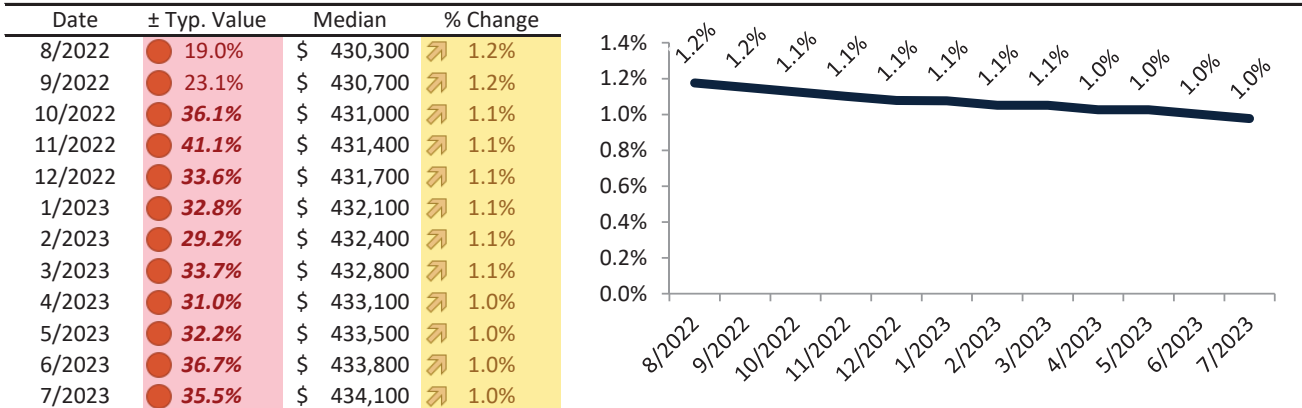
Historically, properties in this market sell at a -10.6% discount. Today's premium is 24.9%. This market is 35.5% overvalued. Median home price is \$434,100. Prices rose 1.0% year-over-year. Monthly cost of ownership is \$2,645, and rents average \$2,117, making owning \$527 per month more costly than renting. Rents rose 4.0% year-over-year. The current capitalization rate (rent/price) is 4.7%.

Market rating = 1

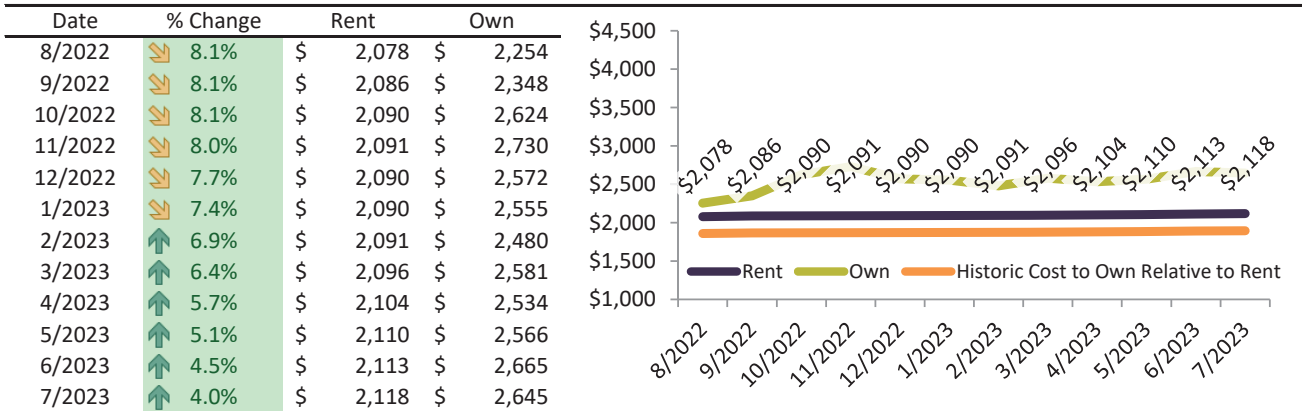
Median Home Price and Rental Parity trailing twelve months



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



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

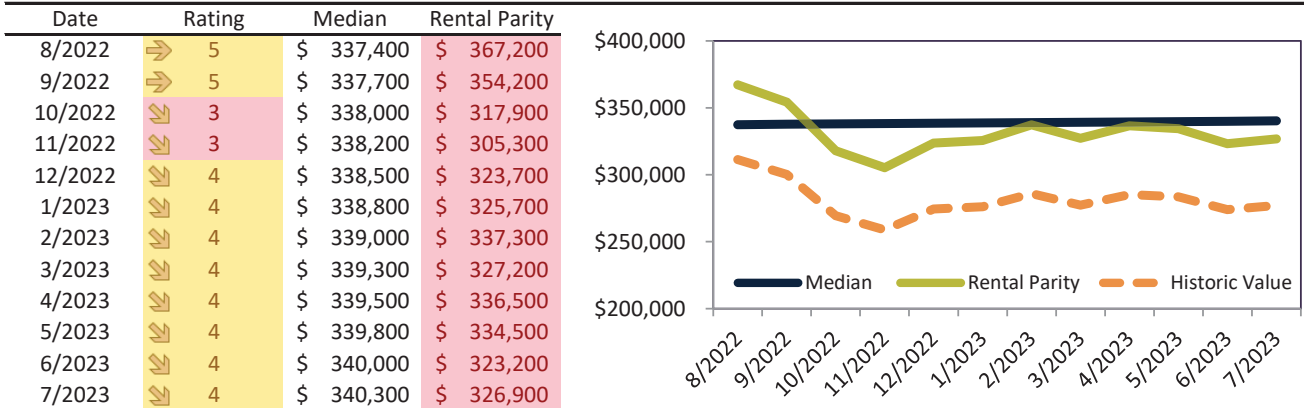


Idyllwild Housing Market Value & Trends Update

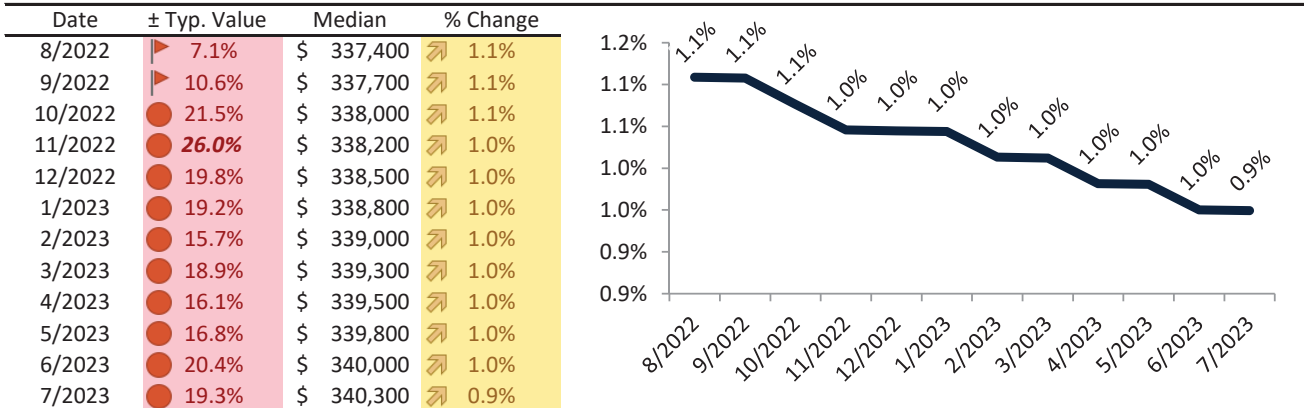
Historically, properties in this market sell at a -15.2% discount. Today's premium is 4.1%. This market is 19.3% overvalued. Median home price is \$340,300. Prices rose 0.9% year-over-year. Monthly cost of ownership is \$2,073, and rents average \$1,992, making owning \$081 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 5.6%.

Market rating = 4

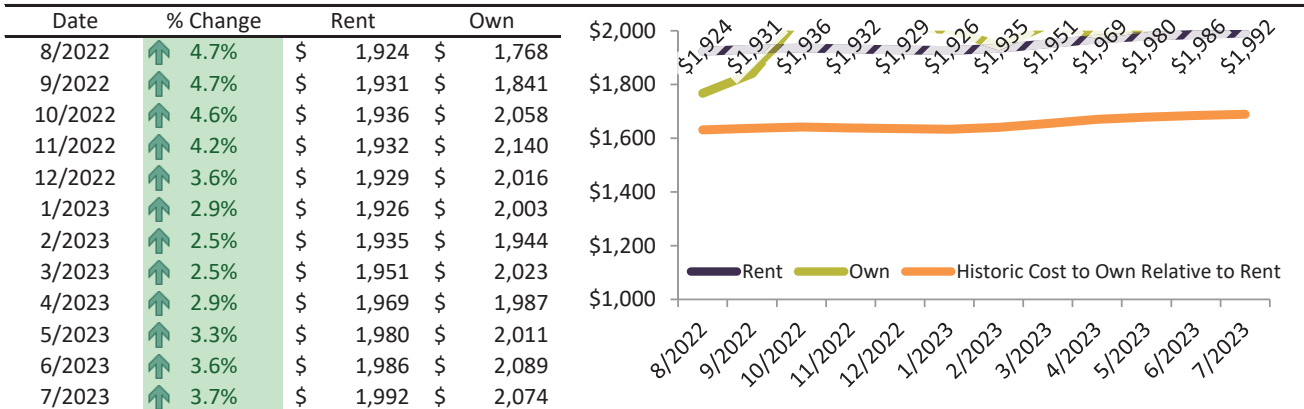
Median Home Price and Rental Parity trailing twelve months



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



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

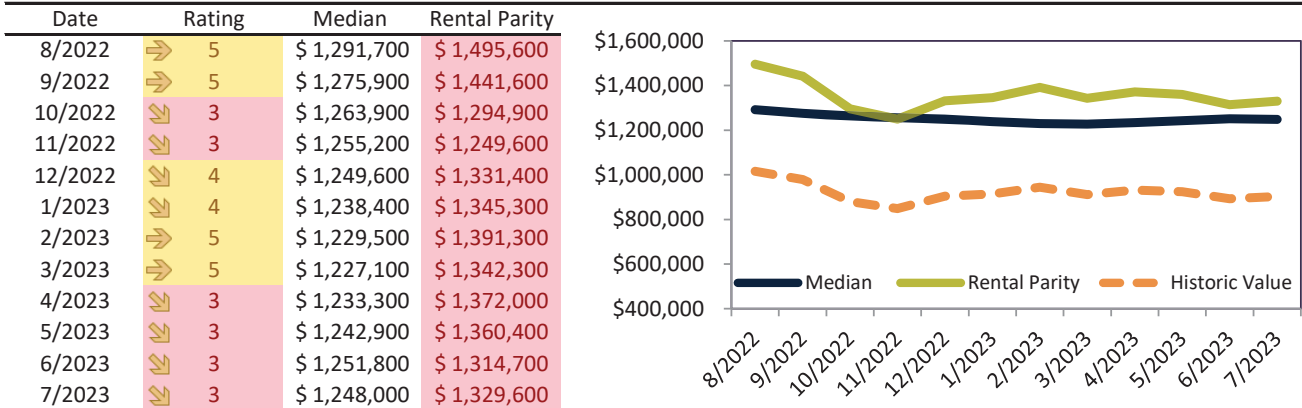


Indian Wells Housing Market Value & Trends Update

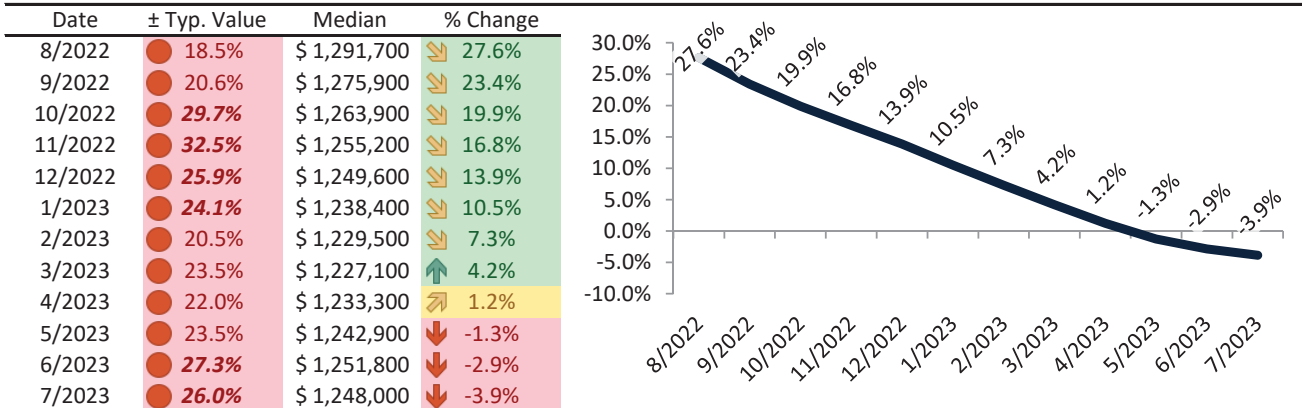
Historically, properties in this market sell at a -32.1% discount. Today's discount is 6.1%. This market is 26.0% overvalued. Median home price is \$1,248,000. Prices fell 3.9% year-over-year. Monthly cost of ownership is \$7,605, and rents average \$8,102, making owning \$497 per month less costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 6.2%.

Market rating = 3

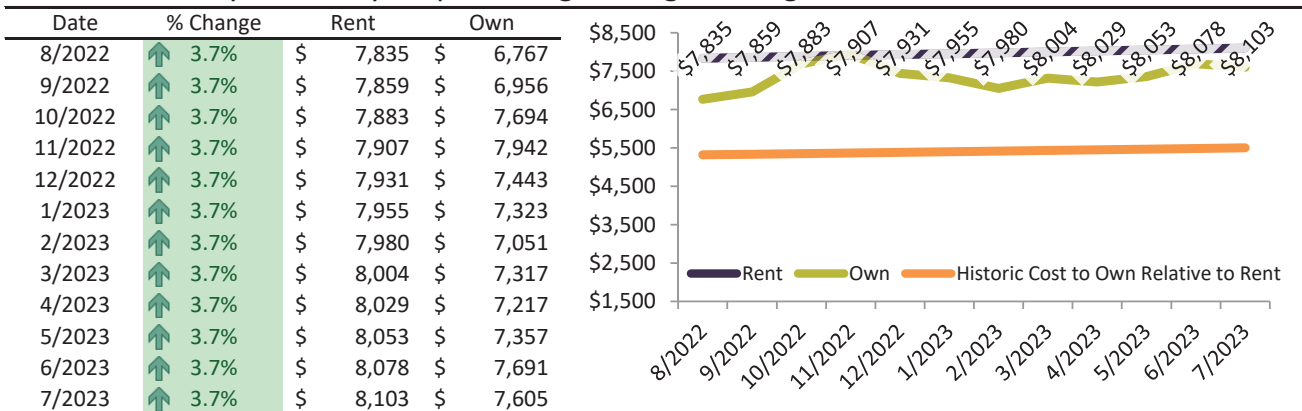
Median Home Price and Rental Parity trailing twelve months



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



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

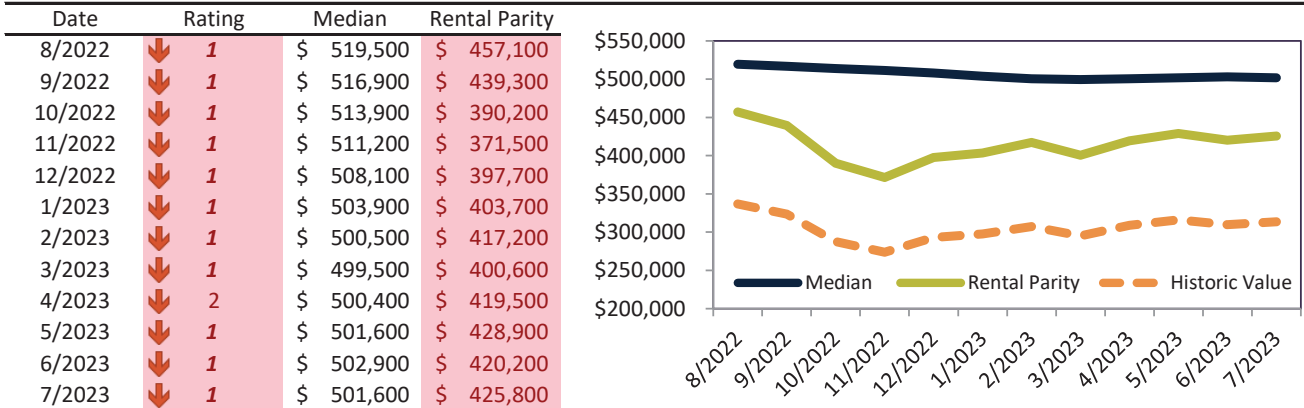


Indio Housing Market Value & Trends Update

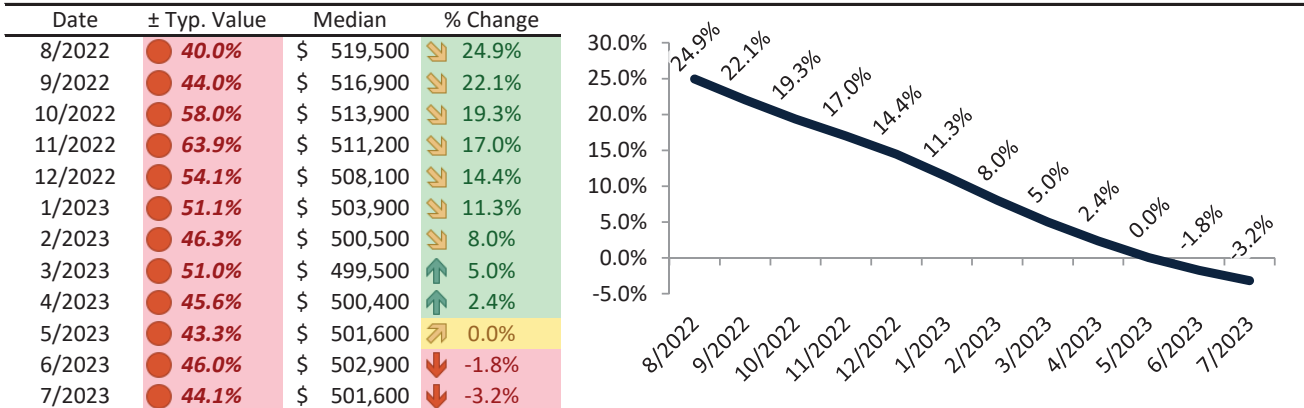
Historically, properties in this market sell at a -26.3% discount. Today's premium is 17.8%. This market is 44.1% overvalued. Median home price is \$501,600. Prices fell 3.2% year-over-year. Monthly cost of ownership is \$3,056, and rents average \$2,595, making owning \$461 per month more costly than renting. Rents rose 6.8% year-over-year. The current capitalization rate (rent/price) is 5.0%.

Market rating = 1

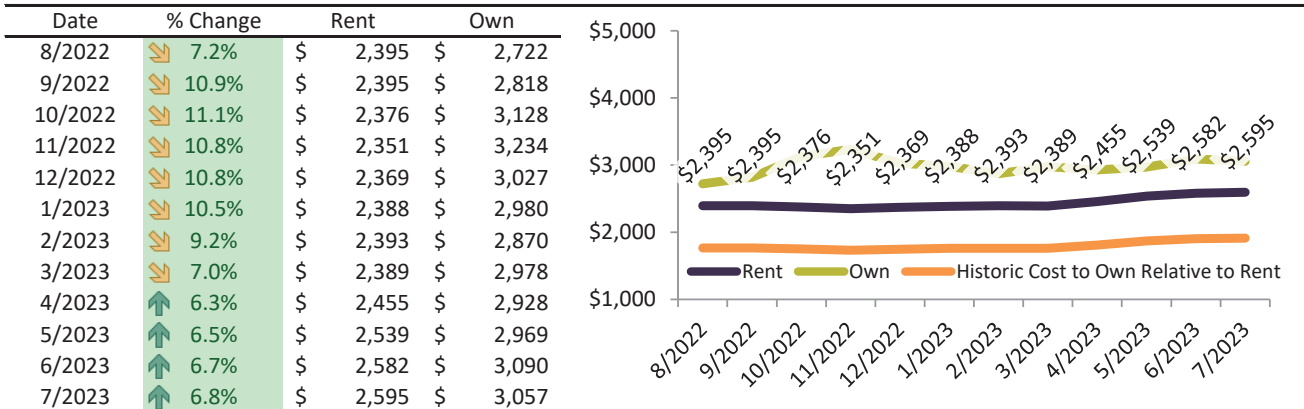
Median Home Price and Rental Parity trailing twelve months



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



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

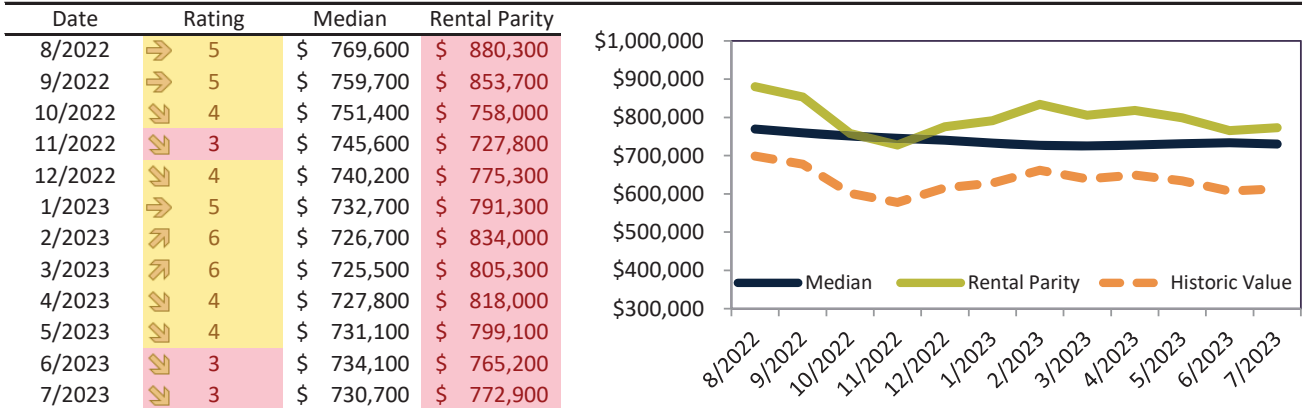


La Quinta Housing Market Value & Trends Update

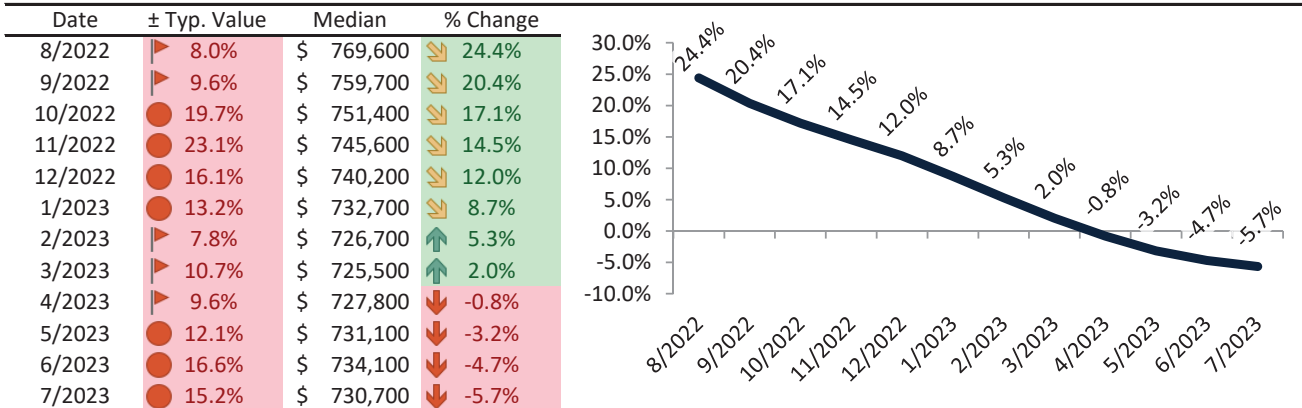
Historically, properties in this market sell at a -20.6% discount. Today's discount is 5.4%. This market is 15.2% overvalued. Median home price is \$730,700. Prices fell 5.7% year-over-year. Monthly cost of ownership is \$4,452, and rents average \$4,710, making owning \$257 per month less costly than renting. Rents rose 6.4% year-over-year. The current capitalization rate (rent/price) is 6.2%.

Market rating = 3

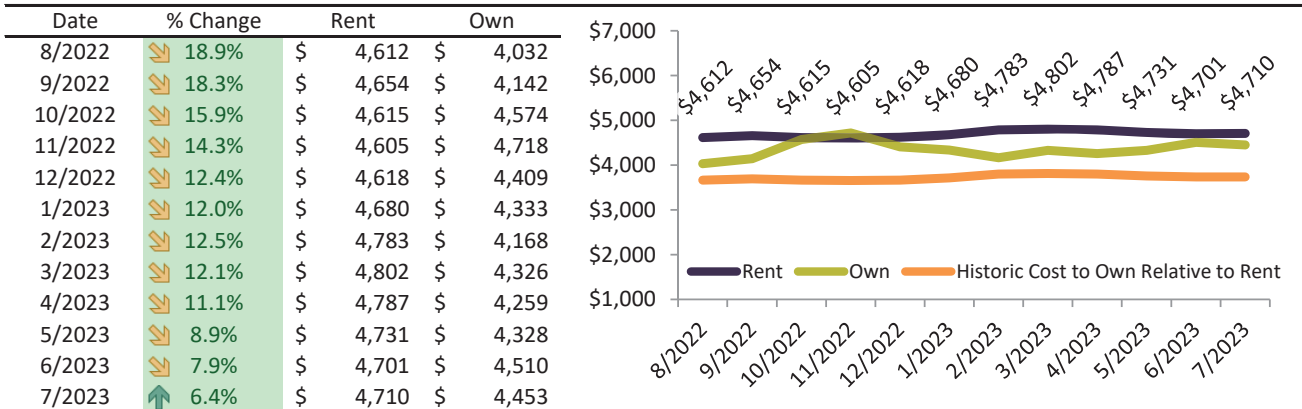
Median Home Price and Rental Parity trailing twelve months



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



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



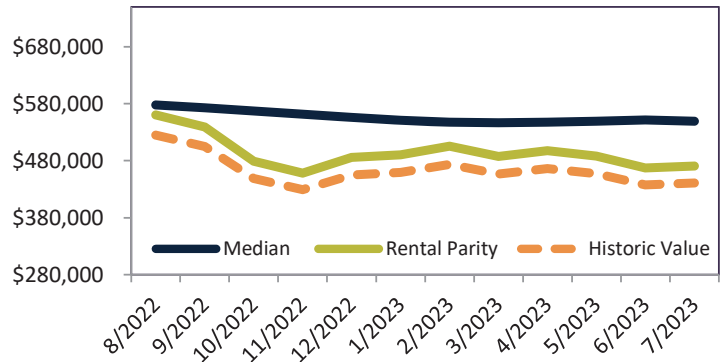
Lake Elsinore Housing Market Value & Trends Update

Historically, properties in this market sell at a -6.3% discount. Today's premium is 16.7%. This market is 23.0% overvalued. Median home price is \$549,200. Prices fell 5.3% year-over-year. Monthly cost of ownership is \$3,346, and rents average \$2,869, making owning \$477 per month more costly than renting. Rents rose 2.2% year-over-year. The current capitalization rate (rent/price) is 5.0%.

Market rating = 2

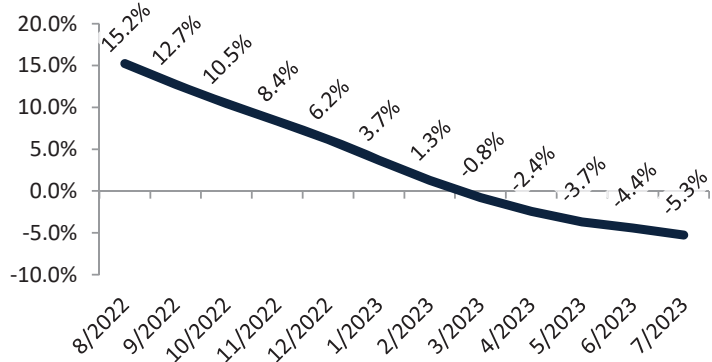
Median Home Price and Rental Parity trailing twelve months

Date	Rating	Median	Rental Parity
8/2022	5	\$ 577,900	\$ 560,400
9/2022	5	\$ 572,800	\$ 539,100
10/2022	3	\$ 567,300	\$ 479,200
11/2022	2	\$ 561,900	\$ 458,200
12/2022	5	\$ 556,300	\$ 485,600
1/2023	5	\$ 550,900	\$ 490,300
2/2023	3	\$ 547,400	\$ 505,300
3/2023	4	\$ 546,700	\$ 487,300
4/2023	4	\$ 547,500	\$ 497,600
5/2023	4	\$ 549,200	\$ 488,100
6/2023	3	\$ 551,500	\$ 467,400
7/2023	2	\$ 549,200	\$ 470,800



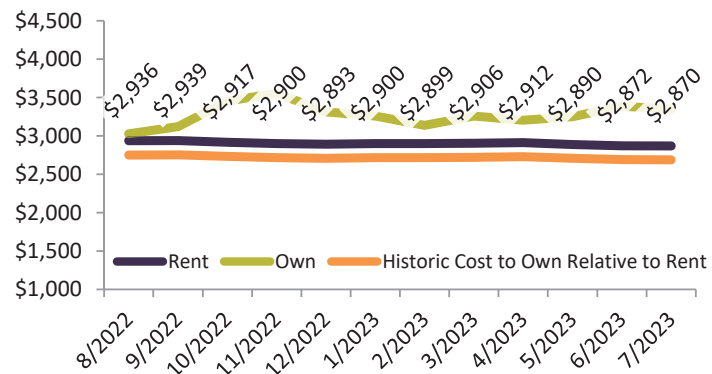
Resale Median and year-over-year percentage change trailing twelve months

Date	± Typ. Value	Median	% Change
8/2022	9.4%	\$ 577,900	15.2%
9/2022	12.6%	\$ 572,800	12.7%
10/2022	24.7%	\$ 567,300	10.5%
11/2022	29.0%	\$ 561,900	8.4%
12/2022	20.9%	\$ 556,300	6.2%
1/2023	18.7%	\$ 550,900	3.7%
2/2023	14.7%	\$ 547,400	1.3%
3/2023	18.5%	\$ 546,700	-0.8%
4/2023	16.4%	\$ 547,500	-2.4%
5/2023	18.8%	\$ 549,200	-3.7%
6/2023	24.3%	\$ 551,500	-4.4%
7/2023	23.0%	\$ 549,200	-5.3%



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

Date	% Change	Rent	Own
8/2022	16.2%	\$ 2,936	\$ 3,027
9/2022	15.3%	\$ 2,939	\$ 3,123
10/2022	13.6%	\$ 2,917	\$ 3,453
11/2022	11.7%	\$ 2,900	\$ 3,555
12/2022	10.2%	\$ 2,893	\$ 3,314
1/2023	9.0%	\$ 2,900	\$ 3,258
2/2023	7.7%	\$ 2,899	\$ 3,139
3/2023	6.8%	\$ 2,906	\$ 3,260
4/2023	5.9%	\$ 2,912	\$ 3,204
5/2023	4.5%	\$ 2,890	\$ 3,251
6/2023	3.1%	\$ 2,872	\$ 3,388
7/2023	2.2%	\$ 2,870	\$ 3,347

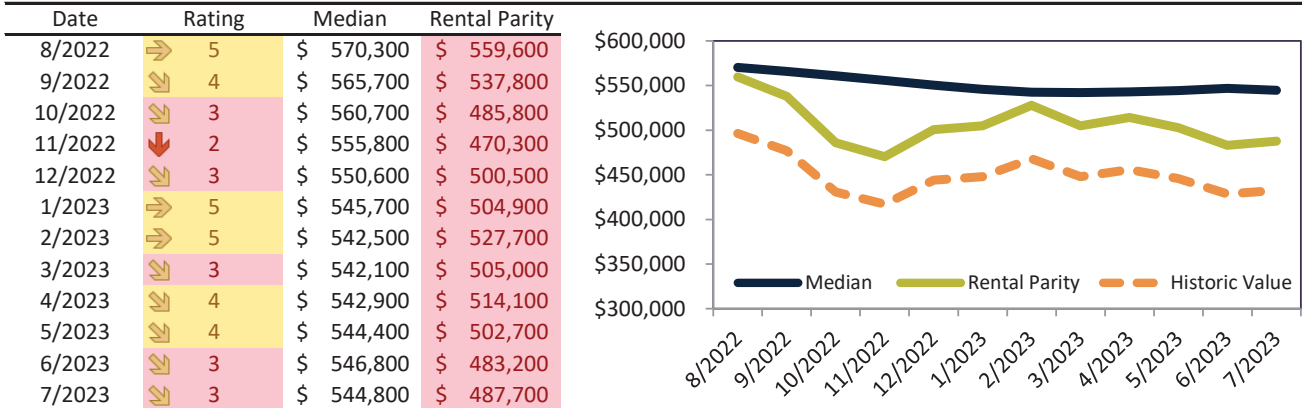


Menifee Housing Market Value & Trends Update

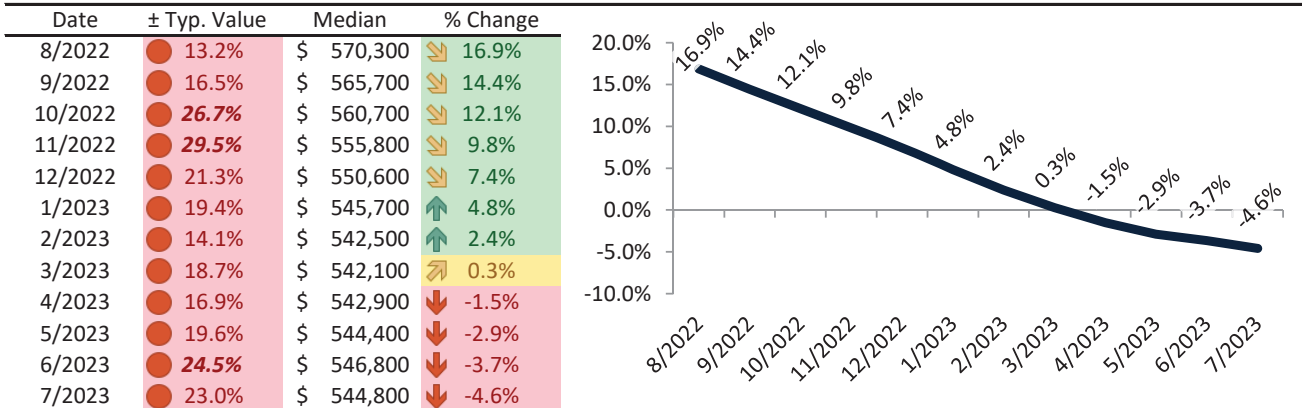
Historically, properties in this market sell at a -11.3% discount. Today's premium is 11.7%. This market is 23.0% overvalued. Median home price is \$544,800. Prices fell 4.6% year-over-year. Monthly cost of ownership is \$3,319, and rents average \$2,972, making owning \$347 per month more costly than renting. Rents rose 3.8% year-over-year. The current capitalization rate (rent/price) is 5.2%.

Market rating = 3

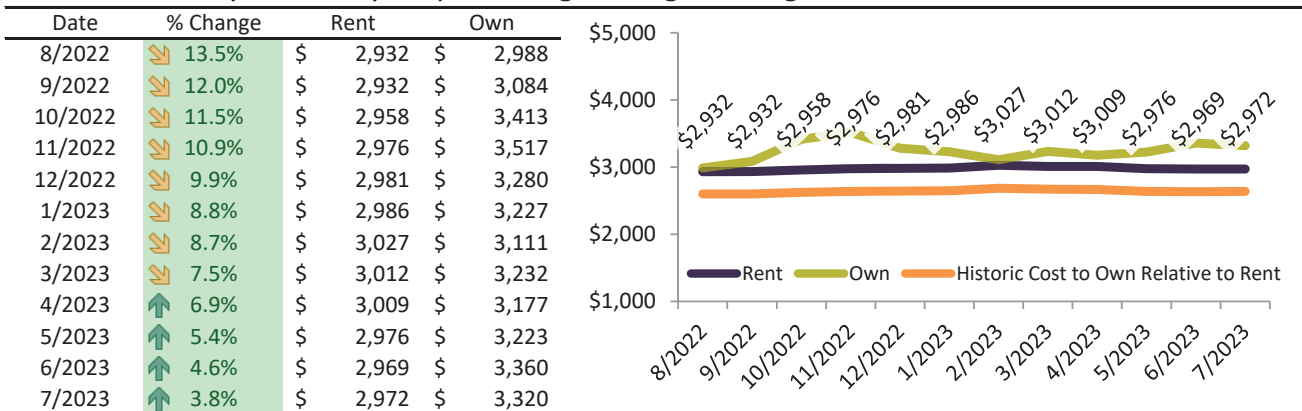
Median Home Price and Rental Parity trailing twelve months



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



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

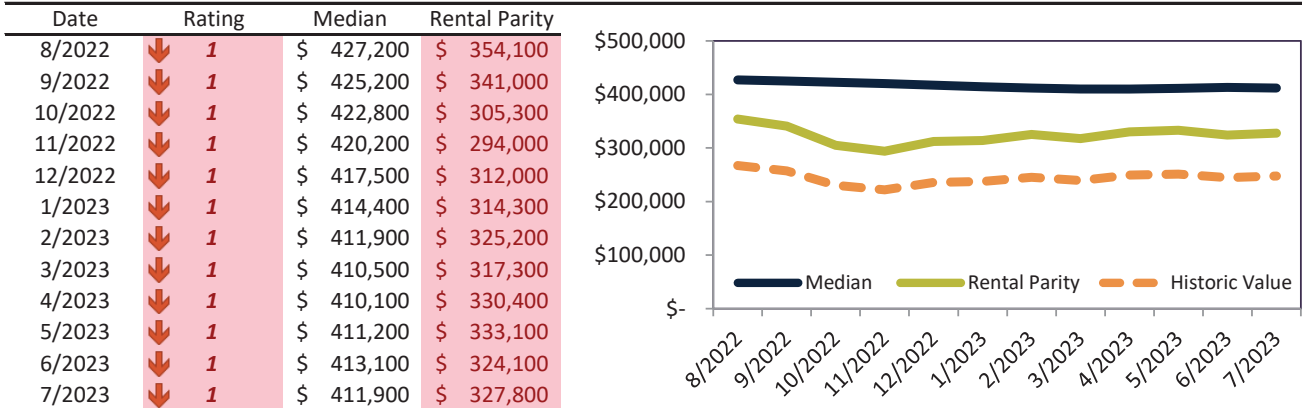


Sun City Housing Market Value & Trends Update

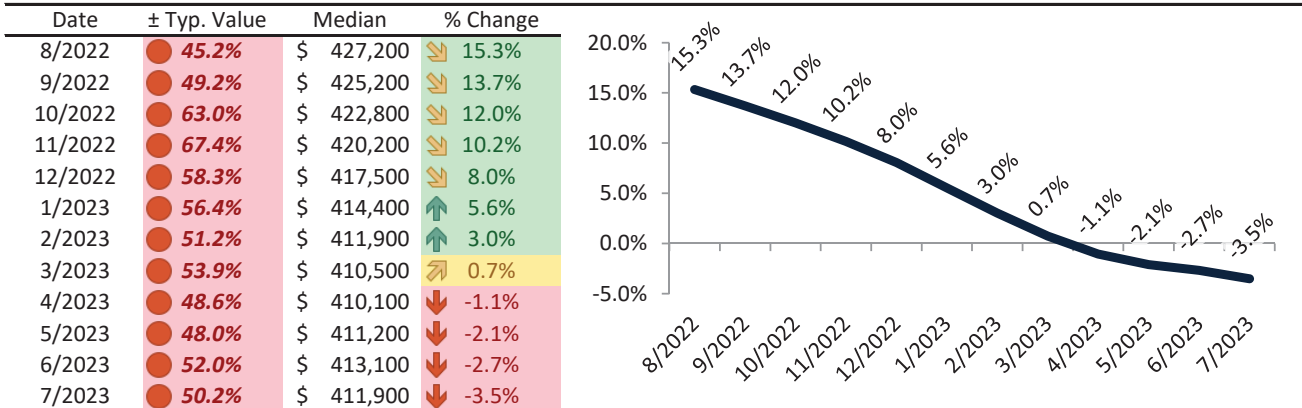
Historically, properties in this market sell at a -24.5% discount. Today's premium is 25.7%. This market is 50.2% overvalued. Median home price is \$411,900. Prices fell 3.5% year-over-year. Monthly cost of ownership is \$2,510, and rents average \$1,997, making owning \$512 per month more costly than renting. Rents rose 6.0% year-over-year. The current capitalization rate (rent/price) is 4.7%.

Market rating = 1

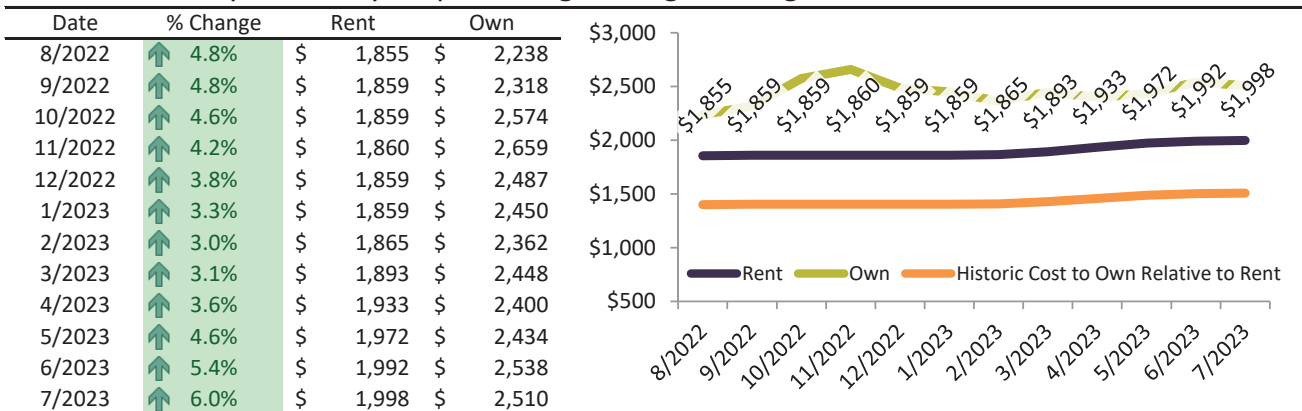
Median Home Price and Rental Parity trailing twelve months



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



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

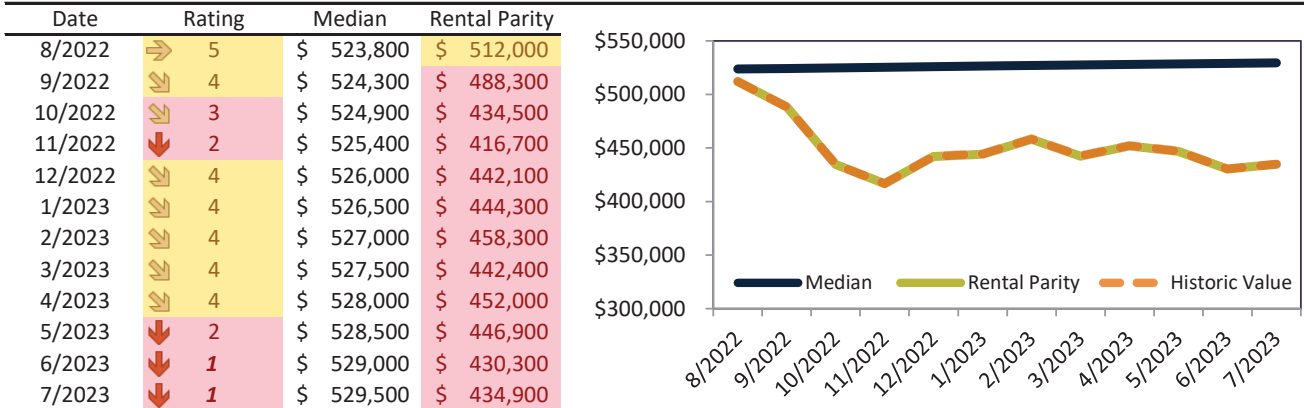


Mira Loma Housing Market Value & Trends Update

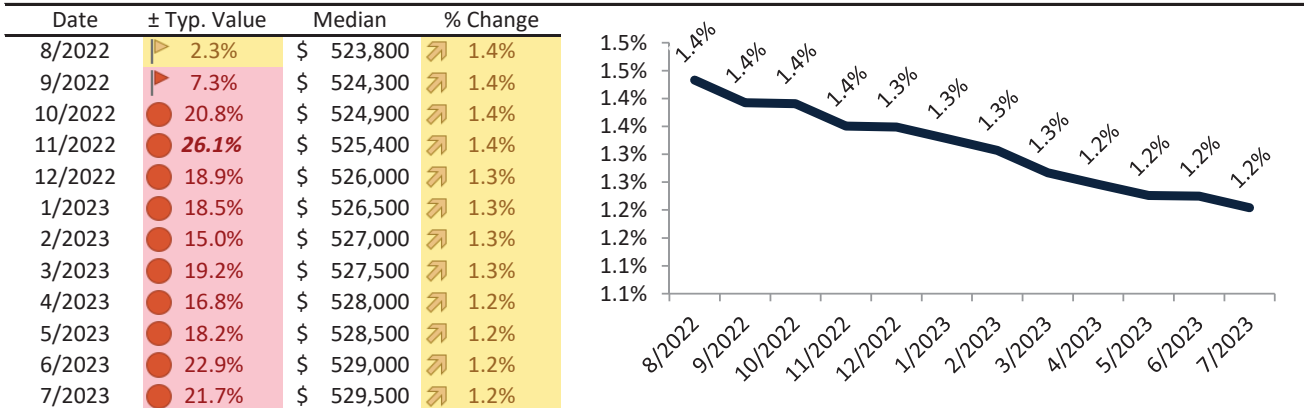
Historically, properties in this market sell at a 0.0% premium. Today's premium is 21.7%. This market is 21.7% overvalued. Median home price is \$529,500. Prices rose 1.2% year-over-year. Monthly cost of ownership is \$3,226, and rents average \$2,650, making owning \$576 per month more costly than renting. Rents fell 0.1% year-over-year. The current capitalization rate (rent/price) is 4.8%.

Market rating = 1

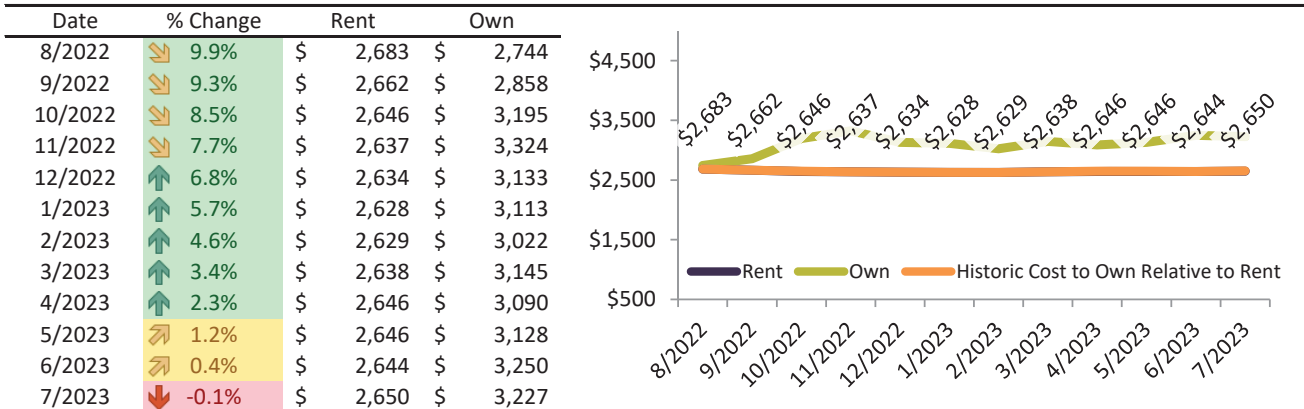
Median Home Price and Rental Parity trailing twelve months



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



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

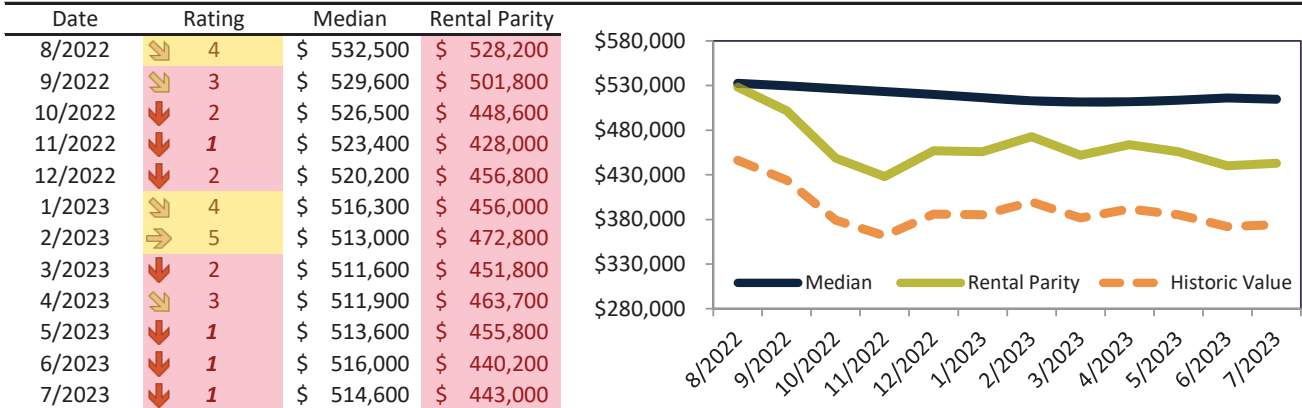


Moreno Valley Housing Market Value & Trends Update

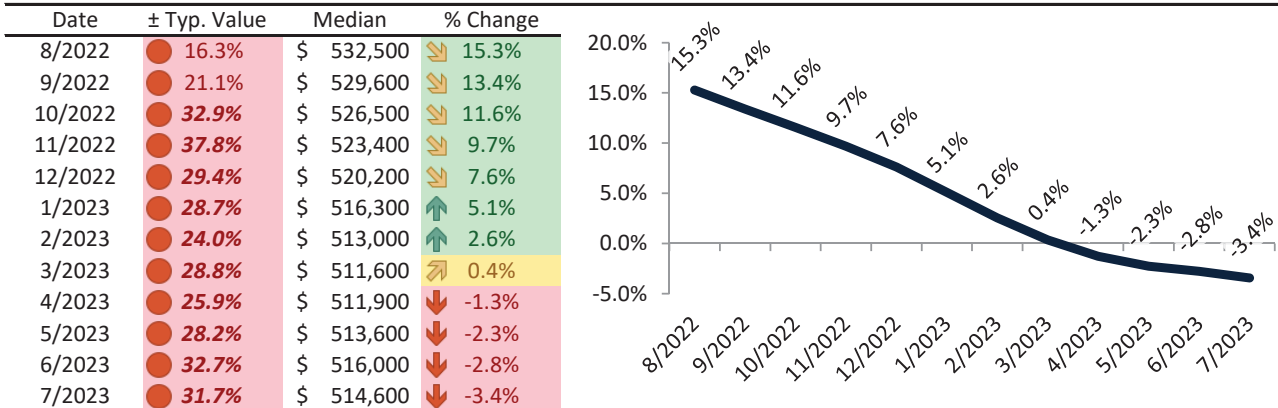
Historically, properties in this market sell at a -15.5% discount. Today's premium is 16.2%. This market is 31.7% overvalued. Median home price is \$514,600. Prices fell 3.4% year-over-year. Monthly cost of ownership is \$3,135, and rents average \$2,700, making owning \$435 per month more costly than renting. Rents rose 0.3% year-over-year. The current capitalization rate (rent/price) is 5.0%.

Market rating = 1

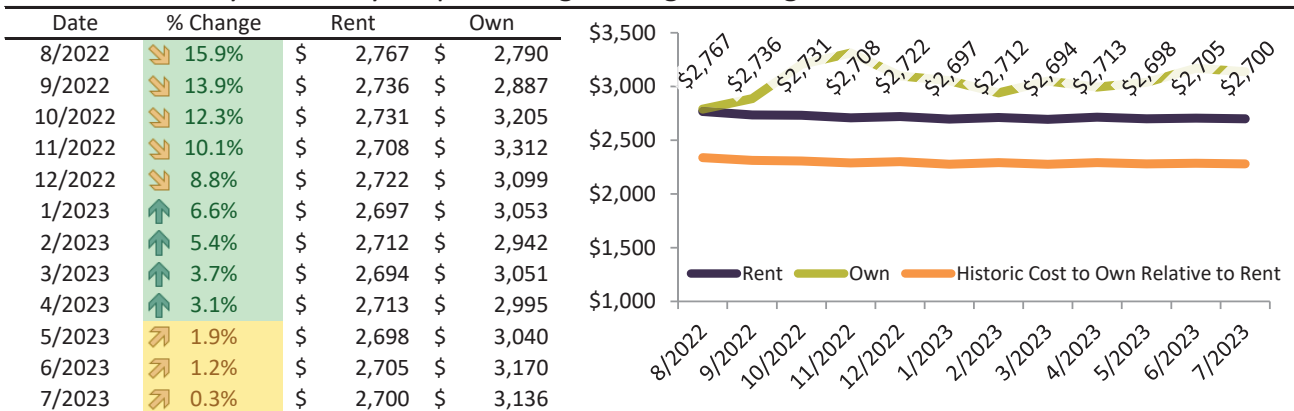
Median Home Price and Rental Parity trailing twelve months



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



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



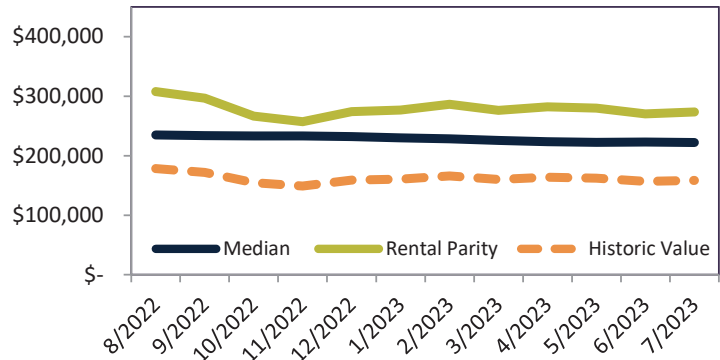
Blythe Housing Market Value & Trends Update

Historically, properties in this market sell at a -42.1% discount. Today's discount is 18.8%. This market is 23.3% overvalued. Median home price is \$222,100. Prices fell 5.3% year-over-year. Monthly cost of ownership is \$1,353, and rents average \$1,667, making owning \$313 per month less costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 7.2%.

Market rating = 2

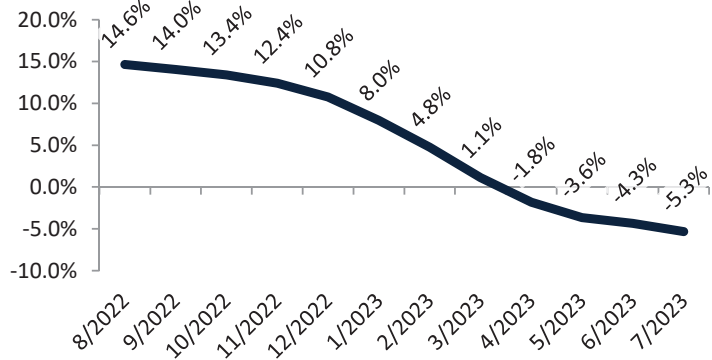
Median Home Price and Rental Parity trailing twelve months

Date	Rating	Median	Rental Parity
8/2022	⇒ 5	\$ 234,800	\$ 307,700
9/2022	⇒ 5	\$ 233,800	\$ 296,600
10/2022	⇒ 3	\$ 233,300	\$ 266,400
11/2022	⇒ 3	\$ 232,900	\$ 257,100
12/2022	⇒ 4	\$ 231,800	\$ 273,900
1/2023	⇒ 4	\$ 230,100	\$ 276,700
2/2023	⇒ 5	\$ 228,300	\$ 286,200
3/2023	⇒ 3	\$ 225,800	\$ 276,100
4/2023	⇒ 3	\$ 223,500	\$ 282,200
5/2023	⇒ 3	\$ 222,300	\$ 279,900
6/2023	⇒ 3	\$ 223,100	\$ 270,500
7/2023	⇓ 2	\$ 222,100	\$ 273,500



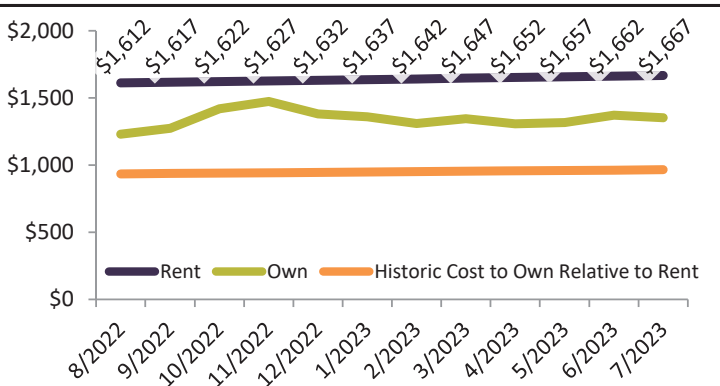
Resale Median and year-over-year percentage change trailing twelve months

Date	± Typ. Value	Median	% Change
8/2022	● 18.4%	\$ 234,800	⇓ 14.6%
9/2022	● 20.9%	\$ 233,800	⇓ 14.0%
10/2022	● 29.6%	\$ 233,300	⇓ 13.4%
11/2022	● 32.6%	\$ 232,900	⇓ 12.4%
12/2022	● 26.7%	\$ 231,800	⇓ 10.8%
1/2023	● 25.2%	\$ 230,100	⇓ 8.0%
2/2023	● 21.8%	\$ 228,300	⇓ 4.8%
3/2023	● 23.8%	\$ 225,800	⇓ 1.1%
4/2023	● 21.3%	\$ 223,500	⇓ -1.8%
5/2023	● 21.5%	\$ 222,300	⇓ -3.6%
6/2023	● 24.5%	\$ 223,100	⇓ -4.3%
7/2023	● 23.3%	\$ 222,100	⇓ -5.3%



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

Date	% Change	Rent	Own
8/2022	⇓ 3.7%	\$ 1,612	\$ 1,230
9/2022	⇓ 3.7%	\$ 1,617	\$ 1,275
10/2022	⇓ 3.7%	\$ 1,622	\$ 1,420
11/2022	⇓ 3.7%	\$ 1,627	\$ 1,474
12/2022	⇓ 3.7%	\$ 1,632	\$ 1,381
1/2023	⇓ 3.7%	\$ 1,637	\$ 1,361
2/2023	⇓ 3.7%	\$ 1,642	\$ 1,309
3/2023	⇓ 3.7%	\$ 1,647	\$ 1,346
4/2023	⇓ 3.7%	\$ 1,652	\$ 1,308
5/2023	⇓ 3.7%	\$ 1,657	\$ 1,316
6/2023	⇓ 3.7%	\$ 1,662	\$ 1,371
7/2023	⇓ 3.7%	\$ 1,667	\$ 1,353

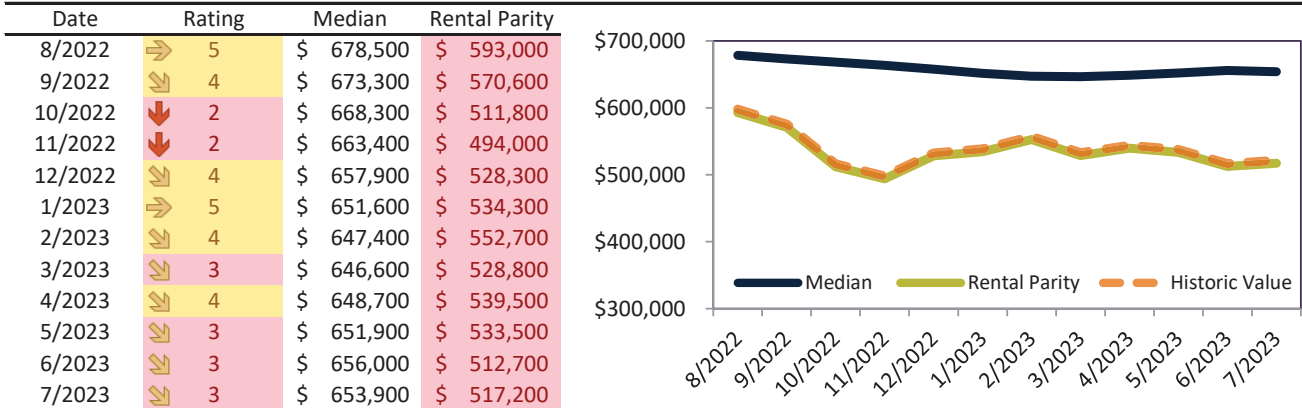


Murrieta Housing Market Value & Trends Update

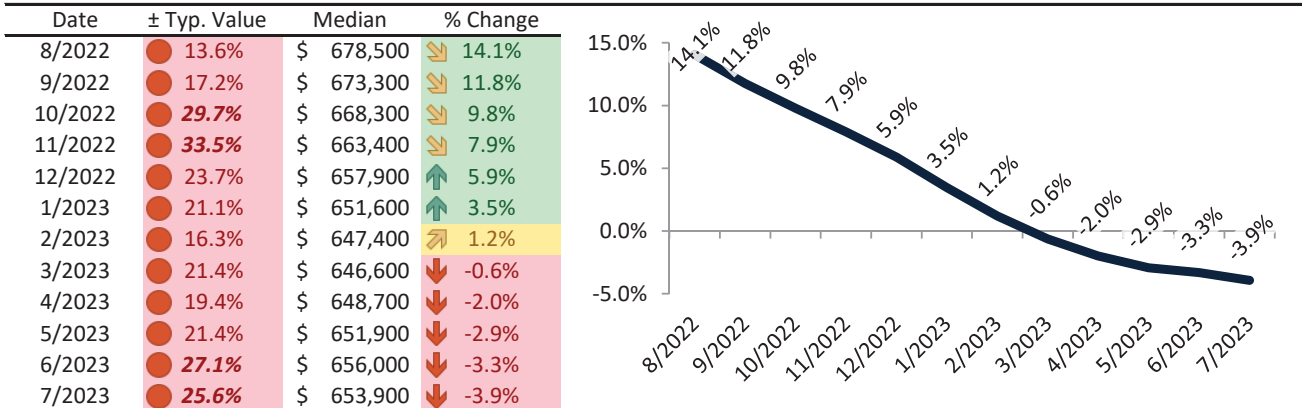
Historically, properties in this market sell at a 0.8% premium. Today's premium is 26.4%. This market is 25.6% overvalued. Median home price is \$653,900. Prices fell 3.9% year-over-year. Monthly cost of ownership is \$3,984, and rents average \$3,152, making owning \$832 per month more costly than renting. Rents rose 2.3% year-over-year. The current capitalization rate (rent/price) is 4.6%.

Market rating = 3

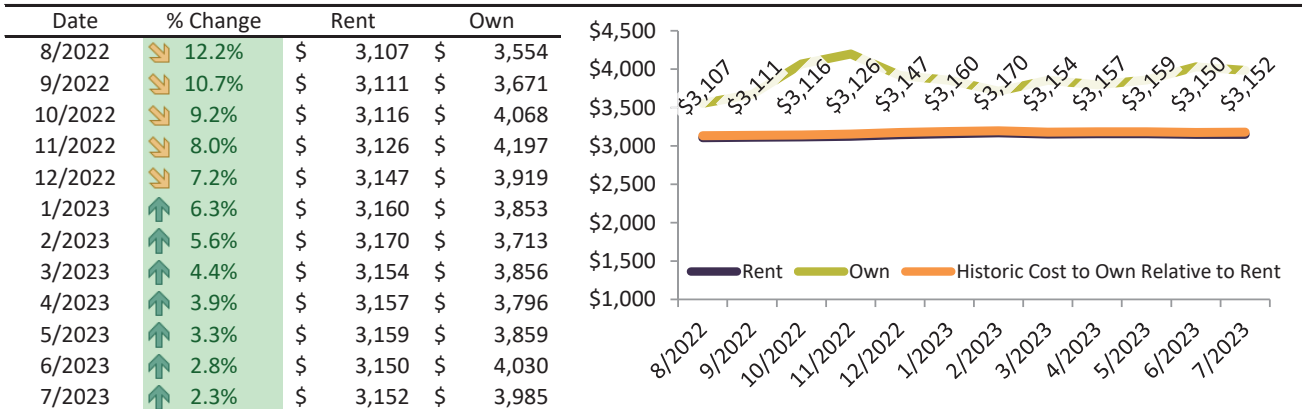
Median Home Price and Rental Parity trailing twelve months



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



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



Norco Housing Market Value & Trends Update

Historically, properties in this market sell at a -0.6% discount. Today's premium is 69.4%. This market is 70.0% overvalued.

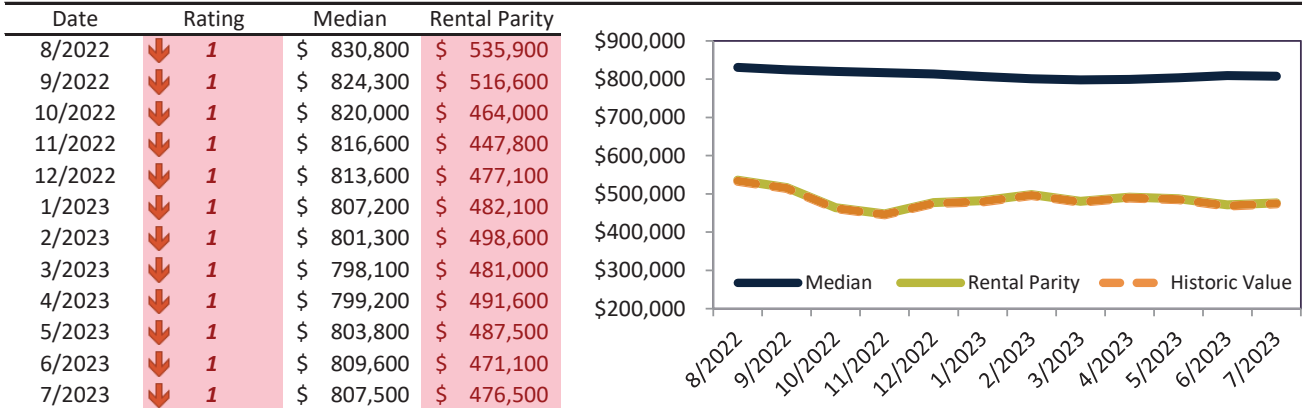
Median home price is \$807,500. Prices fell 3.2% year-over-year.

Monthly cost of ownership is \$4,920, and rents average \$2,903, making owning \$2,017 per month more costly than renting.

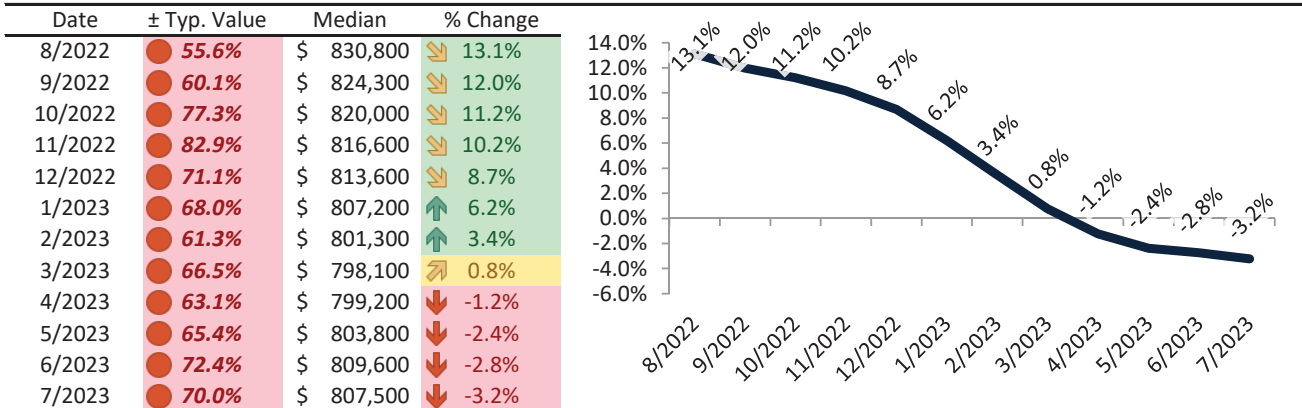
Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 3.5%.

Market rating = 1

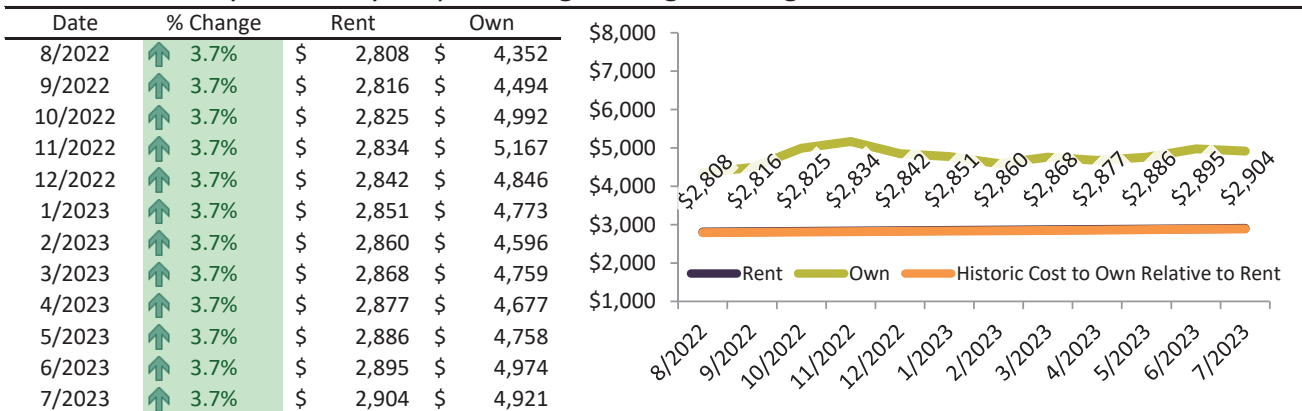
Median Home Price and Rental Parity trailing twelve months



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



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

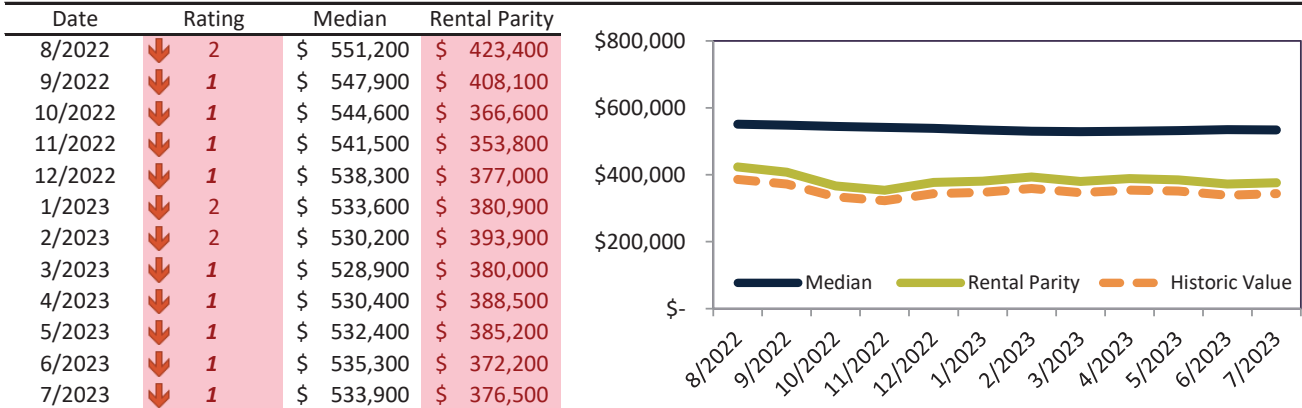


Nuevo Housing Market Value & Trends Update

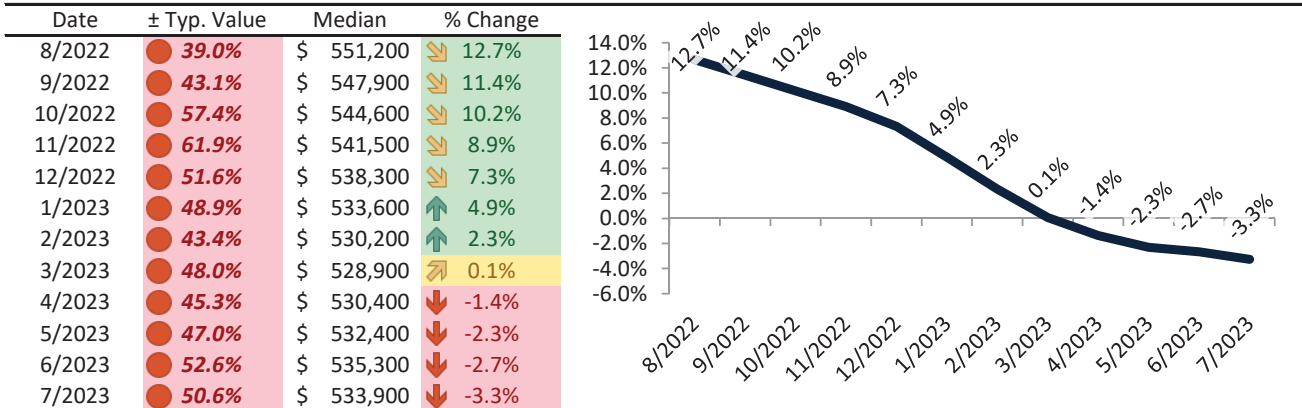
Historically, properties in this market sell at a -8.8% discount. Today's premium is 41.8%. This market is 50.6% overvalued. Median home price is \$533,900. Prices fell 3.3% year-over-year. Monthly cost of ownership is \$3,253, and rents average \$2,294, making owning \$959 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 4.1%.

Market rating = 1

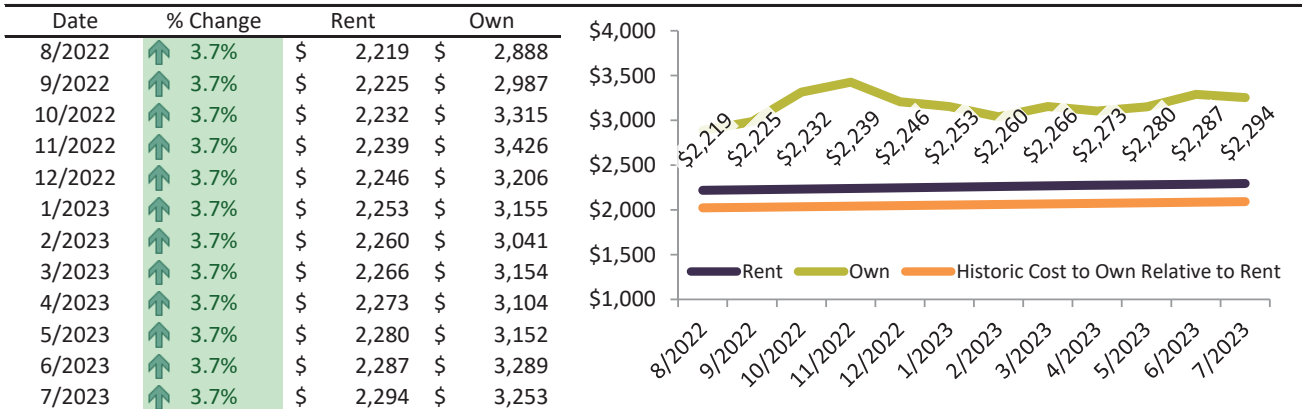
Median Home Price and Rental Parity trailing twelve months



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



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

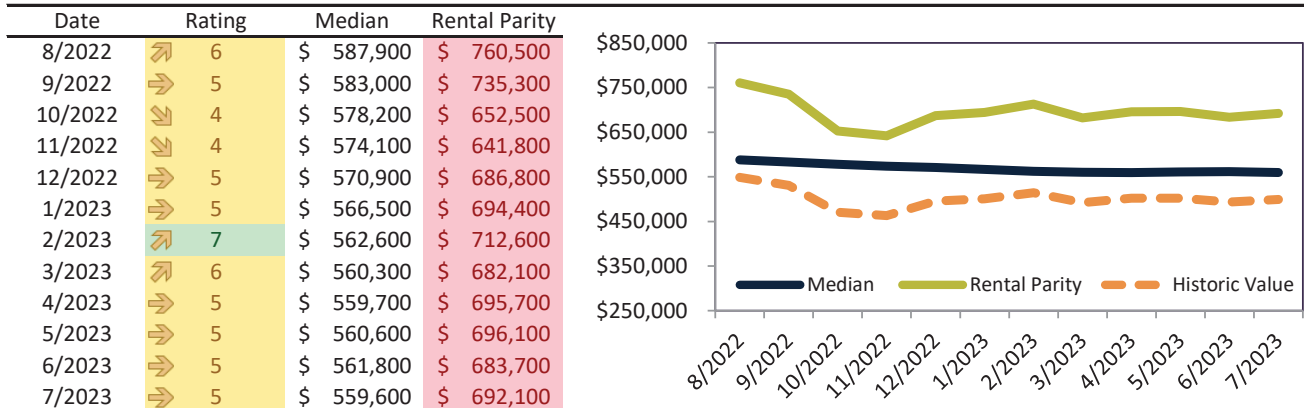


Palm Desert Housing Market Value & Trends Update

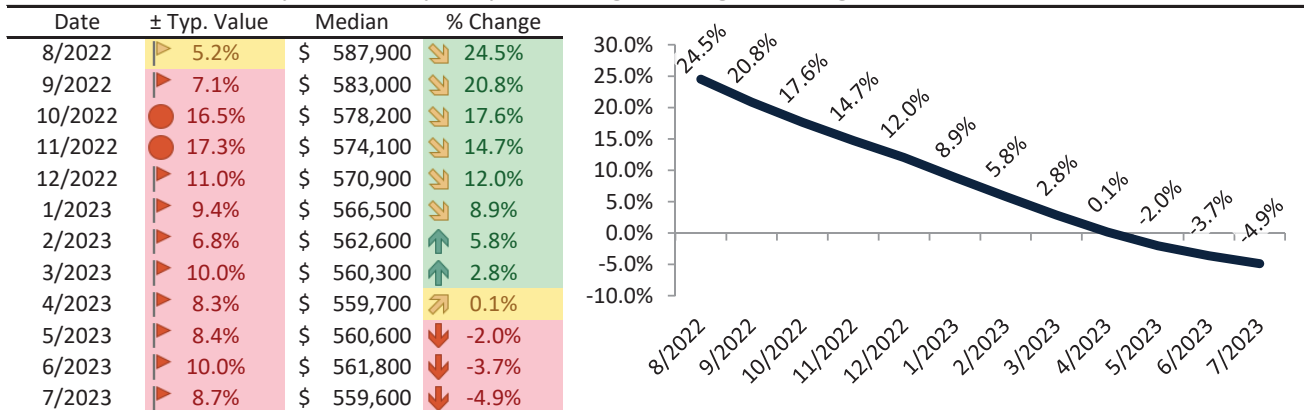
Historically, properties in this market sell at a -27.9% discount. Today's discount is 19.2%. This market is 8.7% overvalued. Median home price is \$559,600. Prices fell 4.9% year-over-year. Monthly cost of ownership is \$3,410, and rents average \$4,217, making owning \$807 per month less costly than renting. Rents rose 5.3% year-over-year. The current capitalization rate (rent/price) is 7.2%.

Market rating = 5

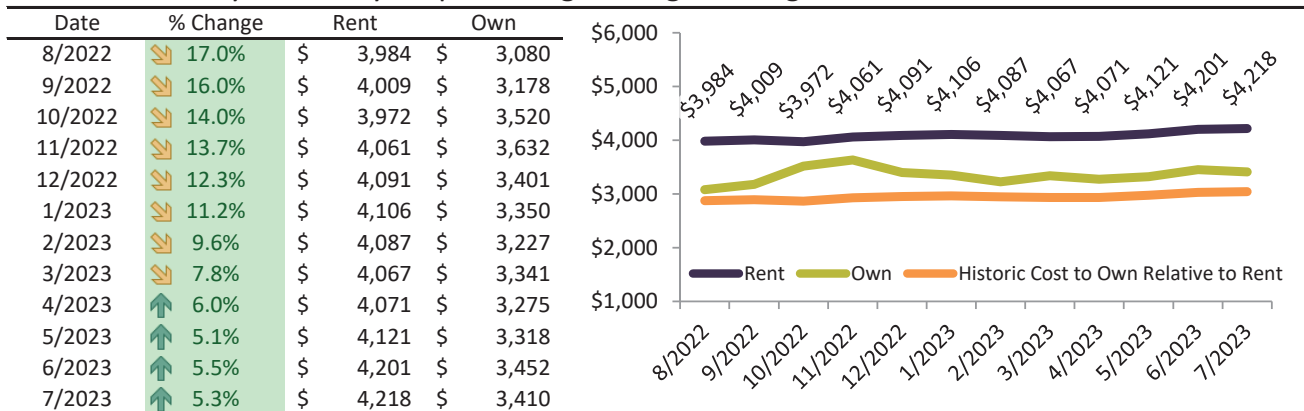
Median Home Price and Rental Parity trailing twelve months



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



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



Palm Springs Housing Market Value & Trends Update

Historically, properties in this market sell at a -34.4% discount. Today's discount is 16.0%. This market is 18.4% overvalued.

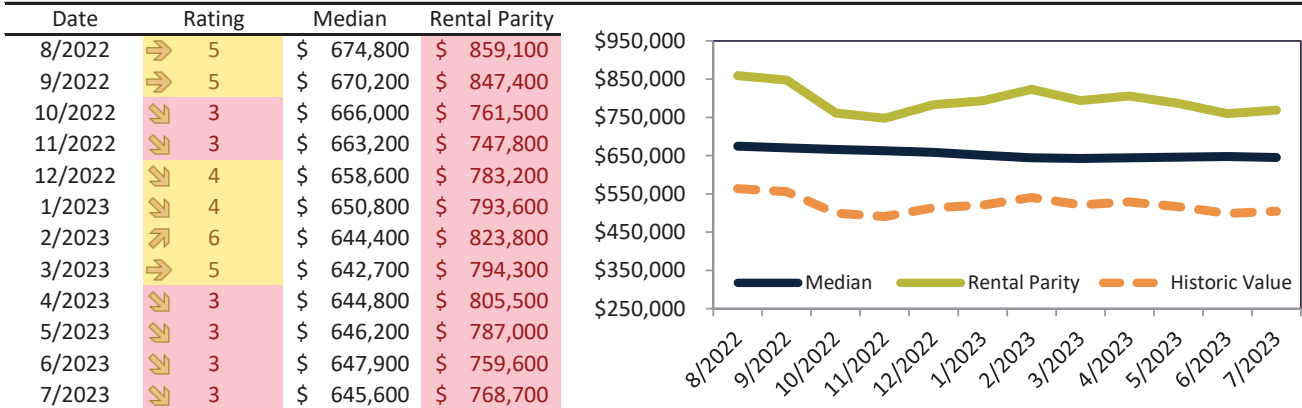
Median home price is \$645,600. Prices fell 4.5% year-over-year.

Monthly cost of ownership is \$3,934, and rents average \$4,684, making owning \$750 per month less costly than renting.

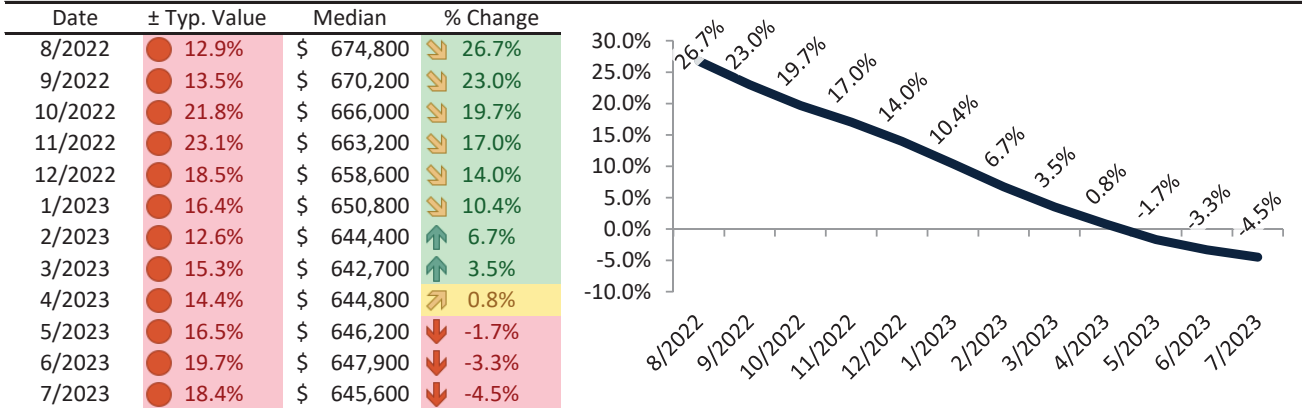
Rents rose 8.8% year-over-year. The current capitalization rate (rent/price) is 7.0%.

Market rating = 3

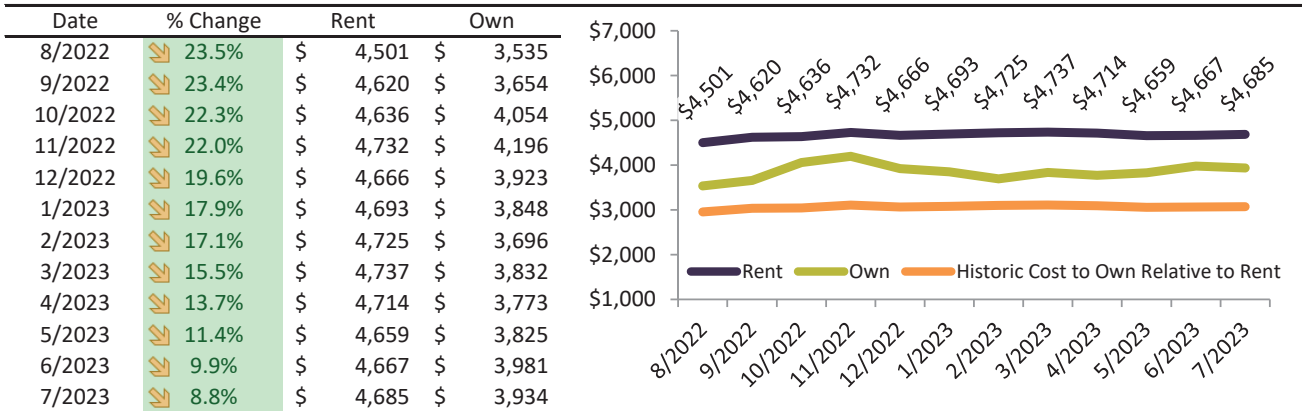
Median Home Price and Rental Parity trailing twelve months



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



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

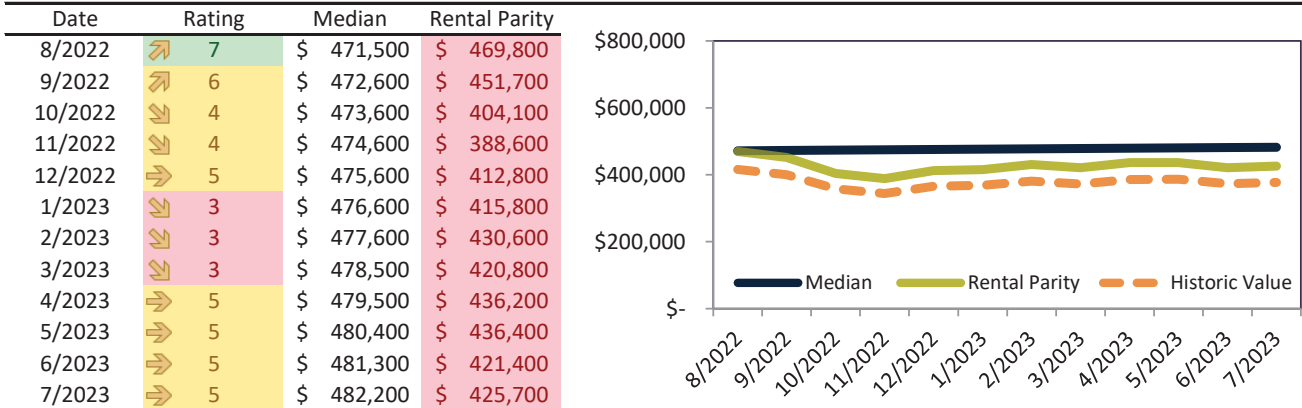


Pedley Housing Market Value & Trends Update

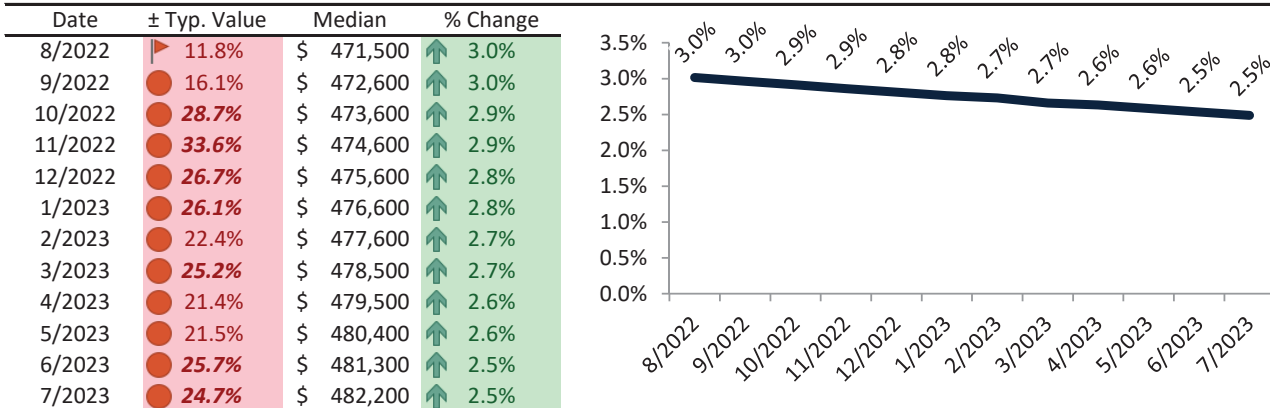
Historically, properties in this market sell at a -11.5% discount. Today's premium is 13.2%. This market is 24.7% overvalued. Median home price is \$482,200. Prices rose 2.5% year-over-year. Monthly cost of ownership is \$2,938, and rents average \$2,594, making owning \$343 per month more costly than renting. Rents rose 4.1% year-over-year. The current capitalization rate (rent/price) is 5.2%.

Market rating = 5

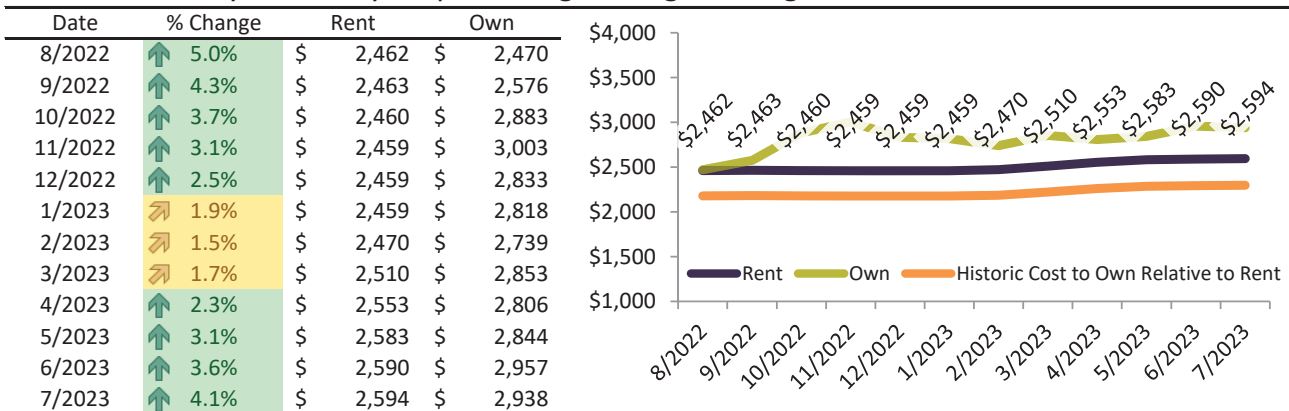
Median Home Price and Rental Parity trailing twelve months



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



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



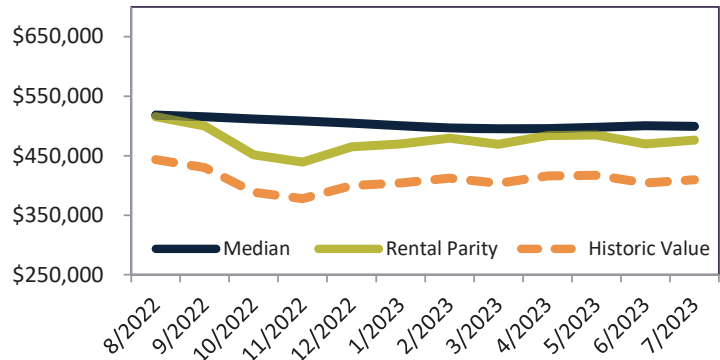
Perris Housing Market Value & Trends Update

Historically, properties in this market sell at a -14.0% discount. Today's premium is 4.8%. This market is 18.8% overvalued. Median home price is \$499,100. Prices fell 3.7% year-over-year. Monthly cost of ownership is \$3,041, and rents average \$2,900, making owning \$140 per month more costly than renting. Rents rose 11.7% year-over-year. The current capitalization rate (rent/price) is 5.6%.

Market rating = 3

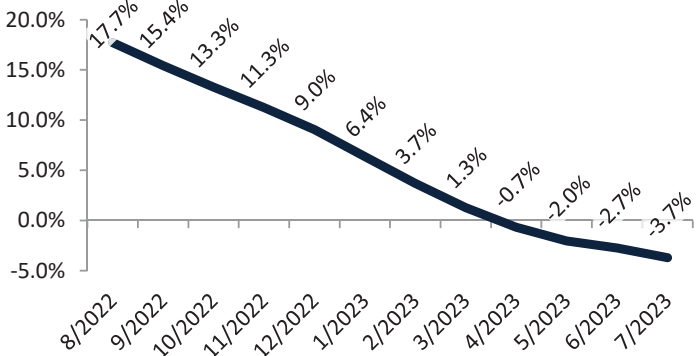
Median Home Price and Rental Parity trailing twelve months

Date	Rating	Median	Rental Parity
8/2022	4	\$ 518,200	\$ 515,500
9/2022	4	\$ 515,200	\$ 500,000
10/2022	3	\$ 511,900	\$ 451,400
11/2022	2	\$ 508,600	\$ 439,200
12/2022	3	\$ 504,900	\$ 465,100
1/2023	5	\$ 500,400	\$ 469,900
2/2023	5	\$ 496,800	\$ 479,200
3/2023	3	\$ 495,200	\$ 469,200
4/2023	3	\$ 495,600	\$ 483,500
5/2023	3	\$ 497,400	\$ 484,600
6/2023	3	\$ 500,600	\$ 469,600
7/2023	3	\$ 499,100	\$ 476,000



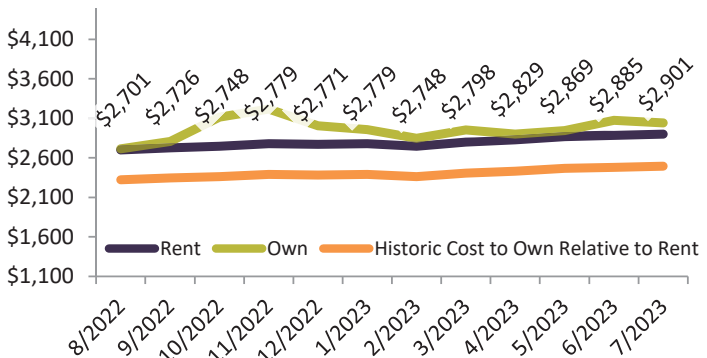
Resale Median and year-over-year percentage change trailing twelve months

Date	± Typ. Value	Median	% Change
8/2022	14.5%	\$ 518,200	17.7%
9/2022	17.0%	\$ 515,200	15.4%
10/2022	27.4%	\$ 511,900	13.3%
11/2022	29.8%	\$ 508,600	11.3%
12/2022	22.5%	\$ 504,900	9.0%
1/2023	20.5%	\$ 500,400	6.4%
2/2023	17.7%	\$ 496,800	3.7%
3/2023	19.5%	\$ 495,200	1.3%
4/2023	16.5%	\$ 495,600	-0.7%
5/2023	16.6%	\$ 497,400	-2.0%
6/2023	20.6%	\$ 500,600	-2.7%
7/2023	18.8%	\$ 499,100	-3.7%



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

Date	% Change	Rent	Own
8/2022	23.1%	\$ 2,701	\$ 2,715
9/2022	24.2%	\$ 2,726	\$ 2,809
10/2022	25.2%	\$ 2,748	\$ 3,116
11/2022	26.2%	\$ 2,779	\$ 3,218
12/2022	26.6%	\$ 2,771	\$ 3,008
1/2023	27.0%	\$ 2,779	\$ 2,959
2/2023	26.7%	\$ 2,748	\$ 2,849
3/2023	19.8%	\$ 2,798	\$ 2,953
4/2023	17.6%	\$ 2,829	\$ 2,900
5/2023	14.9%	\$ 2,869	\$ 2,944
6/2023	12.9%	\$ 2,885	\$ 3,076
7/2023	11.7%	\$ 2,901	\$ 3,041

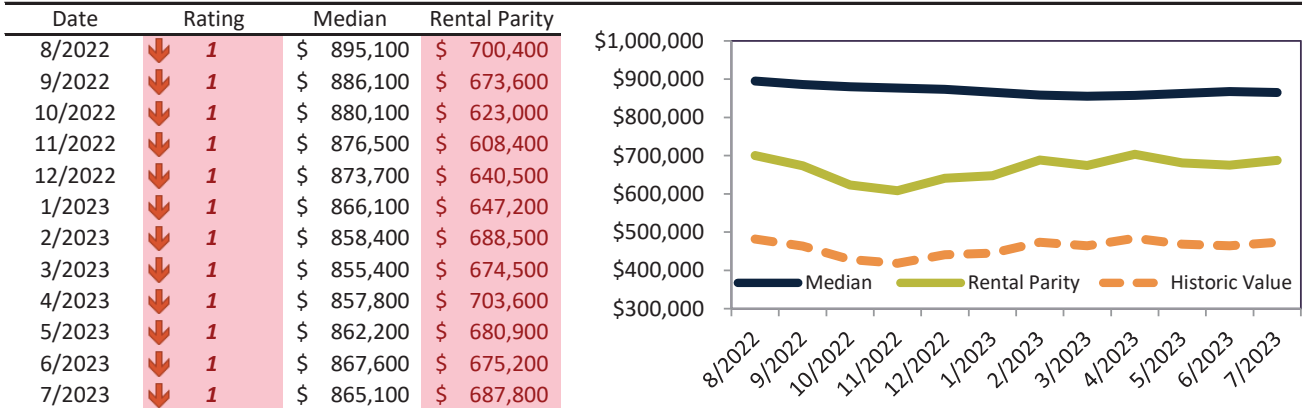


Rancho Mirage Housing Market Value & Trends Update

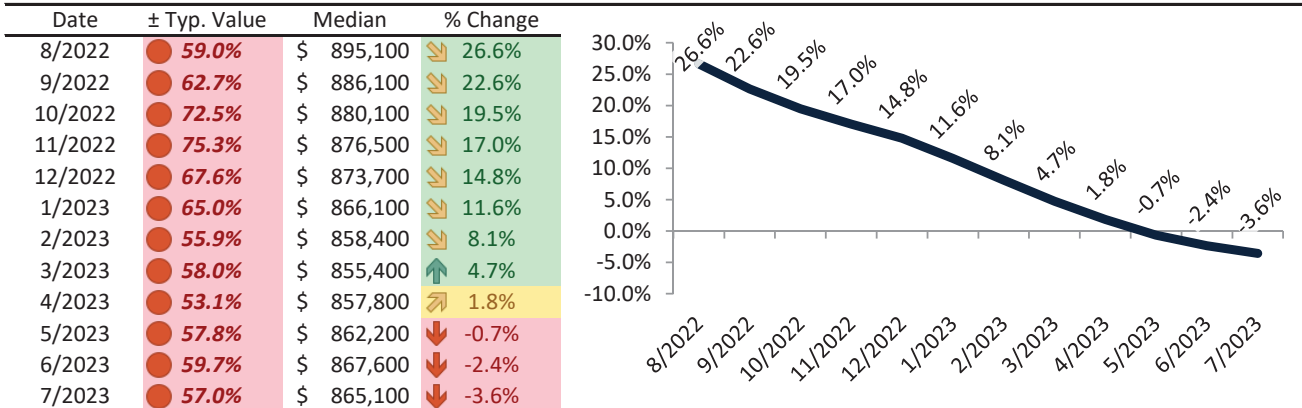
Historically, properties in this market sell at a -31.2% discount. Today's premium is 25.8%. This market is 57.0% overvalued. Median home price is \$865,100. Prices fell 3.6% year-over-year. Monthly cost of ownership is \$5,271, and rents average \$4,191, making owning \$1,079 per month more costly than renting. Rents rose 8.8% year-over-year. The current capitalization rate (rent/price) is 4.7%.

Market rating = 1

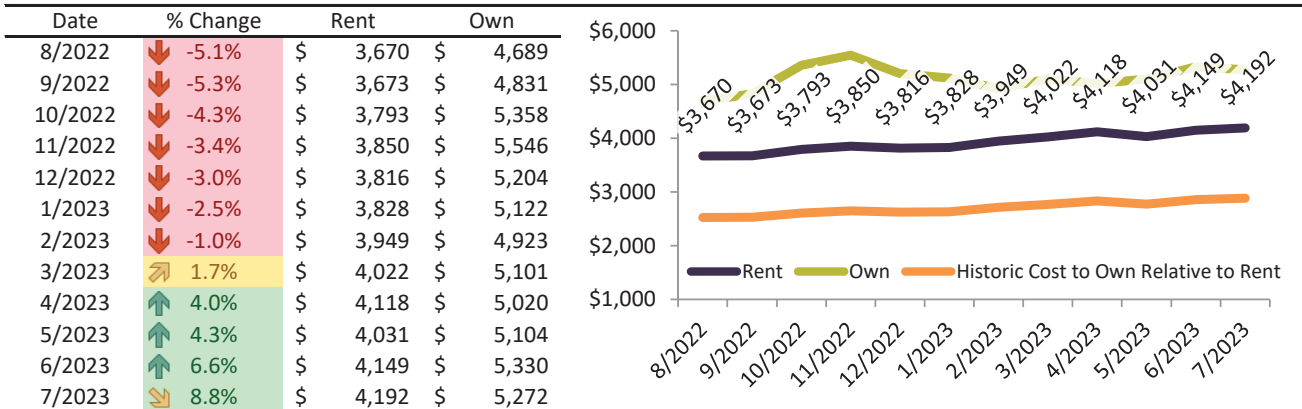
Median Home Price and Rental Parity trailing twelve months



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



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



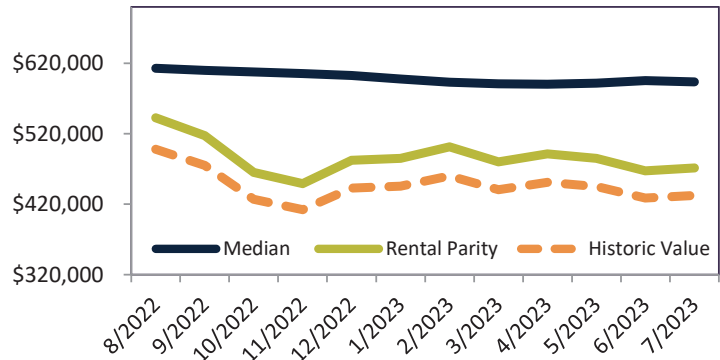
Riverside Housing Market Value & Trends Update

Historically, properties in this market sell at a -8.2% discount. Today's premium is 26.0%. This market is 34.2% overvalued. Median home price is \$593,700. Prices fell 3.3% year-over-year. Monthly cost of ownership is \$3,617, and rents average \$2,872, making owning \$745 per month more costly than renting. Rents rose 2.7% year-over-year. The current capitalization rate (rent/price) is 4.6%.

Market rating = 2

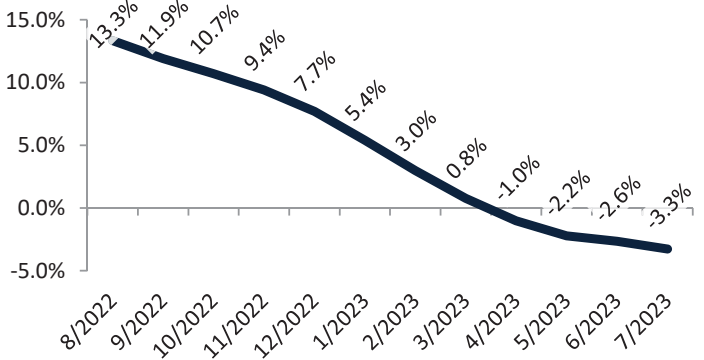
Median Home Price and Rental Parity trailing twelve months

Date	Rating	Median	Rental Parity
8/2022	3	\$ 612,900	\$ 542,600
9/2022	3	\$ 610,100	\$ 517,500
10/2022	1	\$ 607,600	\$ 465,300
11/2022	1	\$ 605,300	\$ 449,200
12/2022	2	\$ 602,500	\$ 482,400
1/2023	3	\$ 597,700	\$ 485,300
2/2023	4	\$ 593,200	\$ 501,500
3/2023	2	\$ 590,700	\$ 480,300
4/2023	2	\$ 590,300	\$ 491,400
5/2023	2	\$ 592,000	\$ 484,900
6/2023	1	\$ 595,200	\$ 467,200
7/2023	2	\$ 593,700	\$ 471,300



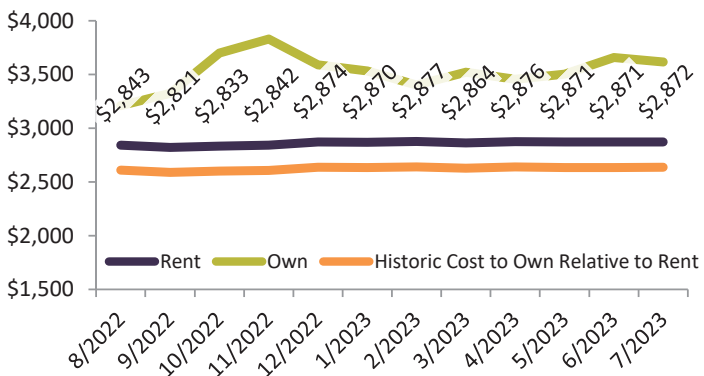
Resale Median and year-over-year percentage change trailing twelve months

Date	± Typ. Value	Median	% Change
8/2022	21.2%	\$ 612,900	13.3%
9/2022	26.1%	\$ 610,100	11.9%
10/2022	38.8%	\$ 607,600	10.7%
11/2022	43.0%	\$ 605,300	9.4%
12/2022	33.1%	\$ 602,500	7.7%
1/2023	31.4%	\$ 597,700	5.4%
2/2023	26.5%	\$ 593,200	3.0%
3/2023	31.2%	\$ 590,700	0.8%
4/2023	28.4%	\$ 590,300	-1.0%
5/2023	30.3%	\$ 592,000	-2.2%
6/2023	35.6%	\$ 595,200	-2.6%
7/2023	34.2%	\$ 593,700	-3.3%



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

Date	% Change	Rent	Own
8/2022	14.3%	\$ 2,843	\$ 3,211
9/2022	12.1%	\$ 2,821	\$ 3,326
10/2022	10.5%	\$ 2,833	\$ 3,699
11/2022	9.0%	\$ 2,842	\$ 3,830
12/2022	8.6%	\$ 2,874	\$ 3,589
1/2023	7.6%	\$ 2,870	\$ 3,534
2/2023	7.0%	\$ 2,877	\$ 3,402
3/2023	5.7%	\$ 2,864	\$ 3,522
4/2023	5.1%	\$ 2,876	\$ 3,454
5/2023	4.1%	\$ 2,871	\$ 3,504
6/2023	3.3%	\$ 2,871	\$ 3,657
7/2023	2.7%	\$ 2,872	\$ 3,618

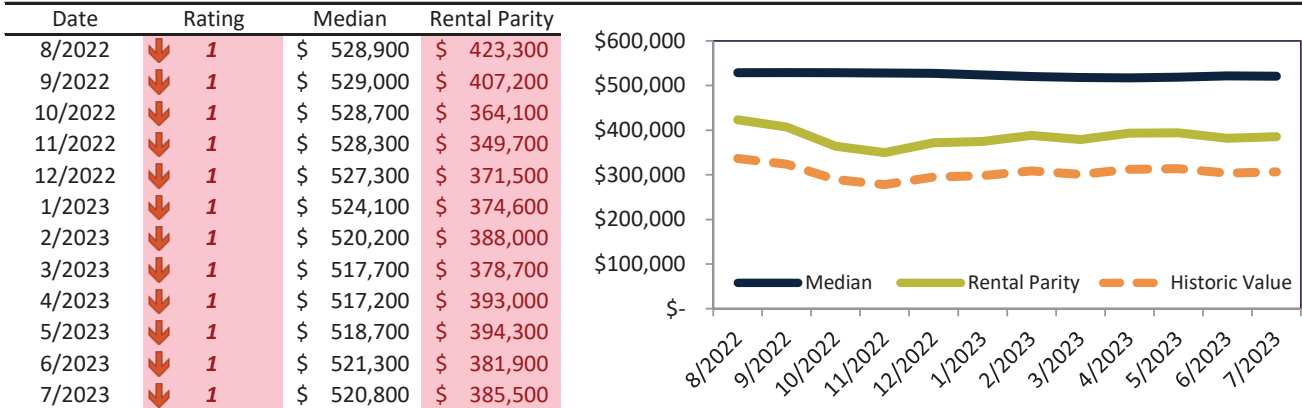


Arlanza Housing Market Value & Trends Update

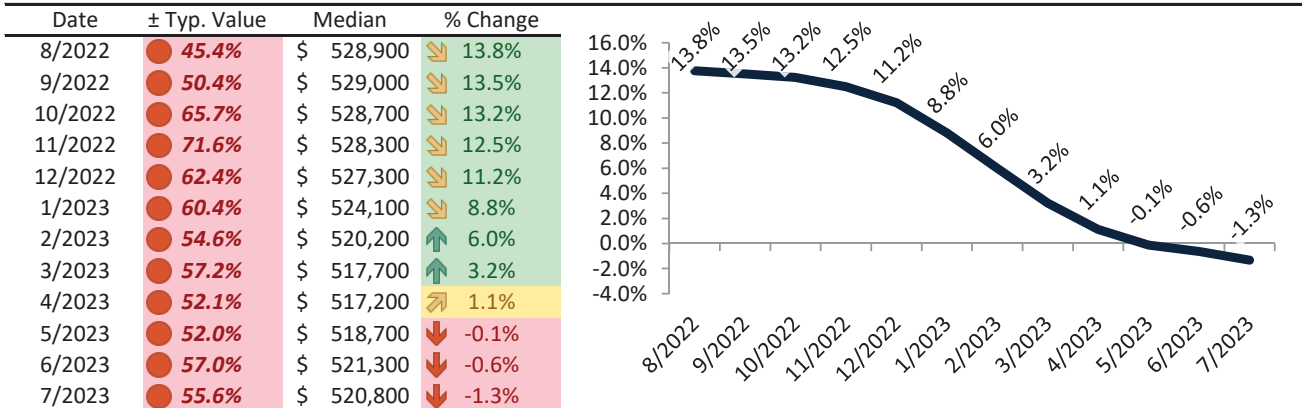
Historically, properties in this market sell at a -20.5% discount. Today's premium is 35.1%. This market is 55.6% overvalued. Median home price is \$520,800. Prices fell 1.3% year-over-year. Monthly cost of ownership is \$3,173, and rents average \$2,349, making owning \$824 per month more costly than renting. Rents rose 4.3% year-over-year. The current capitalization rate (rent/price) is 4.3%.

Market rating = 1

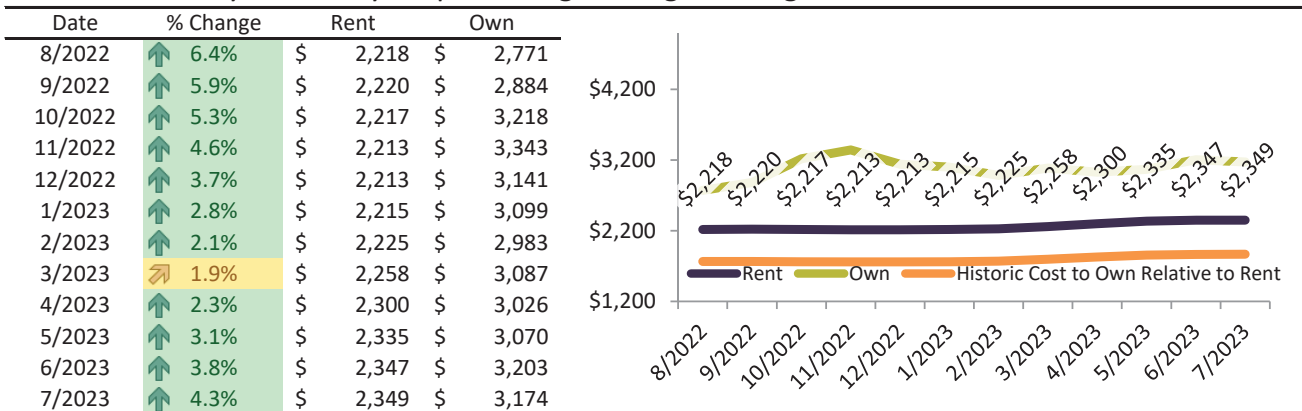
Median Home Price and Rental Parity trailing twelve months



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



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



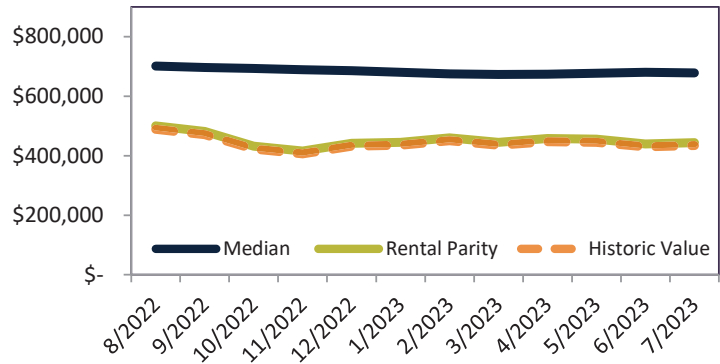
Canyon Crest Housing Market Value & Trends Update

Historically, properties in this market sell at a -2.3% discount. Today's premium is 52.7%. This market is 55.0% overvalued. Median home price is \$678,300. Prices fell 3.6% year-over-year. Monthly cost of ownership is \$4,133, and rents average \$2,706, making owning \$1,426 per month more costly than renting. Rents rose 2.7% year-over-year. The current capitalization rate (rent/price) is 3.8%.

Market rating = 1

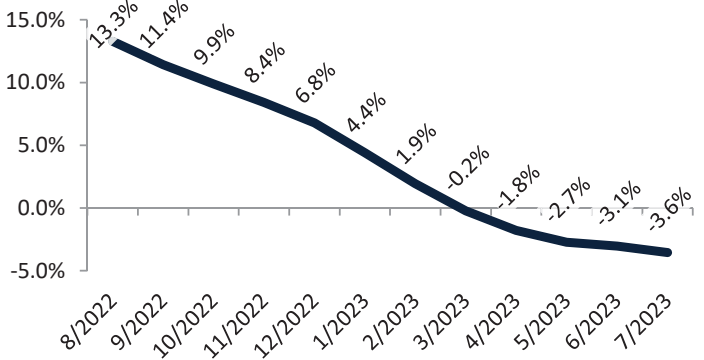
Median Home Price and Rental Parity trailing twelve months

Date	Rating	Median	Rental Parity
8/2022	↓ 1	\$ 701,200	\$ 500,000
9/2022	↓ 1	\$ 696,800	\$ 481,600
10/2022	↓ 1	\$ 692,700	\$ 431,600
11/2022	↓ 1	\$ 689,000	\$ 415,600
12/2022	↓ 1	\$ 685,700	\$ 441,700
1/2023	↓ 1	\$ 680,000	\$ 445,100
2/2023	↓ 1	\$ 675,100	\$ 460,200
3/2023	↓ 1	\$ 673,000	\$ 445,300
4/2023	↓ 1	\$ 674,000	\$ 457,700
5/2023	↓ 1	\$ 676,700	\$ 455,400
6/2023	↓ 1	\$ 680,200	\$ 439,900
7/2023	↓ 1	\$ 678,300	\$ 444,100



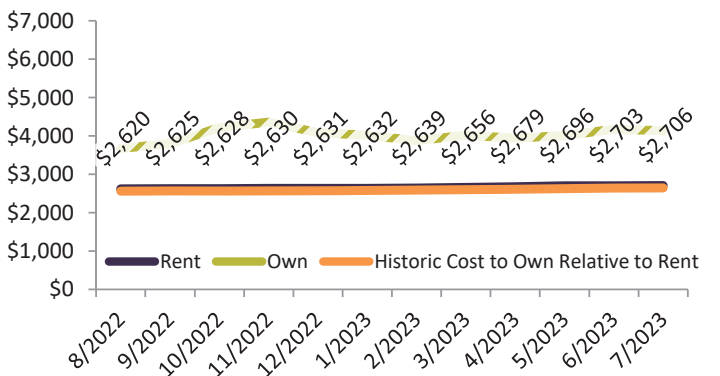
Resale Median and year-over-year percentage change trailing twelve months

Date	± Typ. Value	Median	% Change
8/2022	● 42.5%	\$ 701,200	↘ 13.3%
9/2022	● 47.0%	\$ 696,800	↘ 11.4%
10/2022	● 62.8%	\$ 692,700	↘ 9.9%
11/2022	● 68.1%	\$ 689,000	↘ 8.4%
12/2022	● 57.5%	\$ 685,700	↗ 6.8%
1/2023	● 55.1%	\$ 680,000	↗ 4.4%
2/2023	● 49.0%	\$ 675,100	↔ 1.9%
3/2023	● 53.4%	\$ 673,000	↓ -0.2%
4/2023	● 49.5%	\$ 674,000	↓ -1.8%
5/2023	● 50.9%	\$ 676,700	↓ -2.7%
6/2023	● 56.9%	\$ 680,200	↓ -3.1%
7/2023	● 55.0%	\$ 678,300	↓ -3.6%



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

Date	% Change	Rent	Own
8/2022	↑ 3.9%	\$ 2,620	\$ 3,673
9/2022	↑ 3.3%	\$ 2,625	\$ 3,799
10/2022	↑ 2.7%	\$ 2,628	\$ 4,217
11/2022	↑ 2.1%	\$ 2,630	\$ 4,359
12/2022	↔ 1.7%	\$ 2,631	\$ 4,085
1/2023	↔ 1.4%	\$ 2,632	\$ 4,021
2/2023	↔ 1.3%	\$ 2,639	\$ 3,872
3/2023	↔ 1.4%	\$ 2,656	\$ 4,013
4/2023	↔ 1.7%	\$ 2,679	\$ 3,944
5/2023	↑ 2.2%	\$ 2,696	\$ 4,006
6/2023	↑ 2.5%	\$ 2,703	\$ 4,179
7/2023	↑ 2.7%	\$ 2,706	\$ 4,133

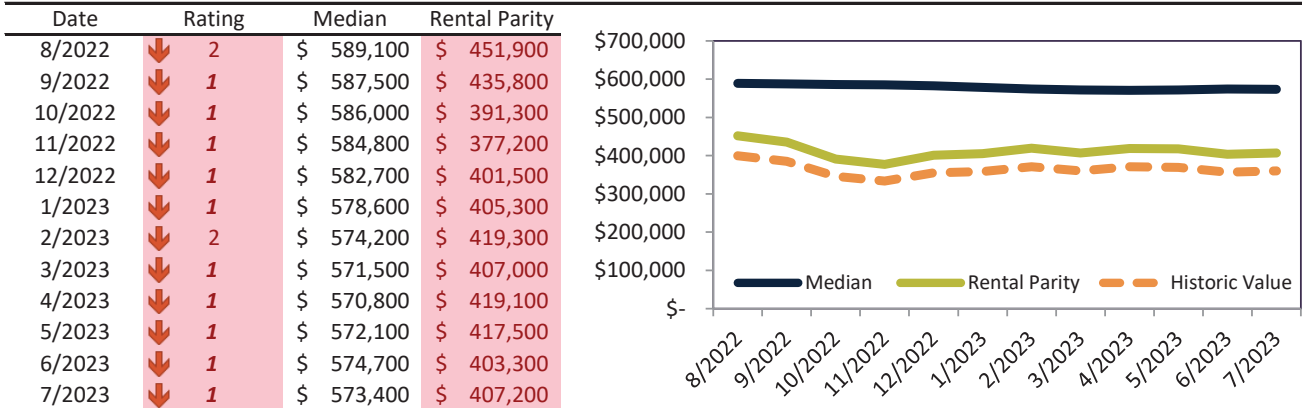


La Sierra Housing Market Value & Trends Update

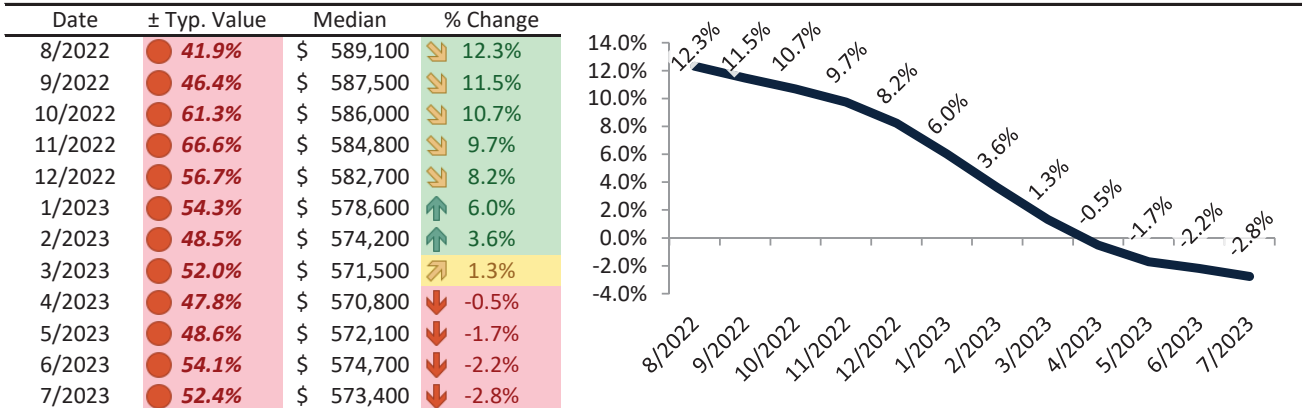
Historically, properties in this market sell at a -11.6% discount. Today's premium is 40.8%. This market is 52.4% overvalued. Median home price is \$573,400. Prices fell 2.8% year-over-year. Monthly cost of ownership is \$3,494, and rents average \$2,481, making owning \$1,012 per month more costly than renting. Rents rose 4.9% year-over-year. The current capitalization rate (rent/price) is 4.2%.

Market rating = 1

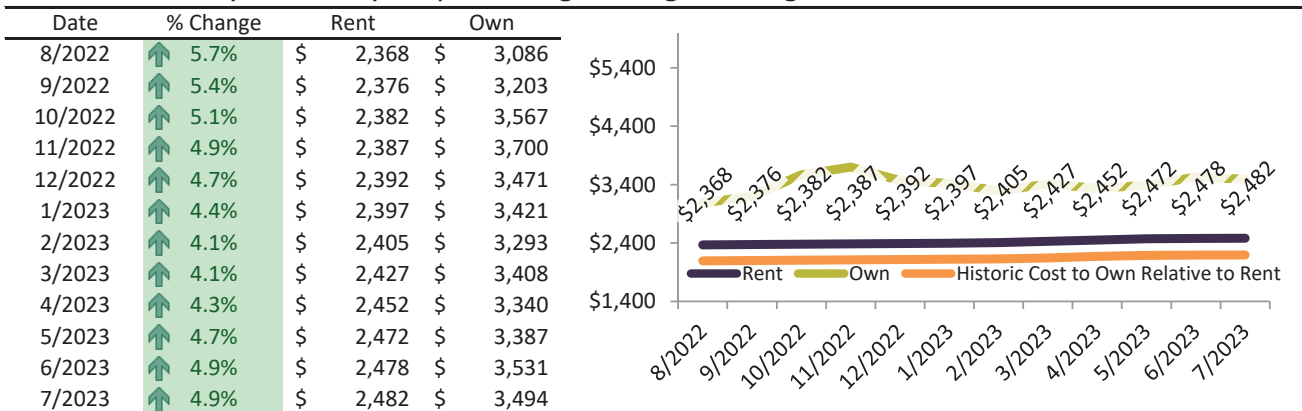
Median Home Price and Rental Parity trailing twelve months



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



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



La Sierra South Housing Market Value & Trends Update

Historically, properties in this market sell at a -7.6% discount. Today's premium is 46.3%. This market is 53.9% overvalued.

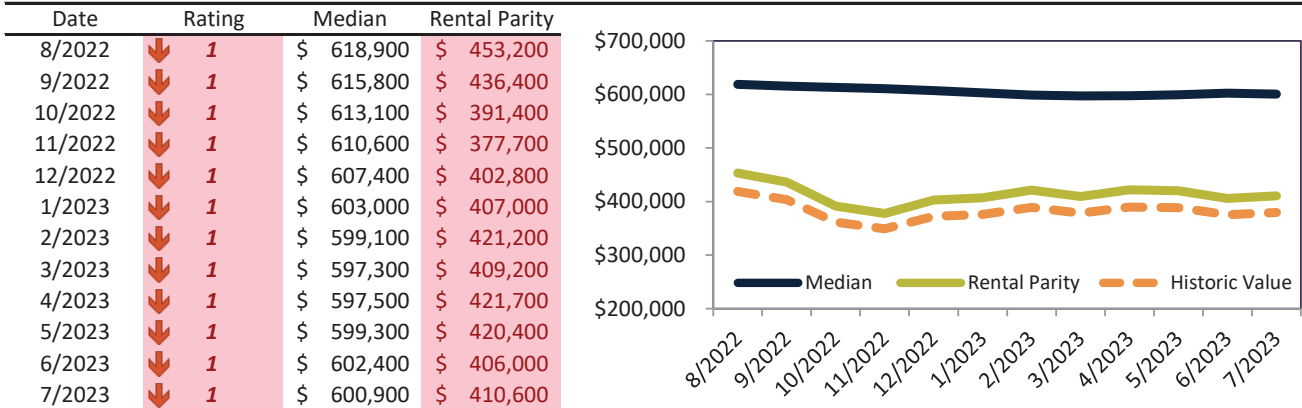
Median home price is \$600,900. Prices fell 3.2% year-over-year.

Monthly cost of ownership is \$3,661, and rents average \$2,502, making owning \$1,159 per month more costly than renting.

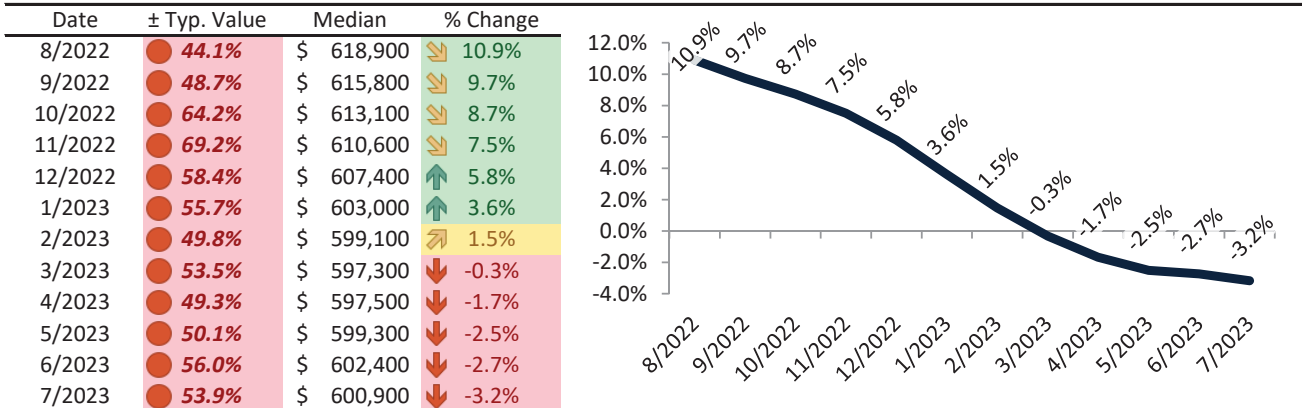
Rents rose 4.9% year-over-year. The current capitalization rate (rent/price) is 4.0%.

Market rating = 1

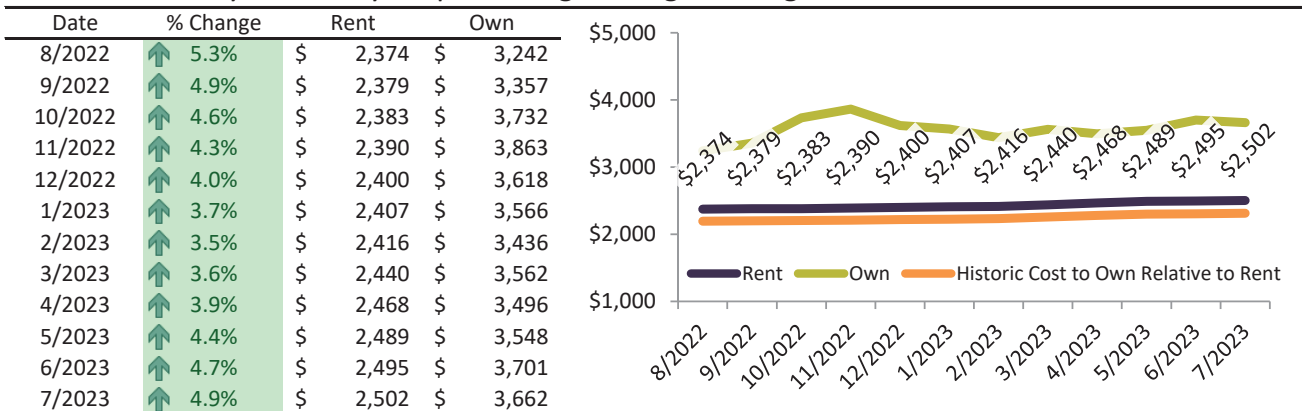
Median Home Price and Rental Parity trailing twelve months



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



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

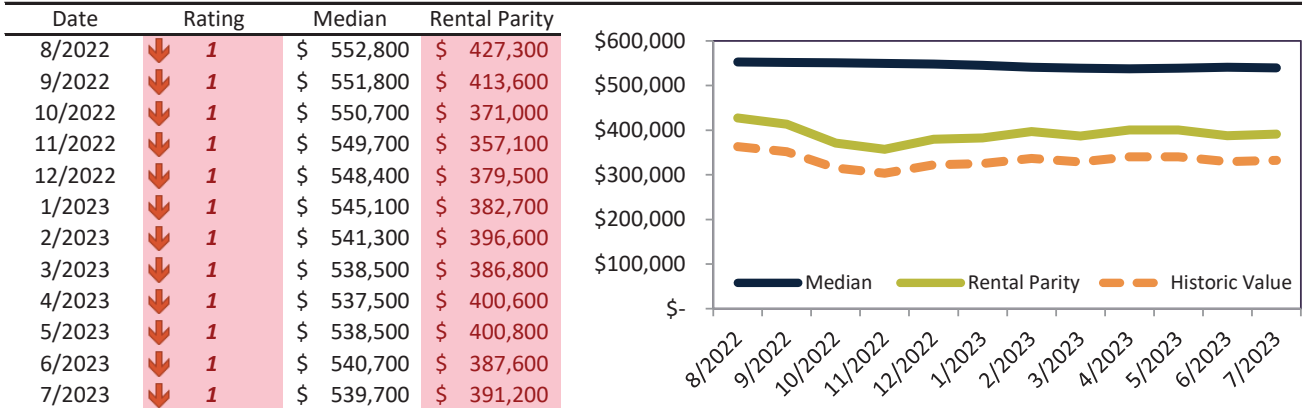


Magnolia Center Housing Market Value & Trends Update

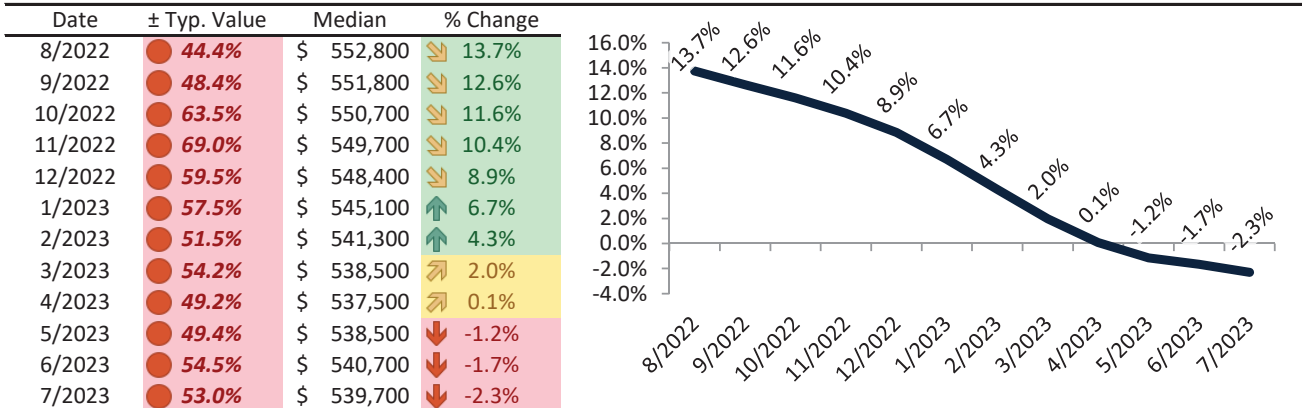
Historically, properties in this market sell at a -15.0% discount. Today's premium is 38.0%. This market is 53.0% overvalued. Median home price is \$539,700. Prices fell 2.3% year-over-year. Monthly cost of ownership is \$3,288, and rents average \$2,383, making owning \$904 per month more costly than renting. Rents rose 6.5% year-over-year. The current capitalization rate (rent/price) is 4.2%.

Market rating = 1

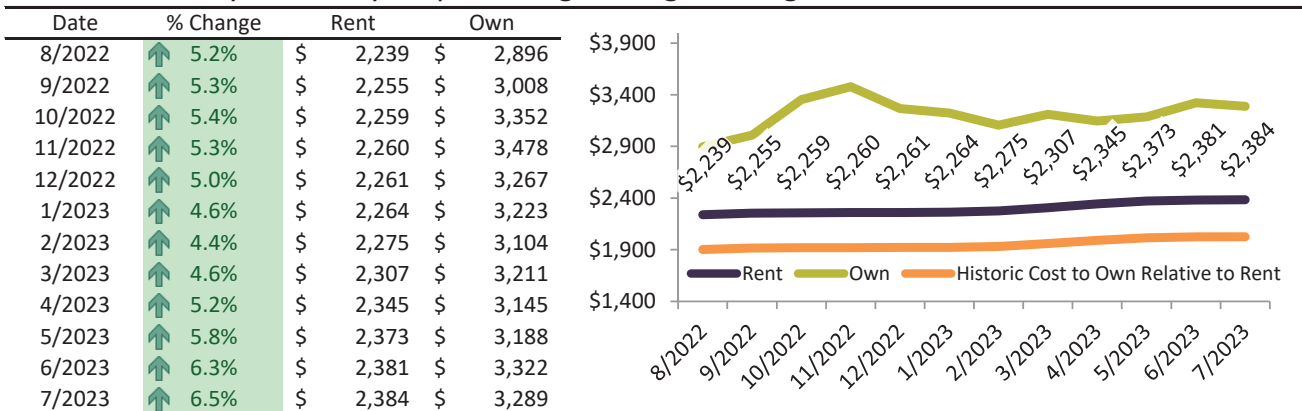
Median Home Price and Rental Parity trailing twelve months



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



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

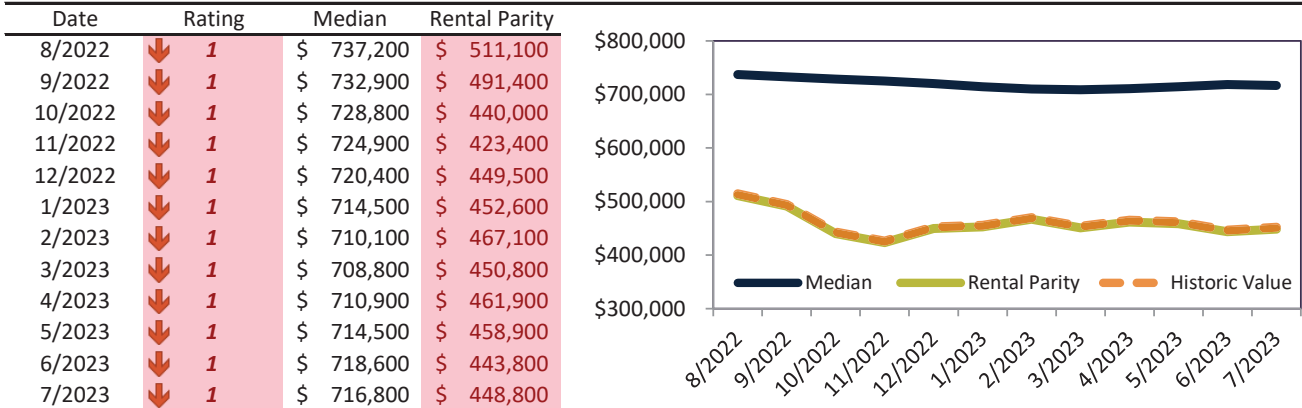


Orangecrest Housing Market Value & Trends Update

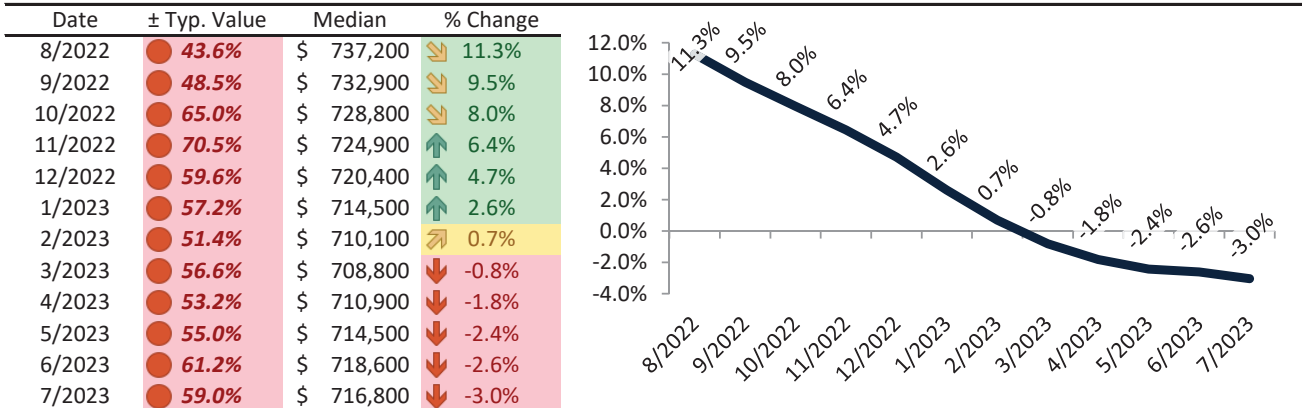
Historically, properties in this market sell at a 0.7% premium. Today's premium is 59.7%. This market is 59.0% overvalued. Median home price is \$716,800. Prices fell 3.0% year-over-year. Monthly cost of ownership is \$4,368, and rents average \$2,735, making owning \$1,632 per month more costly than renting. Rents rose 2.1% year-over-year. The current capitalization rate (rent/price) is 3.7%.

Market rating = 1

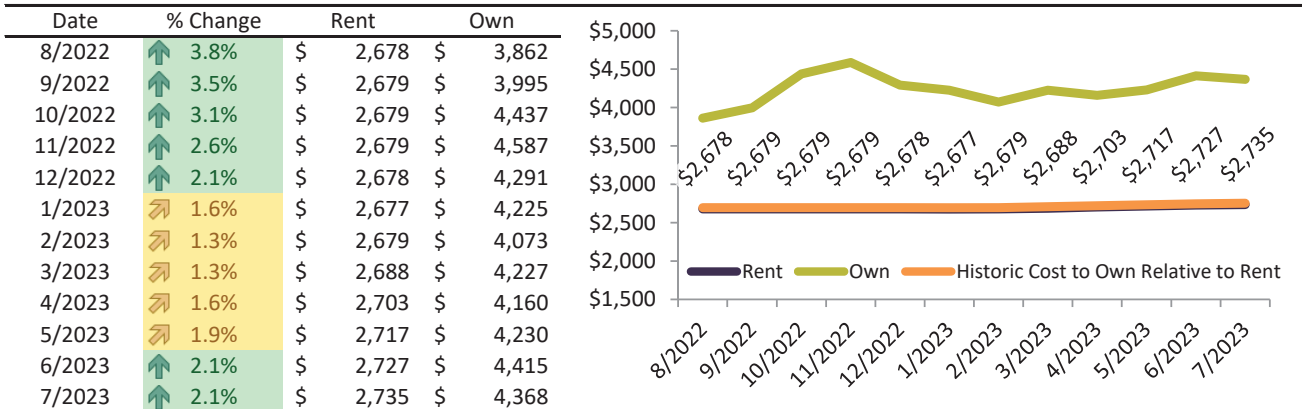
Median Home Price and Rental Parity trailing twelve months



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



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

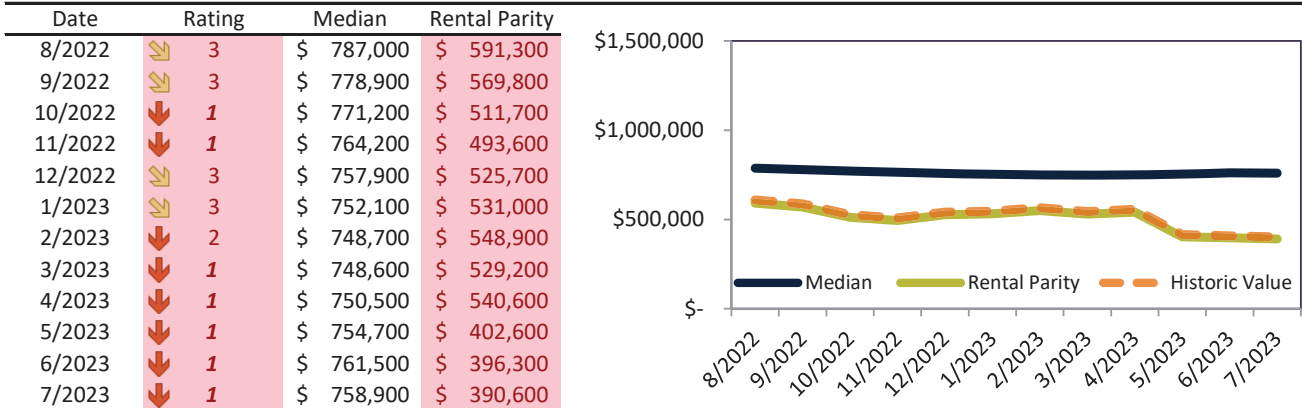


Ramona Housing Market Value & Trends Update

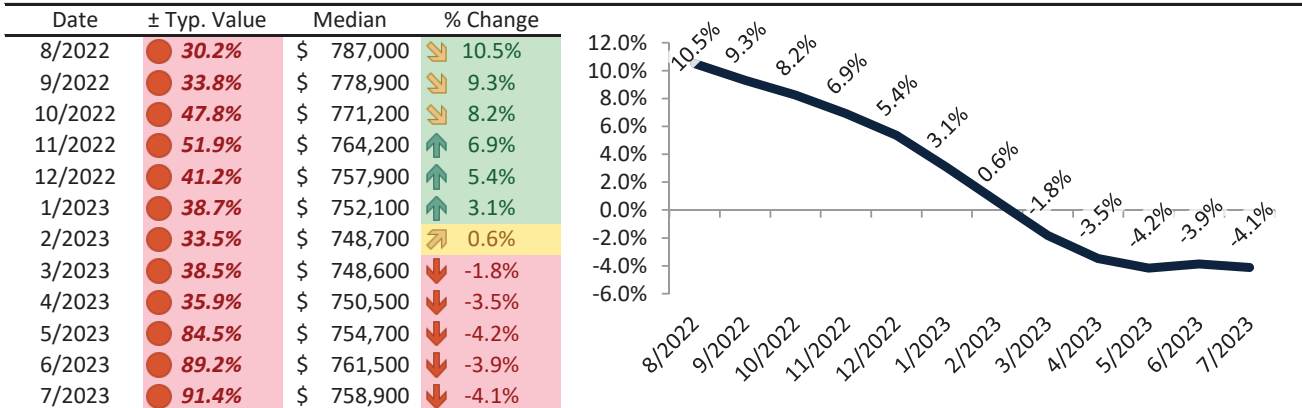
Historically, properties in this market sell at a 2.9% premium. Today's premium is 94.3%. This market is 91.4% overvalued. Median home price is \$758,900. Prices fell 4.1% year-over-year. Monthly cost of ownership is \$4,624, and rents average \$2,380, making owning \$2,243 per month more costly than renting. Rents fell 11.8% year-over-year. The current capitalization rate (rent/price) is 3.0%.

Market rating = 1

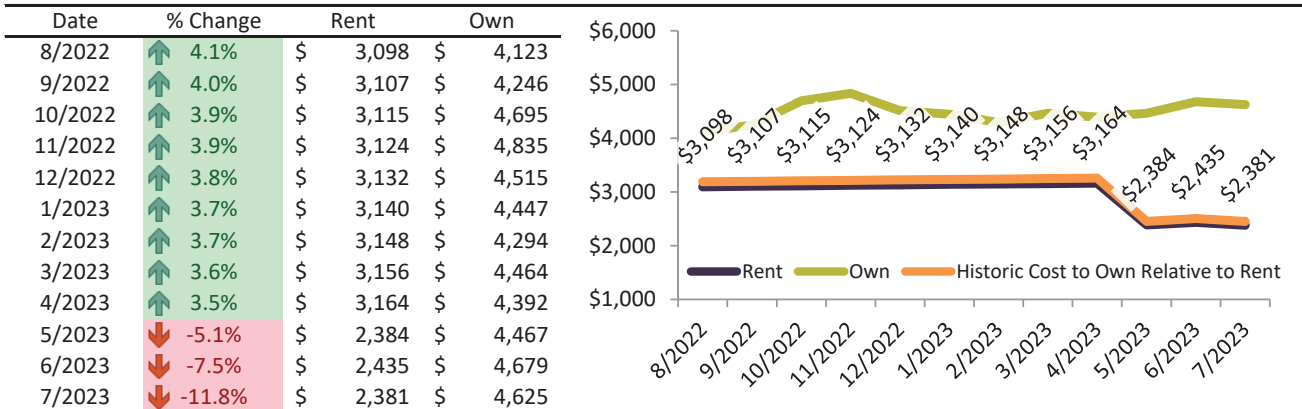
Median Home Price and Rental Parity trailing twelve months



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



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

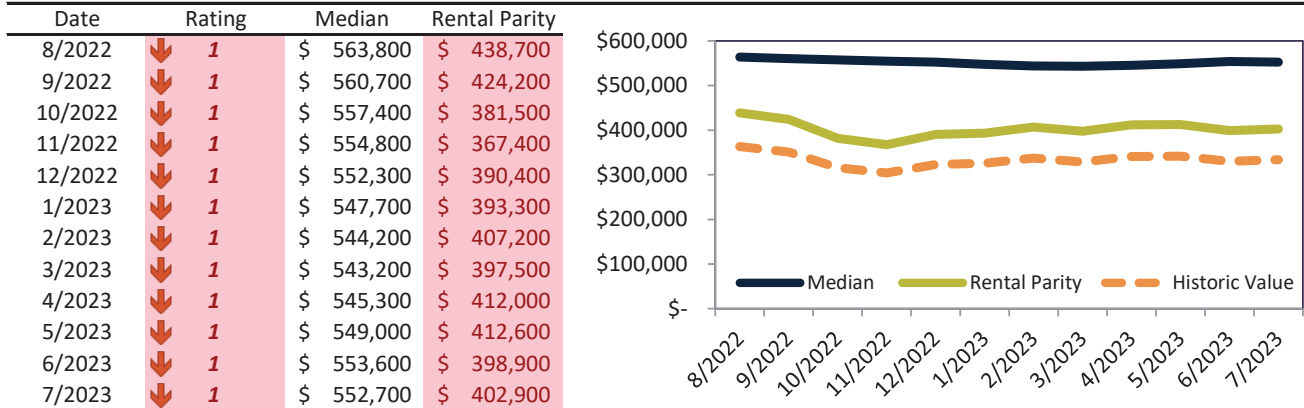


University Housing Market Value & Trends Update

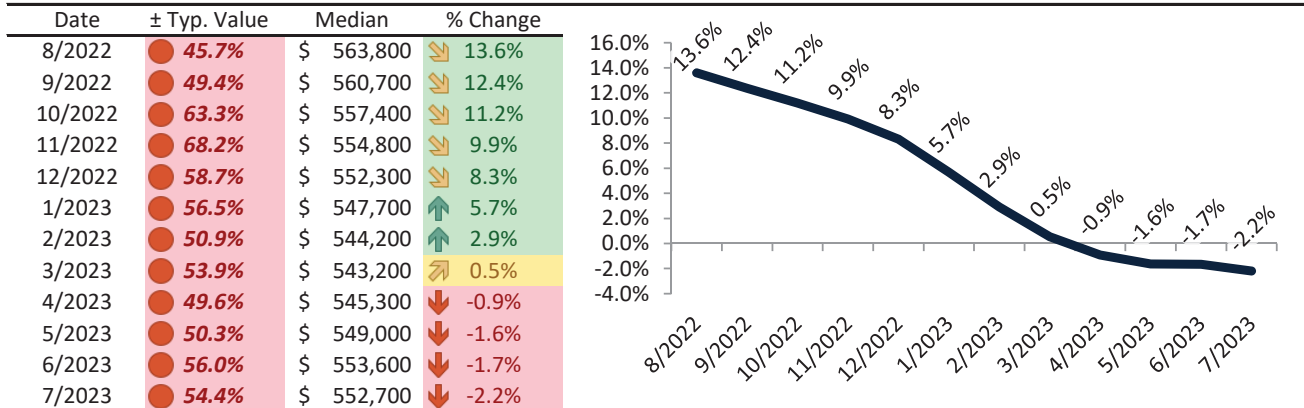
Historically, properties in this market sell at a -17.2% discount. Today's premium is 37.2%. This market is 54.4% overvalued. Median home price is \$552,700. Prices fell 2.2% year-over-year. Monthly cost of ownership is \$3,368, and rents average \$2,455, making owning \$912 per month more costly than renting. Rents rose 5.7% year-over-year. The current capitalization rate (rent/price) is 4.3%.

Market rating = 1

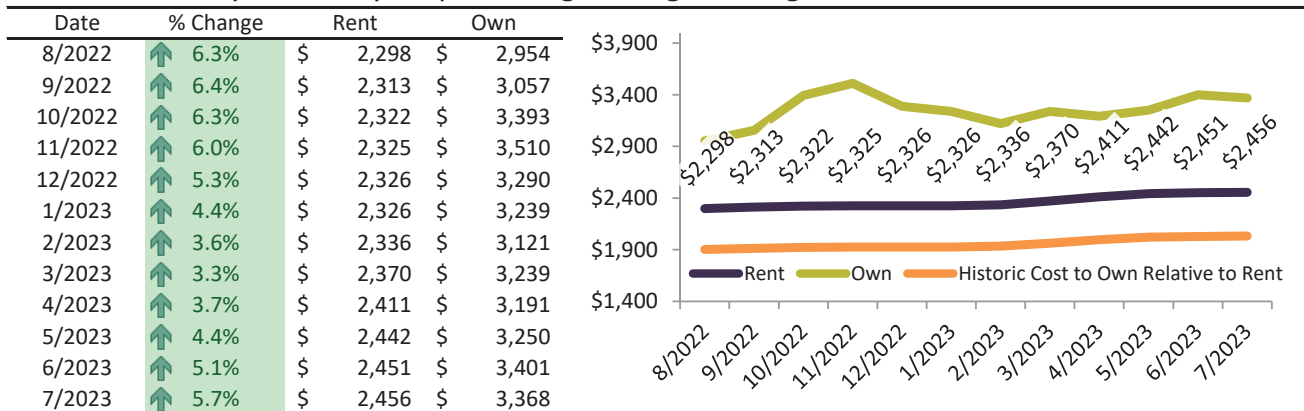
Median Home Price and Rental Parity trailing twelve months



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



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

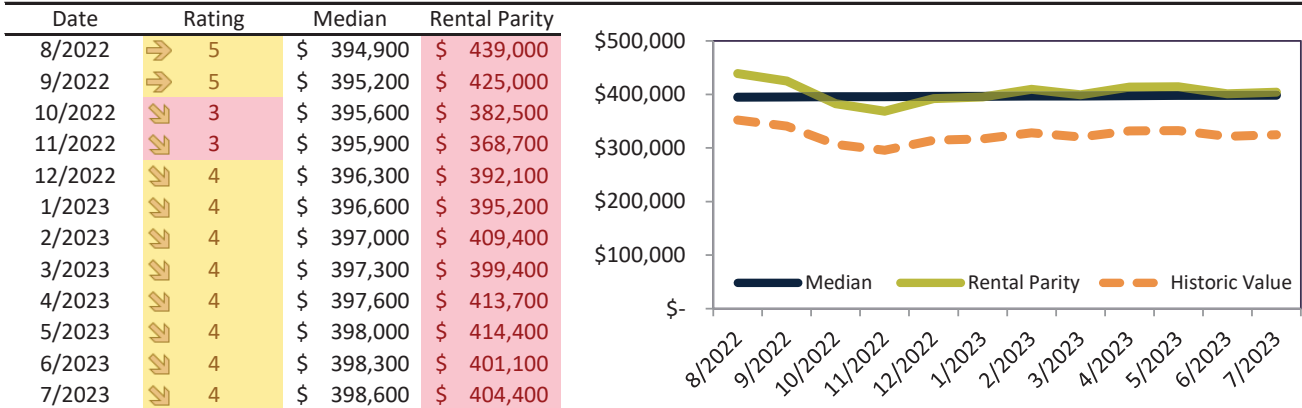


Rubidoux Housing Market Value & Trends Update

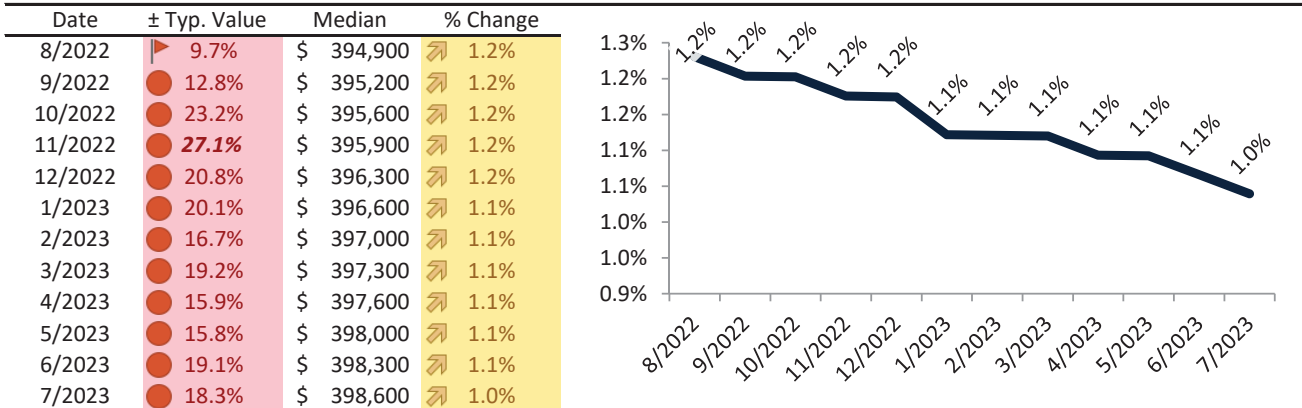
Historically, properties in this market sell at a -19.8% discount. Today's discount is 1.5%. This market is 18.3% overvalued. Median home price is \$398,600. Prices rose 1.0% year-over-year. Monthly cost of ownership is \$2,428, and rents average \$2,464, making owning \$035 per month less costly than renting. Rents rose 5.9% year-over-year. The current capitalization rate (rent/price) is 5.9%.

Market rating = 4

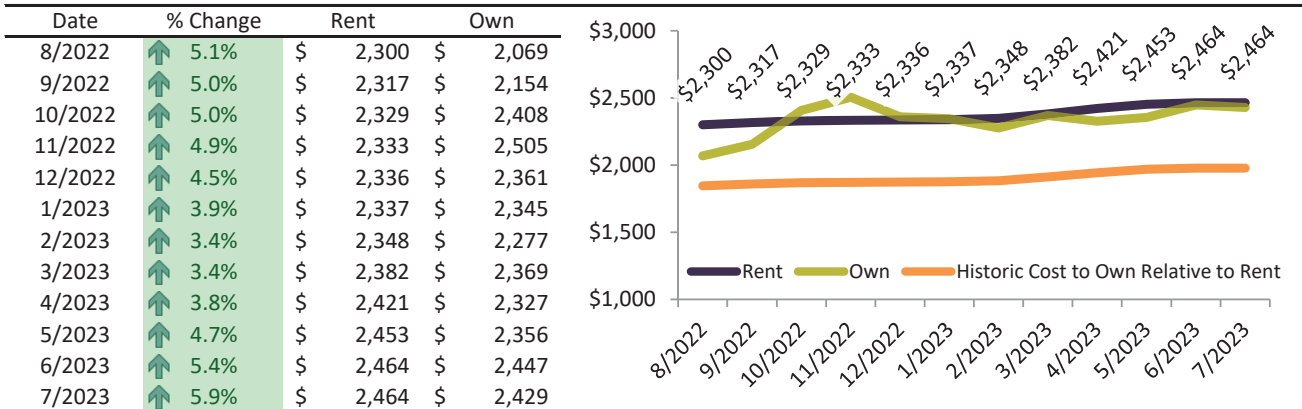
Median Home Price and Rental Parity trailing twelve months



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



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

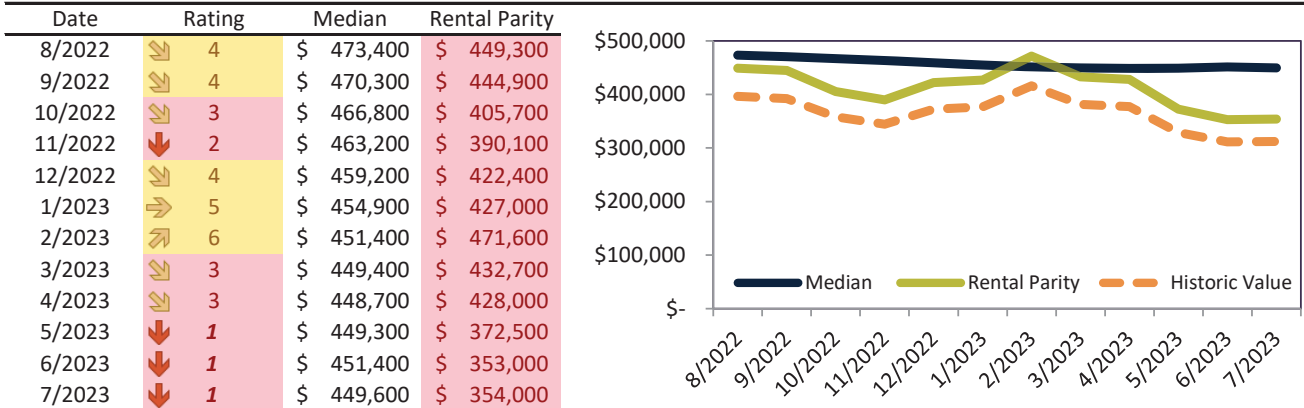


San Jacinto Housing Market Value & Trends Update

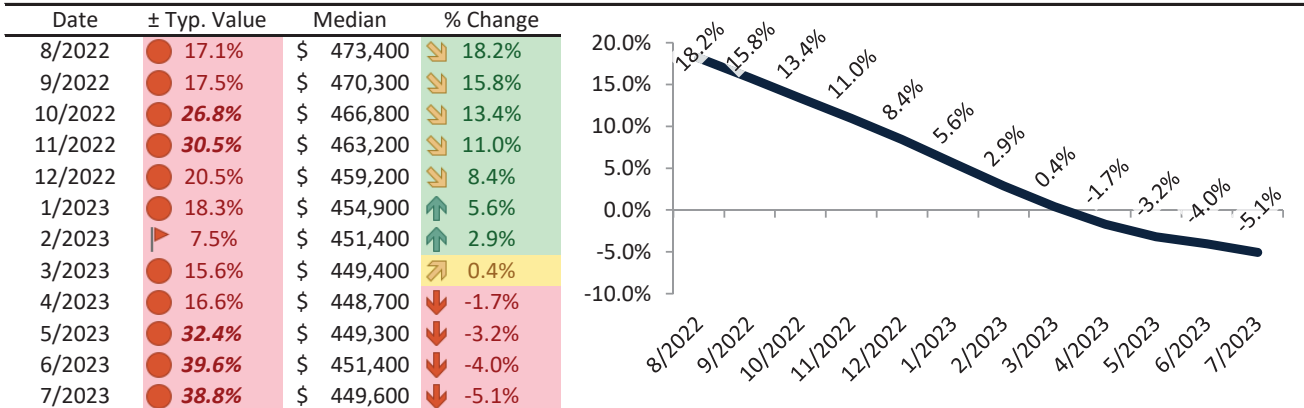
Historically, properties in this market sell at a -11.8% discount. Today's premium is 27.0%. This market is 38.8% overvalued. Median home price is \$449,600. Prices fell 5.1% year-over-year. Monthly cost of ownership is \$2,739, and rents average \$2,157, making owning \$582 per month more costly than renting. Rents rose 12.6% year-over-year. The current capitalization rate (rent/price) is 4.6%.

Market rating = 1

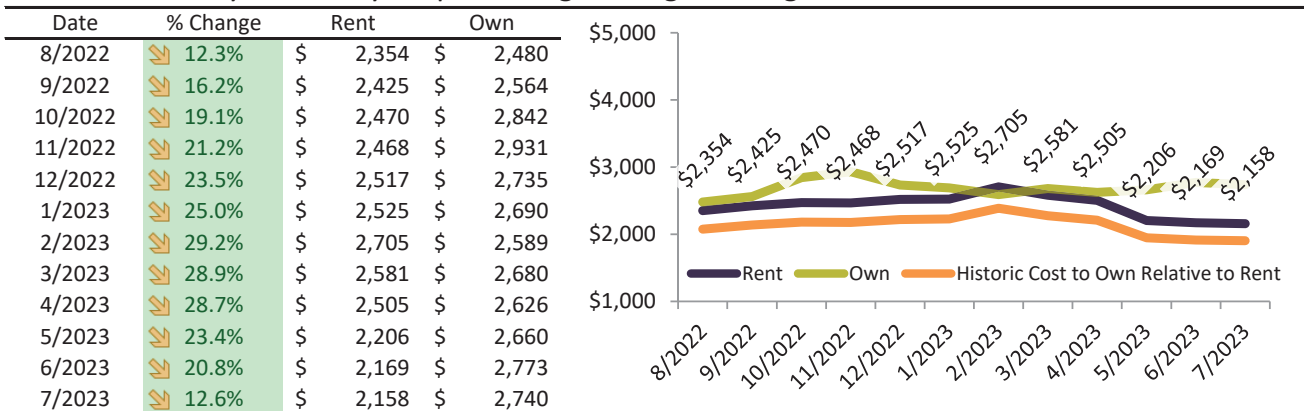
Median Home Price and Rental Parity trailing twelve months



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



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

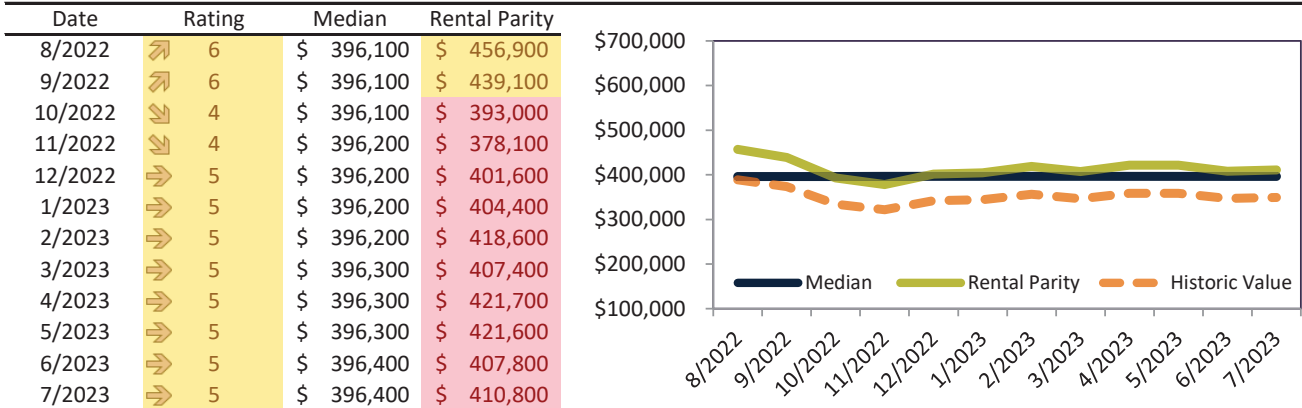


Sunnyslope Housing Market Value & Trends Update

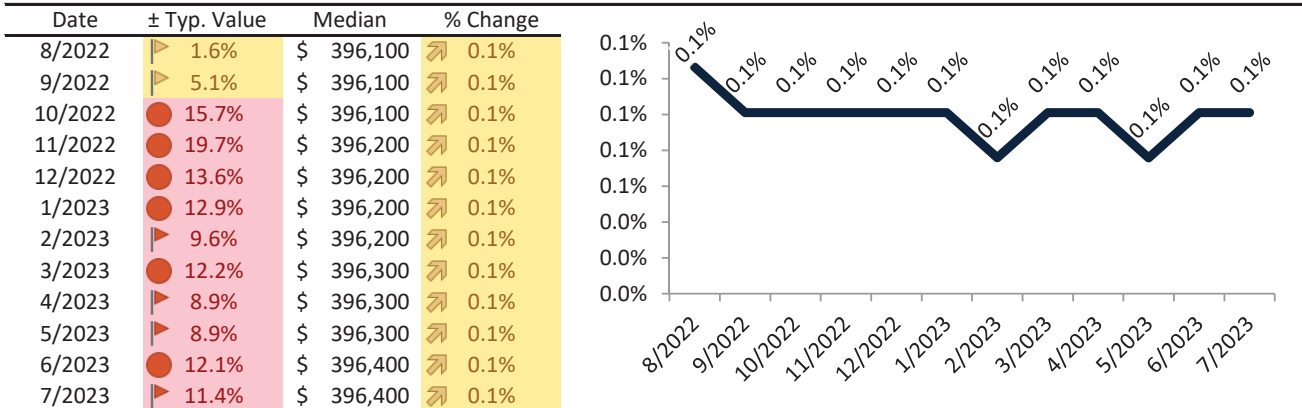
Historically, properties in this market sell at a -14.9% discount. Today's discount is 3.5%. This market is 11.4% overvalued. Median home price is \$396,400. Prices rose 0.1% year-over-year. Monthly cost of ownership is \$2,415, and rents average \$2,503, making owning \$088 per month less costly than renting. Rents rose 3.8% year-over-year. The current capitalization rate (rent/price) is 6.1%.

Market rating = 5

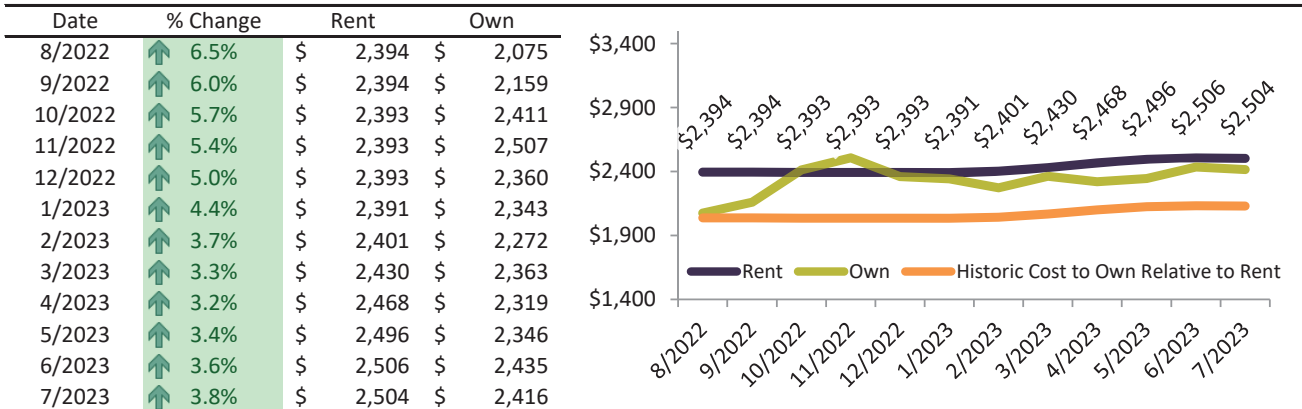
Median Home Price and Rental Parity trailing twelve months



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



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

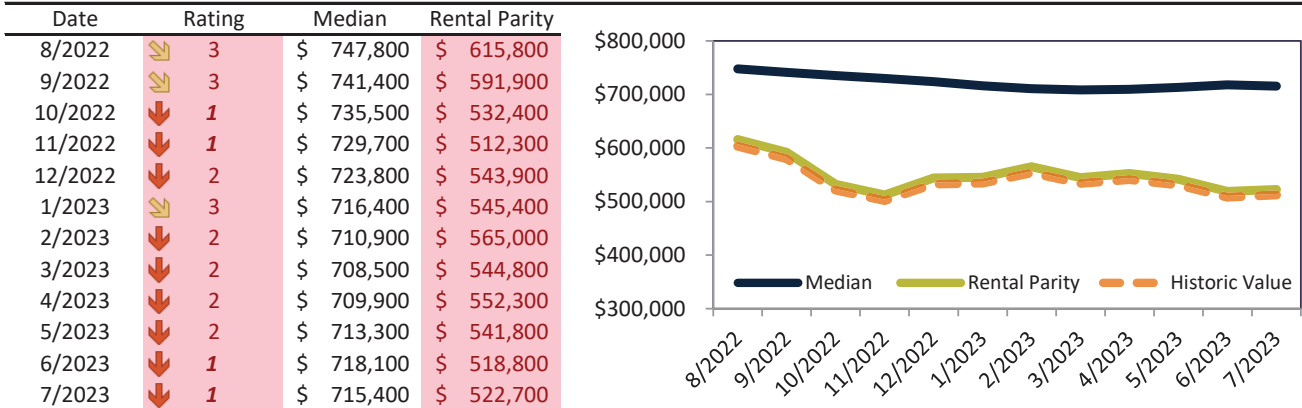


Temecula Housing Market Value & Trends Update

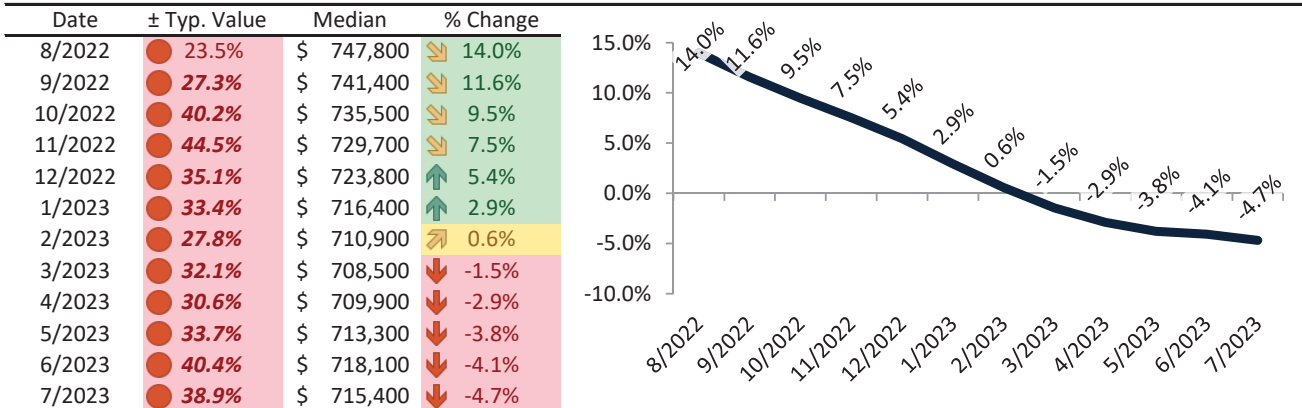
Historically, properties in this market sell at a -2.0% discount. Today's premium is 36.9%. This market is 38.9% overvalued. Median home price is \$715,400. Prices fell 4.7% year-over-year. Monthly cost of ownership is \$4,359, and rents average \$3,185, making owning \$1,173 per month more costly than renting. Rents rose 2.3% year-over-year. The current capitalization rate (rent/price) is 4.3%.

Market rating = 1

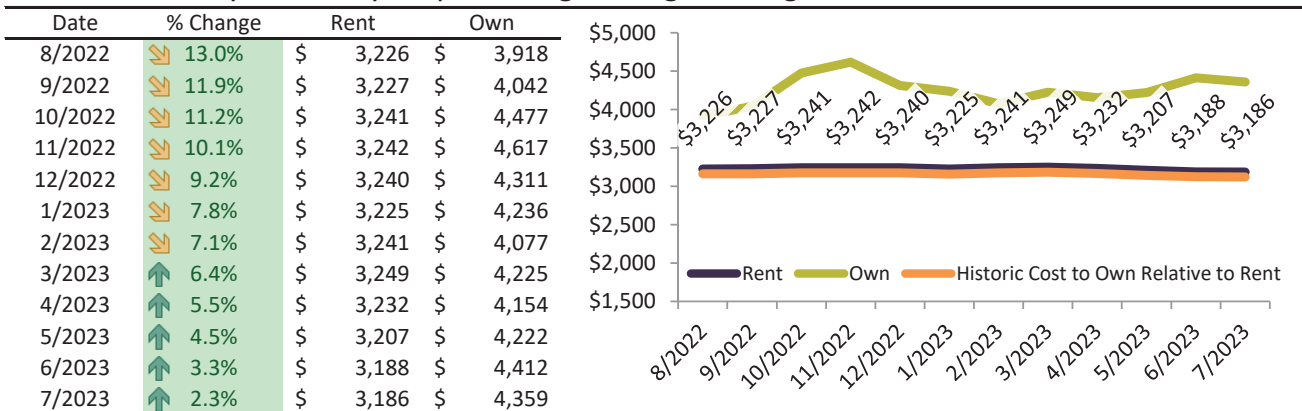
Median Home Price and Rental Parity trailing twelve months



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



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

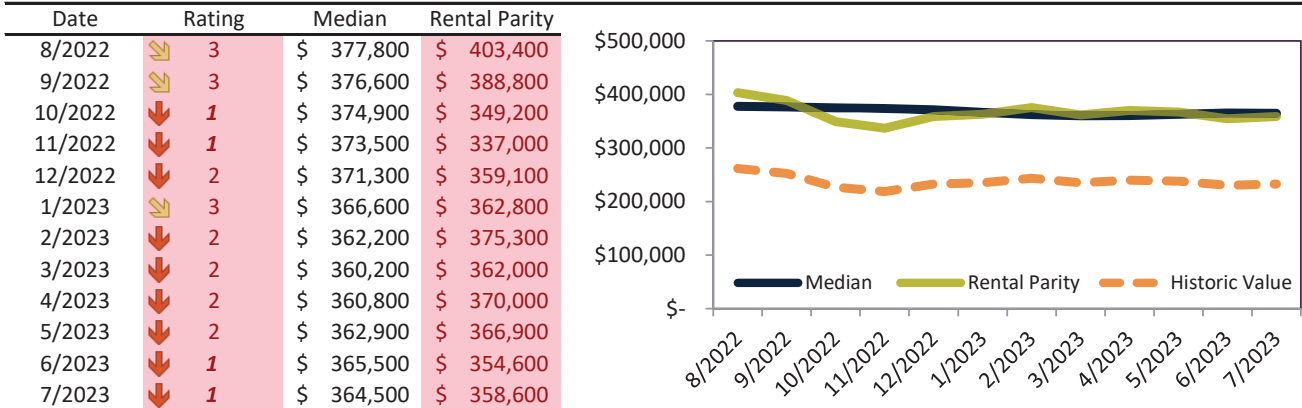


Thousand Palms Housing Market Value & Trends Update

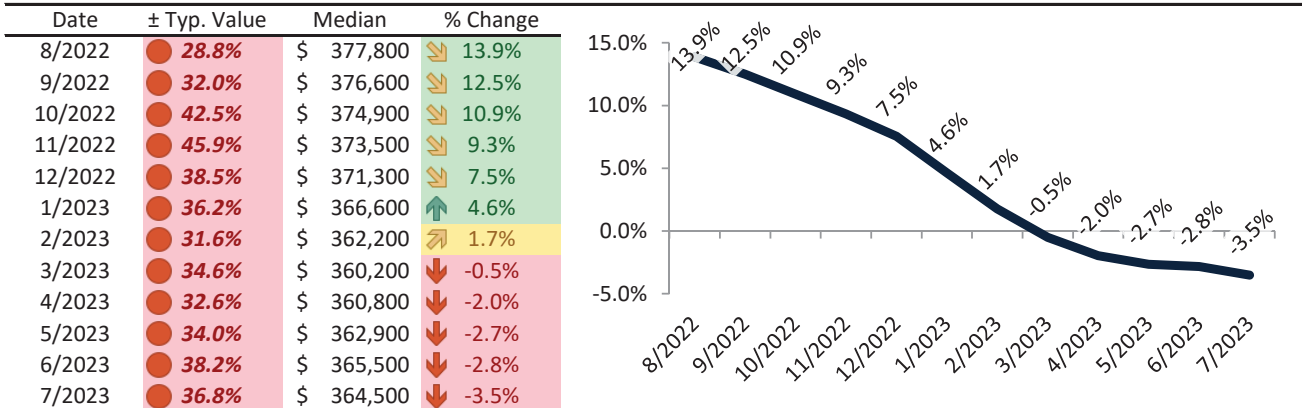
Historically, properties in this market sell at a -35.1% discount. Today's premium is 1.7%. This market is 36.8% overvalued. Median home price is \$364,500. Prices fell 3.5% year-over-year. Monthly cost of ownership is \$2,221, and rents average \$2,185, making owning \$35 per month more costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 5.8%.

Market rating = 1

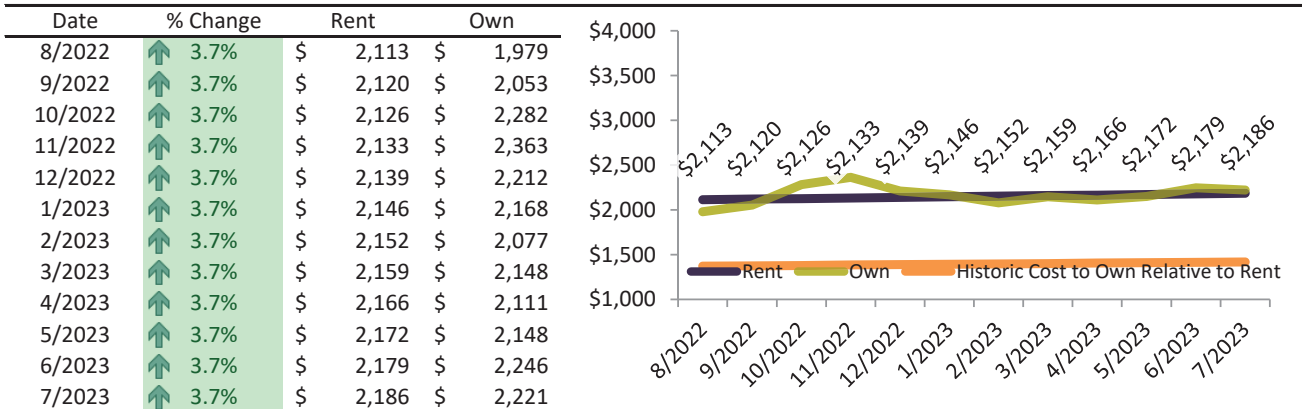
Median Home Price and Rental Parity trailing twelve months



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



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

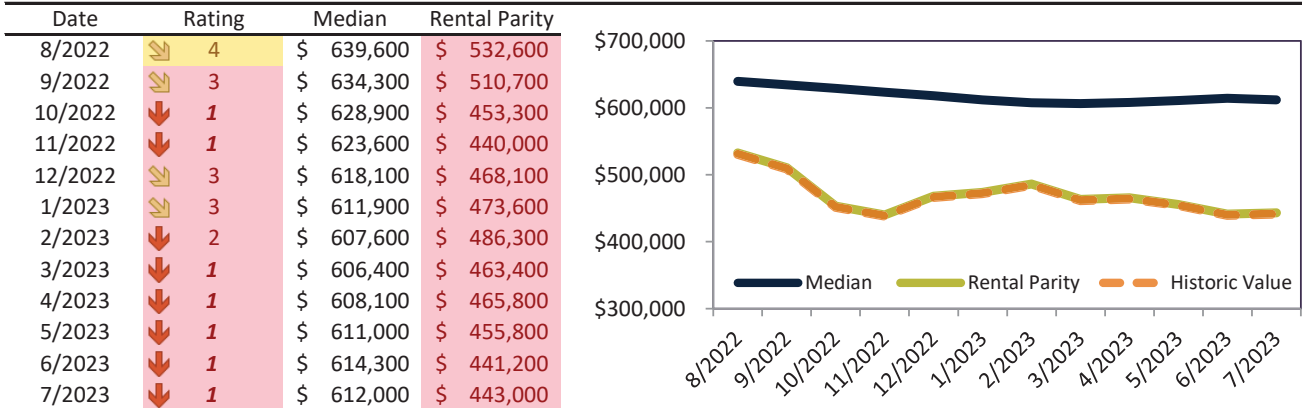


Wildomar Housing Market Value & Trends Update

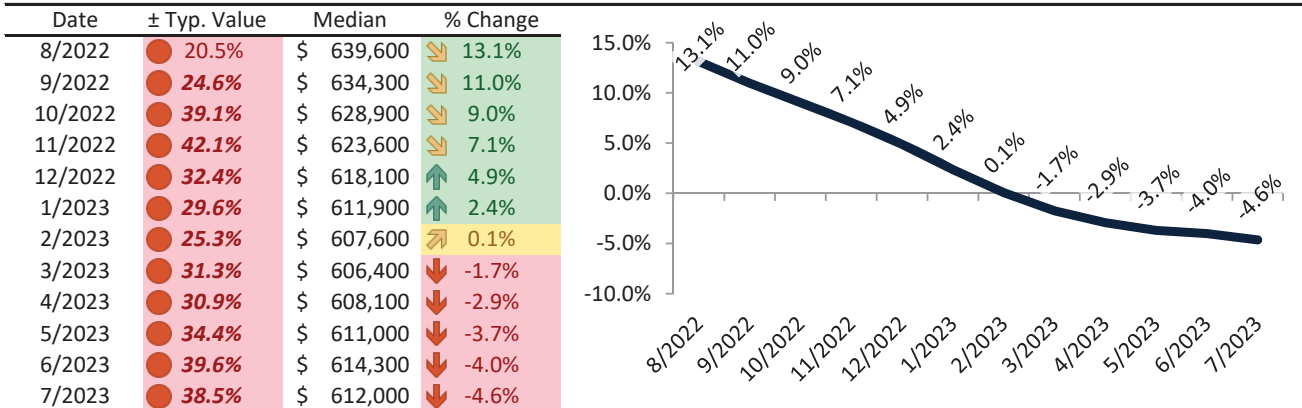
Historically, properties in this market sell at a -0.4% discount. Today's premium is 38.1%. This market is 38.5% overvalued. Median home price is \$612,000. Prices fell 4.6% year-over-year. Monthly cost of ownership is \$3,729, and rents average \$2,700, making owning \$1,029 per month more costly than renting. Rents rose 2.9% year-over-year. The current capitalization rate (rent/price) is 4.2%.

Market rating = 1

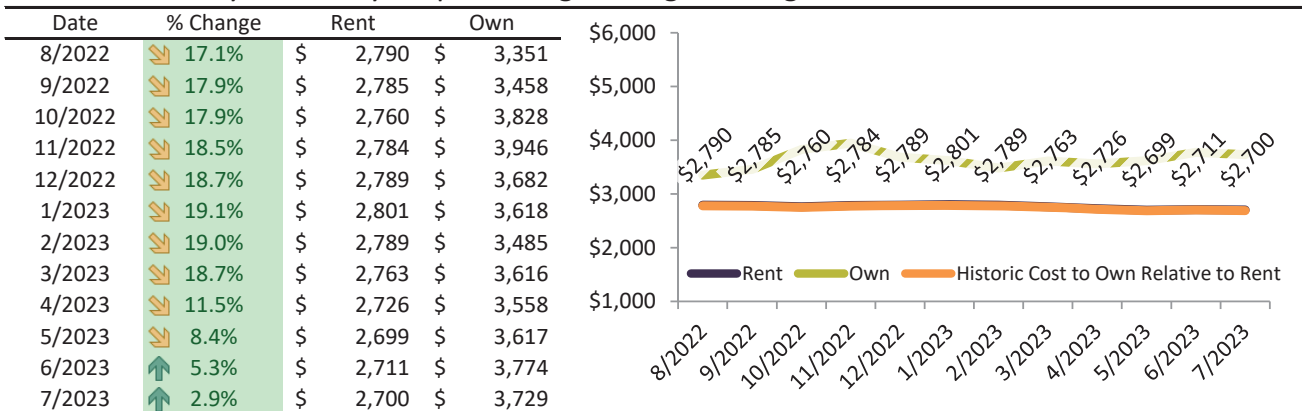
Median Home Price and Rental Parity trailing twelve months



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



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

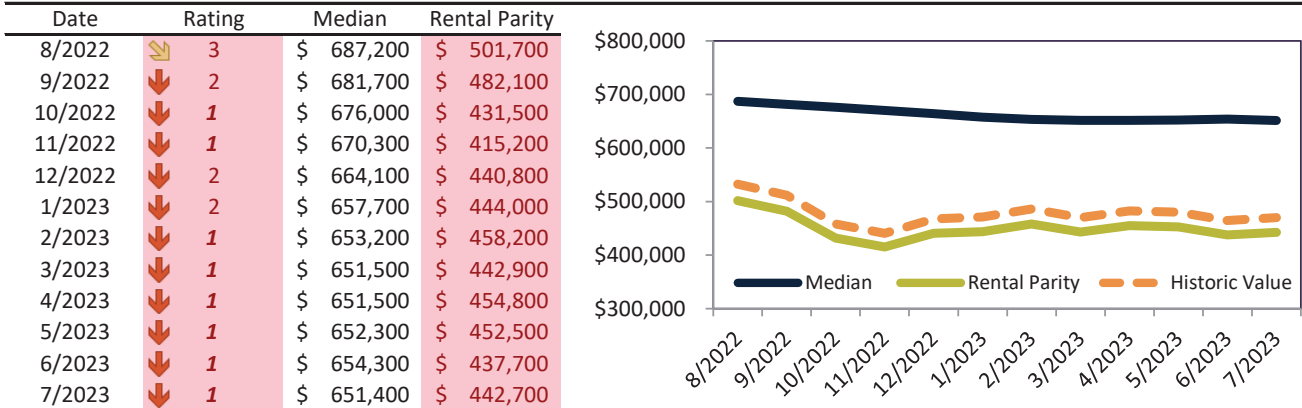


Winchester Housing Market Value & Trends Update

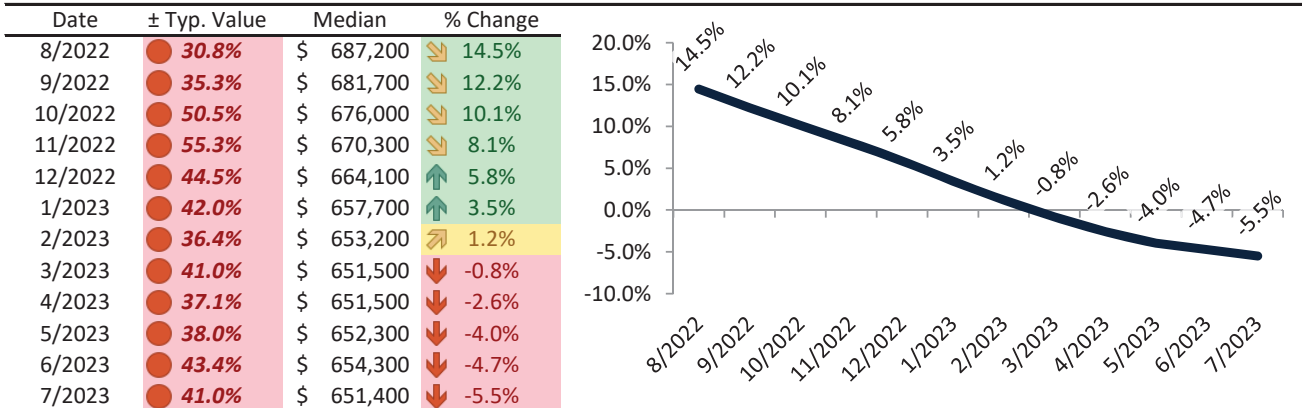
Historically, properties in this market sell at a 6.1% premium. Today's premium is 47.1%. This market is 41.0% overvalued. Median home price is \$651,400. Prices fell 5.5% year-over-year. Monthly cost of ownership is \$3,969, and rents average \$2,697, making owning \$1,271 per month more costly than renting. Rents rose 2.1% year-over-year. The current capitalization rate (rent/price) is 4.0%.

Market rating = 1

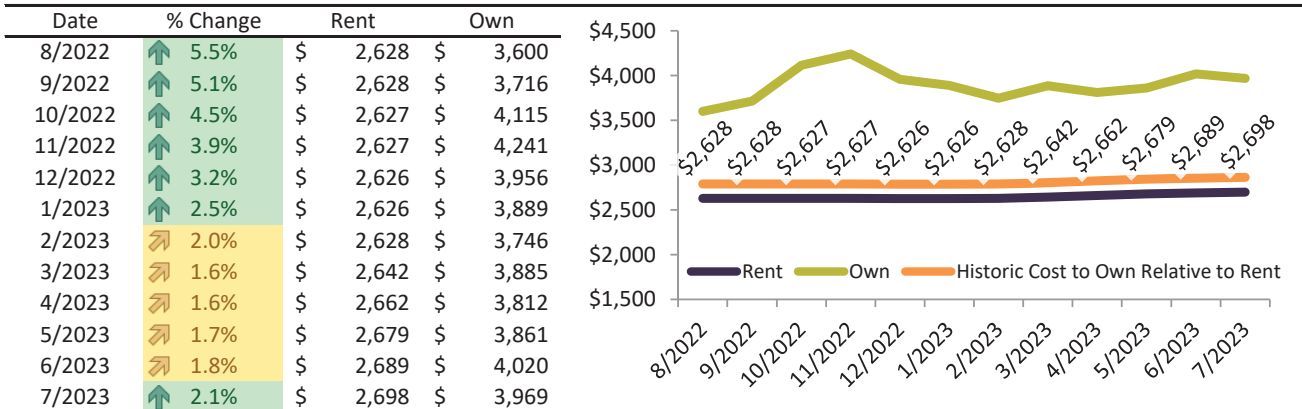
Median Home Price and Rental Parity trailing twelve months



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



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



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.

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.

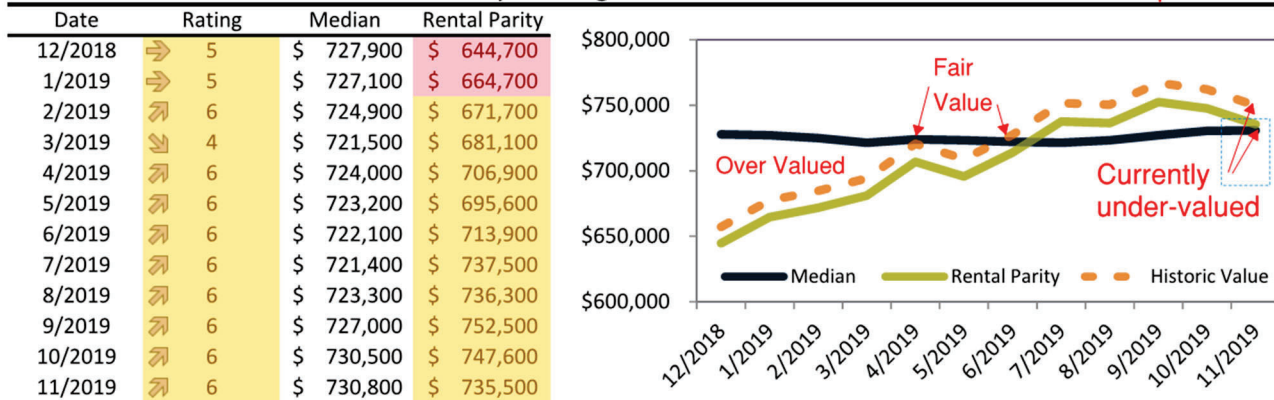
Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 4.2%.

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.

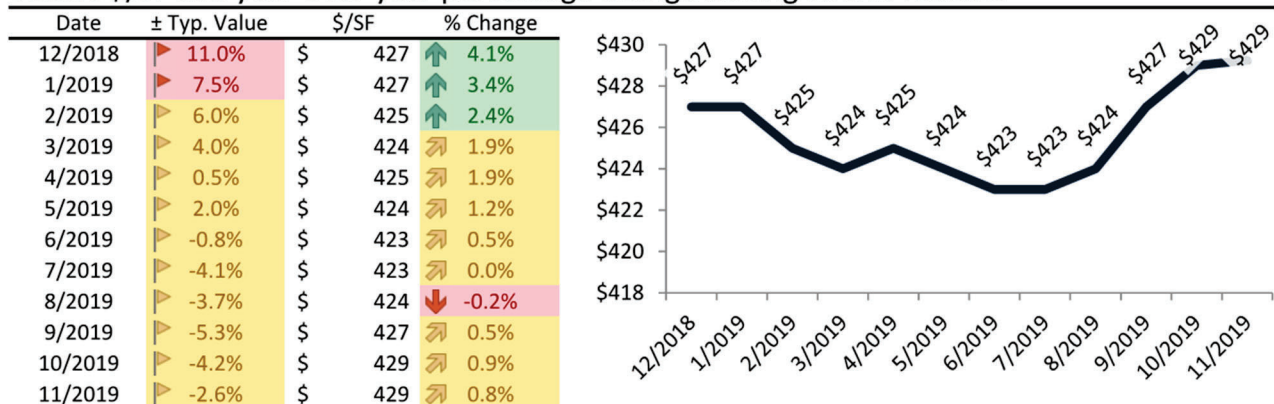
The third line plotted against these two parallel lines is the median resale price for the area. This line reveals whether the market is currently trading at a premium or discount to rental parity and historic value. The more important of these relationships is between median resale price and historic 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 than 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.

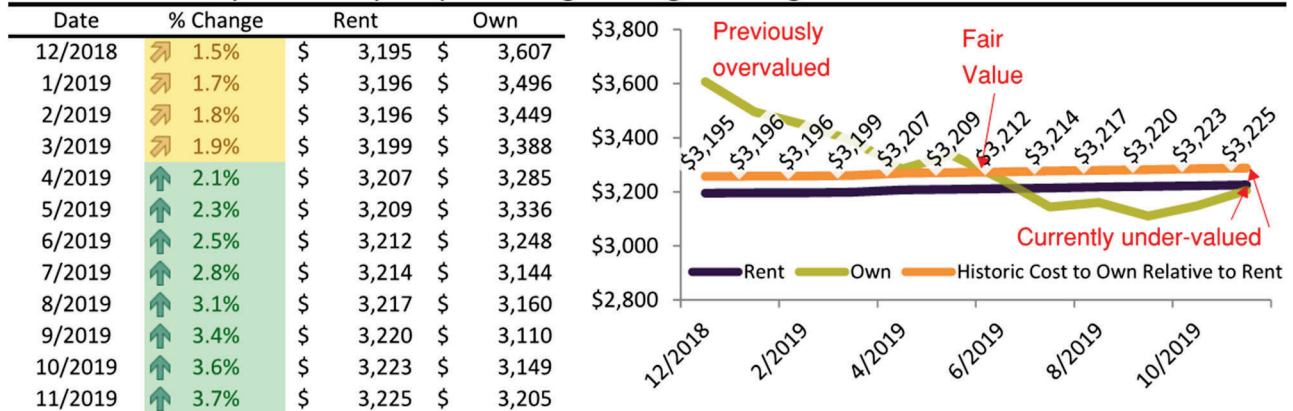
Resale \$/SF and year-over-year percentage change trailing twelve months



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

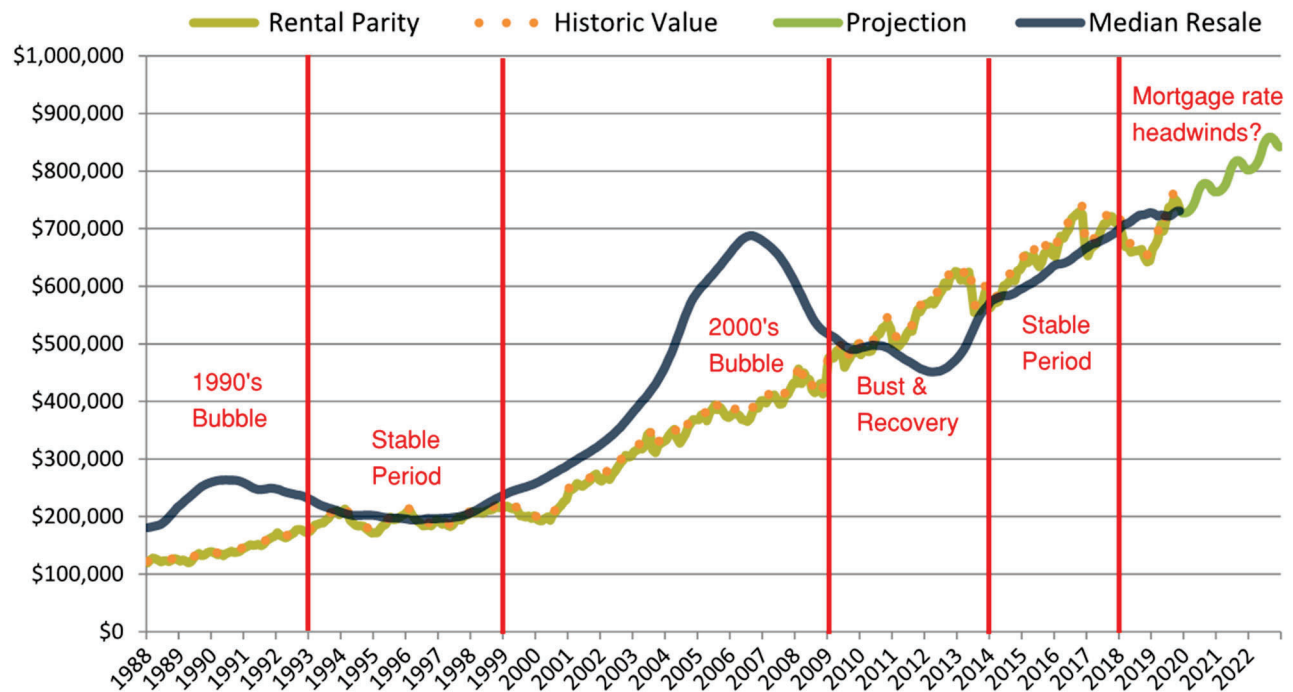


This method of looking at the data is more revealing to those who like to focus on monthly costs rather than purchase price. It reveals how affordable properties are relative to monthly rent, which is what rental parity analysis is all about. The first column of data shows the rate of rent growth over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

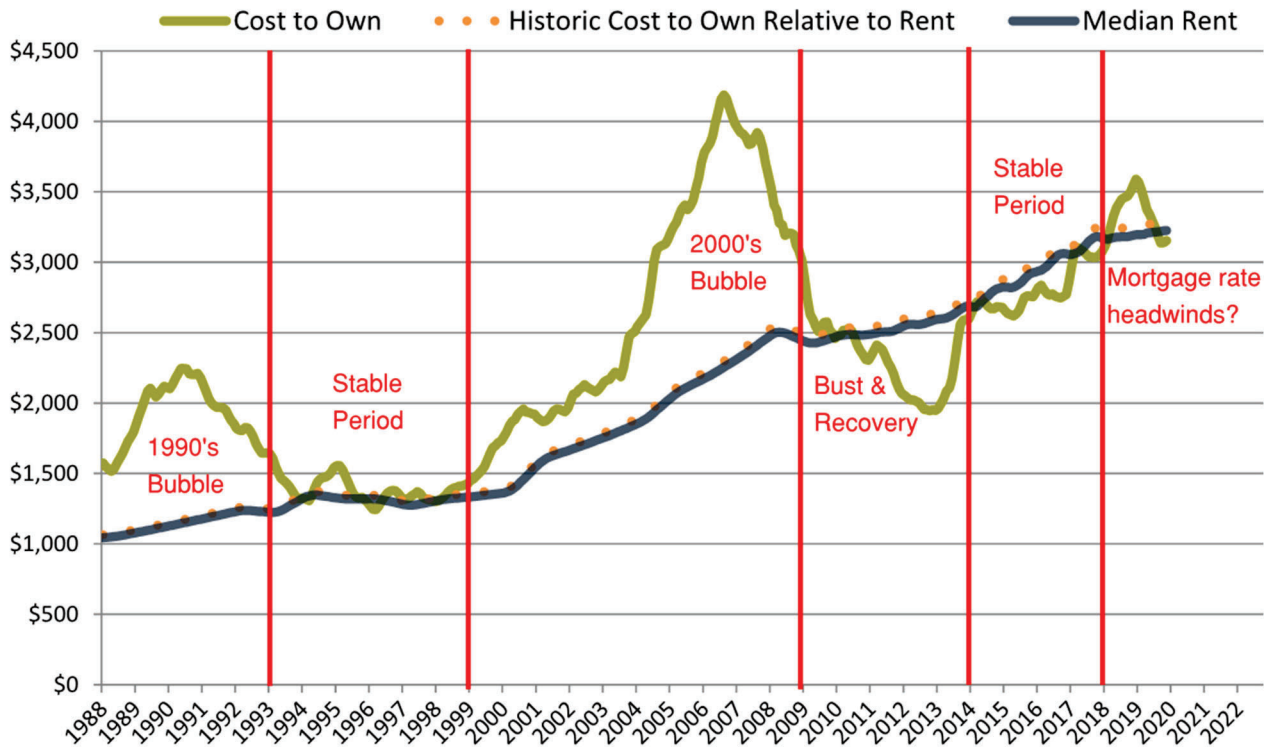
The next page of the report shows two charts: County median home price since January 1988, and County median rent and monthly cost of ownership since January 1988. These charts are designed to put current circumstances in historic context. They answer questions like, “How volatile are prices?” and “How 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.

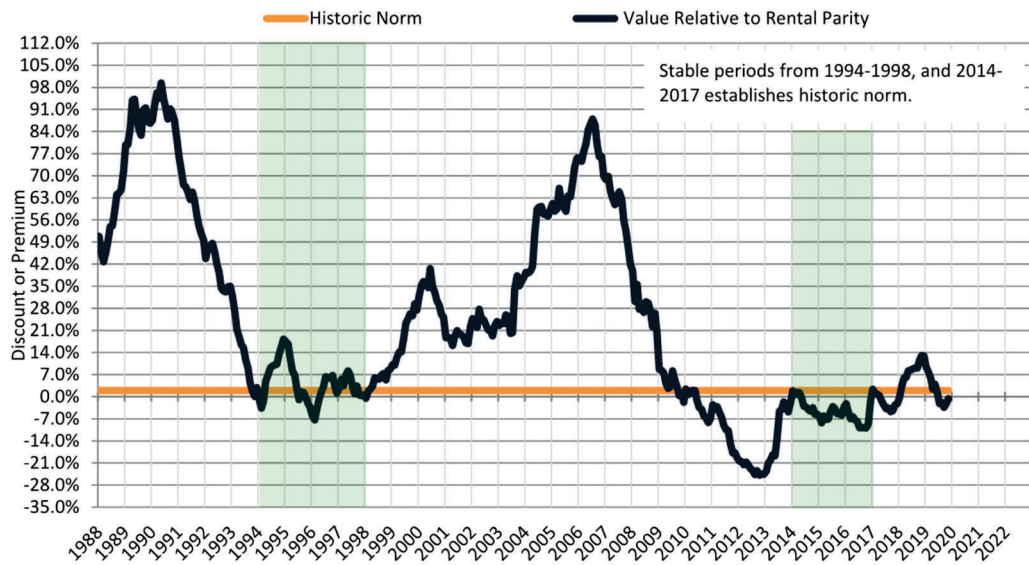
Historic Median Home Price Relative to Rental Parity: Orange County since January 1988

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.

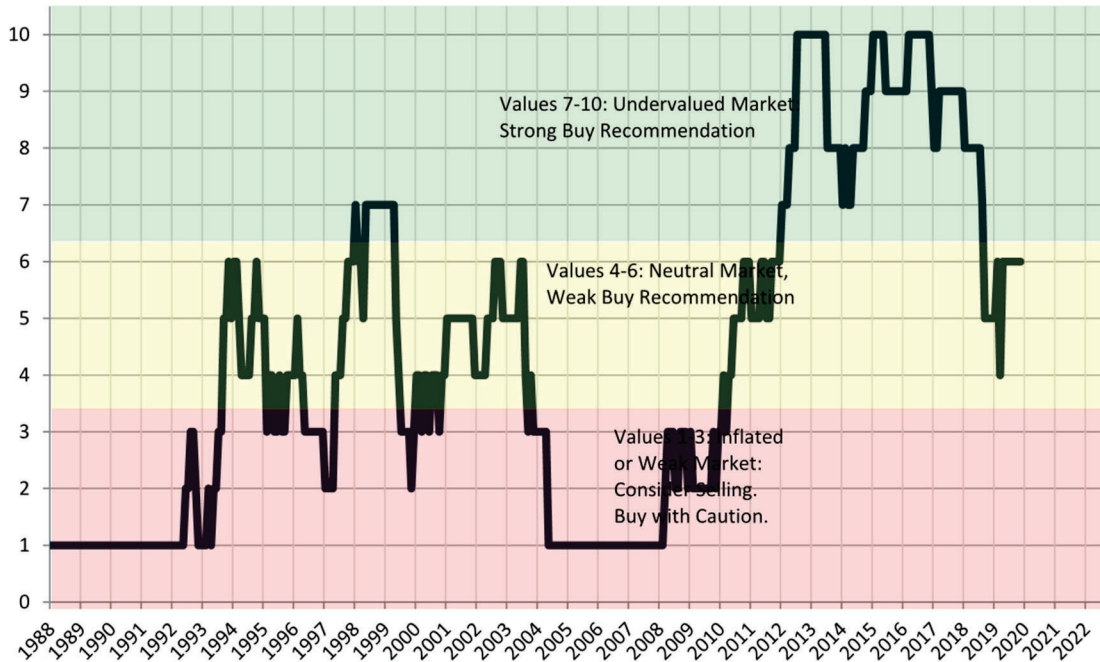
The chart above shows, at a glance, how close the market trades to its historic norm.

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.