

Salt Lake City

UTAH

October 2023



Median home price is \$539,100. Prices fell 4.7% year-over-year.

HOUSING REPORT

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Area Reports

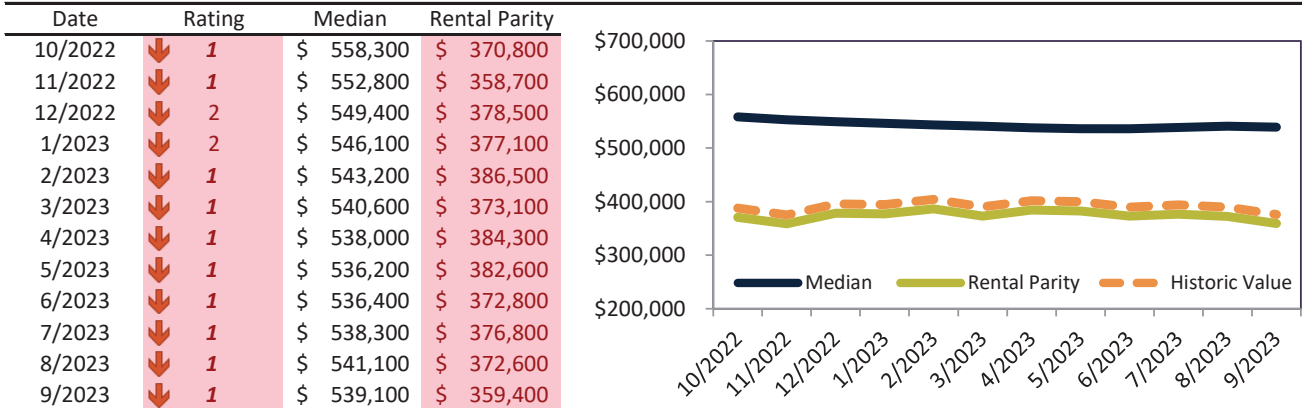
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Salt Lake City Housing Market Value & Trends Update

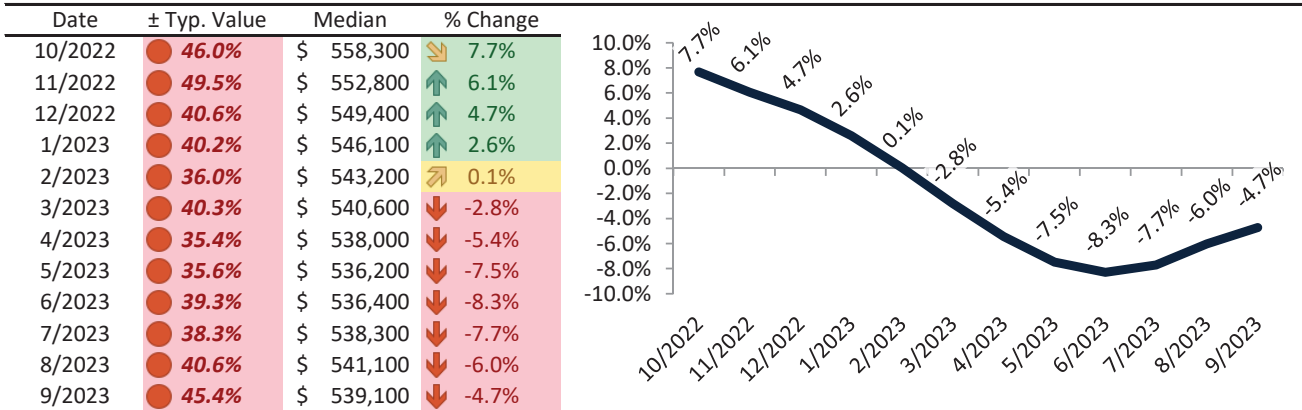
Historically, properties in this market sell at a 4.6% premium. Today's premium is 50.0%. This market is 45.4% overvalued. Median home price is \$539,100. Prices fell 4.7% year-over-year. Monthly cost of ownership is \$3,445, and rents average \$2,297, making owning \$1,148 per month more costly than renting. Rents rose 3.1% year-over-year. The current capitalization rate (rent/price) is 4.1%.

Market rating = 1

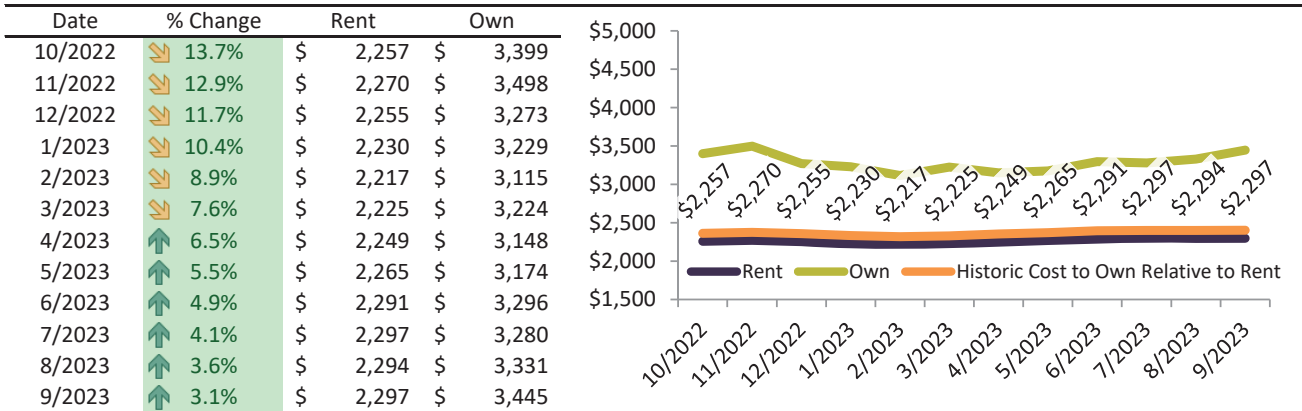
Median Home Price and Rental Parity trailing twelve months



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

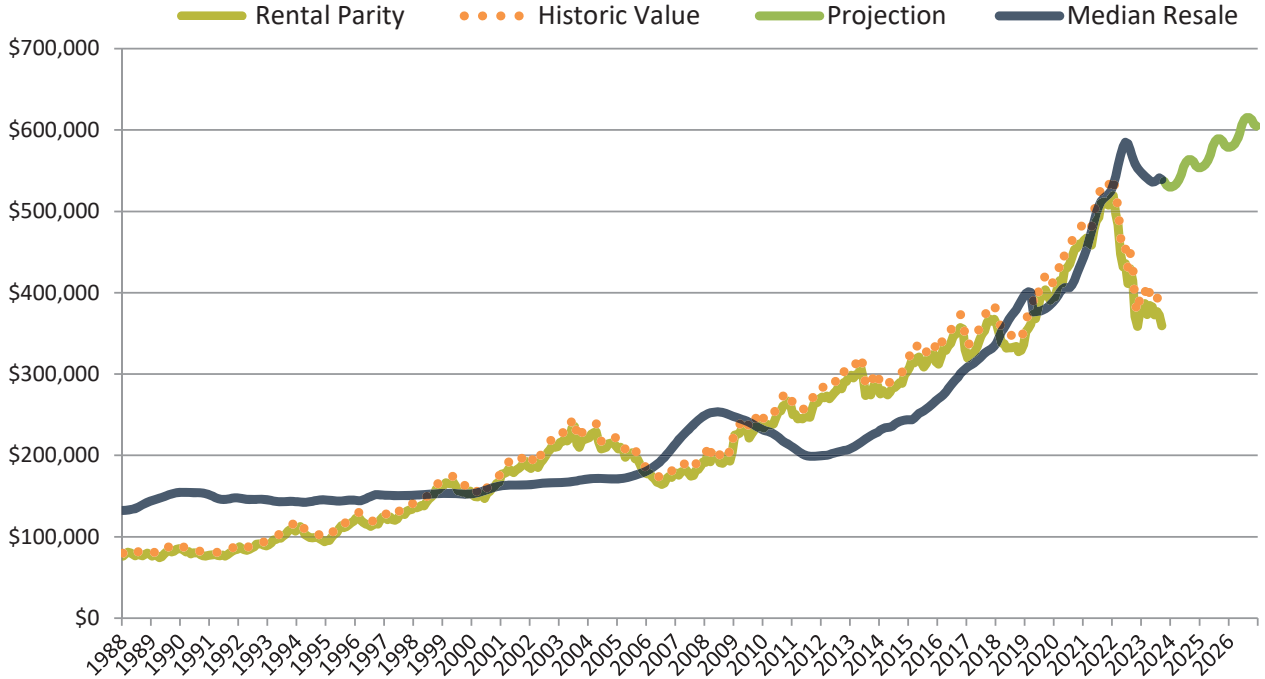


Rental rate and year-over-year percentage change trailing twelve months

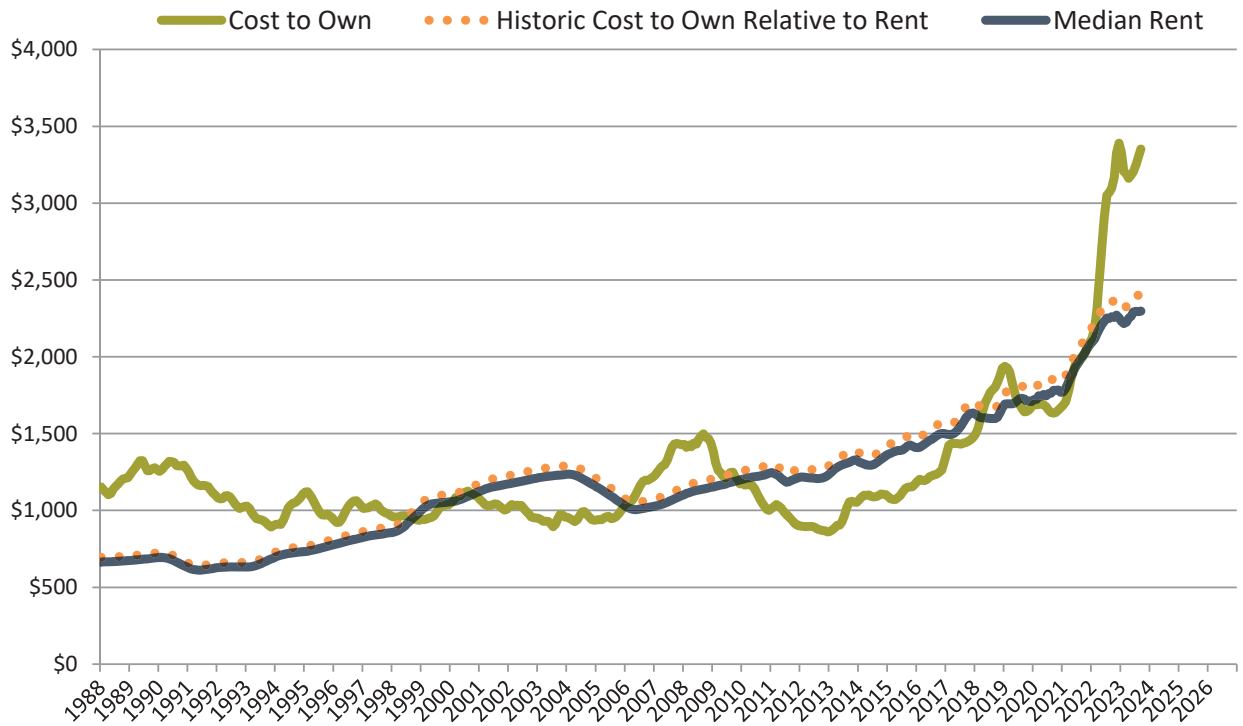




Salt Lake City median home price since January 1988

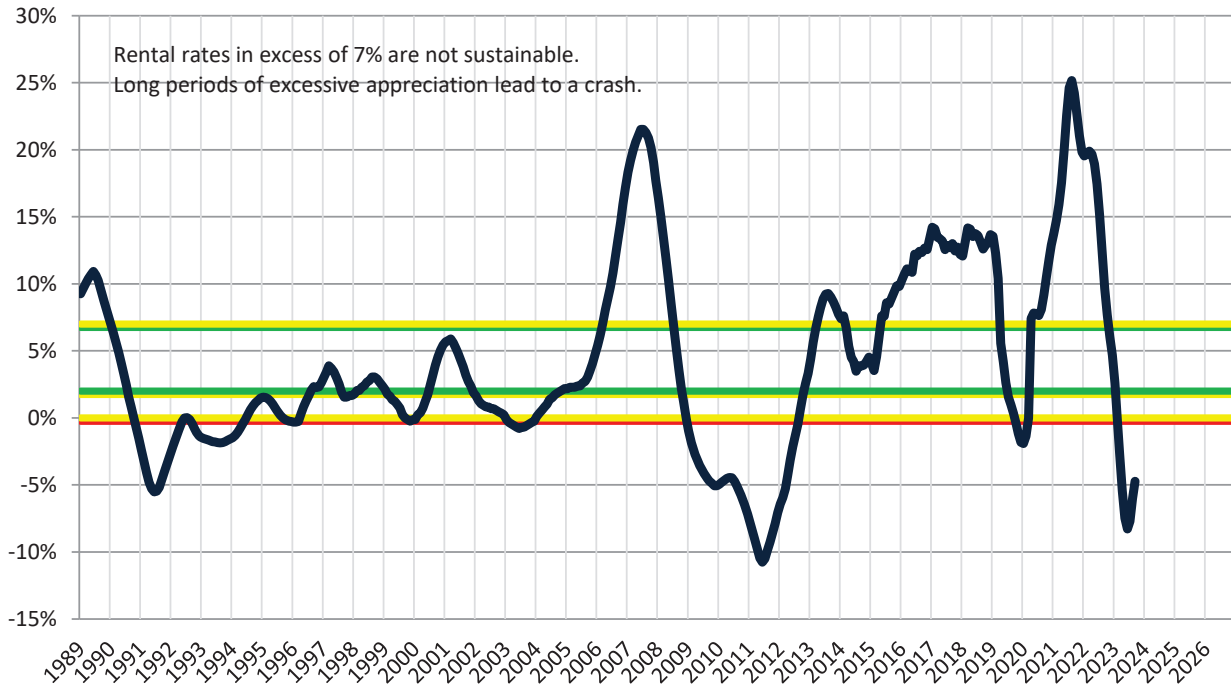


Salt Lake City median rent and monthly cost of ownership since January 1988

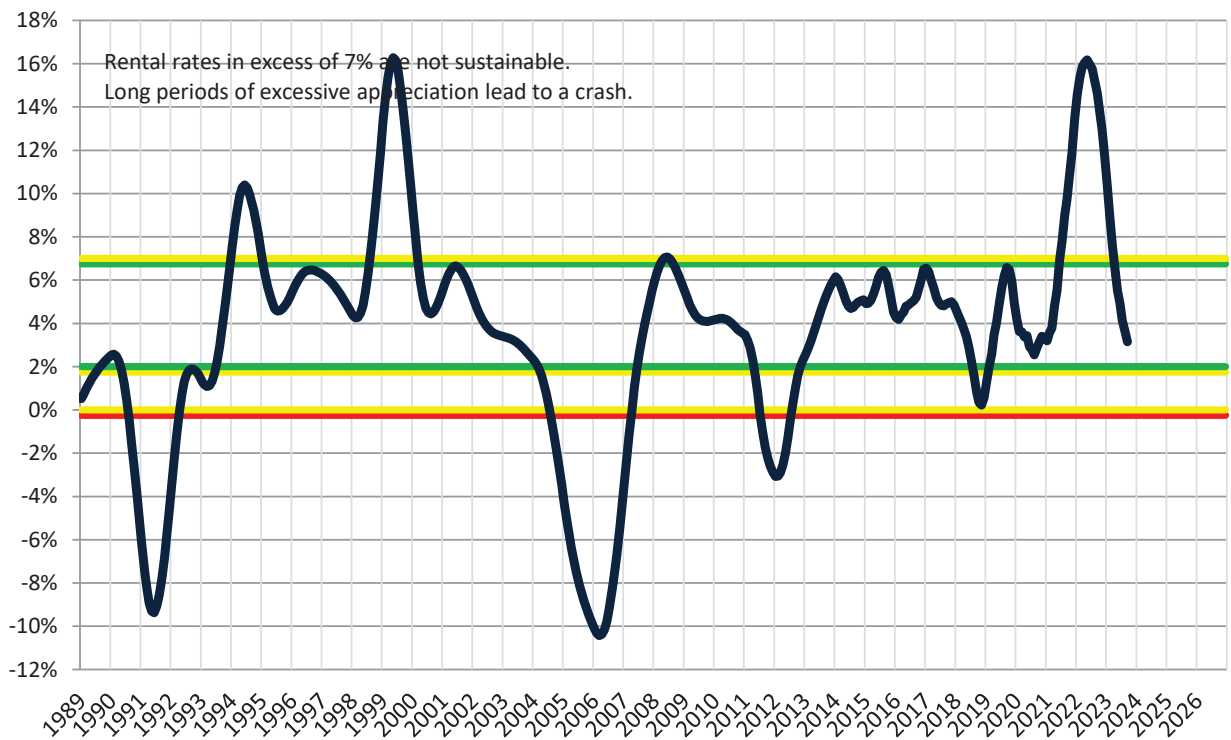




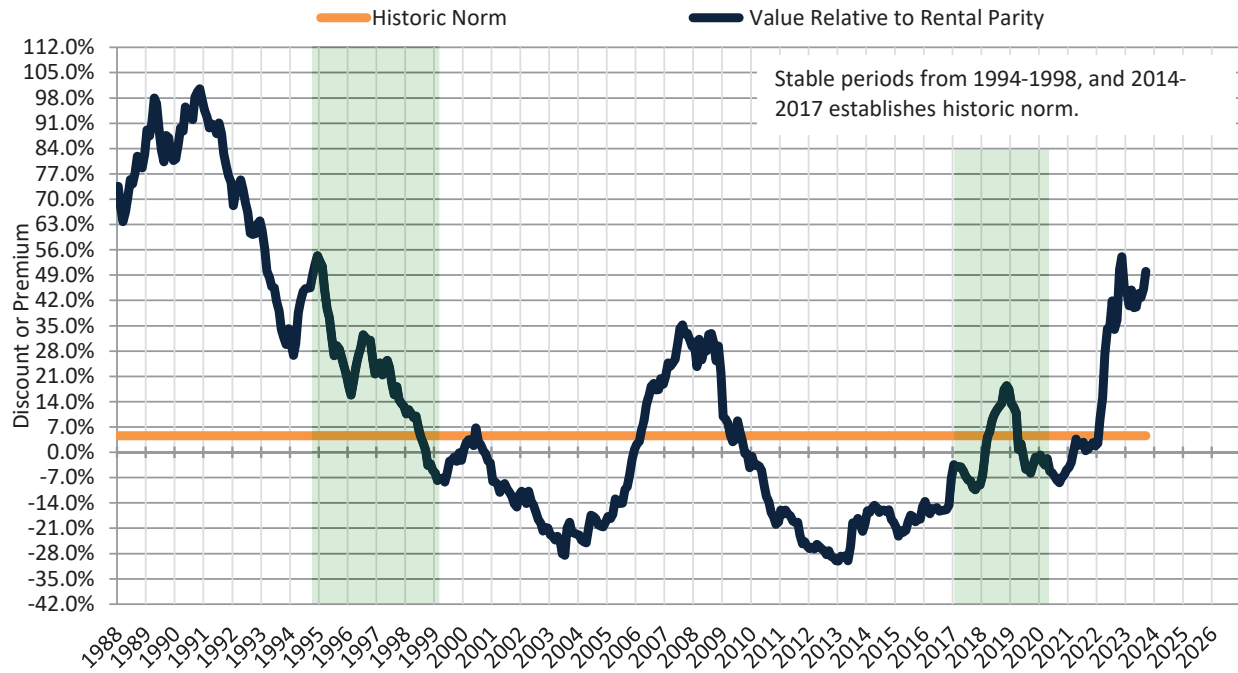
Resale \$/SF Year-over-Year Percentage Change: Salt Lake City since January 1989



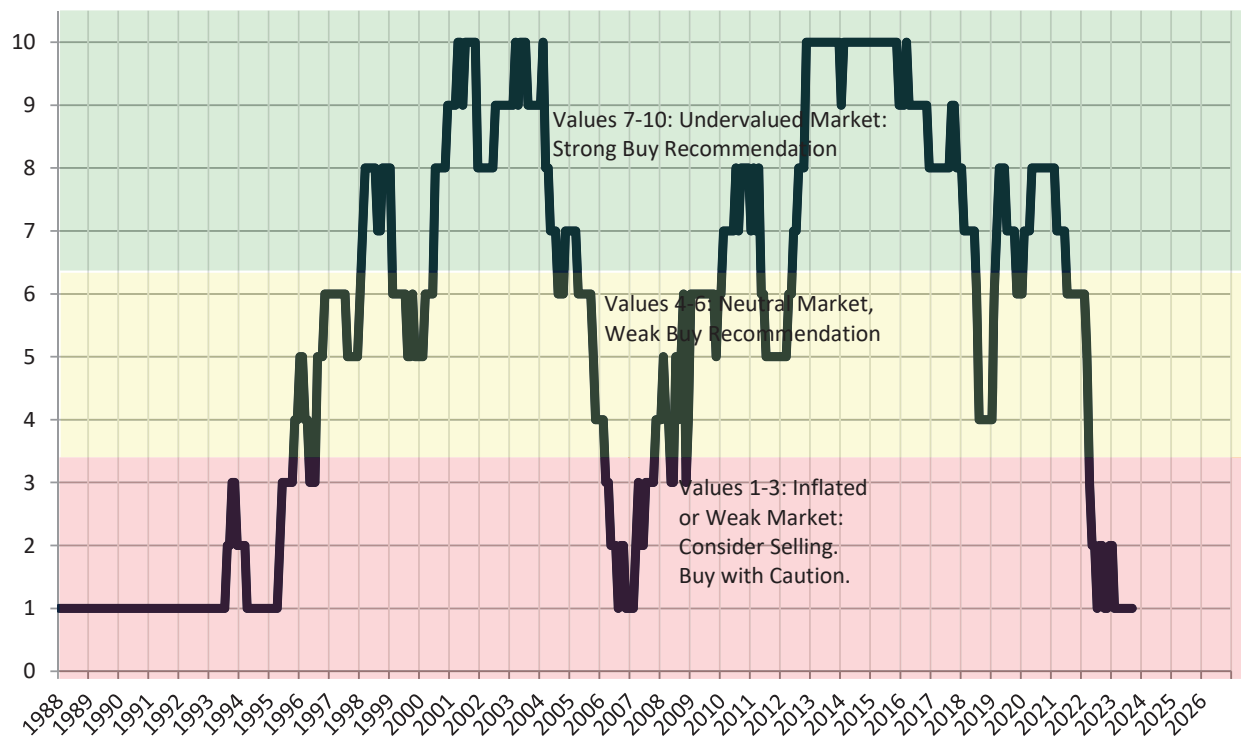
Rental \$/SF Year-over-Year Percentage Change: Salt Lake City since January 1989



Historic Median Home Price Relative to Rental Parity: Salt Lake City since January 1988

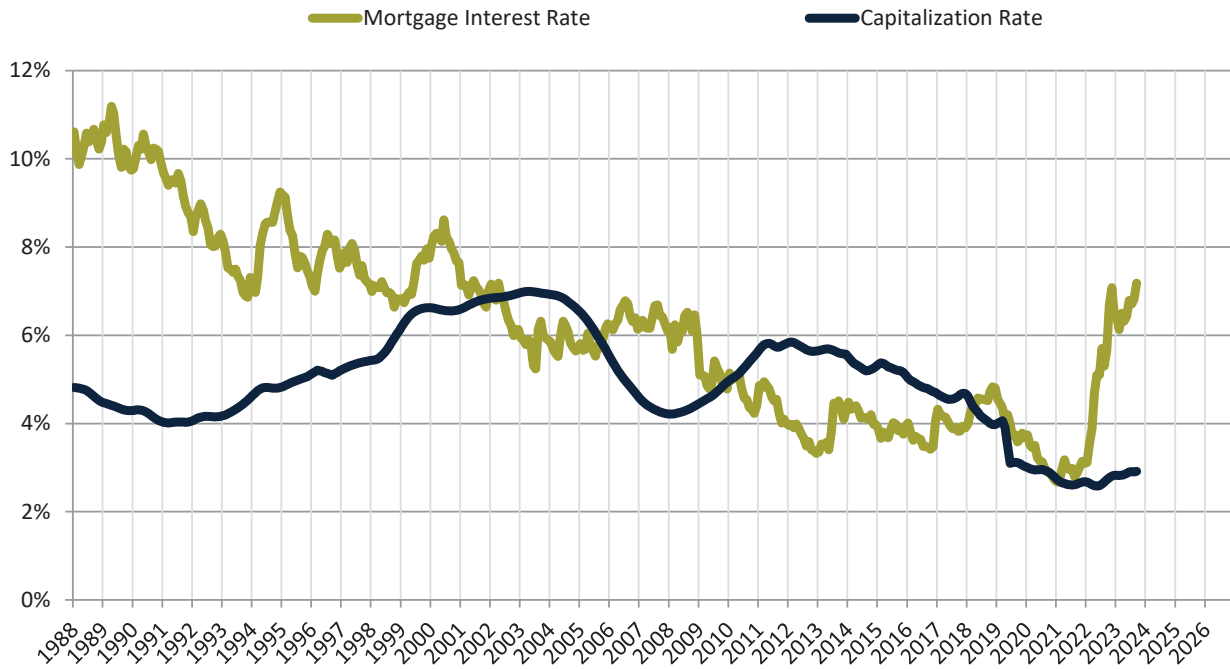


TAIT Housing Report® Market Timing System Rating: Salt Lake City since January 1988

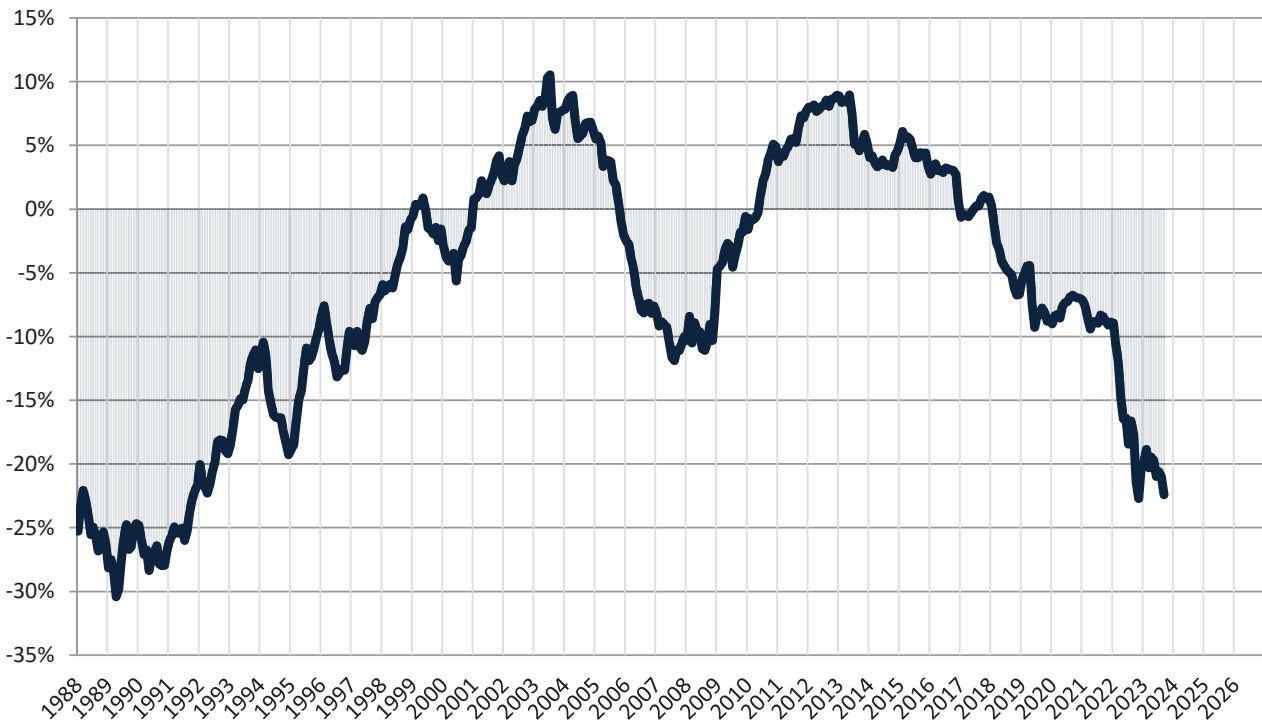




Cash Investor Capitalization Rate: Salt Lake City since January 1988



Financed Investor Cash-on-Cash Return: Salt Lake City since January 1988



Market Performance and Trends: Salt Lake City 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
Salt Lake City	\$ 539,100	↓ -4.7%	\$ 539,100	↑ 3.1%	\$ 2,297	\$ 3,445	\$ 1,148	4.1%
Salt Lake County	\$ 537,500	↓ -4.3%	\$ 537,500	↑ 2.4%	\$ 2,287	\$ 3,435	\$ 1,148	4.1%
Utah County	\$ 522,900	↓ -6.4%	\$ 522,900	↑ 3.4%	\$ 2,143	\$ 3,342	\$ 1,199	3.9%
Davis County	\$ 521,100	↓ -3.6%	\$ 521,100	↑ 4.2%	\$ 2,394	\$ 3,330	\$ 936	4.4%
Weber County	\$ 433,300	↓ -5.1%	\$ 433,300	↑ 5.2%	\$ 2,091	\$ 2,769	\$ 678	4.6%
West Valley City	\$ 439,600	↓ -3.6%	\$ 439,600	↑ 2.3%	\$ 2,051	\$ 2,809	\$ 758	4.5%
West Jordan	\$ 521,800	↓ -3.3%	\$ 521,800	↑ 3.9%	\$ 2,240	\$ 3,335	\$ 1,095	4.1%
Provo	\$ 454,600	↓ -5.3%	\$ 454,600	↔ 7.8%	\$ 2,082	\$ 2,905	\$ 823	4.4%
Sandy	\$ 620,700	↓ -3.6%	\$ 620,700	↔ 0.3%	\$ 2,389	\$ 3,967	\$ 1,578	3.7%
Orem	\$ 479,800	↓ -5.2%	\$ 479,800	↑ 3.3%	\$ 2,074	\$ 3,066	\$ 992	4.1%
Ogden	\$ 363,300	↓ -5.7%	\$ 363,300	↔ 9.0%	\$ 1,992	\$ 2,322	\$ 330	5.3%
Saint George	\$ 505,000	↓ -4.3%	\$ 505,000	↔ 1.5%	\$ 2,151	\$ 3,227	\$ 1,076	4.1%
Taylorsville	\$ 465,400	↓ -4.1%	\$ 465,400	↑ 6.8%	\$ 1,807	\$ 2,974	\$ 1,168	3.7%
Layton	\$ 496,000	↓ -3.9%	\$ 496,000	↑ 6.0%	\$ 1,950	\$ 3,170	\$ 1,220	3.8%
South Jordan	\$ 639,500	↓ -4.3%	\$ 639,500	↑ 3.8%	\$ 2,126	\$ 4,087	\$ 1,961	3.2%
Murray	\$ 518,600	↓ -4.3%	\$ 518,600	↑ 2.5%	\$ 2,276	\$ 3,314	\$ 1,038	4.2%
Lehi	\$ 572,800	↓ -6.8%	\$ 572,800	↑ 3.0%	\$ 2,247	\$ 3,661	\$ 1,413	3.8%
Bountiful	\$ 536,300	↓ -3.5%	\$ 536,300	↓ -12.9%	\$ 1,543	\$ 3,427	\$ 1,884	2.8%
Riverton	\$ 597,000	↓ -3.8%	\$ 597,000	↔ 12.0%	\$ 2,053	\$ 3,815	\$ 1,762	3.3%
Sugar House	\$ 619,700	↓ -4.1%	\$ 619,700	↑ 2.8%	\$ 2,281	\$ 3,960	\$ 1,680	3.5%
East Central	\$ 329,500	↓ -6.0%	\$ 329,500	↑ 3.8%	\$ 2,309	\$ 2,106	\$ (203)	6.7%
Greater Avenues	\$ 761,100	↓ -3.2%	\$ 761,100	↔ 10.0%	\$ 2,852	\$ 4,864	\$ 2,012	3.6%
Poplar Grove	\$ 376,300	↓ -3.4%	\$ 376,300	↑ 4.3%	\$ 1,451	\$ 2,405	\$ 954	3.7%
Glendale	\$ 394,100	↓ -3.1%	\$ 394,100	↑ 4.4%	\$ 1,493	\$ 2,519	\$ 1,026	3.6%
Rose Park	\$ 425,900	↓ -3.3%	\$ 425,900	↑ 3.1%	\$ 1,566	\$ 2,722	\$ 1,156	3.5%
East Bench	\$ 414,900	↓ -4.6%	\$ 414,900	↔ 0.3%	\$ 2,921	\$ 2,652	\$ (270)	6.8%

Market Performance and Trends: Salt Lake City and Major Cities and Zips

Study Area	Median Resale \$	Resale % Change YoY	Resale \$/SF	Rent % Change YoY	Median Rent \$	Cost of Ownership	Ownership Prem./Disc.	Cap Rate
Liberty Wells	\$ 496,500	↓ -5.1%	\$ 496,500	↑ 3.4%	\$ 1,841	\$ 3,173	\$ 1,332	3.6%
Westpointe	\$ 461,300	↓ -4.2%	\$ 461,300	↑ 2.6%	\$ 1,714	\$ 2,948	\$ 1,234	3.6%
Capitol Hill	\$ 548,300	↓ -4.6%	\$ 548,300	↑ 3.1%	\$ 2,188	\$ 3,504	\$ 1,316	3.8%
Jordan Meadows	\$ 407,800	↓ -5.0%	\$ 407,800	↑ 4.7%	\$ 1,628	\$ 2,606	\$ 978	3.8%
Fairpark	\$ 397,200	↓ -4.3%	\$ 397,200	↑ 5.1%	\$ 1,550	\$ 2,538	\$ 988	3.7%
Yalecrest	\$ 1,004,100	↓ -1.6%	\$ 1,004,100	↑ 4.2%	\$ 2,798	\$ 6,417	\$ 3,619	2.7%
Bonneville Hills	\$ 845,200	↓ -1.6%	\$ 845,200	↑ 2.1%	\$ 2,794	\$ 5,402	\$ 2,607	3.2%
Wasatch Hollow	\$ 777,700	↓ -2.2%	\$ 777,700	↑ 2.8%	\$ 2,549	\$ 4,970	\$ 2,422	3.1%
Central City-Liberty Wells	\$ 420,700	↑ 3.3%	\$ 420,700	↑ 3.9%	\$ 1,731	\$ 2,689	\$ 958	3.9%
84106	\$ 557,200	↓ -4.5%	\$ 557,200	↑ 5.0%	\$ 2,377	\$ 3,561	\$ 1,184	4.1%
84103	\$ 713,800	↓ -3.6%	\$ 713,800	↑ 3.0%	\$ 2,669	\$ 4,562	\$ 1,893	3.6%
84116	\$ 426,300	↓ -4.0%	\$ 426,300	↔ 1.1%	\$ 1,433	\$ 2,724	\$ 1,292	3.2%
84115	\$ 429,400	↓ -5.5%	\$ 429,400	↑ 5.9%	\$ 2,090	\$ 2,744	\$ 654	4.7%
84102	\$ 512,100	↓ -4.0%	\$ 512,100	↑ 5.3%	\$ 2,401	\$ 3,273	\$ 872	4.5%
84105	\$ 664,900	↓ -4.5%	\$ 664,900	↑ 2.4%	\$ 1,889	\$ 4,249	\$ 2,360	2.7%
84108	\$ 842,900	↓ -2.9%	\$ 842,900	↑ 2.9%	\$ 2,476	\$ 5,387	\$ 2,911	2.8%
84104	\$ 387,300	↓ -3.3%	\$ 387,300	↑ 3.7%	\$ 1,569	\$ 2,475	\$ 906	3.9%
84054	\$ 536,300	↓ -4.4%	\$ 536,300	↑ 2.7%	\$ 1,729	\$ 3,427	\$ 1,699	3.1%
84101	\$ 459,400	↓ -8.1%	\$ 459,400	↔ 0.7%	\$ 1,703	\$ 2,936	\$ 1,233	3.6%

Market Timing Rating and Valuations: Salt Lake City and Major Cities and Zips

Study Area	Rating	Median	Rental Parity	% Over/Under Rental Parity	Historic Premium	% Over/Under Historic Prem.
Salt Lake City	↓ 1	\$ 539,100	\$ 359,400	● 50.0%	4.6%	● 45.4%
Salt Lake County	↓ 1	\$ 537,500	\$ 357,800	● 50.2%	15.0%	● 35.2%
Utah County	↓ 1	\$ 522,900	\$ 335,300	● 55.9%	3.0%	● 52.9%
Davis County	↓ 1	\$ 521,100	\$ 374,600	● 39.1%	1.4%	● 37.7%
Weber County	↓ 1	\$ 433,300	\$ 327,100	● 32.4%	-6.7%	● 39.1%
West Valley City	↓ 1	\$ 439,600	\$ 320,900	● 37.0%	-11.0%	● 48.0%
West Jordan	↓ 1	\$ 521,800	\$ 350,500	● 48.8%	-2.6%	● 51.4%
Provo	↓ 1	\$ 454,600	\$ 325,800	● 39.5%	-5.0%	● 44.5%
Sandy	↓ 1	\$ 620,700	\$ 373,800	● 66.1%	9.8%	● 56.3%
Orem	↓ 1	\$ 479,800	\$ 324,500	● 47.8%	-2.2%	● 50.0%
Ogden	↓ 1	\$ 363,300	\$ 311,600	● 16.6%	-12.7%	● 29.3%
Saint George	↓ 1	\$ 505,000	\$ 336,500	● 50.1%	-12.0%	● 62.1%
Taylorsville	↓ 1	\$ 465,400	\$ 282,600	● 64.7%	-6.7%	● 71.4%
Layton	↓ 1	\$ 496,000	\$ 305,000	● 62.6%	-0.6%	● 63.2%
South Jordan	↓ 1	\$ 639,500	\$ 332,600	● 92.3%	3.4%	● 88.9%
Murray	↓ 1	\$ 518,600	\$ 356,100	● 45.7%	-2.1%	● 47.8%
Lehi	↓ 1	\$ 572,800	\$ 351,600	● 62.9%	8.0%	● 54.9%
Bountiful	↓ 1	\$ 536,300	\$ 241,400	● 122.2%	1.2%	● 121.0%
Riverton	↓ 1	\$ 597,000	\$ 321,200	● 85.8%	6.6%	● 79.2%
Sugar House	↓ 1	\$ 619,700	\$ 356,800	● 73.7%	10.8%	● 62.9%
East Central	↓ 1	\$ 329,500	\$ 361,200	▶ -8.8%	-49.2%	● 40.4%
Greater Avenues	↓ 1	\$ 761,100	\$ 446,200	● 70.5%	15.5%	● 55.0%
Poplar Grove	↓ 1	\$ 376,300	\$ 227,000	● 65.8%	-24.6%	● 90.4%
Glendale	↓ 1	\$ 394,100	\$ 233,500	● 68.7%	-19.5%	● 88.2%
Rose Park	↓ 1	\$ 425,900	\$ 245,000	● 73.9%	-16.4%	● 90.3%
East Bench	↗ 6	\$ 414,900	\$ 457,000	▶ -9.2%	10.7%	● -19.9%

Market Timing Rating and Valuations: Salt Lake City and Major Cities and Zips

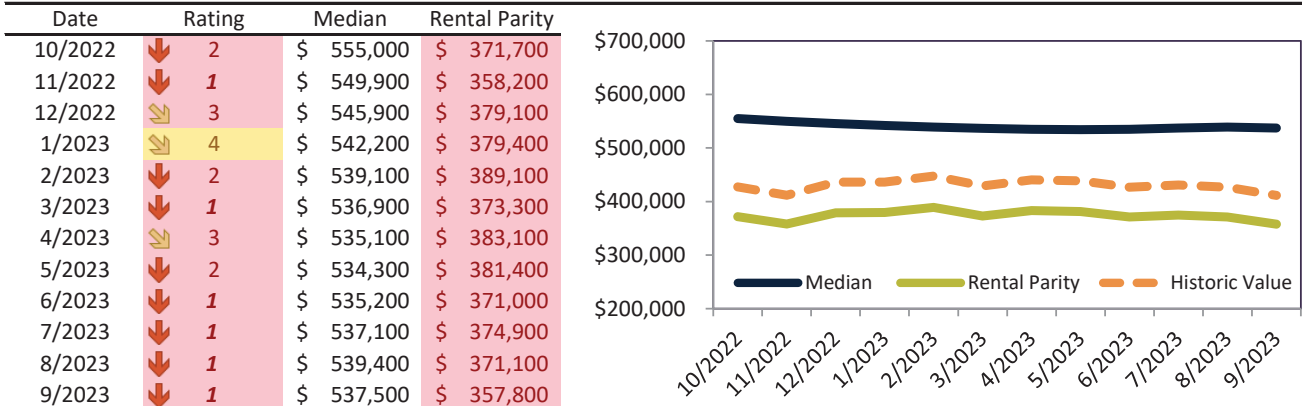
Study Area	Rating	Median	Rental Parity	% Over/Under Rental Parity	Historic Premium	% Over/Under Historic Prem.
Liberty Wells	↓ 1	\$ 496,500	\$ 288,000	● 72.4%	-0.4%	● 72.8%
Westpointe	↓ 1	\$ 461,300	\$ 268,200	● 72.0%	-7.5%	● 79.5%
Capitol Hill	↓ 1	\$ 548,300	\$ 342,300	● 60.2%	1.1%	● 59.1%
Jordan Meadows	↓ 1	\$ 407,800	\$ 254,700	● 60.2%	3.0%	● 77.0%
Fairpark	↓ 1	\$ 397,200	\$ 242,500	● 63.8%	-21.7%	● 85.5%
Yalecrest	↓ 1	\$ 1,004,100	\$ 437,700	● 129.4%	36.1%	● 93.3%
Bonneville Hills	↓ 1	\$ 845,200	\$ 437,200	● 93.3%	29.7%	● 63.6%
Wasatch Hollow	↓ 1	\$ 777,700	\$ 398,700	● 95.1%	25.3%	● 69.8%
Central City-Liberty Wells	↓ 1	\$ 420,700	\$ 270,800	● 55.3%	-4.2%	● 59.5%
84106	↓ 1	\$ 557,200	\$ 371,900	● 49.8%	3.9%	● 45.9%
84103	↓ 1	\$ 713,800	\$ 417,600	● 70.9%	16.4%	● 54.5%
84116	↓ 1	\$ 426,300	\$ 224,100	● 90.2%	-16.0%	● 106.2%
84115	↓ 1	\$ 429,400	\$ 327,000	● 31.3%	-8.9%	● 40.2%
84102	↓ 1	\$ 512,100	\$ 375,700	● 36.3%	-0.6%	● 36.9%
84105	↓ 1	\$ 664,900	\$ 295,500	● 125.0%	18.6%	● 106.4%
84108	↓ 1	\$ 842,900	\$ 387,400	● 117.6%	31.6%	● 86.0%
84104	↓ 1	\$ 387,300	\$ 245,500	● 57.8%	-22.3%	● 80.1%
84054	↓ 1	\$ 536,300	\$ 270,500	● 98.2%	4.2%	● 94.0%
84101	↓ 1	\$ 459,400	\$ 266,400	● 72.5%	27.4%	● 45.1%

Salt Lake County Housing Market Value & Trends Update

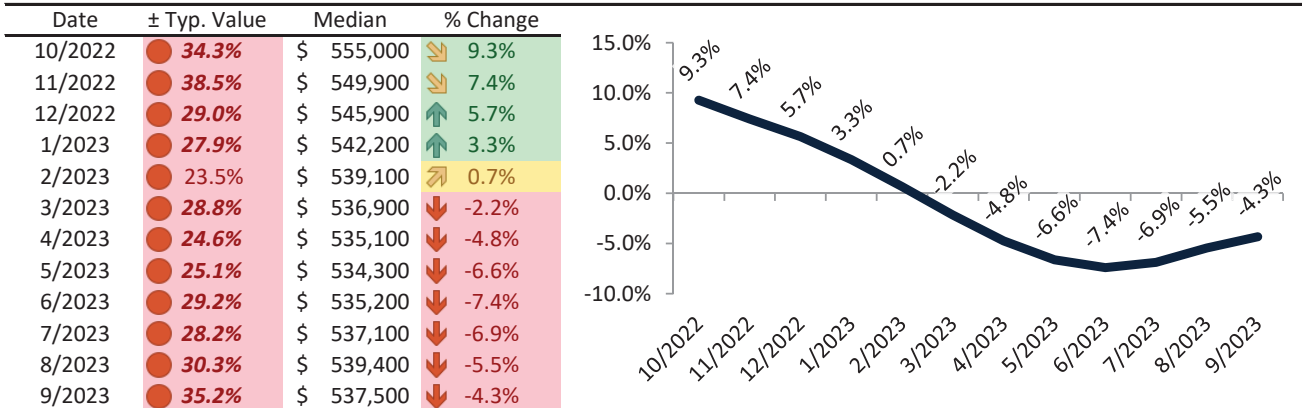
Historically, properties in this market sell at a 15.0% premium. Today's premium is 50.2%. This market is 35.2% overvalued. Median home price is \$537,500. Prices fell 4.3% year-over-year. Monthly cost of ownership is \$3,435, and rents average \$2,286, making owning \$1,148 per month more costly than renting. Rents rose 2.4% year-over-year. The current capitalization rate (rent/price) is 4.1%.

Market rating = 1

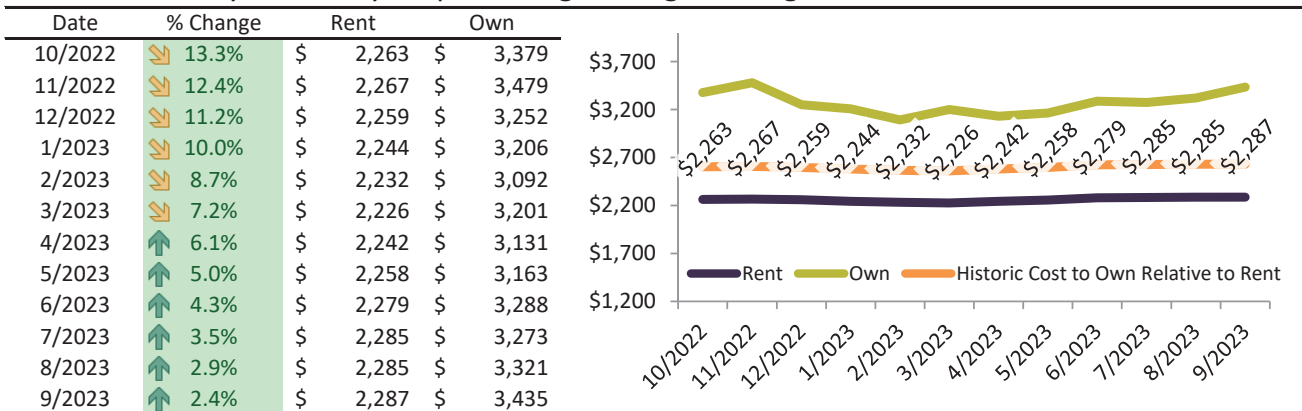
Median Home Price and Rental Parity trailing twelve months



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



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

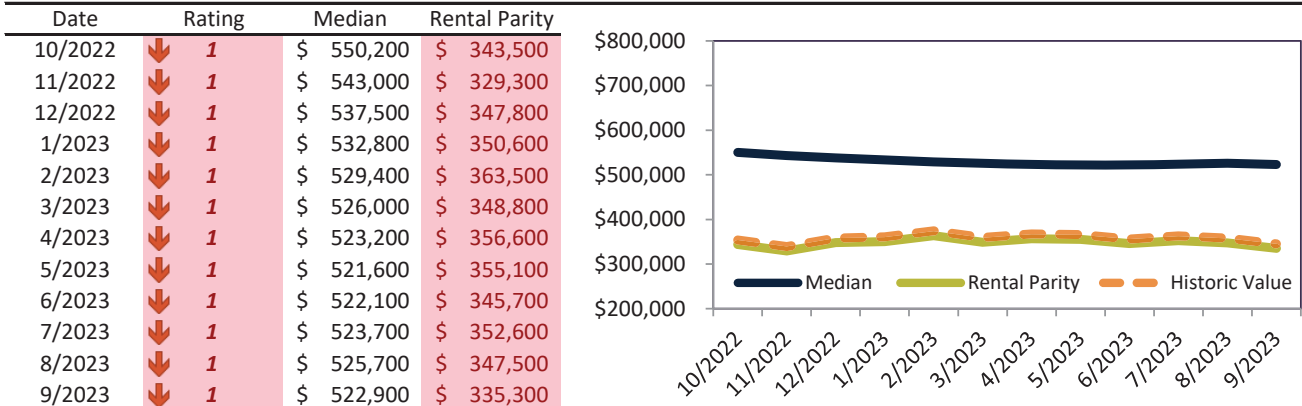


Utah County Housing Market Value & Trends Update

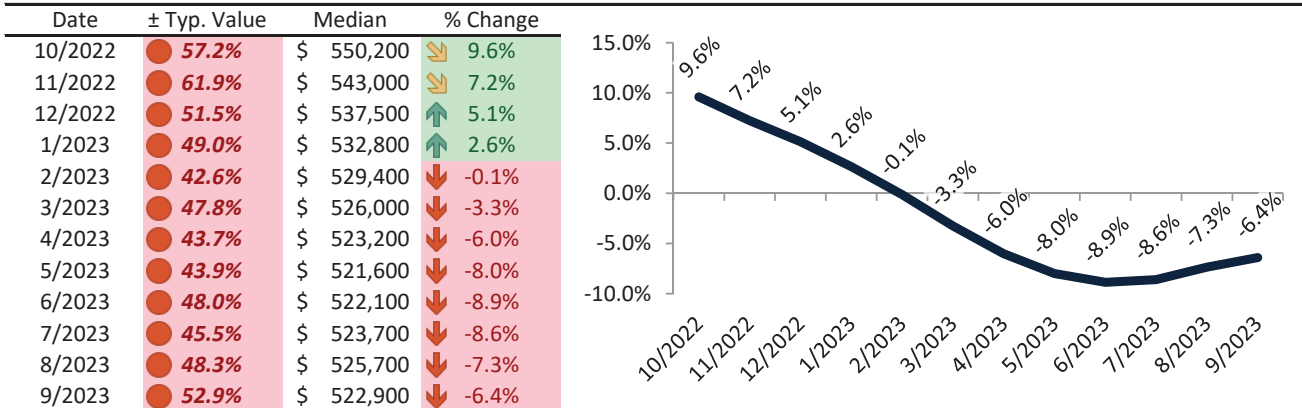
Historically, properties in this market sell at a 3.0% premium. Today's premium is 55.9%. This market is 52.9% overvalued. Median home price is \$522,900. Prices fell 6.4% year-over-year. Monthly cost of ownership is \$3,341, and rents average \$2,143, making owning \$1,198 per month more costly than renting. Rents rose 3.4% year-over-year. The current capitalization rate (rent/price) is 3.9%.

Market rating = 1

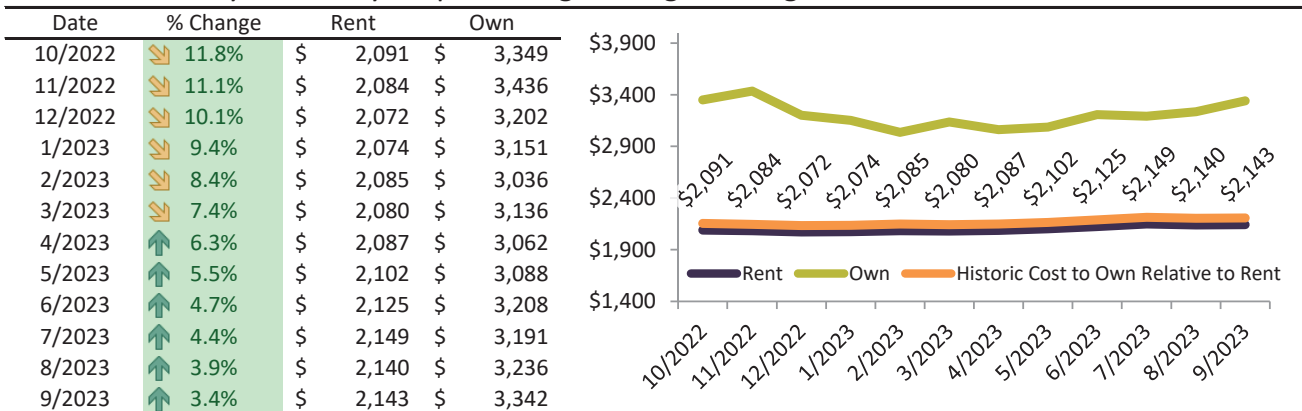
Median Home Price and Rental Parity trailing twelve months



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



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

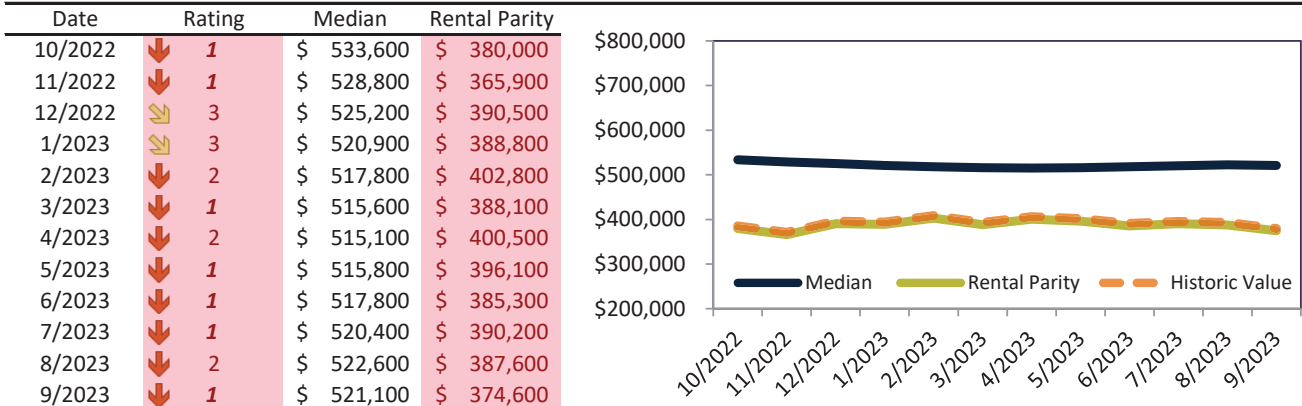


Davis County Housing Market Value & Trends Update

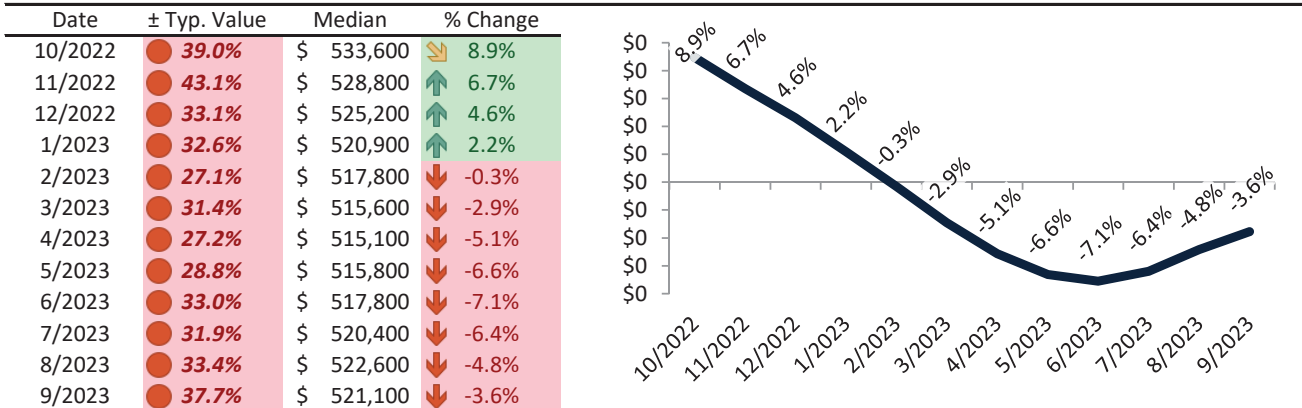
Historically, properties in this market sell at a 1.4% premium. Today's premium is 39.1%. This market is 37.7% overvalued. Median home price is \$521,100. Prices fell 3.6% year-over-year. Monthly cost of ownership is \$3,330, and rents average \$2,394, making owning \$936 per month more costly than renting. Rents rose 4.2% year-over-year. The current capitalization rate (rent/price) is 4.4%.

Market rating = 1

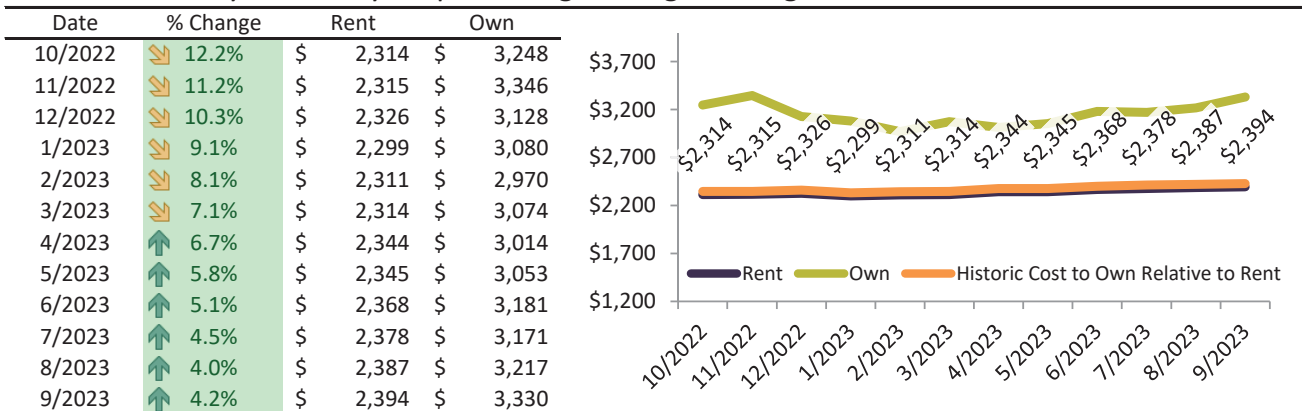
Median Home Price and Rental Parity trailing twelve months



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



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

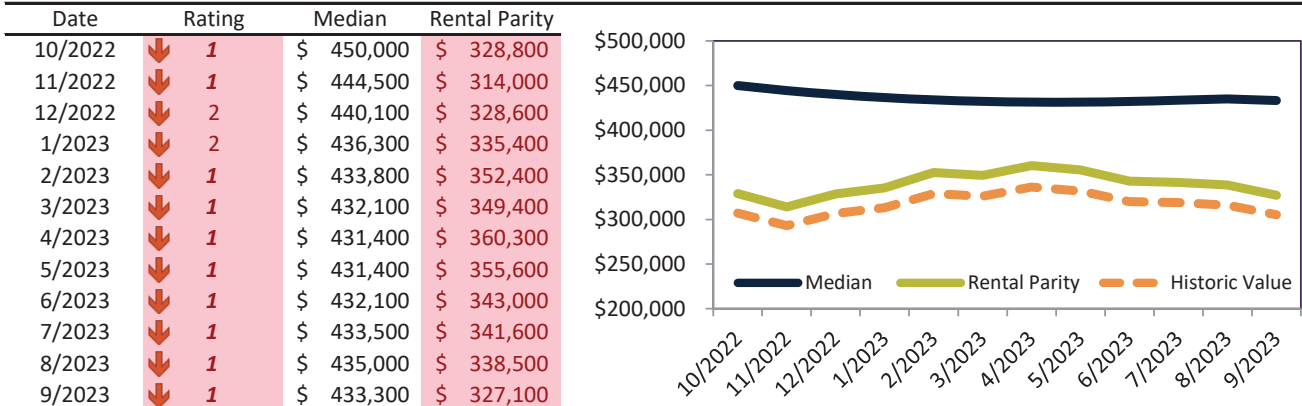


Weber County Housing Market Value & Trends Update

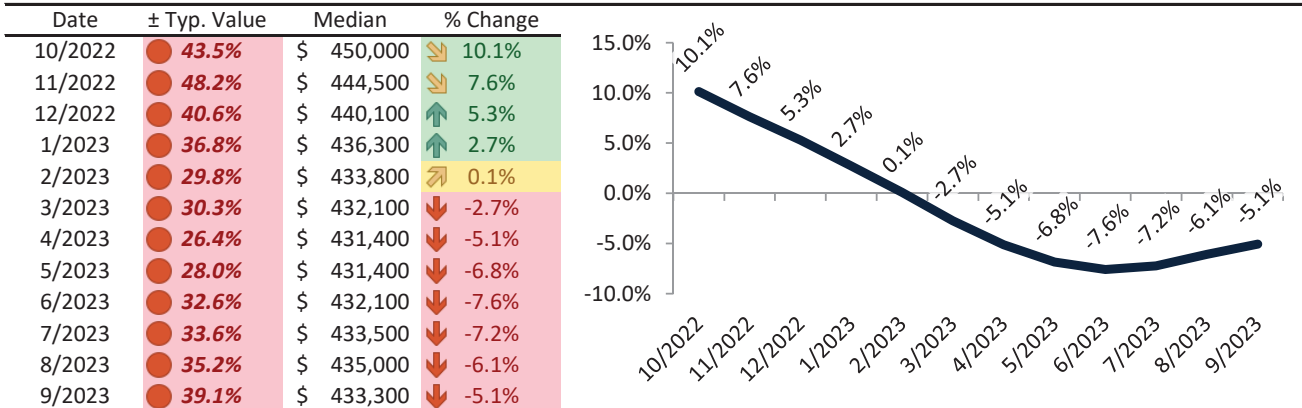
Historically, properties in this market sell at a -6.7% discount. Today's premium is 32.4%. This market is 39.1% overvalued. Median home price is \$433,300. Prices fell 5.1% year-over-year. Monthly cost of ownership is \$2,769, and rents average \$2,090, making owning \$678 per month more costly than renting. Rents rose 5.2% year-over-year. The current capitalization rate (rent/price) is 4.6%.

Market rating = 1

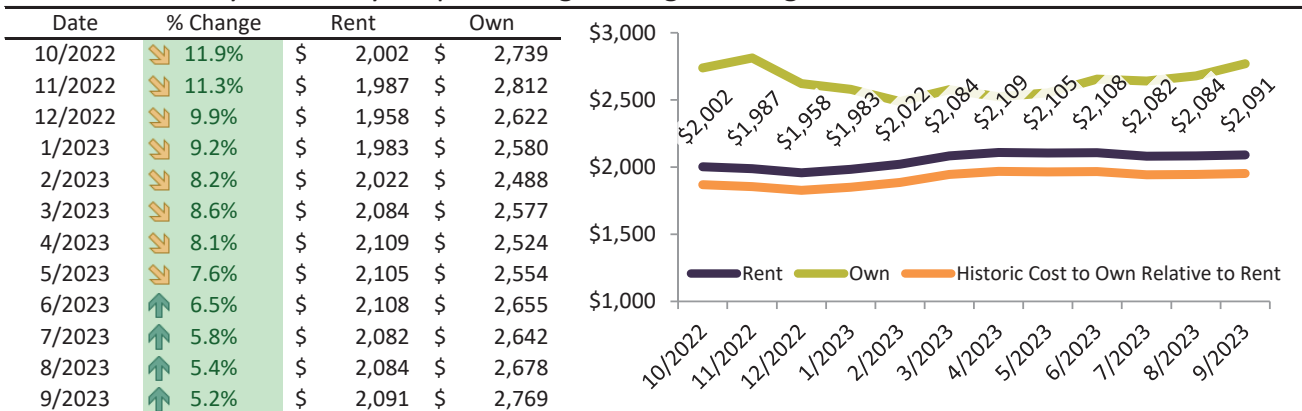
Median Home Price and Rental Parity trailing twelve months



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



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

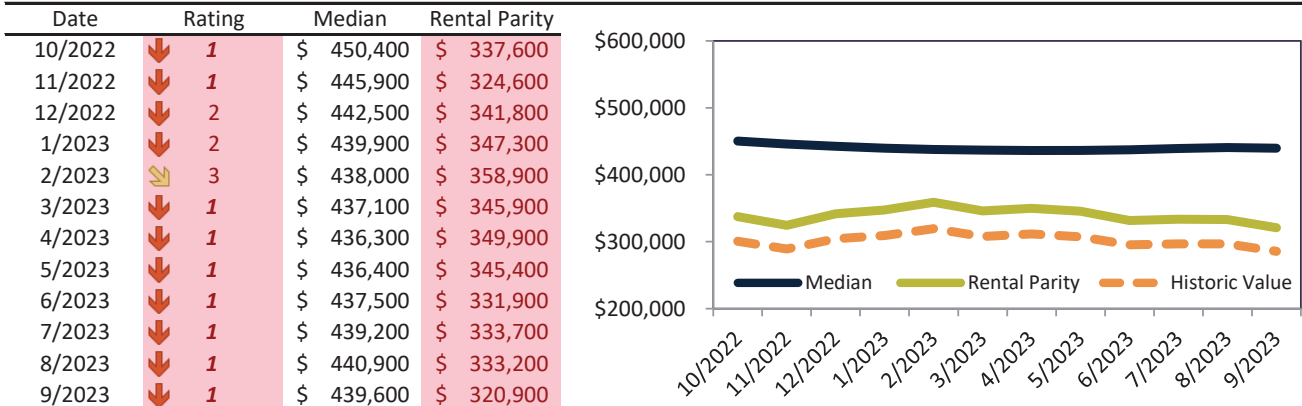


West Valley City Housing Market Value & Trends Update

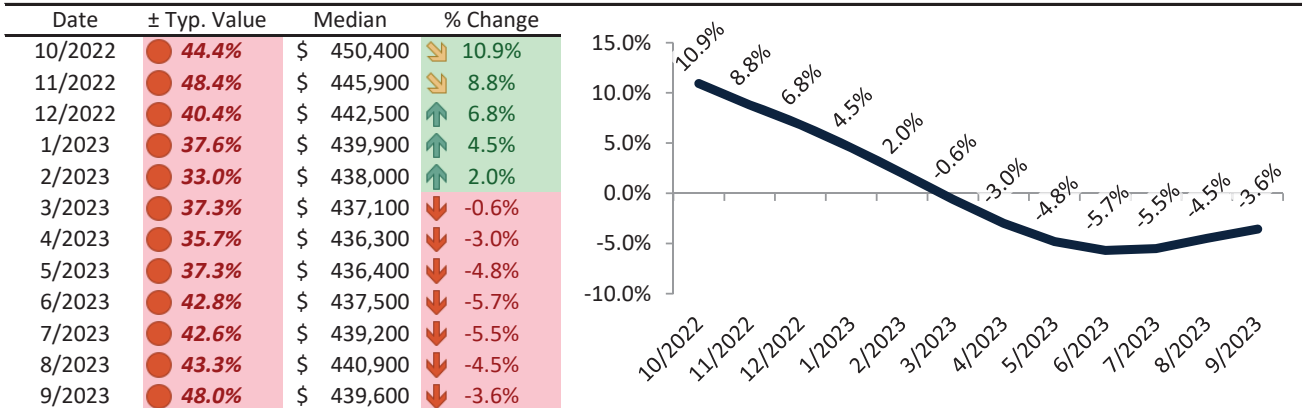
Historically, properties in this market sell at a -11.0% discount. Today's premium is 37.0%. This market is 48.0% overvalued. Median home price is \$439,600. Prices fell 3.6% year-over-year. Monthly cost of ownership is \$2,809, and rents average \$2,050, making owning \$758 per month more costly than renting. Rents rose 2.3% year-over-year. The current capitalization rate (rent/price) is 4.5%.

Market rating = 1

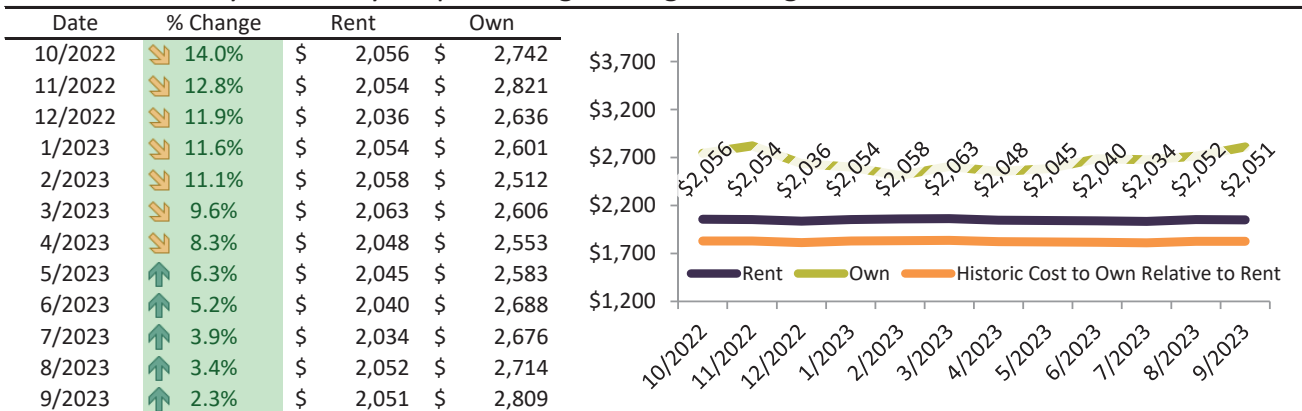
Median Home Price and Rental Parity trailing twelve months



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



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



West Jordan Housing Market Value & Trends Update

Historically, properties in this market sell at a -2.6% discount. Today's premium is 48.8%. This market is 51.4% overvalued.

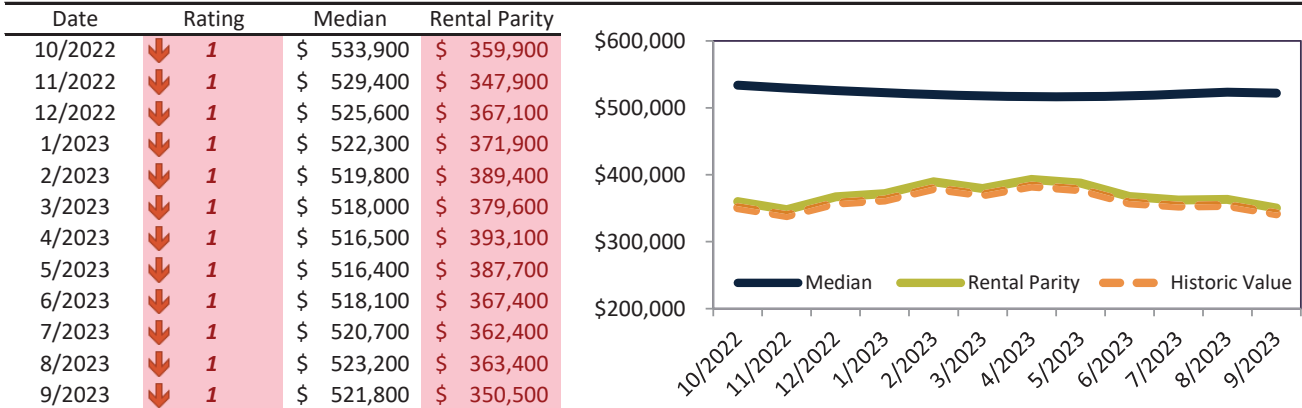
Median home price is \$521,800. Prices fell 3.3% year-over-year.

Monthly cost of ownership is \$3,334, and rents average \$2,240, making owning \$1,094 per month more costly than renting.

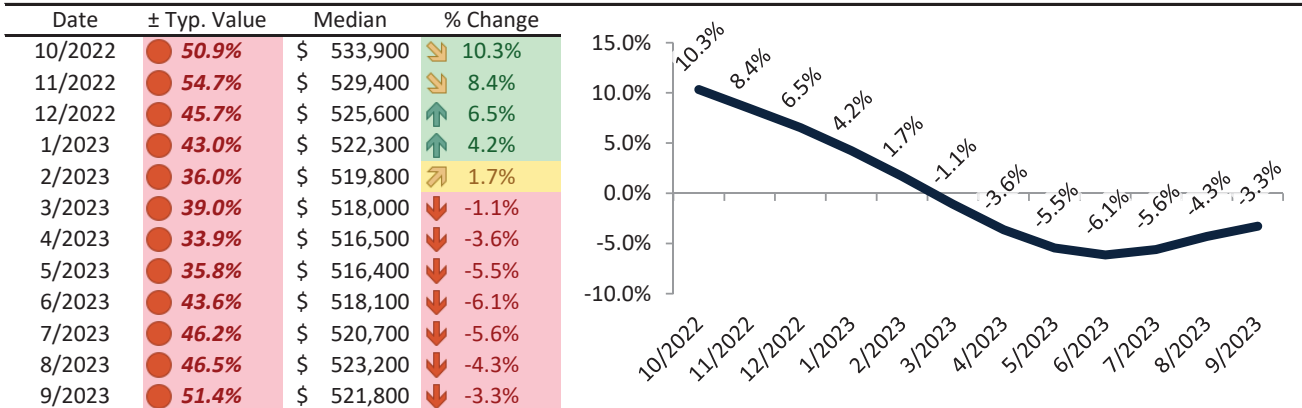
Rents rose 3.9% year-over-year. The current capitalization rate (rent/price) is 4.1%.

Market rating = 1

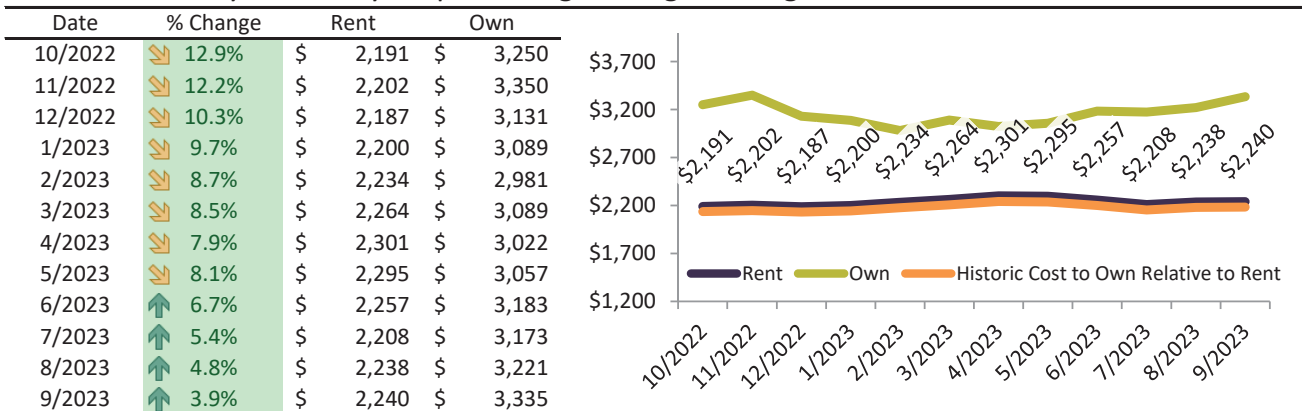
Median Home Price and Rental Parity trailing twelve months



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



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

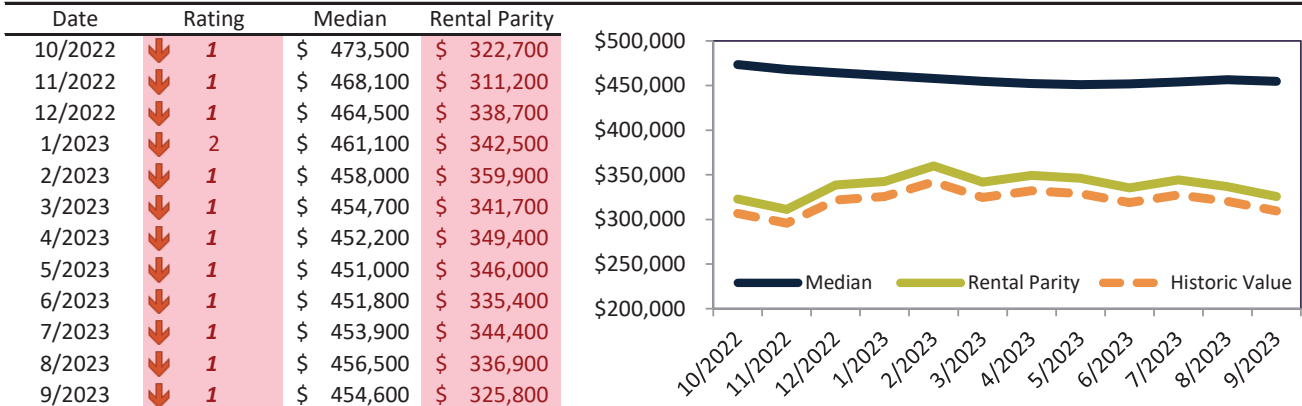


Provo Housing Market Value & Trends Update

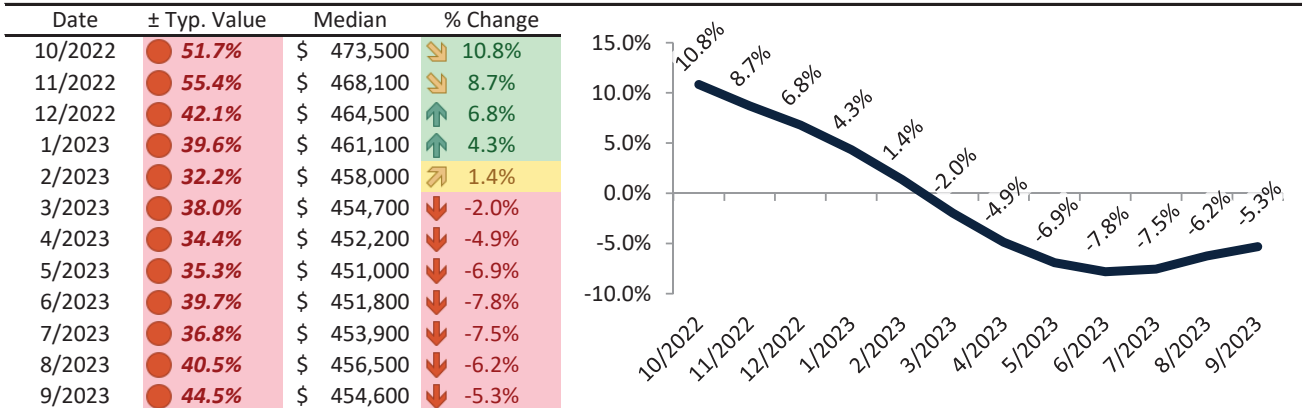
Historically, properties in this market sell at a -5.0% discount. Today's premium is 39.5%. This market is 44.5% overvalued. Median home price is \$454,600. Prices fell 5.3% year-over-year. Monthly cost of ownership is \$2,905, and rents average \$2,082, making owning \$822 per month more costly than renting. Rents rose 7.8% year-over-year. The current capitalization rate (rent/price) is 4.4%.

Market rating = 1

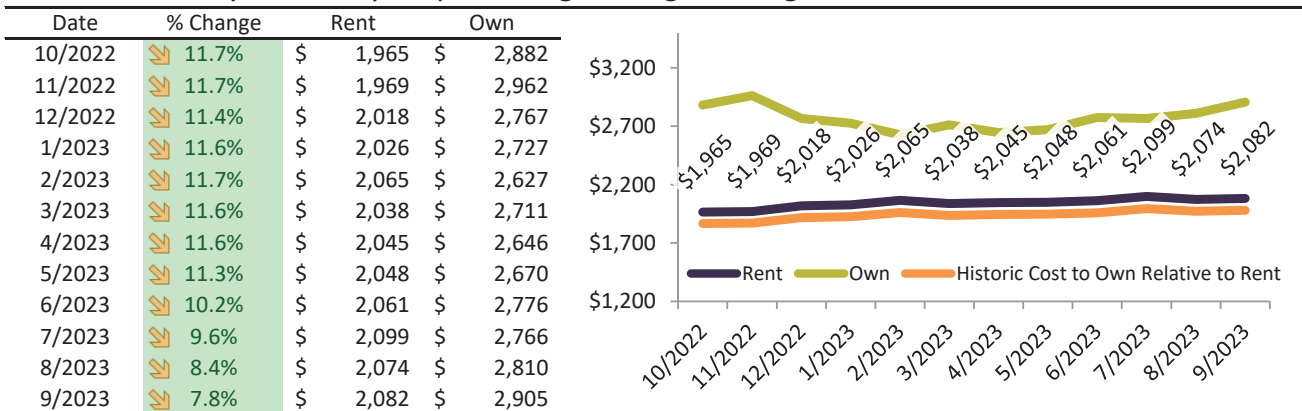
Median Home Price and Rental Parity trailing twelve months



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



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

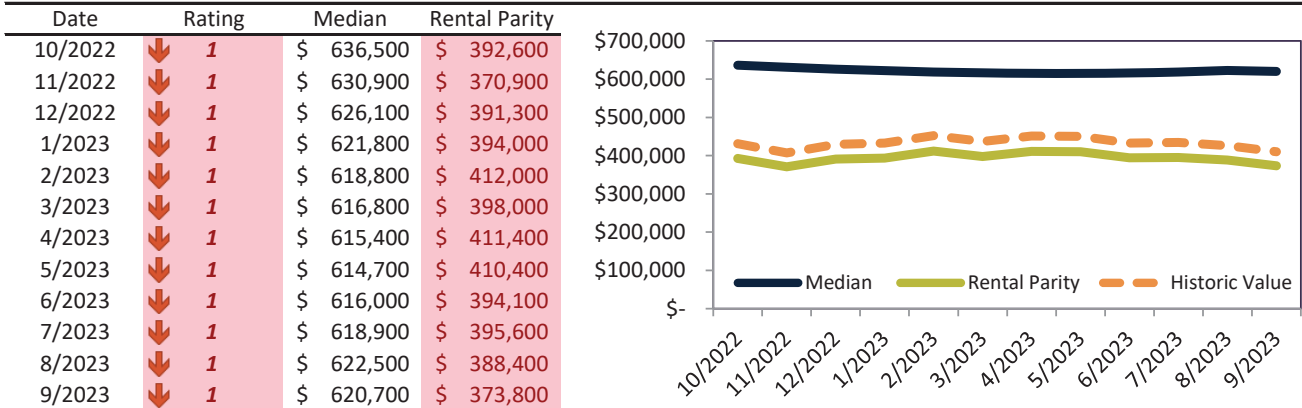


Sandy Housing Market Value & Trends Update

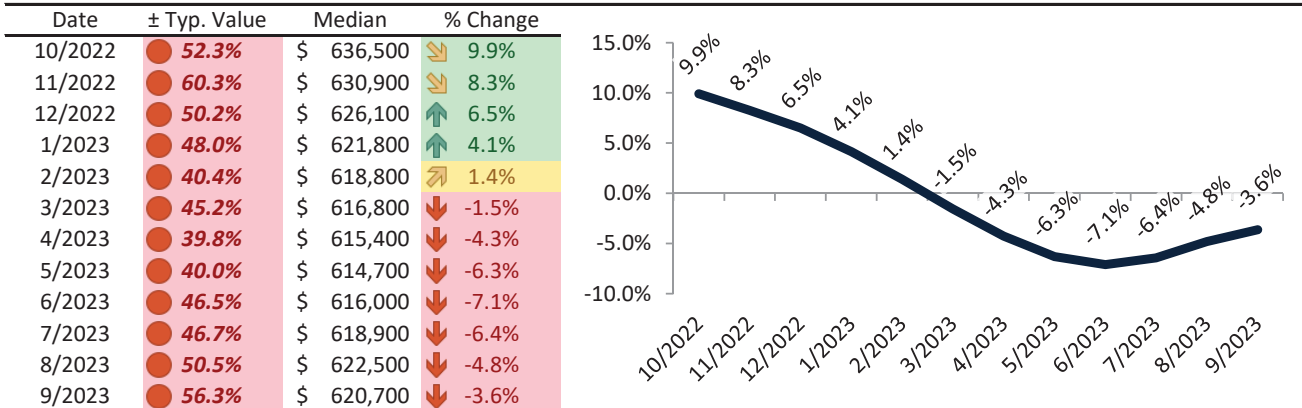
Historically, properties in this market sell at a 9.8% premium. Today's premium is 66.1%. This market is 56.3% overvalued. Median home price is \$620,700. Prices fell 3.6% year-over-year. Monthly cost of ownership is \$3,966, and rents average \$2,389, making owning \$1,577 per month more costly than renting. Rents rose 0.3% year-over-year. The current capitalization rate (rent/price) is 3.7%.

Market rating = 1

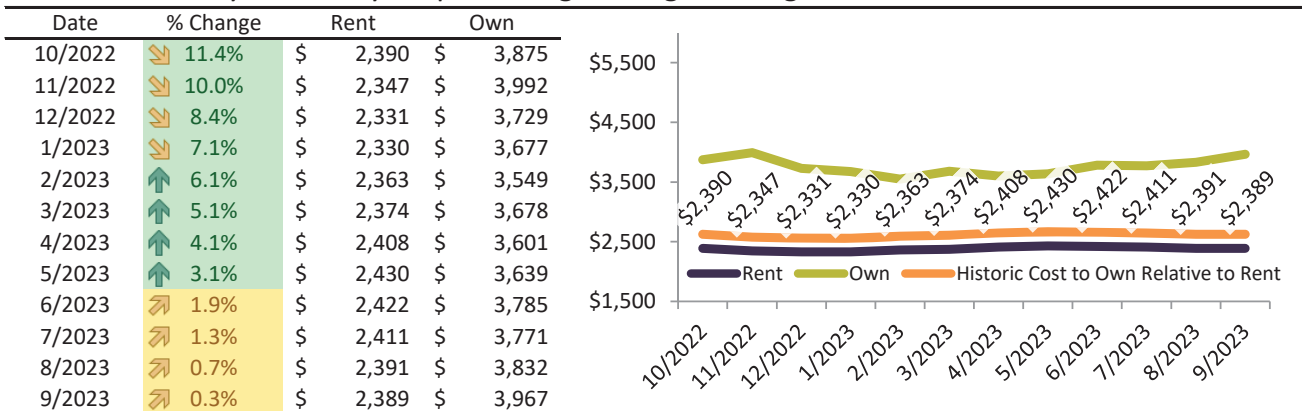
Median Home Price and Rental Parity trailing twelve months



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



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

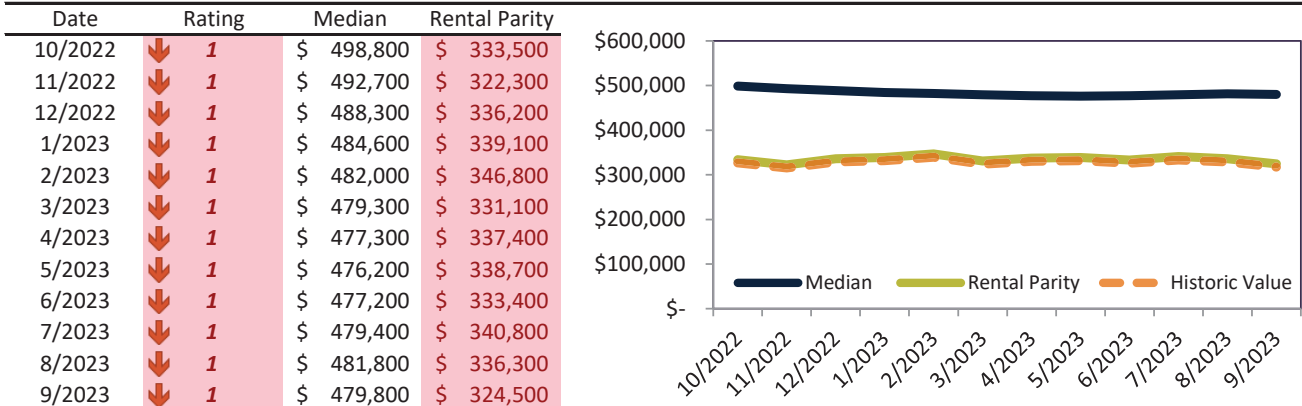


Orem Housing Market Value & Trends Update

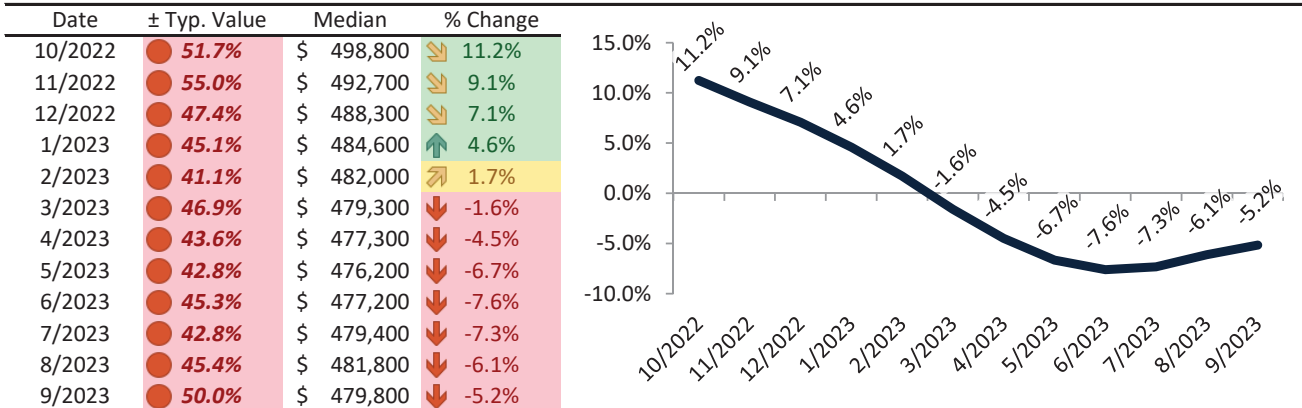
Historically, properties in this market sell at a -2.2% discount. Today's premium is 47.8%. This market is 50.0% overvalued. Median home price is \$479,800. Prices fell 5.2% year-over-year. Monthly cost of ownership is \$3,066, and rents average \$2,073, making owning \$992 per month more costly than renting. Rents rose 3.3% year-over-year. The current capitalization rate (rent/price) is 4.1%.

Market rating = 1

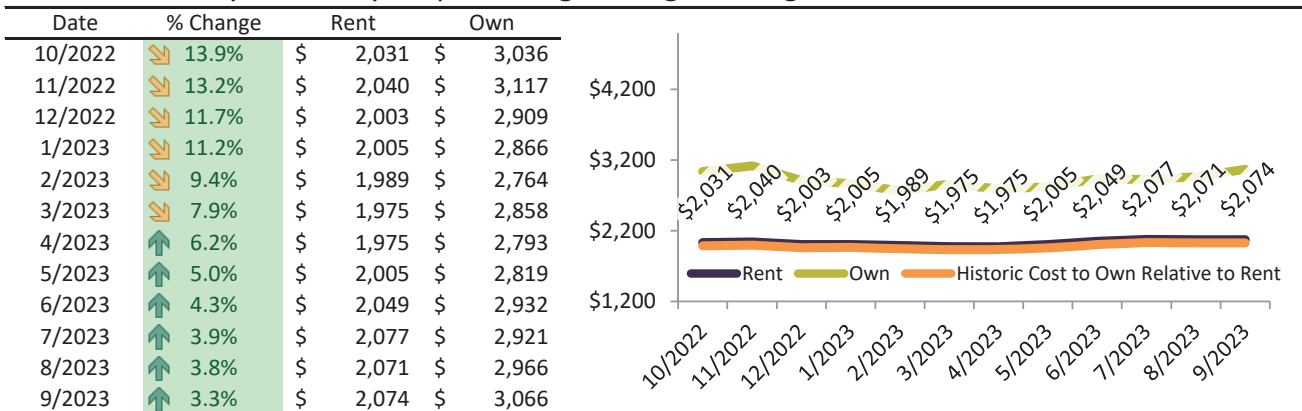
Median Home Price and Rental Parity trailing twelve months



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



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

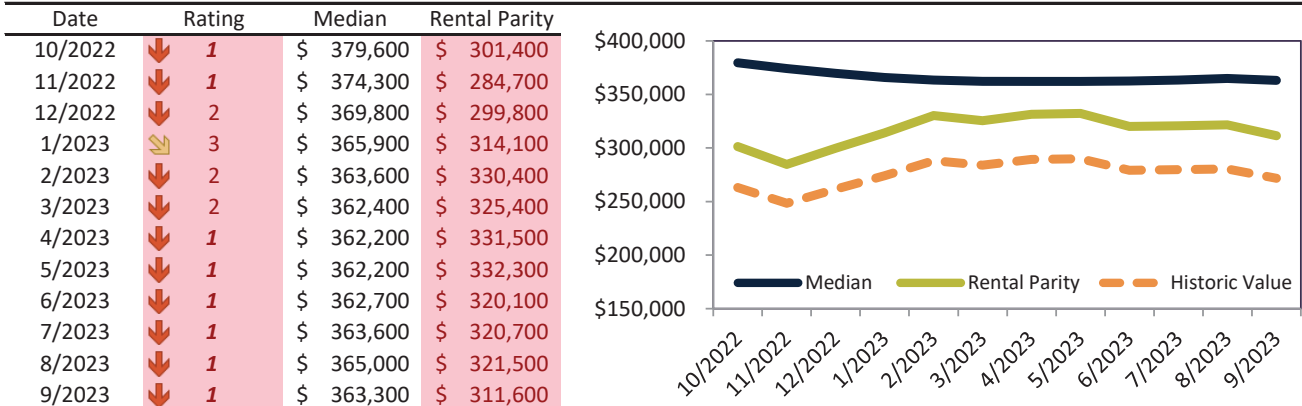


Ogden Housing Market Value & Trends Update

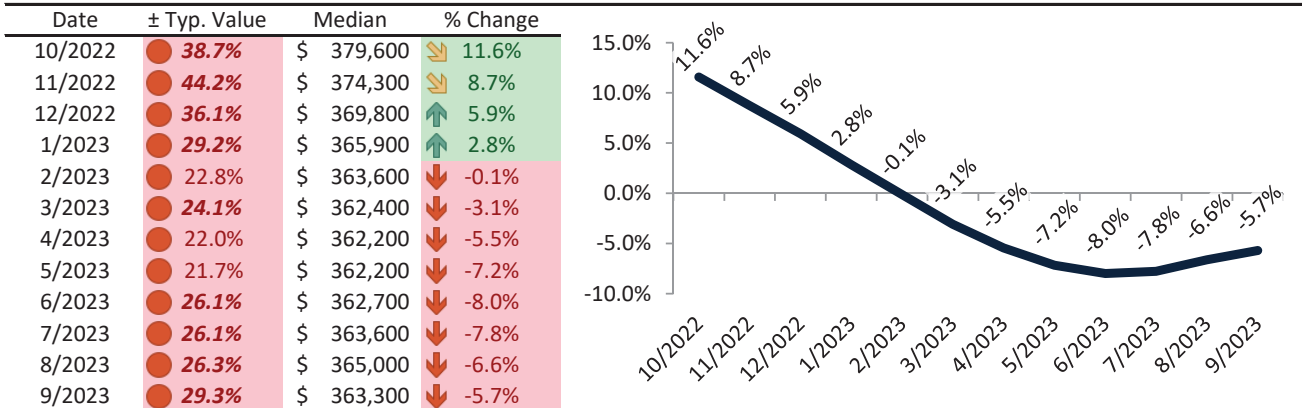
Historically, properties in this market sell at a -12.7% discount. Today's premium is 16.6%. This market is 29.3% overvalued. Median home price is \$363,300. Prices fell 5.7% year-over-year. Monthly cost of ownership is \$2,321, and rents average \$1,991, making owning \$330 per month more costly than renting. Rents rose 9.0% year-over-year. The current capitalization rate (rent/price) is 5.3%.

Market rating = 1

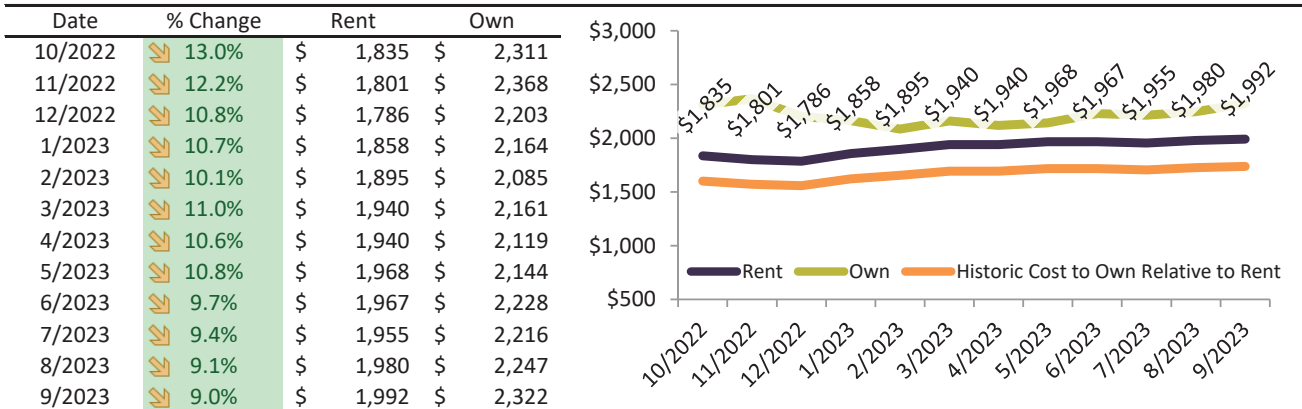
Median Home Price and Rental Parity trailing twelve months



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



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

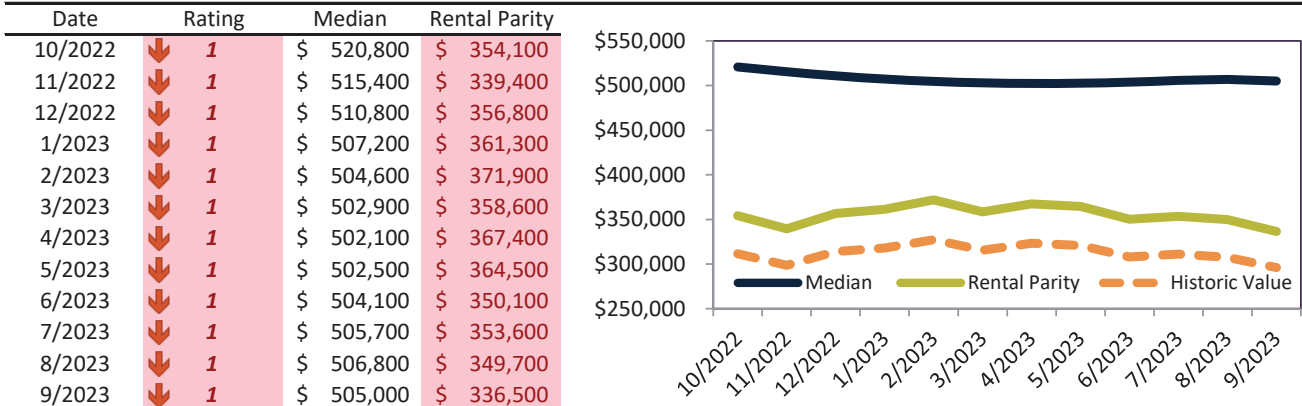


Saint George Housing Market Value & Trends Update

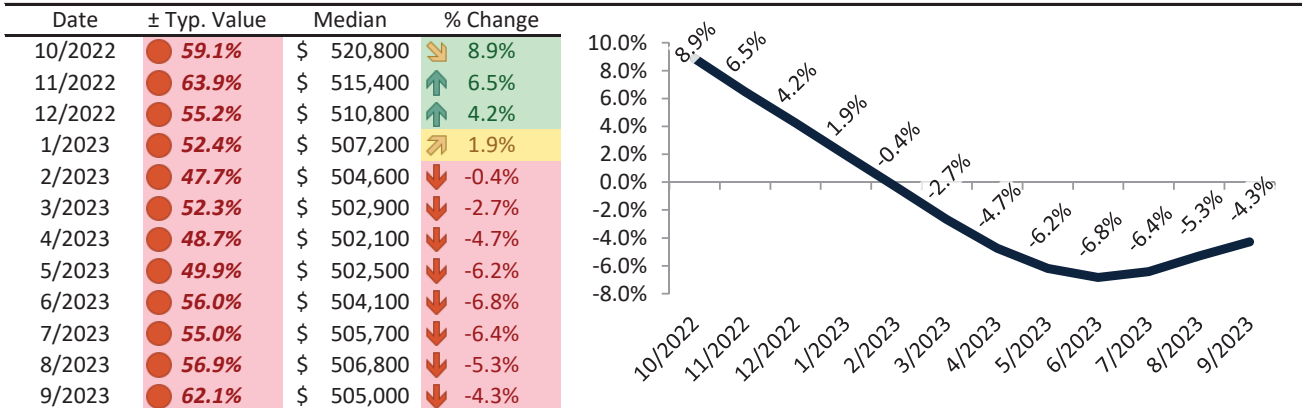
Historically, properties in this market sell at a -12.0% discount. Today's premium is 50.1%. This market is 62.1% overvalued. Median home price is \$505,000. Prices fell 4.3% year-over-year. Monthly cost of ownership is \$3,227, and rents average \$2,150, making owning \$1,076 per month more costly than renting. Rents rose 1.5% year-over-year. The current capitalization rate (rent/price) is 4.1%.

Market rating = 1

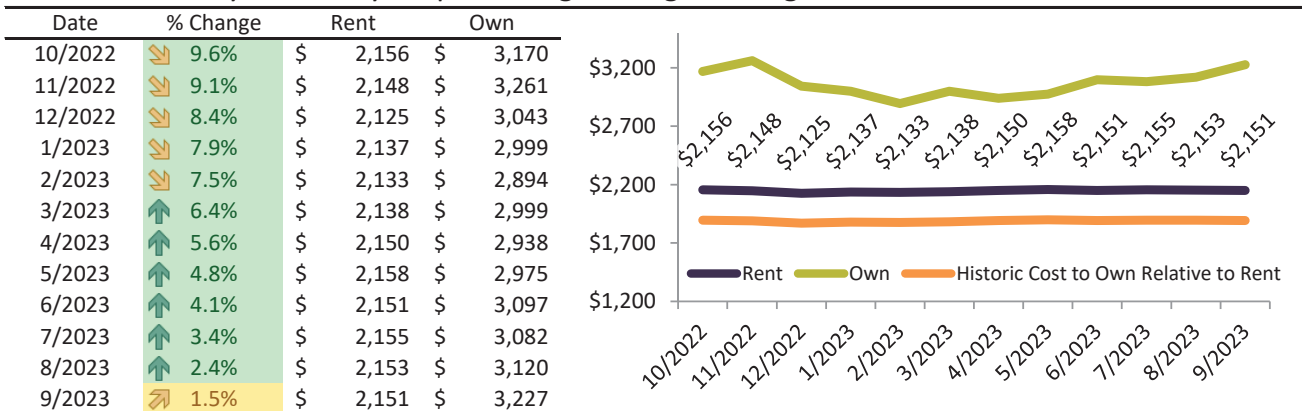
Median Home Price and Rental Parity trailing twelve months



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



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



Taylorville Housing Market Value & Trends Update

Historically, properties in this market sell at a -6.7% discount. Today's premium is 64.7%. This market is 71.4% overvalued.

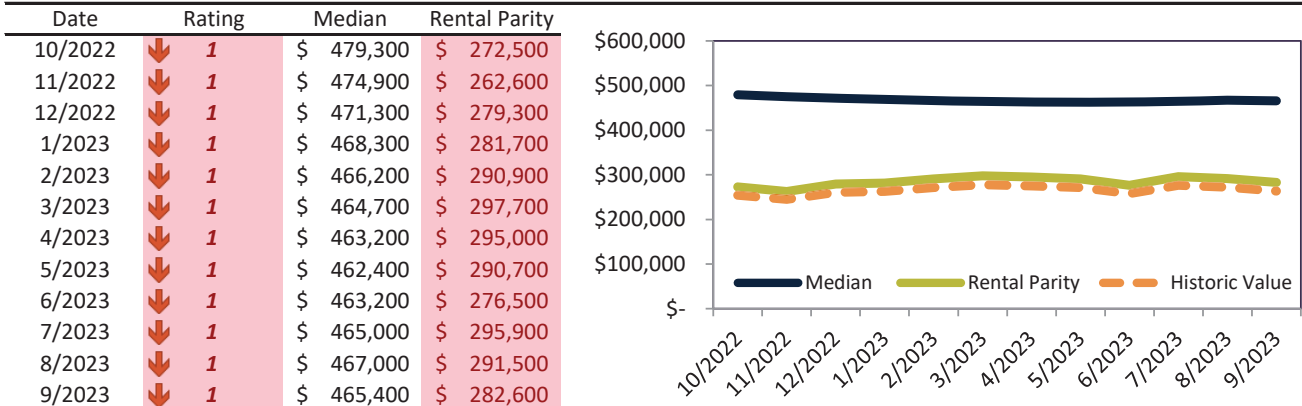
Median home price is \$465,400. Prices fell 4.1% year-over-year.

Monthly cost of ownership is \$2,974, and rents average \$1,806, making owning \$1,167 per month more costly than renting.

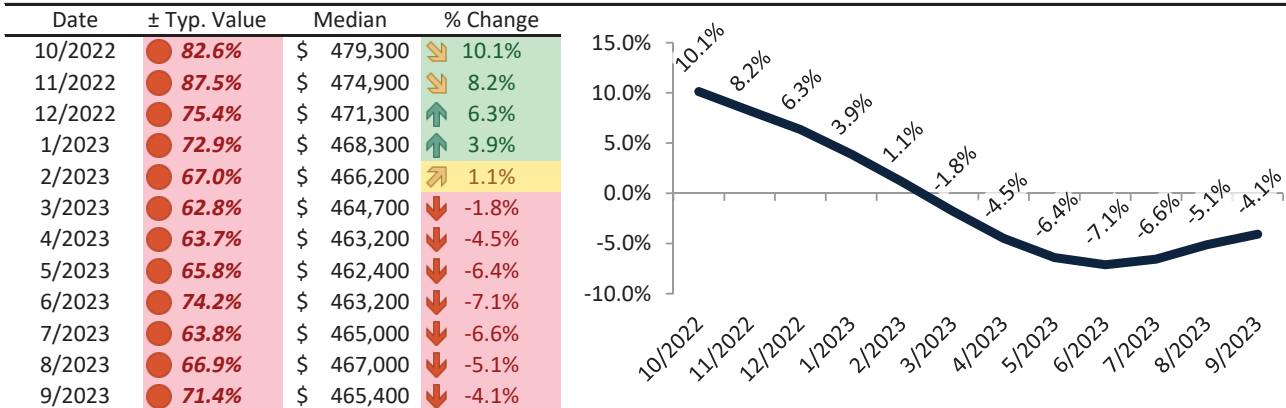
Rents rose 6.8% year-over-year. The current capitalization rate (rent/price) is 3.7%.

Market rating = 1

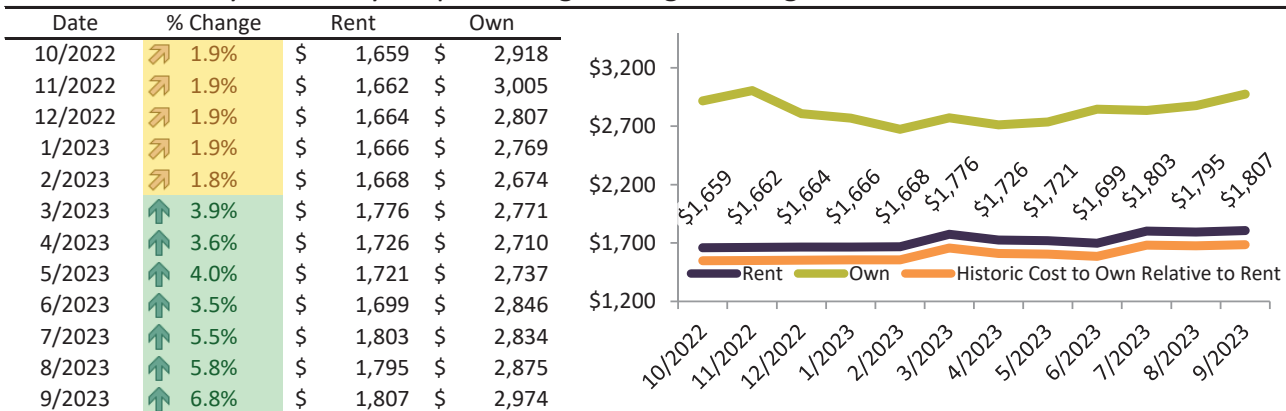
Median Home Price and Rental Parity trailing twelve months



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



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



Layton Housing Market Value & Trends Update

Historically, properties in this market sell at a -0.6% discount. Today's premium is 62.6%. This market is 63.2% overvalued.

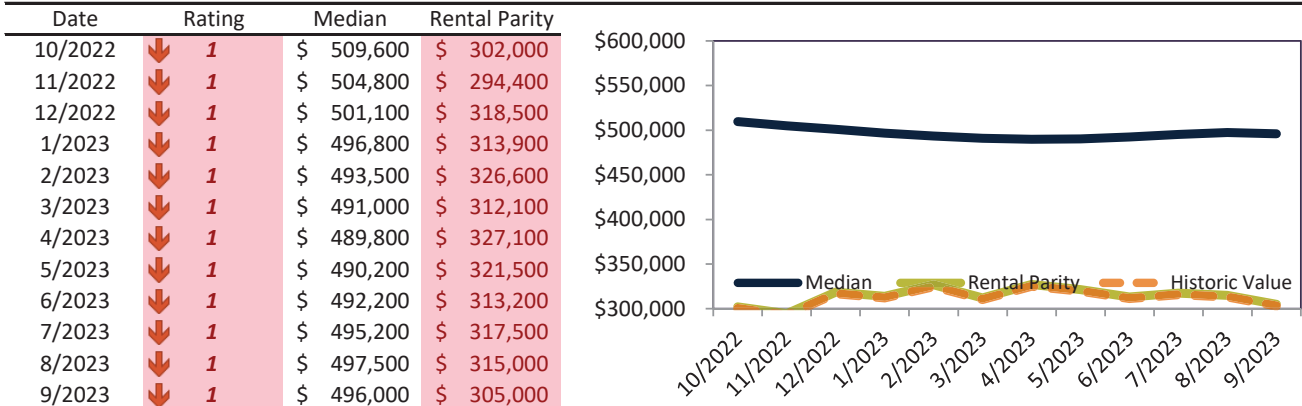
Median home price is \$496,000. Prices fell 3.9% year-over-year.

Monthly cost of ownership is \$3,169, and rents average \$1,949, making owning \$1,220 per month more costly than renting.

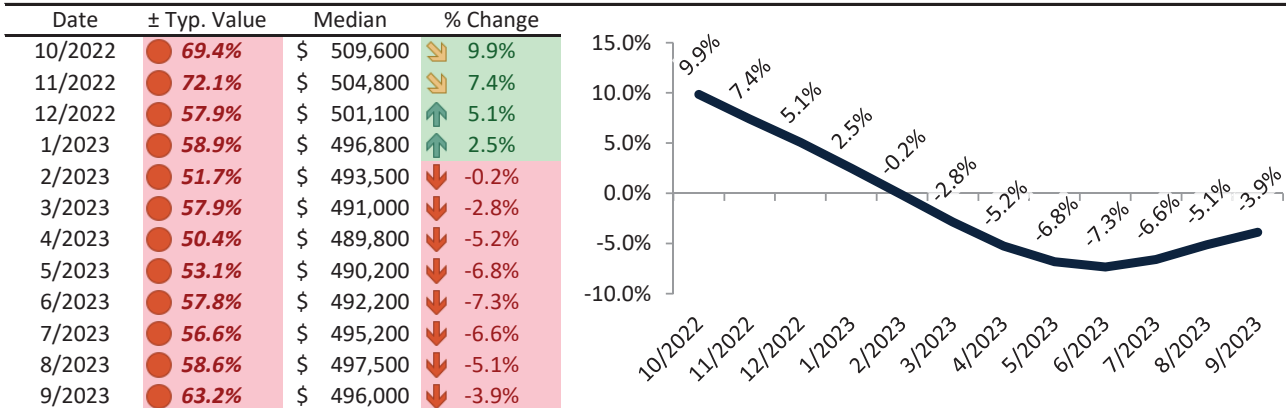
Rents rose 6.0% year-over-year. The current capitalization rate (rent/price) is 3.8%.

Market rating = 1

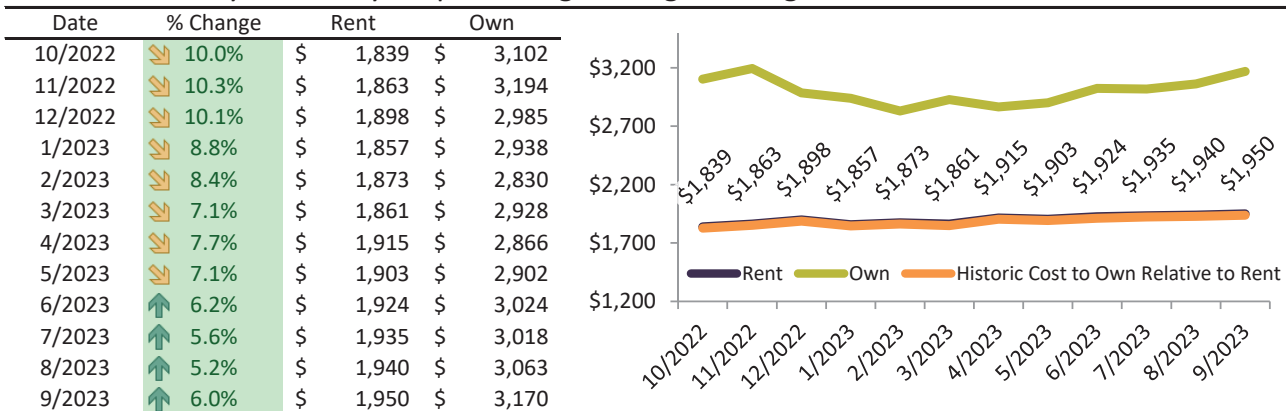
Median Home Price and Rental Parity trailing twelve months



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



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



South Jordan Housing Market Value & Trends Update

Historically, properties in this market sell at a 3.4% premium. Today's premium is 92.3%. This market is 88.9% overvalued.

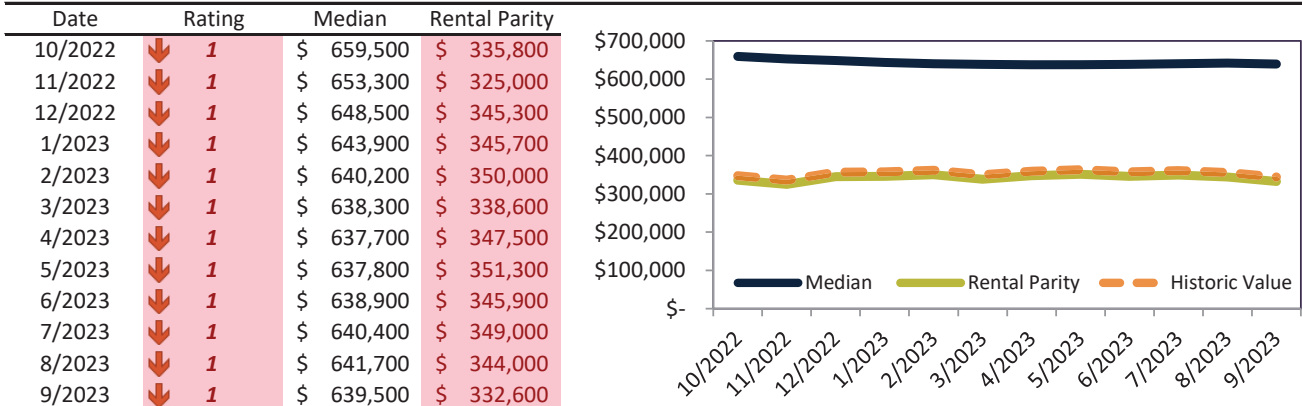
Median home price is \$639,500. Prices fell 4.3% year-over-year.

Monthly cost of ownership is \$4,086, and rents average \$2,125, making owning \$1,961 per month more costly than renting.

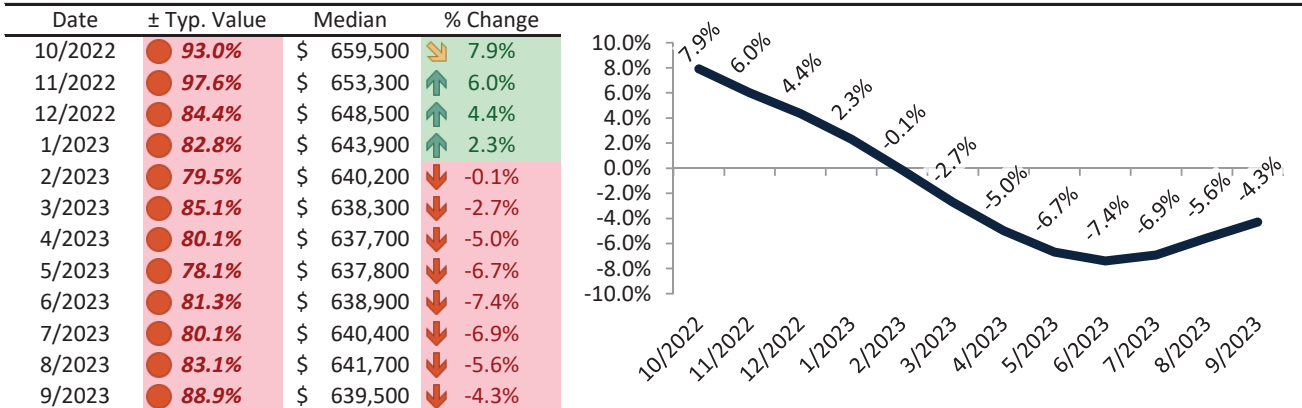
Rents rose 3.8% year-over-year. The current capitalization rate (rent/price) is 3.2%.

Market rating = 1

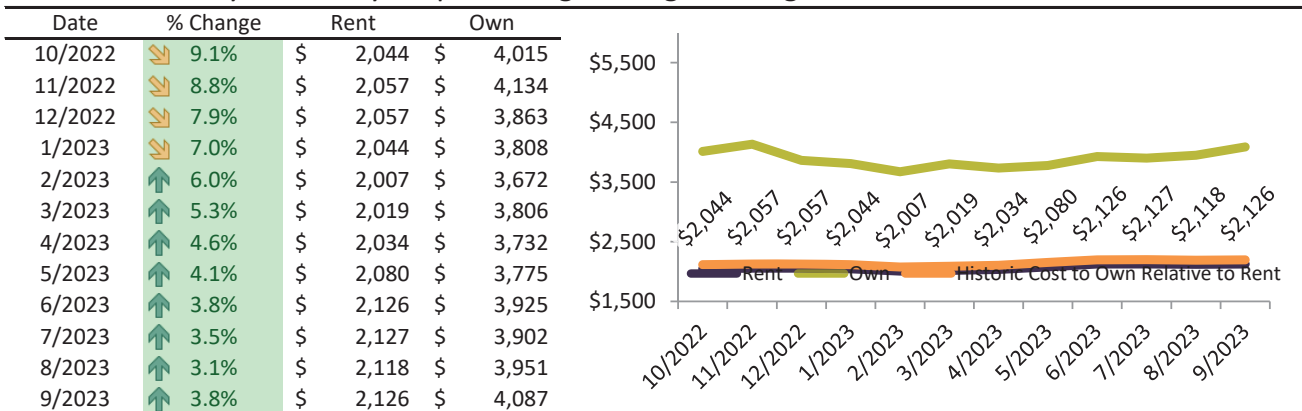
Median Home Price and Rental Parity trailing twelve months



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



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

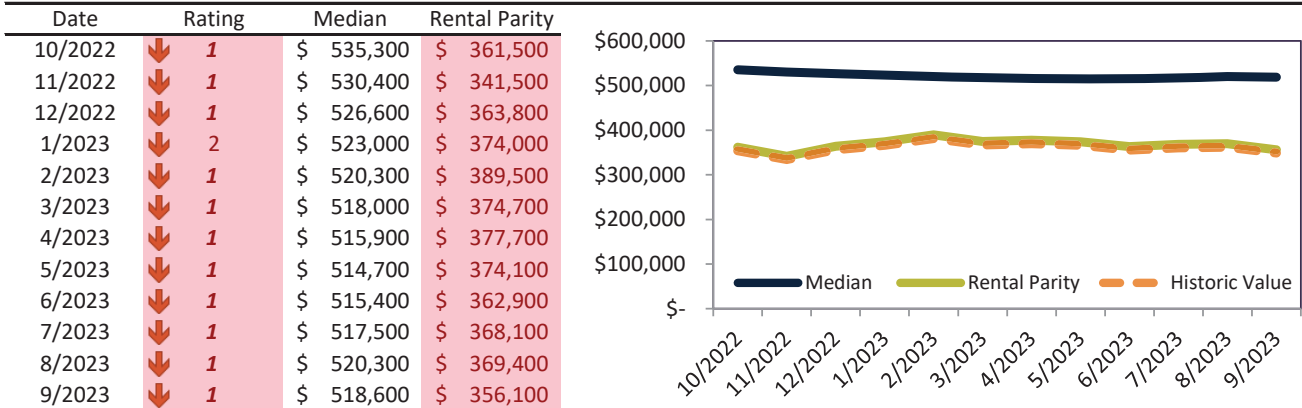


Murray Housing Market Value & Trends Update

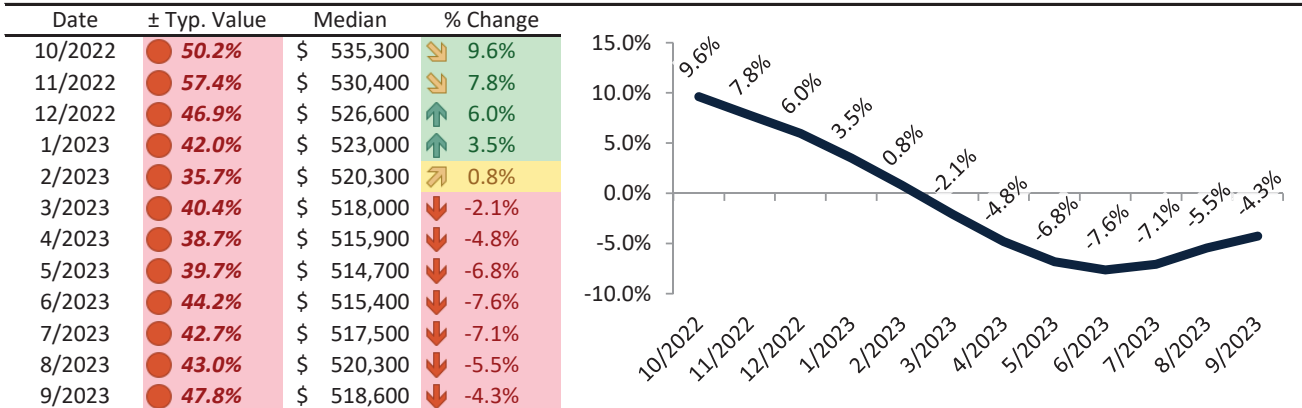
Historically, properties in this market sell at a -2.1% discount. Today's premium is 45.7%. This market is 47.8% overvalued. Median home price is \$518,600. Prices fell 4.3% year-over-year. Monthly cost of ownership is \$3,314, and rents average \$2,276, making owning \$1,037 per month more costly than renting. Rents rose 2.5% year-over-year. The current capitalization rate (rent/price) is 4.2%.

Market rating = 1

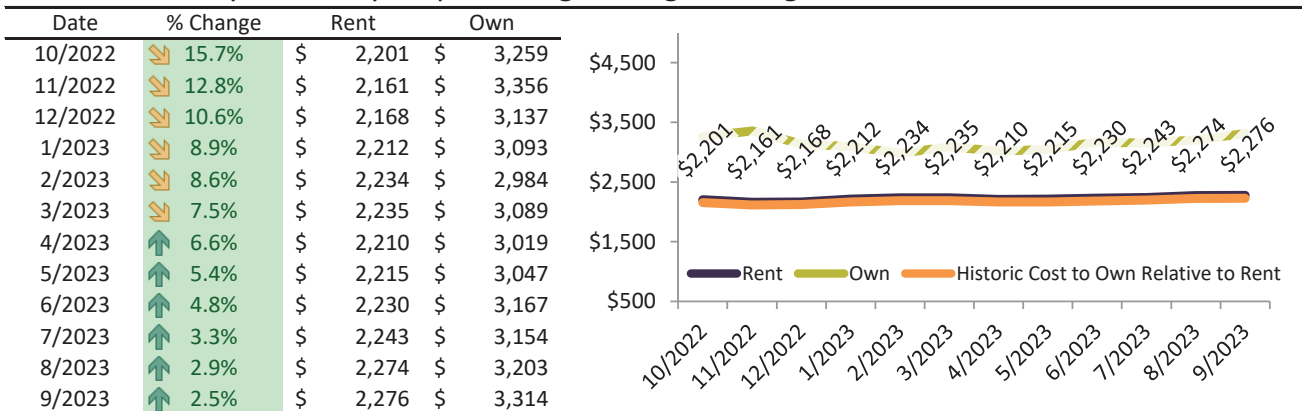
Median Home Price and Rental Parity trailing twelve months



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



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

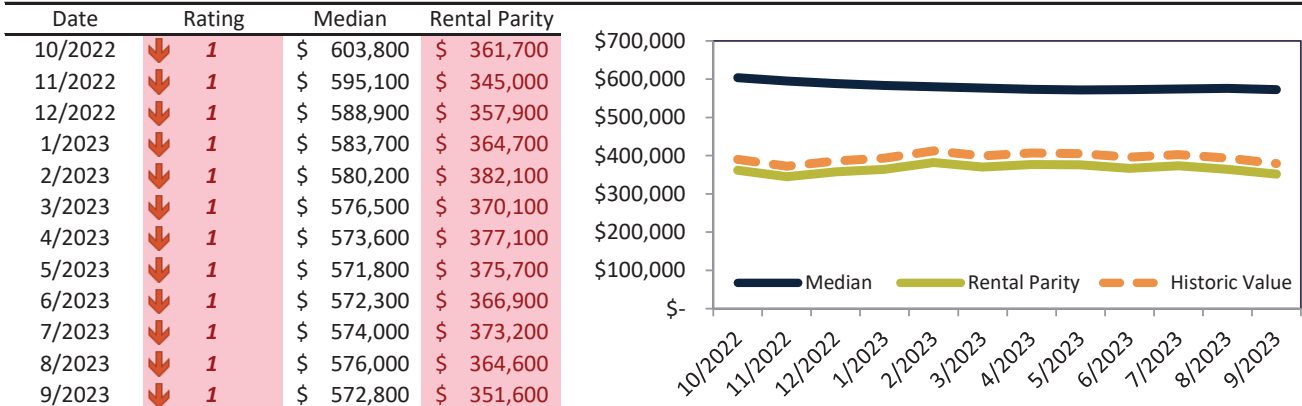


Lehi Housing Market Value & Trends Update

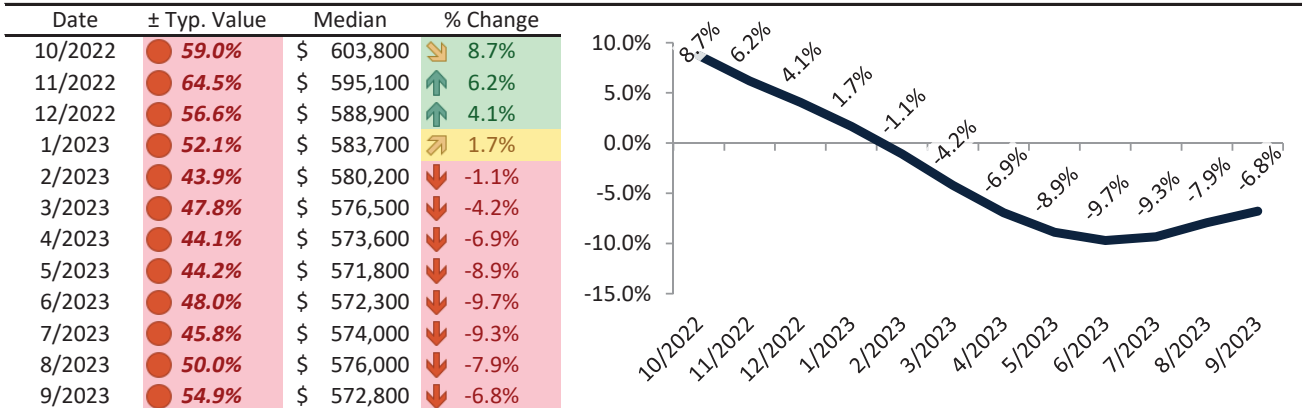
Historically, properties in this market sell at a 8.0% premium. Today's premium is 62.9%. This market is 54.9% overvalued. Median home price is \$572,800. Prices fell 6.8% year-over-year. Monthly cost of ownership is \$3,660, and rents average \$2,247, making owning \$1,413 per month more costly than renting. Rents rose 3.0% year-over-year. The current capitalization rate (rent/price) is 3.8%.

Market rating = 1

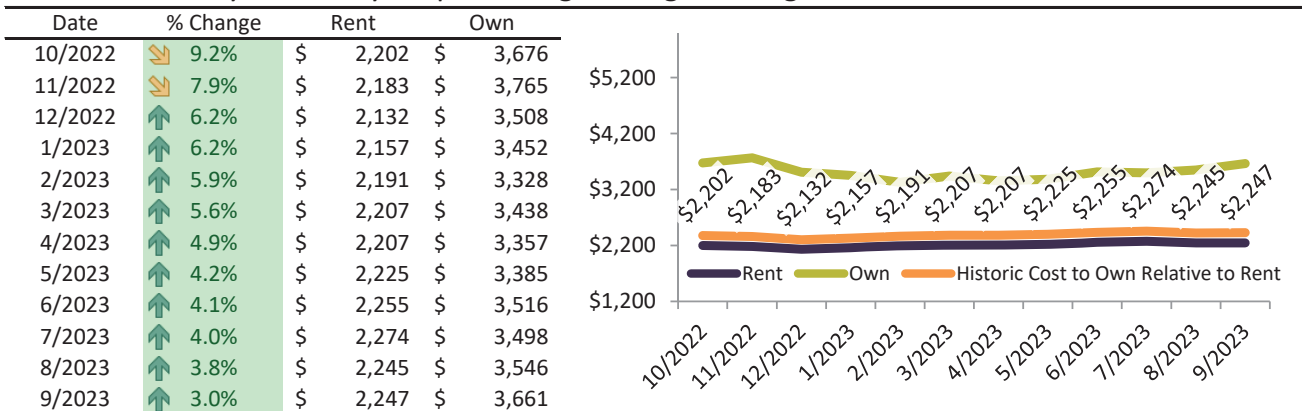
Median Home Price and Rental Parity trailing twelve months



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



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

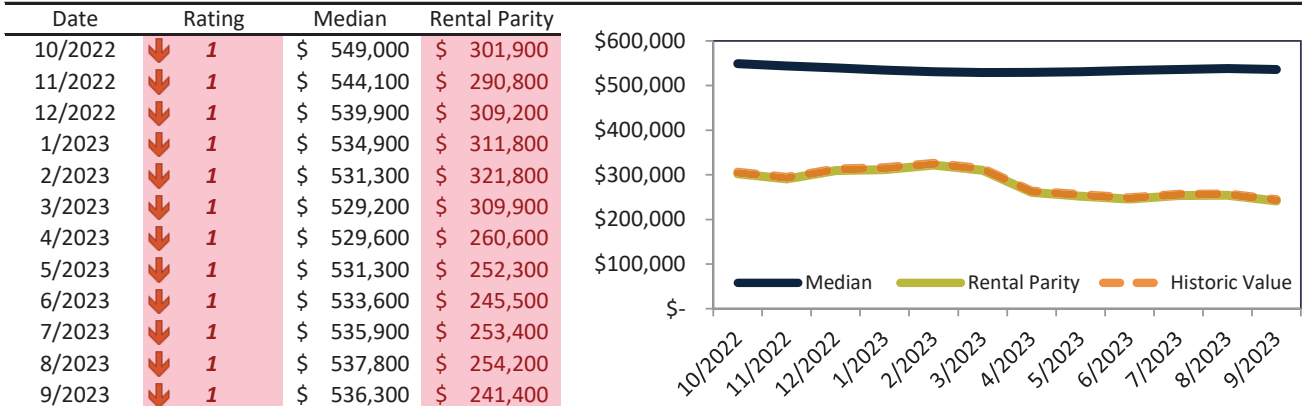


Bountiful Housing Market Value & Trends Update

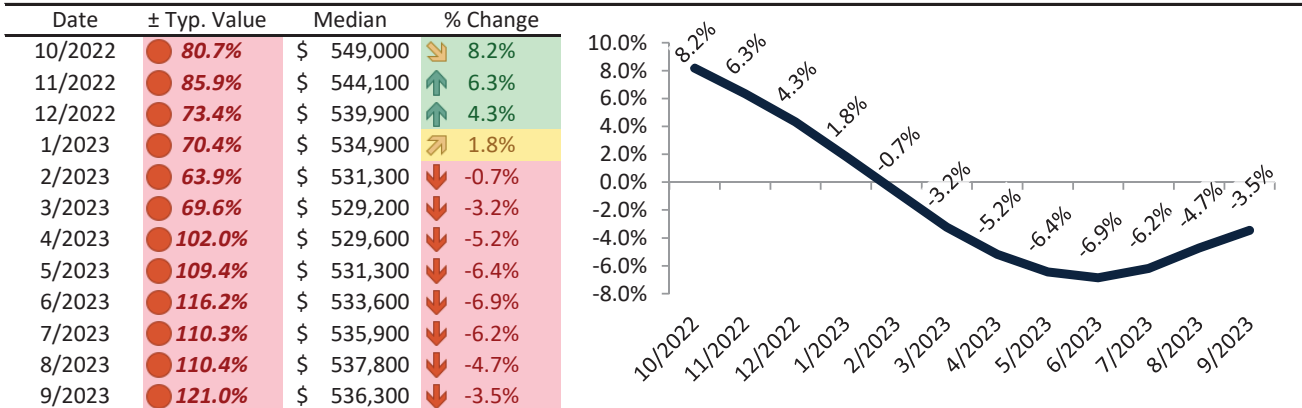
Historically, properties in this market sell at a 1.2% premium. Today's premium is 122.2%. This market is 121.0% overvalued. Median home price is \$536,300. Prices fell 3.5% year-over-year. Monthly cost of ownership is \$3,427, and rents average \$1,542, making owning \$1,884 per month more costly than renting. Rents fell 12.9% year-over-year. The current capitalization rate (rent/price) is 2.8%.

Market rating = 1

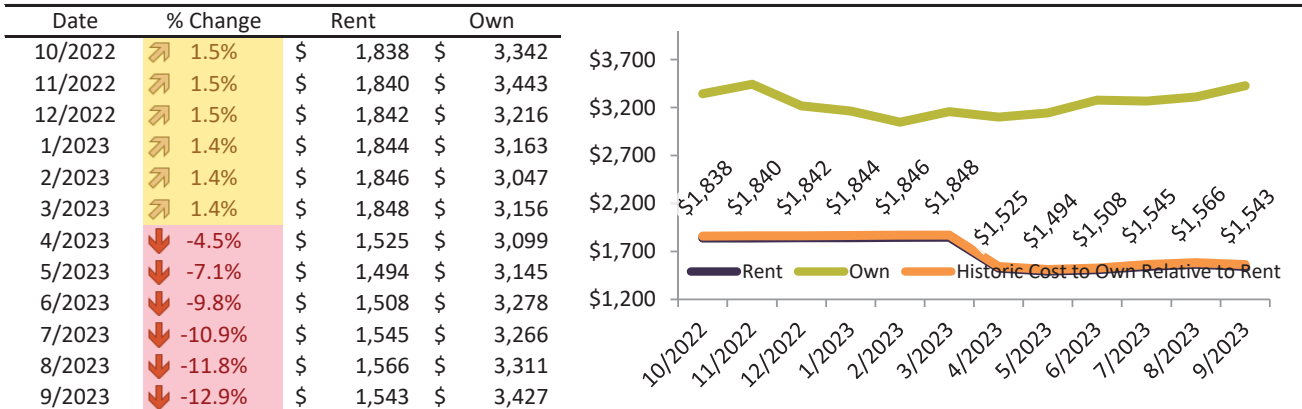
Median Home Price and Rental Parity trailing twelve months



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



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

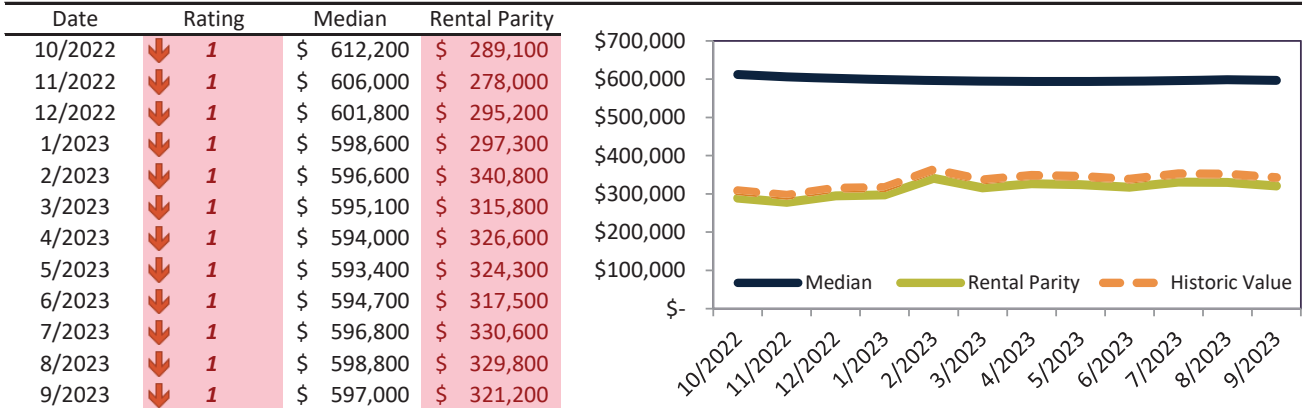


Riverton Housing Market Value & Trends Update

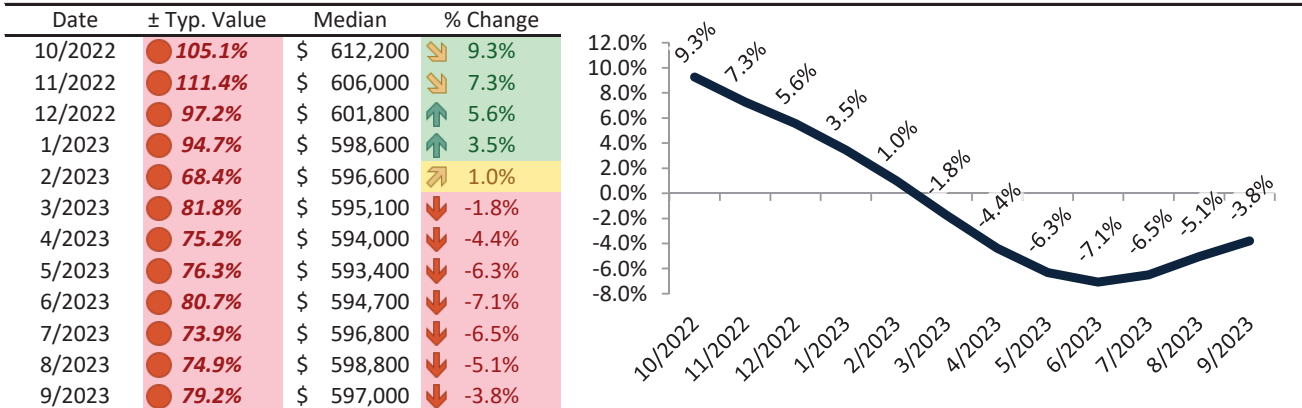
Historically, properties in this market sell at a 6.6% premium. Today's premium is 85.8%. This market is 79.2% overvalued. Median home price is \$597,000. Prices fell 3.8% year-over-year. Monthly cost of ownership is \$3,815, and rents average \$2,053, making owning \$1,762 per month more costly than renting. Rents rose 12.0% year-over-year. The current capitalization rate (rent/price) is 3.3%.

Market rating = 1

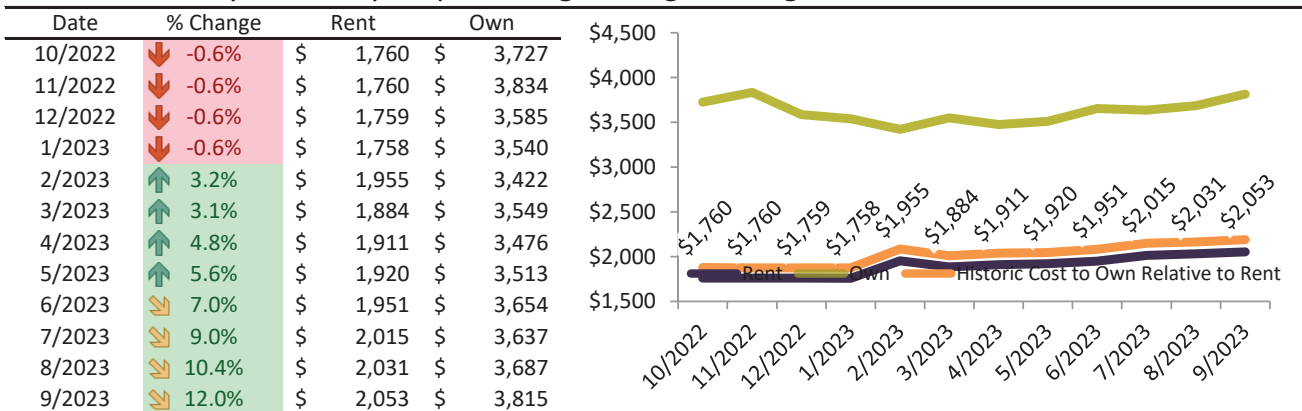
Median Home Price and Rental Parity trailing twelve months



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



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



Sugar House Housing Market Value & Trends Update

Historically, properties in this market sell at a 10.8% premium. Today's premium is 73.7%. This market is 62.9% overvalued.

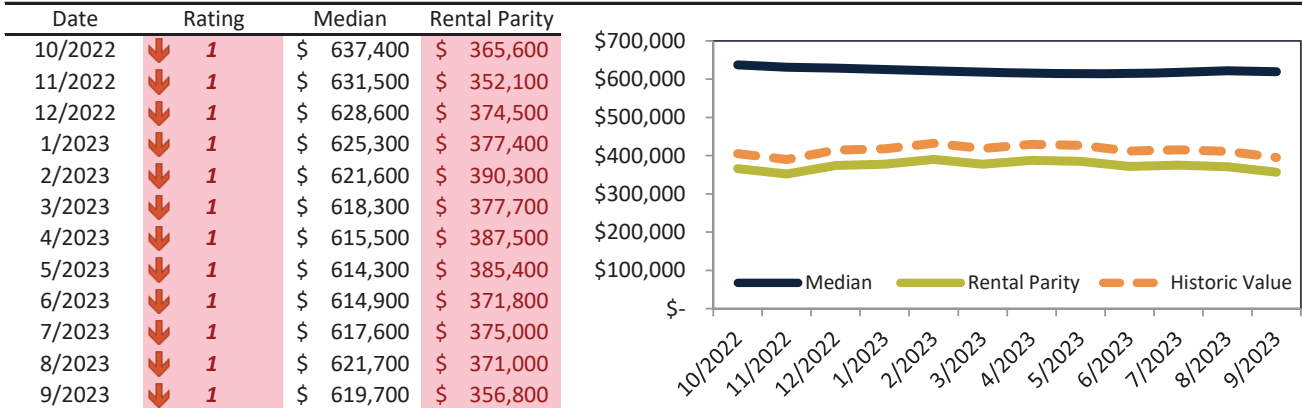
Median home price is \$619,700. Prices fell 4.1% year-over-year.

Monthly cost of ownership is \$3,960, and rents average \$2,280, making owning \$1,679 per month more costly than renting.

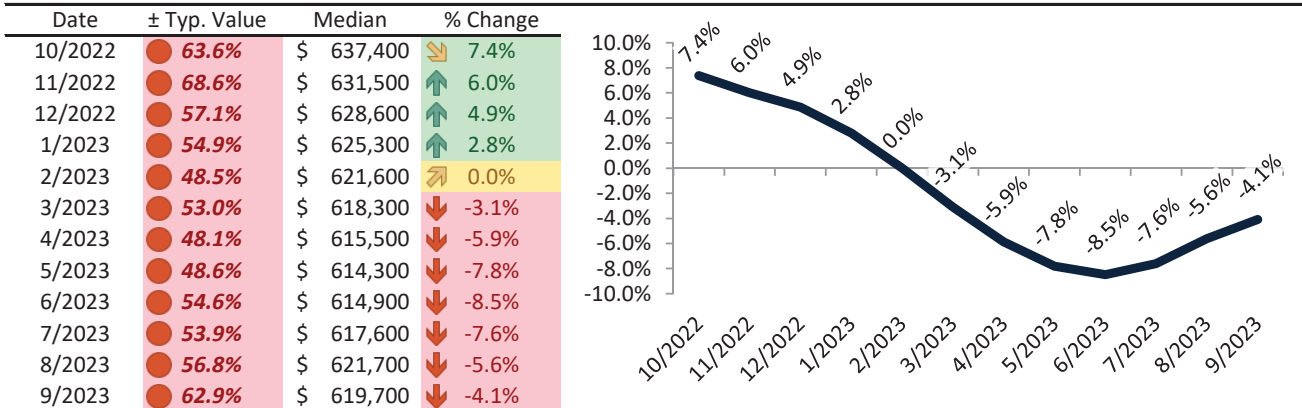
Rents rose 2.8% year-over-year. The current capitalization rate (rent/price) is 3.5%.

Market rating = 1

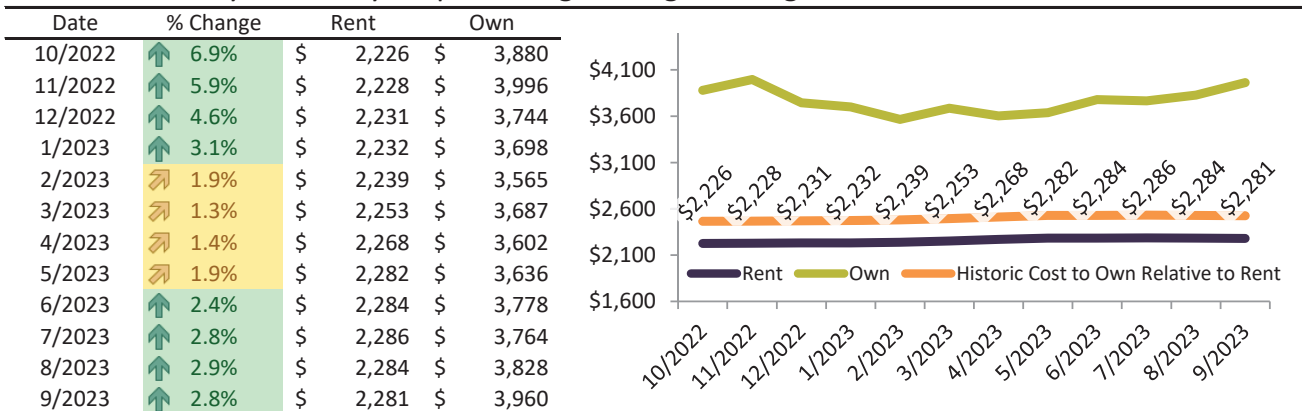
Median Home Price and Rental Parity trailing twelve months



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



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

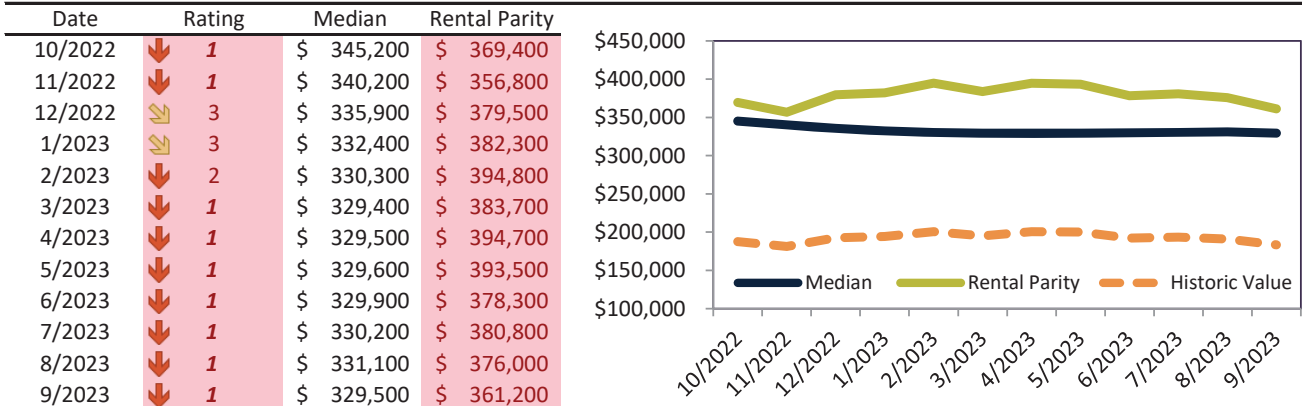


East Central Housing Market Value & Trends Update

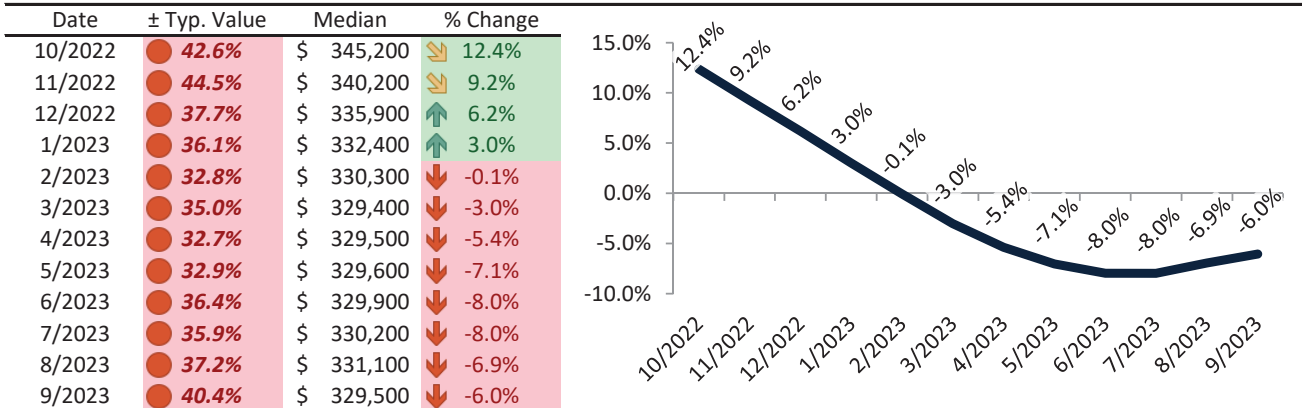
Historically, properties in this market sell at a -49.2% discount. Today's discount is 8.8%. This market is 40.4% overvalued. Median home price is \$329,500. Prices fell 6.0% year-over-year. Monthly cost of ownership is \$2,105, and rents average \$2,308, making owning \$203 per month less costly than renting. Rents rose 3.8% year-over-year. The current capitalization rate (rent/price) is 6.7%.

Market rating = 1

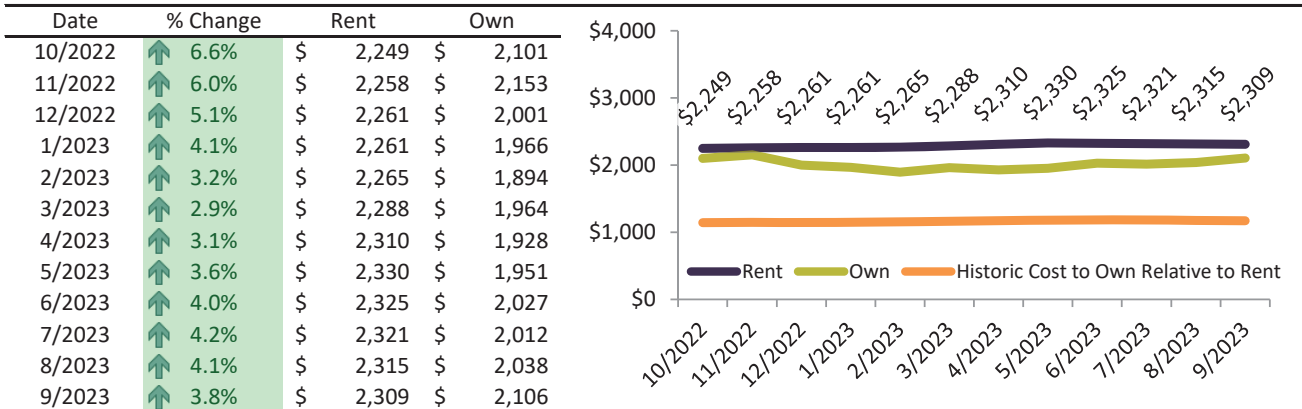
Median Home Price and Rental Parity trailing twelve months



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



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



Greater Avenues Housing Market Value & Trends Update

Historically, properties in this market sell at a 15.5% premium. Today's premium is 70.5%. This market is 55.0% overvalued.

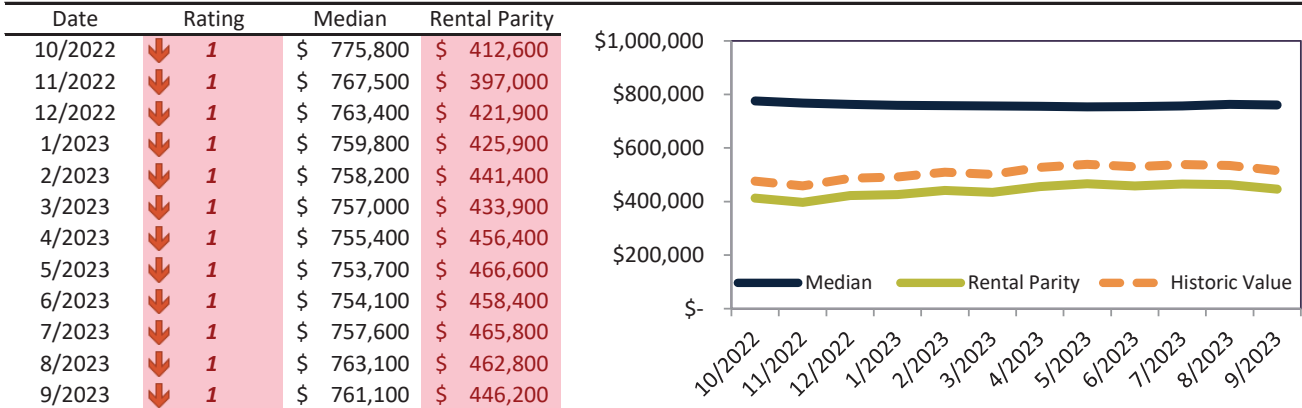
Median home price is \$761,100. Prices fell 3.2% year-over-year.

Monthly cost of ownership is \$4,864, and rents average \$2,852, making owning \$2,011 per month more costly than renting.

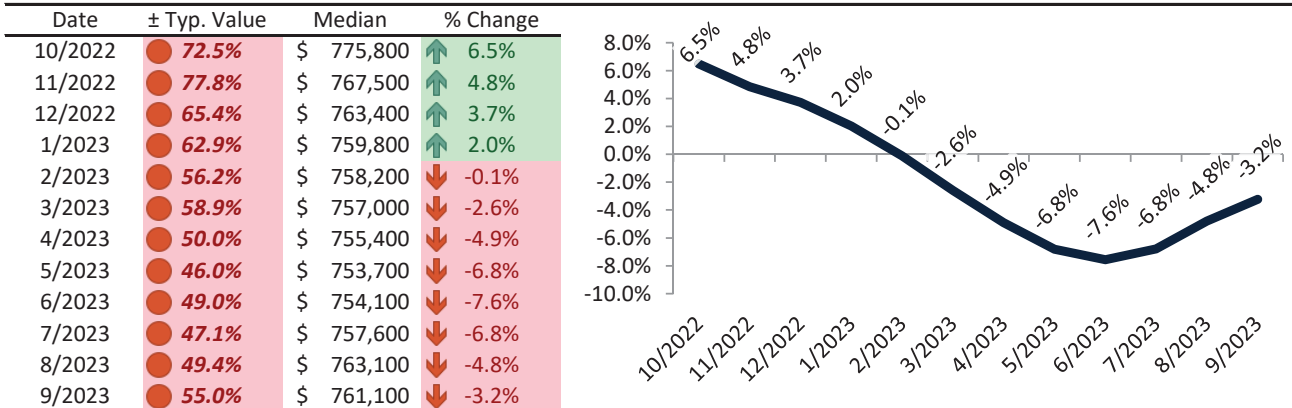
Rents rose 10.0% year-over-year. The current capitalization rate (rent/price) is 3.6%.

Market rating = 1

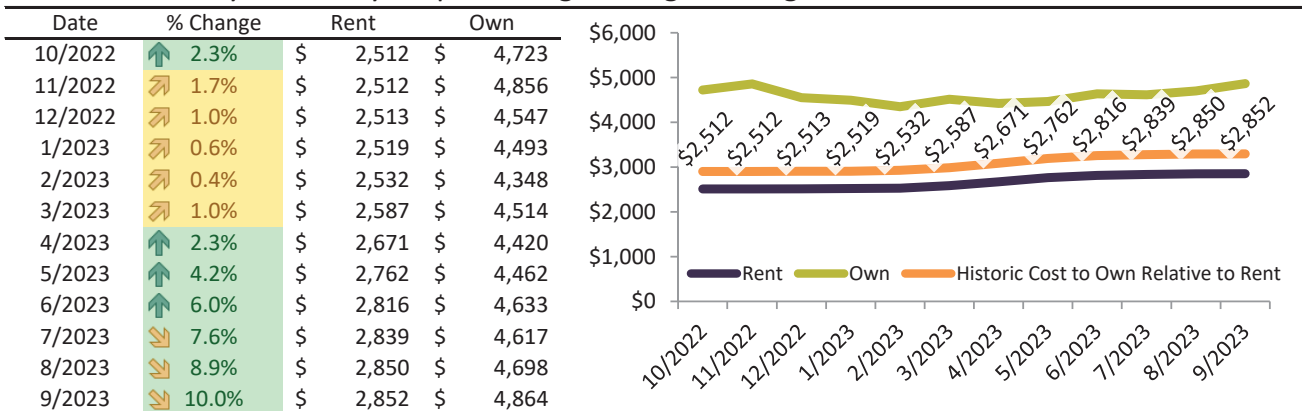
Median Home Price and Rental Parity trailing twelve months



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



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



Poplar Grove Housing Market Value & Trends Update

Historically, properties in this market sell at a -24.6% discount. Today's premium is 65.8%. This market is 90.4% overvalued.

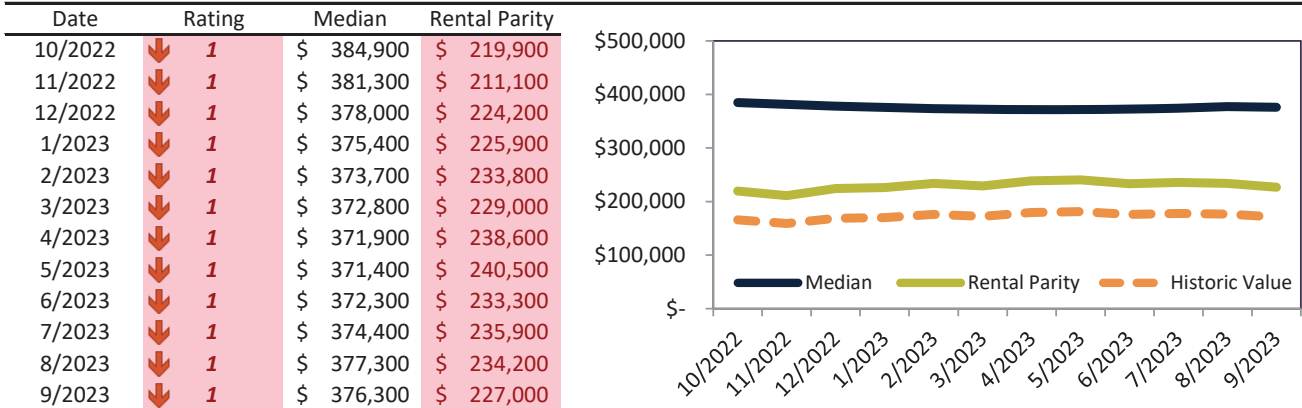
Median home price is \$376,300. Prices fell 3.4% year-over-year.

Monthly cost of ownership is \$2,404, and rents average \$1,451, making owning \$953 per month more costly than renting.

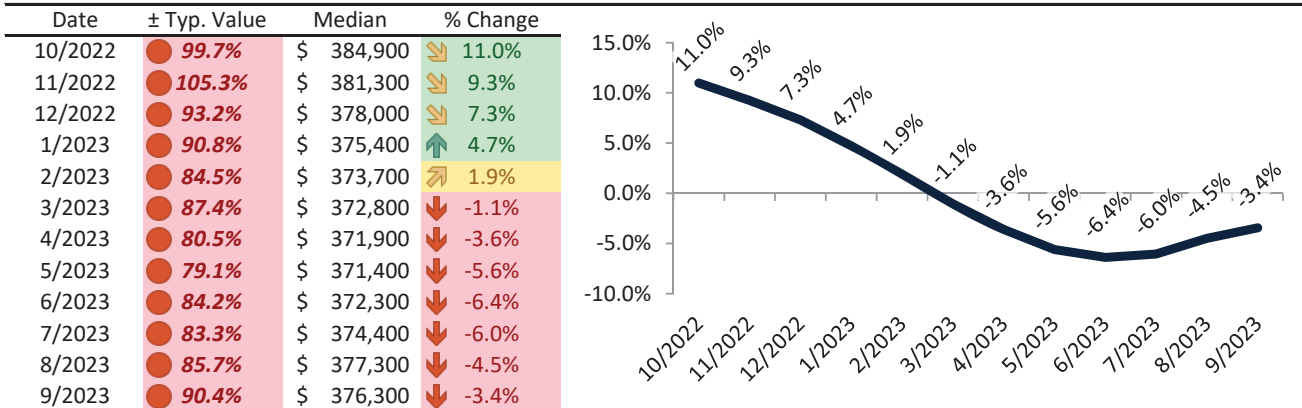
Rents rose 4.3% year-over-year. The current capitalization rate (rent/price) is 3.7%.

Market rating = 1

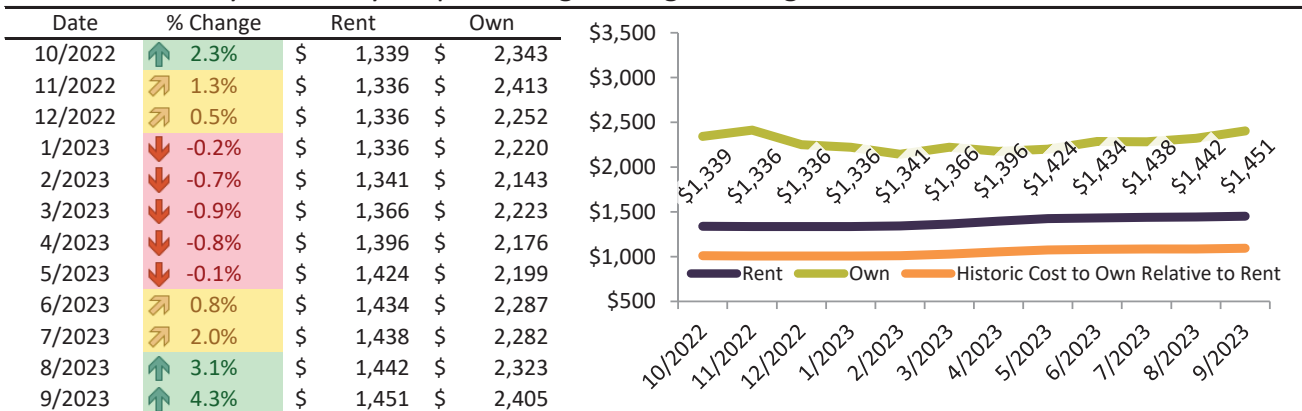
Median Home Price and Rental Parity trailing twelve months



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



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

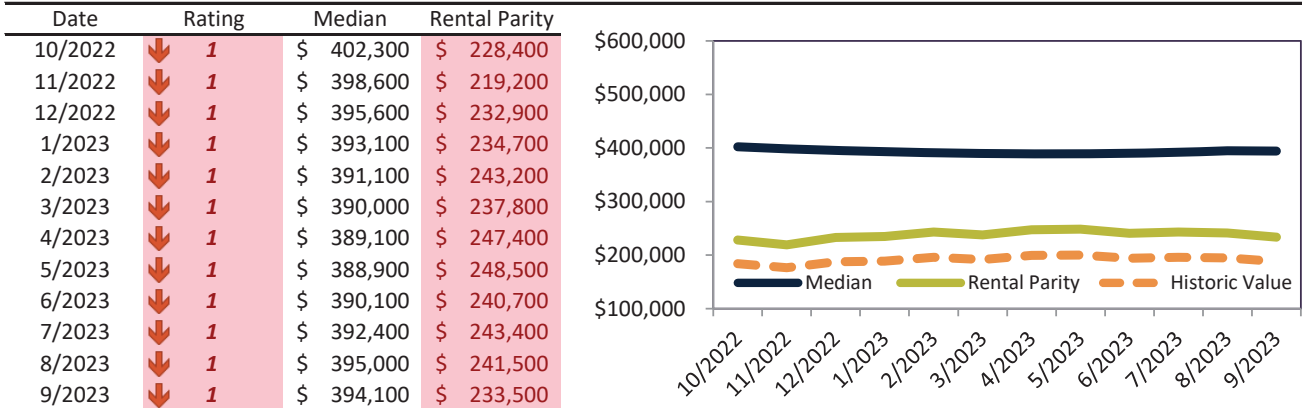


Glendale Housing Market Value & Trends Update

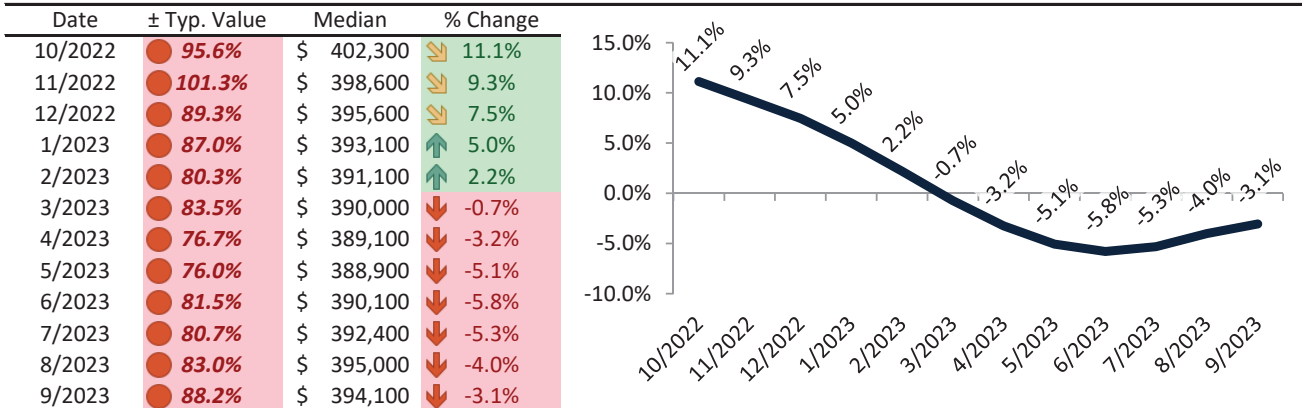
Historically, properties in this market sell at a -19.5% discount. Today's premium is 68.7%. This market is 88.2% overvalued. Median home price is \$394,100. Prices fell 3.1% year-over-year. Monthly cost of ownership is \$2,518, and rents average \$1,492, making owning \$1,026 per month more costly than renting. Rents rose 4.4% year-over-year. The current capitalization rate (rent/price) is 3.6%.

Market rating = 1

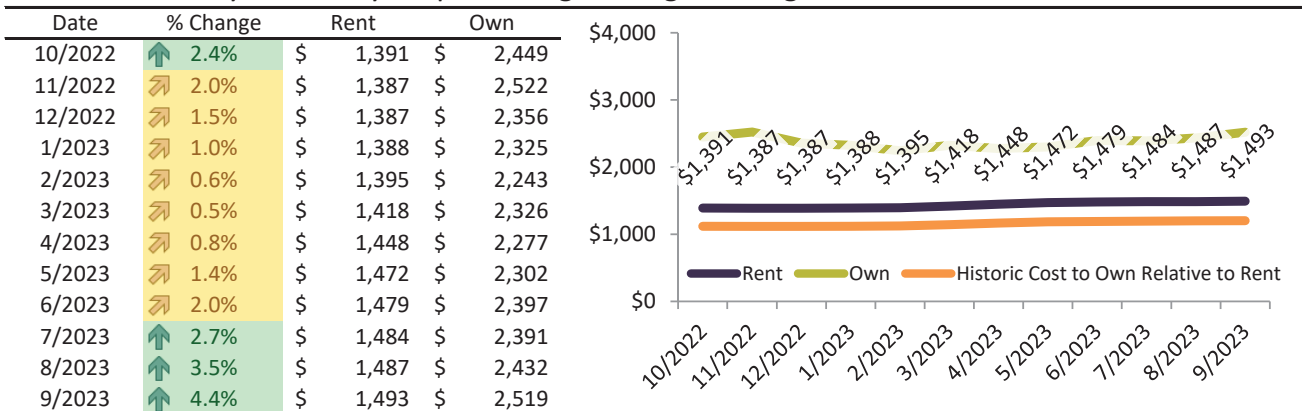
Median Home Price and Rental Parity trailing twelve months



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



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

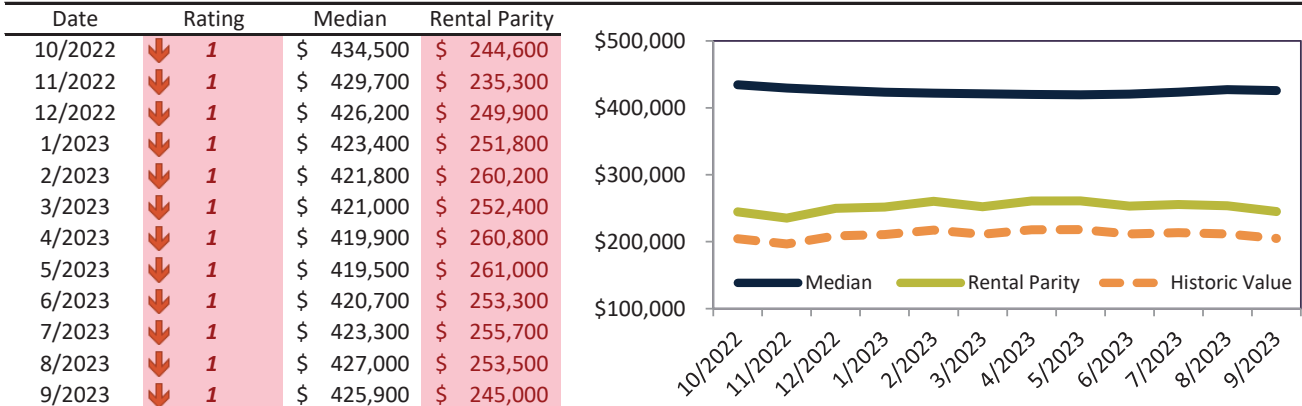


Rose Park Housing Market Value & Trends Update

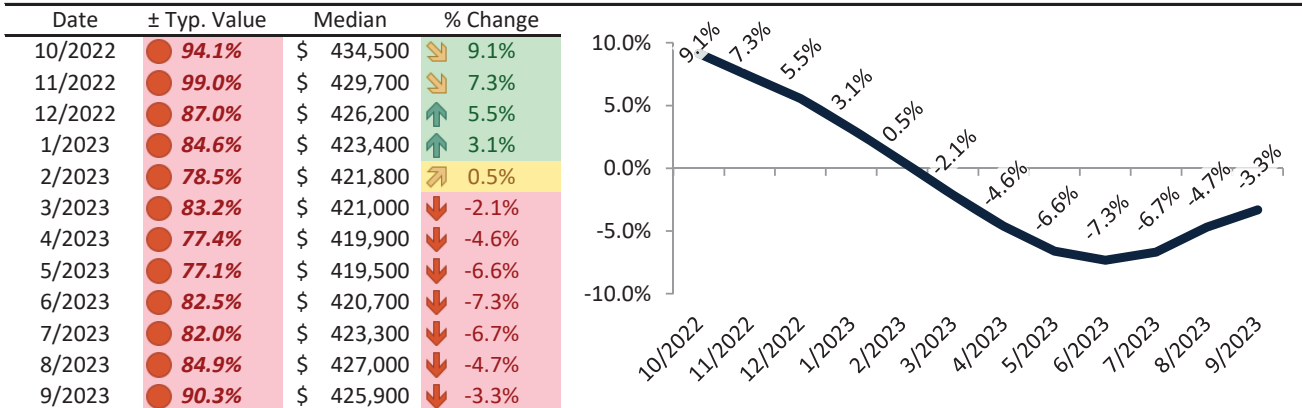
Historically, properties in this market sell at a -16.4% discount. Today's premium is 73.9%. This market is 90.3% overvalued. Median home price is \$425,900. Prices fell 3.3% year-over-year. Monthly cost of ownership is \$2,721, and rents average \$1,566, making owning \$1,155 per month more costly than renting. Rents rose 3.1% year-over-year. The current capitalization rate (rent/price) is 3.5%.

Market rating = 1

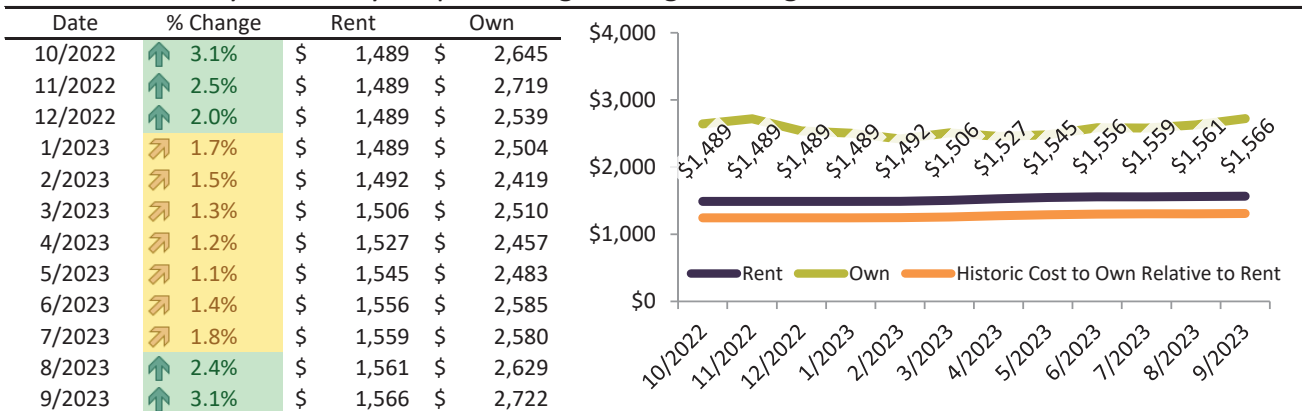
Median Home Price and Rental Parity trailing twelve months



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



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



East Bench Housing Market Value & Trends Update

Historically, properties in this market sell at a 10.7% premium. Today's discount is 9.2%. This market is 19.9% undervalued.

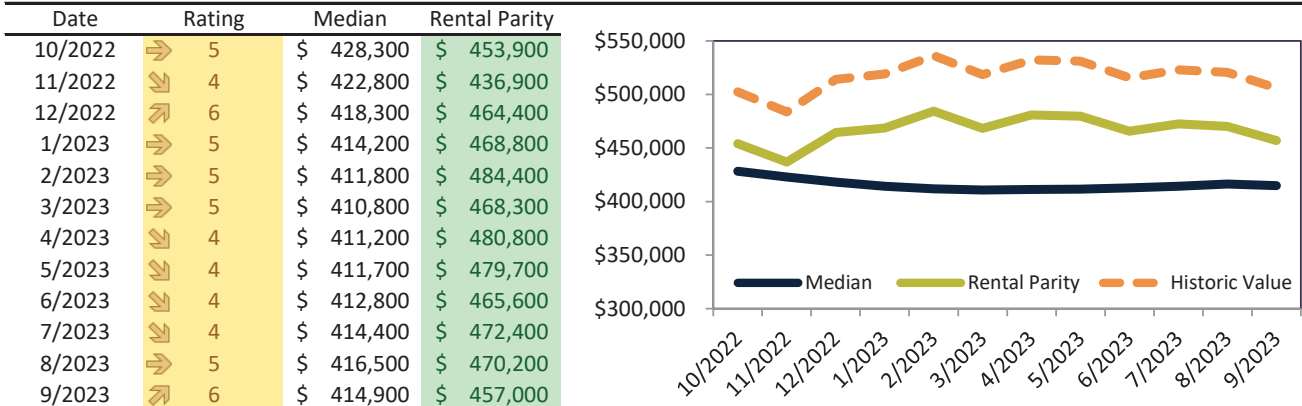
Median home price is \$414,900. Prices fell 4.6% year-over-year.

Monthly cost of ownership is \$2,651, and rents average \$2,921, making owning \$269 per month less costly than renting.

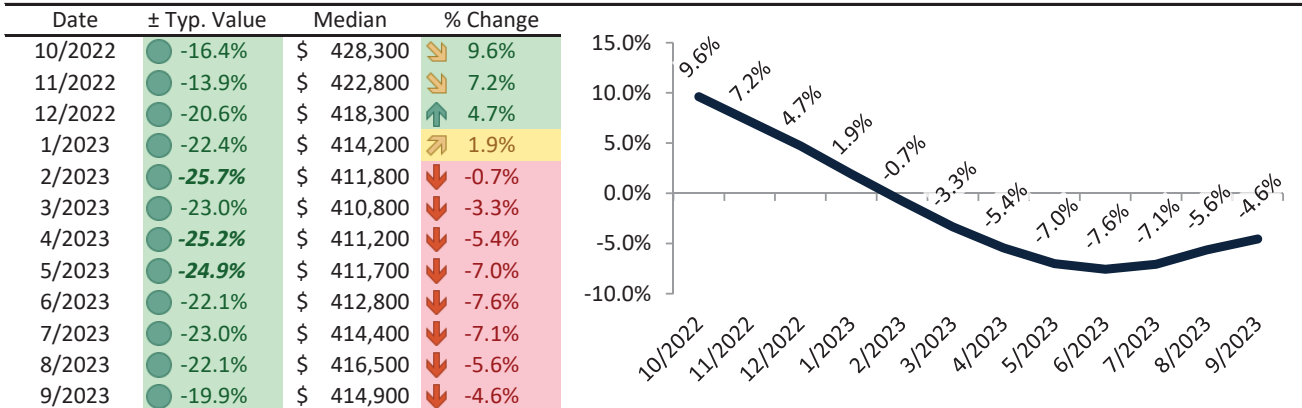
Rents rose 0.3% year-over-year. The current capitalization rate (rent/price) is 6.8%.

Market rating = 6

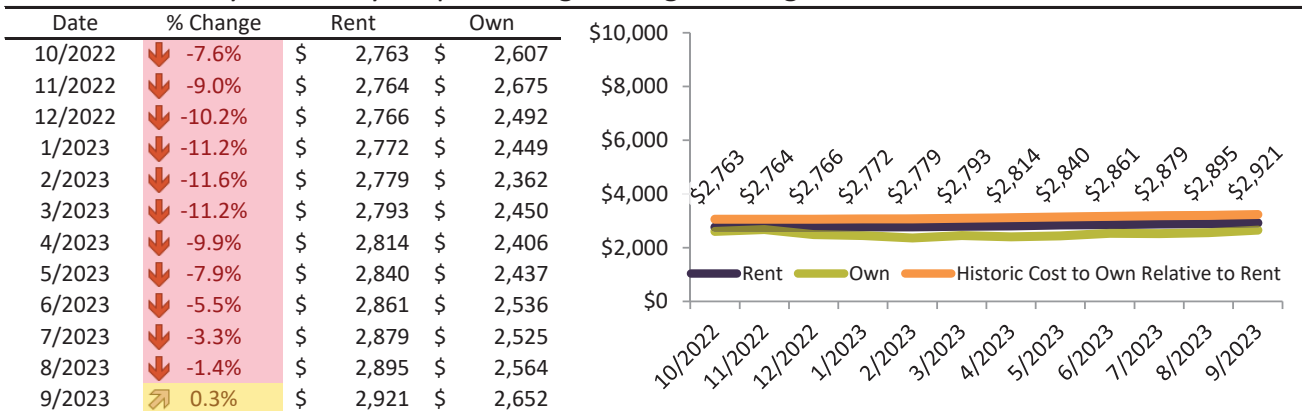
Median Home Price and Rental Parity trailing twelve months



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



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



Liberty Wells Housing Market Value & Trends Update

Historically, properties in this market sell at a -0.4% discount. Today's premium is 72.4%. This market is 72.8% overvalued.

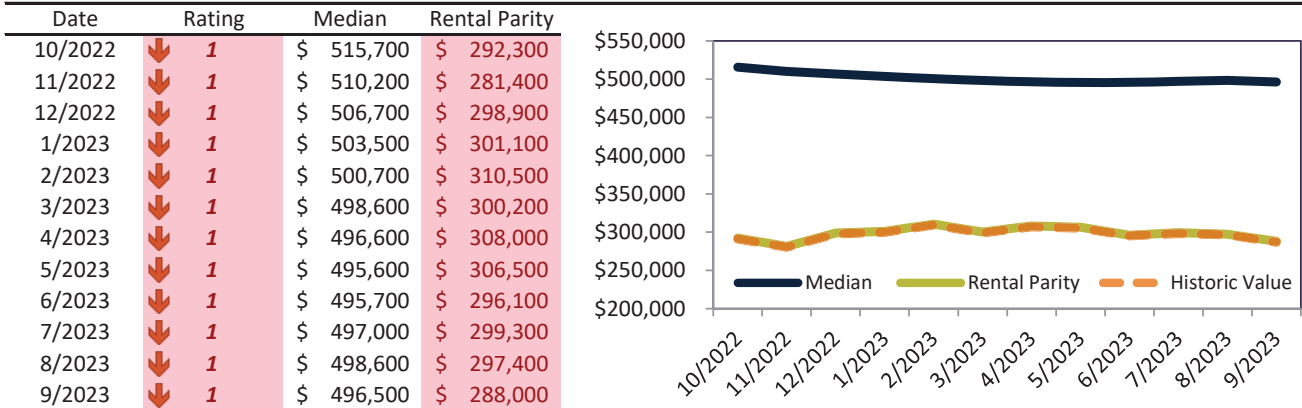
Median home price is \$496,500. Prices fell 5.1% year-over-year.

Monthly cost of ownership is \$3,173, and rents average \$1,840, making owning \$1,332 per month more costly than renting.

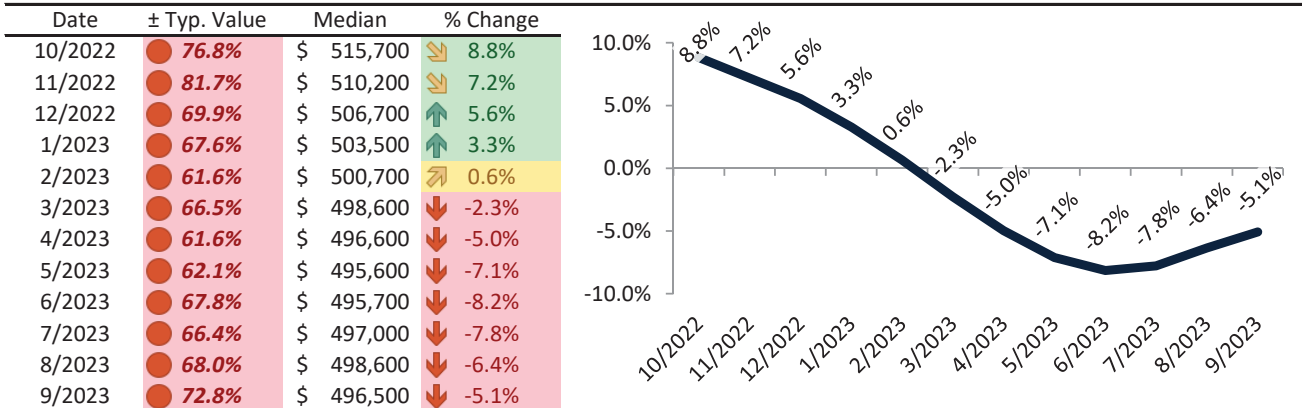
Rents rose 3.4% year-over-year. The current capitalization rate (rent/price) is 3.6%.

Market rating = 1

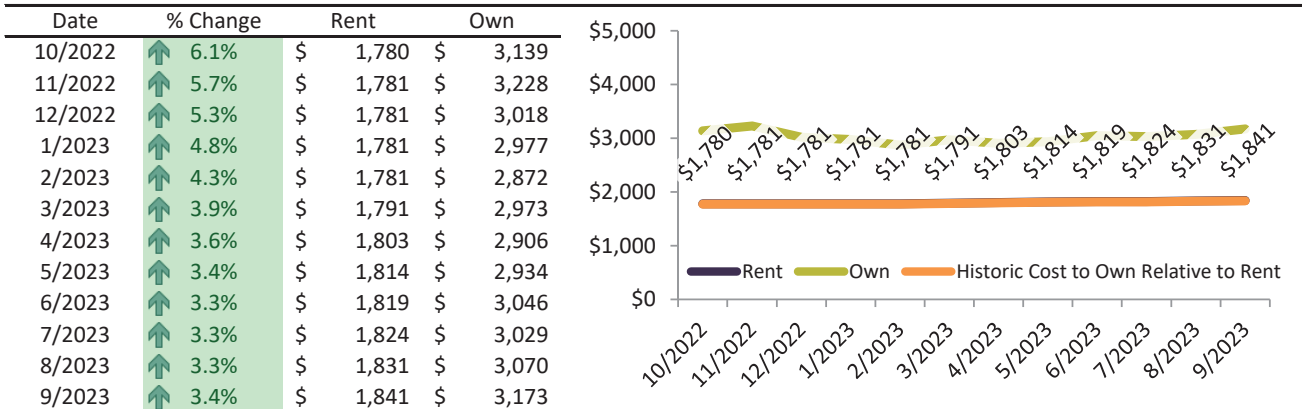
Median Home Price and Rental Parity trailing twelve months



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



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



Westpointe Housing Market Value & Trends Update

Historically, properties in this market sell at a -7.5% discount. Today's premium is 72.0%. This market is 79.5% overvalued.

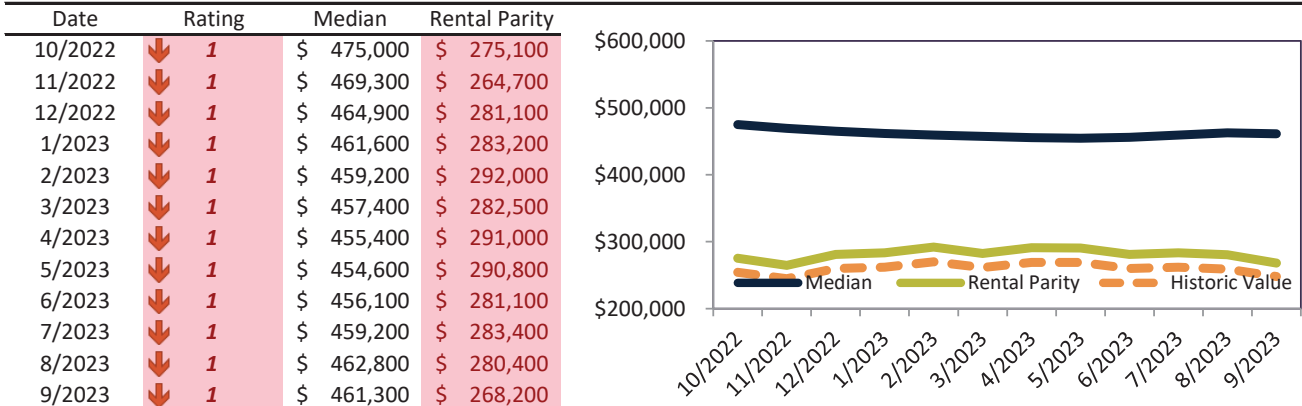
Median home price is \$461,300. Prices fell 4.2% year-over-year.

Monthly cost of ownership is \$2,948, and rents average \$1,714, making owning \$1,234 per month more costly than renting.

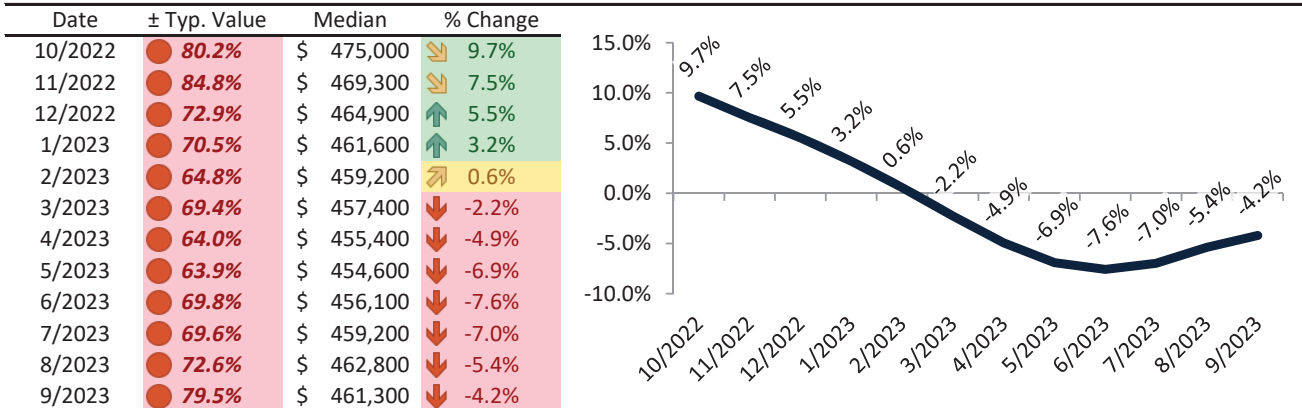
Rents rose 2.6% year-over-year. The current capitalization rate (rent/price) is 3.6%.

Market rating = 1

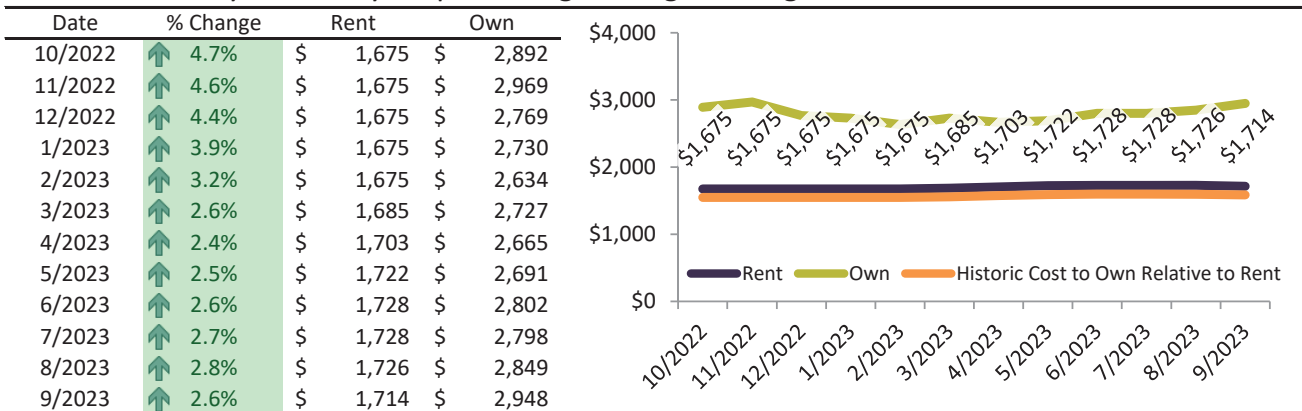
Median Home Price and Rental Parity trailing twelve months



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



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

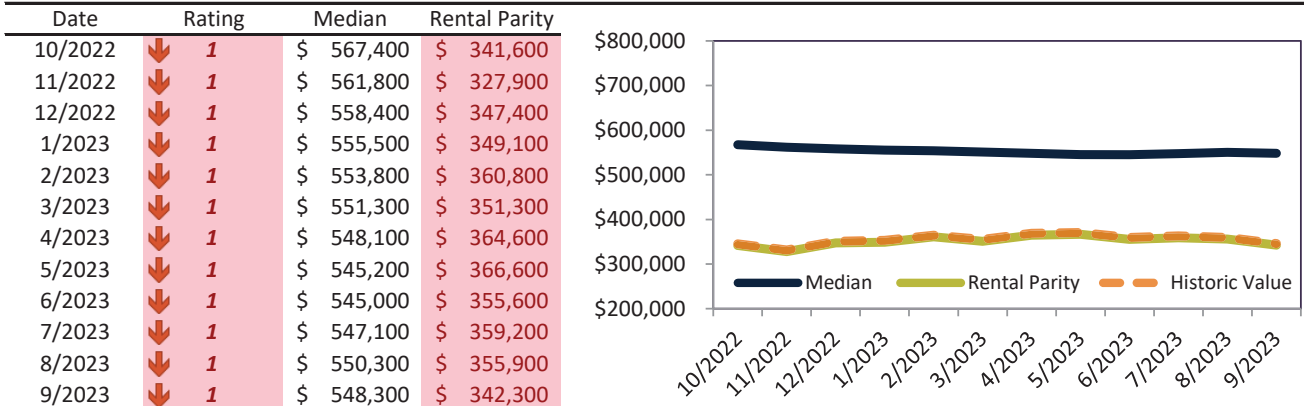


Capitol Hill Housing Market Value & Trends Update

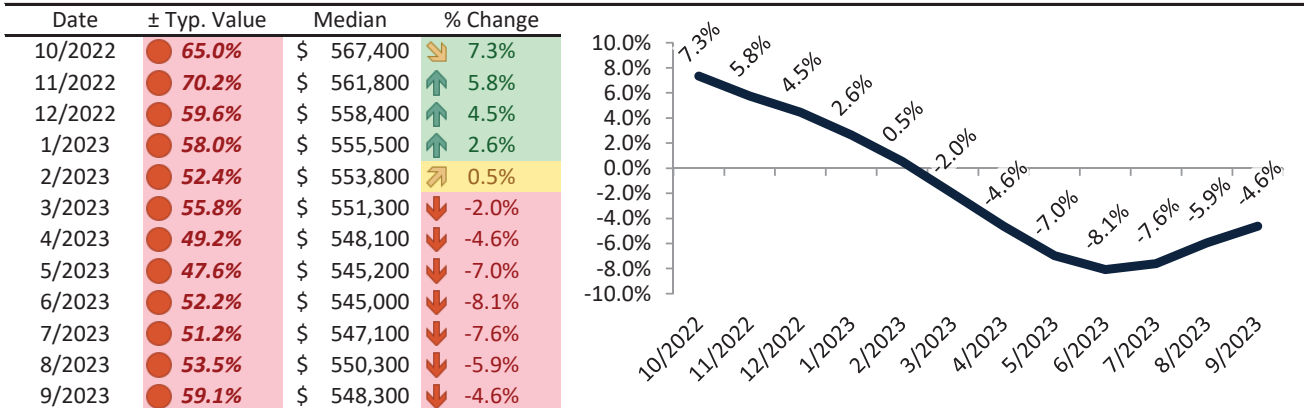
Historically, properties in this market sell at a 1.1% premium. Today's premium is 60.2%. This market is 59.1% overvalued. Median home price is \$548,300. Prices fell 4.6% year-over-year. Monthly cost of ownership is \$3,504, and rents average \$2,187, making owning \$1,316 per month more costly than renting. Rents rose 3.1% year-over-year. The current capitalization rate (rent/price) is 3.8%.

Market rating = 1

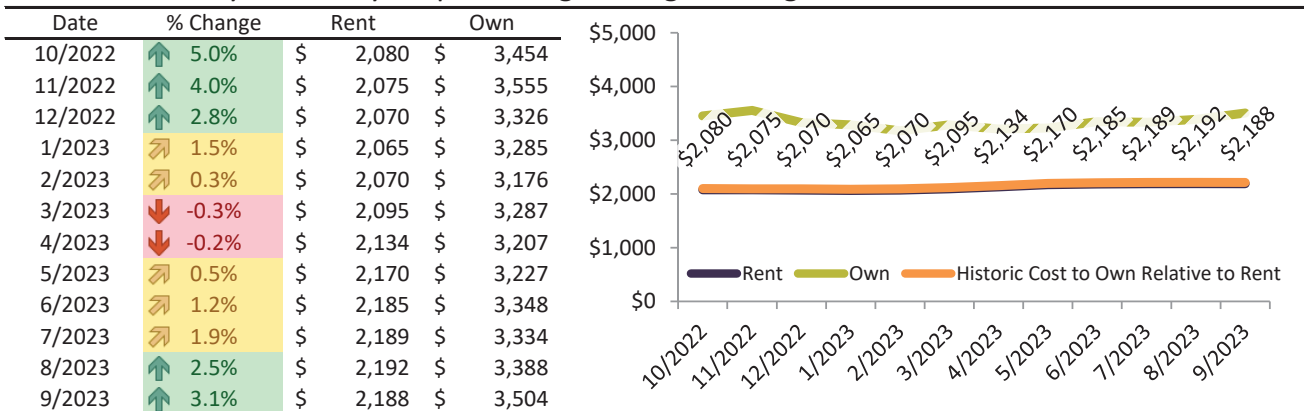
Median Home Price and Rental Parity trailing twelve months



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



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

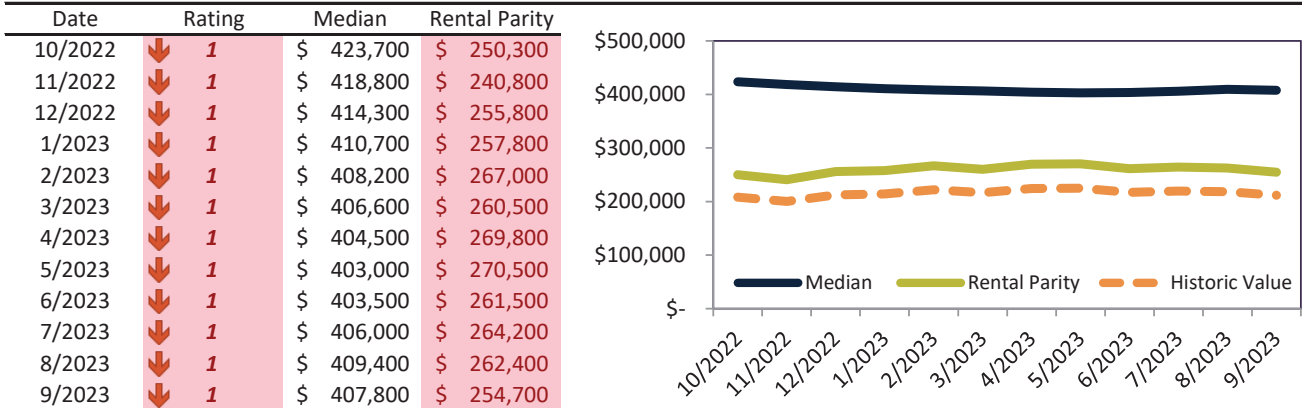


Jordan Meadows Housing Market Value & Trends Update

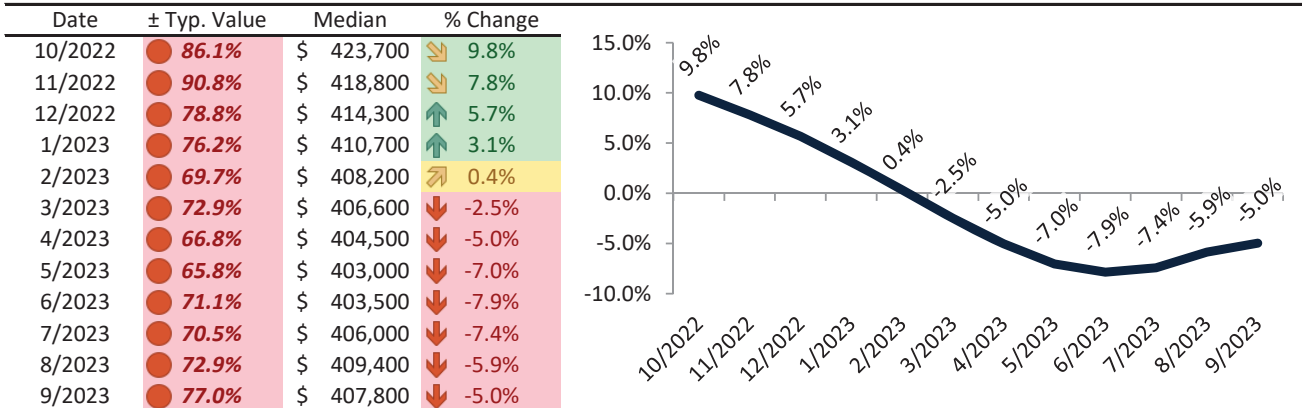
Historically, properties in this market sell at a -16.8% discount. Today's premium is 60.2%. This market is 77.0% overvalued. Median home price is \$407,800. Prices fell 5.0% year-over-year. Monthly cost of ownership is \$2,606, and rents average \$1,628, making owning \$978 per month more costly than renting. Rents rose 4.7% year-over-year. The current capitalization rate (rent/price) is 3.8%.

Market rating = 1

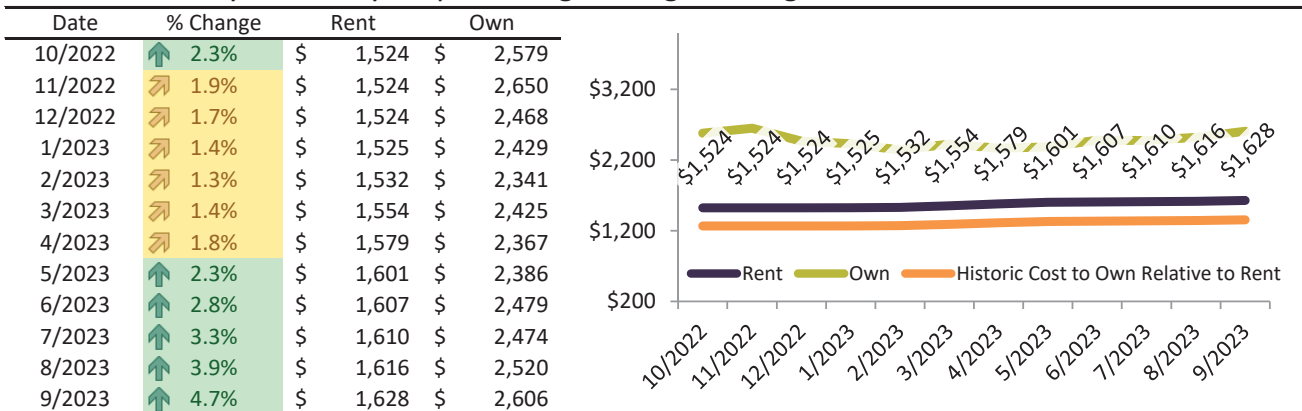
Median Home Price and Rental Parity trailing twelve months



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



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



Fairpark Housing Market Value & Trends Update

Historically, properties in this market sell at a -21.7% discount. Today's premium is 63.8%. This market is 85.5% overvalued.

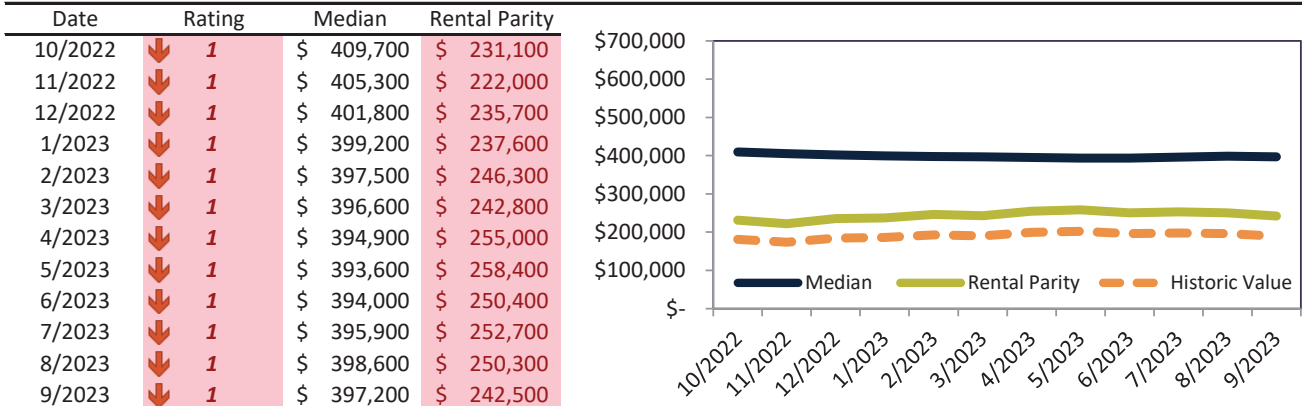
Median home price is \$397,200. Prices fell 4.3% year-over-year.

Monthly cost of ownership is \$2,538, and rents average \$1,550, making owning \$988 per month more costly than renting.

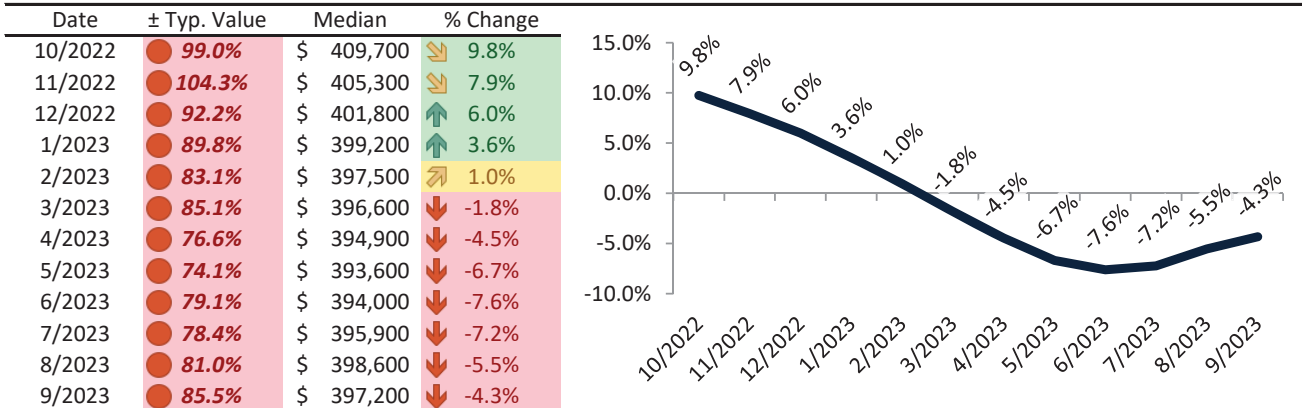
Rents rose 5.1% year-over-year. The current capitalization rate (rent/price) is 3.7%.

Market rating = 1

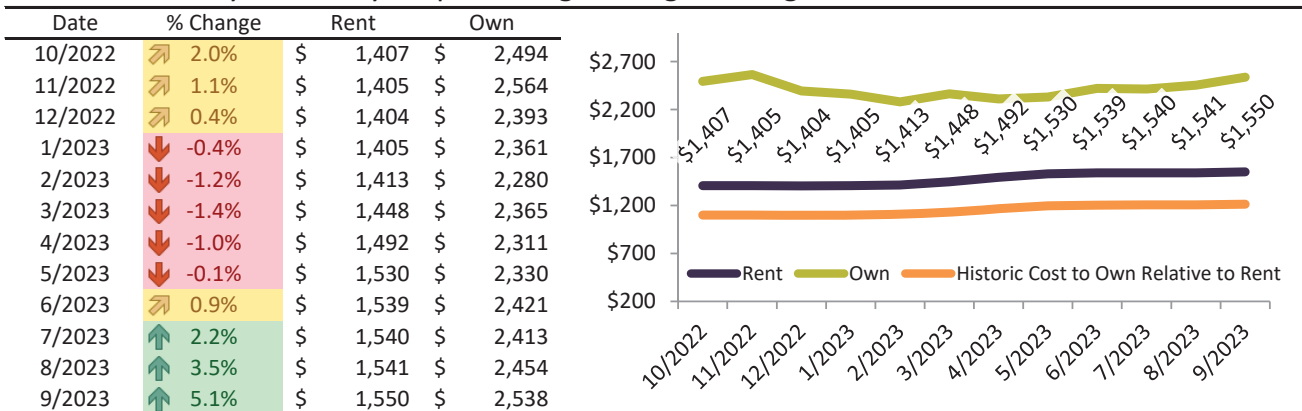
Median Home Price and Rental Parity trailing twelve months



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



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

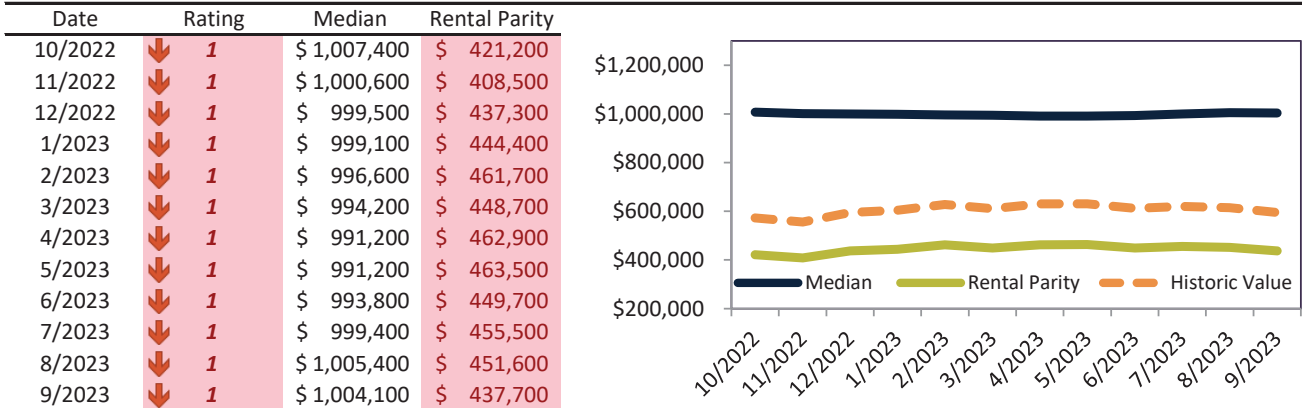


Yalecrest Housing Market Value & Trends Update

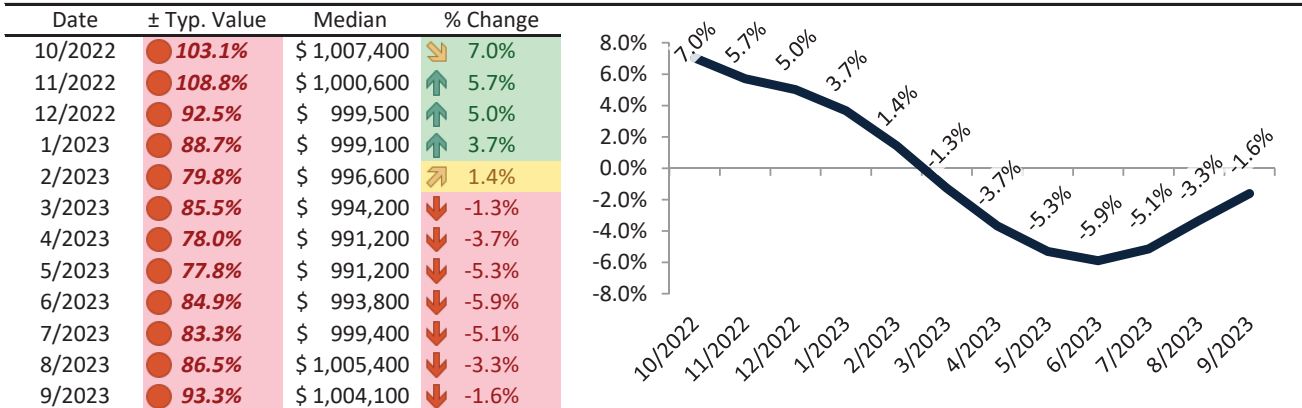
Historically, properties in this market sell at a 36.1% premium. Today's premium is 129.4%. This market is 93.3% overvalued. Median home price is \$1,004,100. Prices fell 1.6% year-over-year. Monthly cost of ownership is \$6,417, and rents average \$2,797, making owning \$3,619 per month more costly than renting. Rents rose 4.2% year-over-year. The current capitalization rate (rent/price) is 2.7%.

Market rating = 1

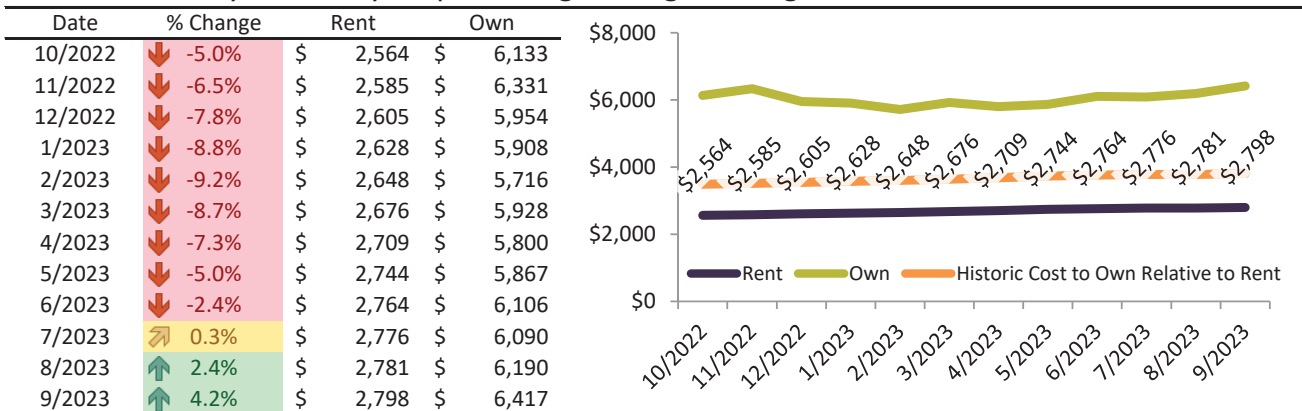
Median Home Price and Rental Parity trailing twelve months



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



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



Bonneville Hills Housing Market Value & Trends Update

Historically, properties in this market sell at a 29.7% premium. Today's premium is 93.3%. This market is 63.6% overvalued.

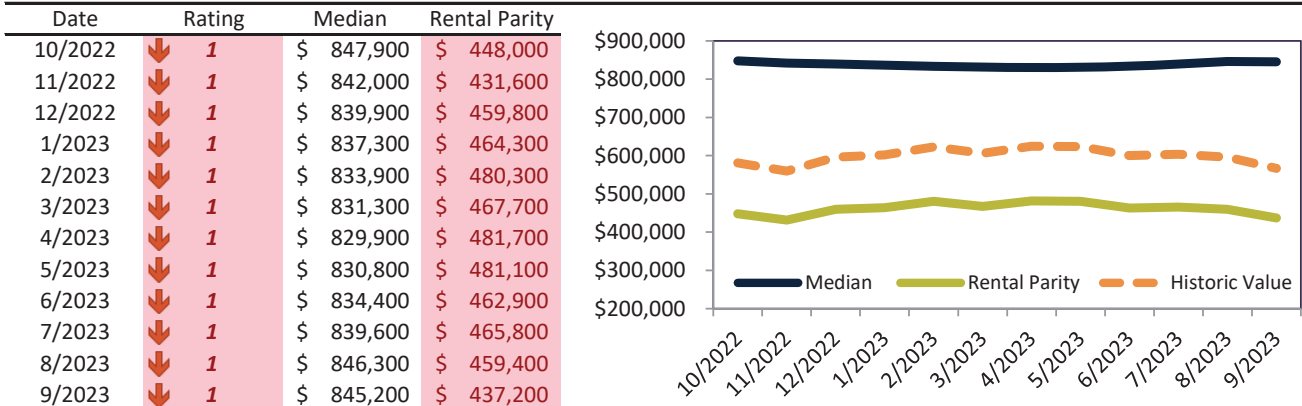
Median home price is \$845,200. Prices fell 1.6% year-over-year.

Monthly cost of ownership is \$5,401, and rents average \$2,794, making owning \$2,607 per month more costly than renting.

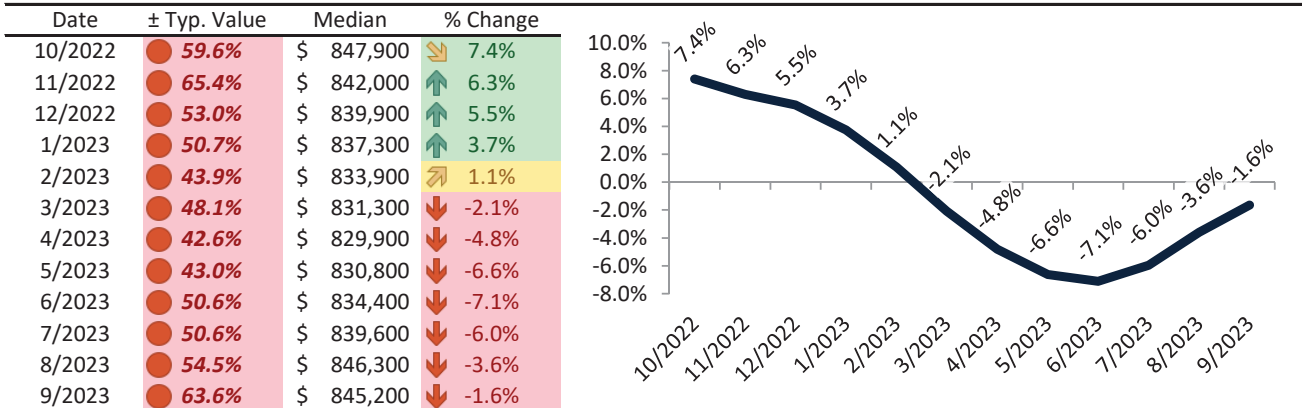
Rents rose 2.1% year-over-year. The current capitalization rate (rent/price) is 3.2%.

Market rating = 1

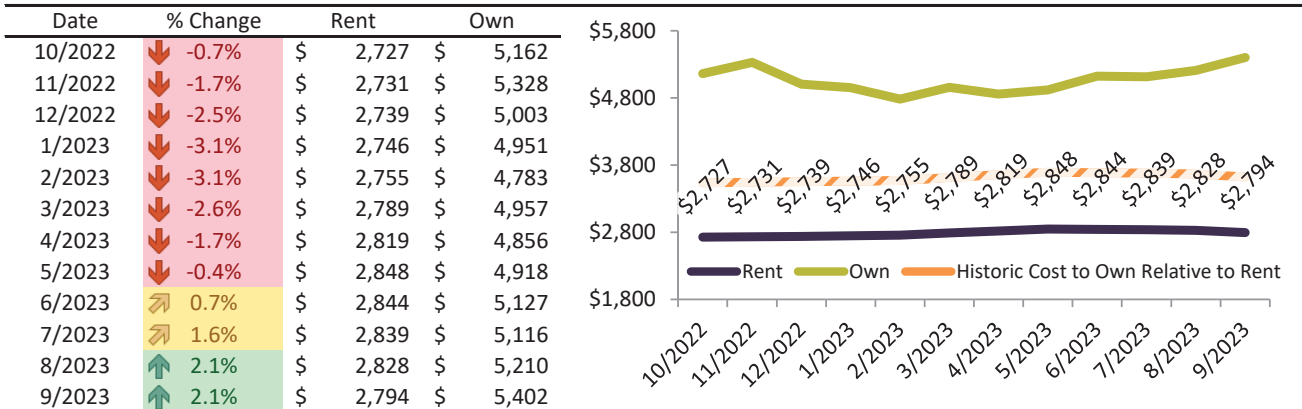
Median Home Price and Rental Parity trailing twelve months



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



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



Wasatch Hollow Housing Market Value & Trends Update

Historically, properties in this market sell at a 25.3% premium. Today's premium is 95.1%. This market is 69.8% overvalued.

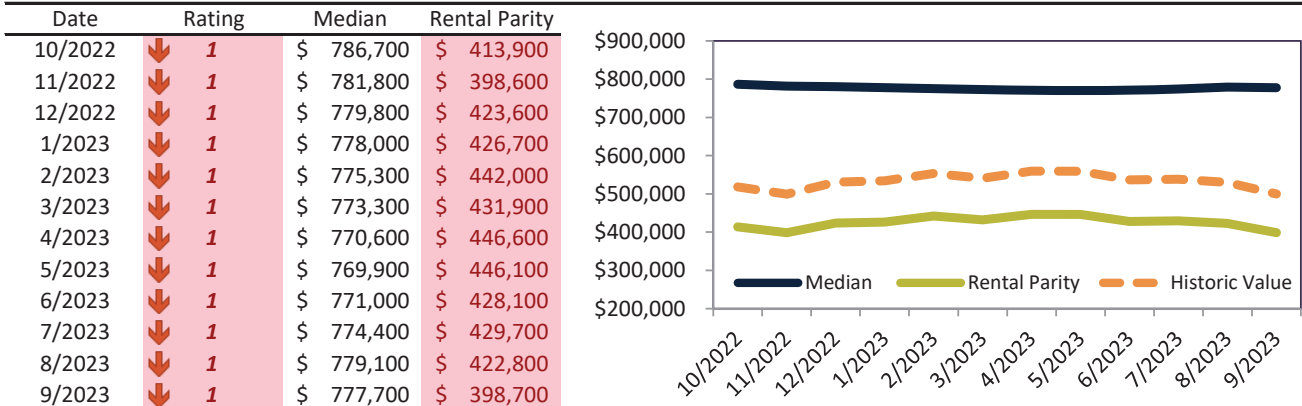
Median home price is \$777,700. Prices fell 2.2% year-over-year.

Monthly cost of ownership is \$4,970, and rents average \$2,548, making owning \$2,421 per month more costly than renting.

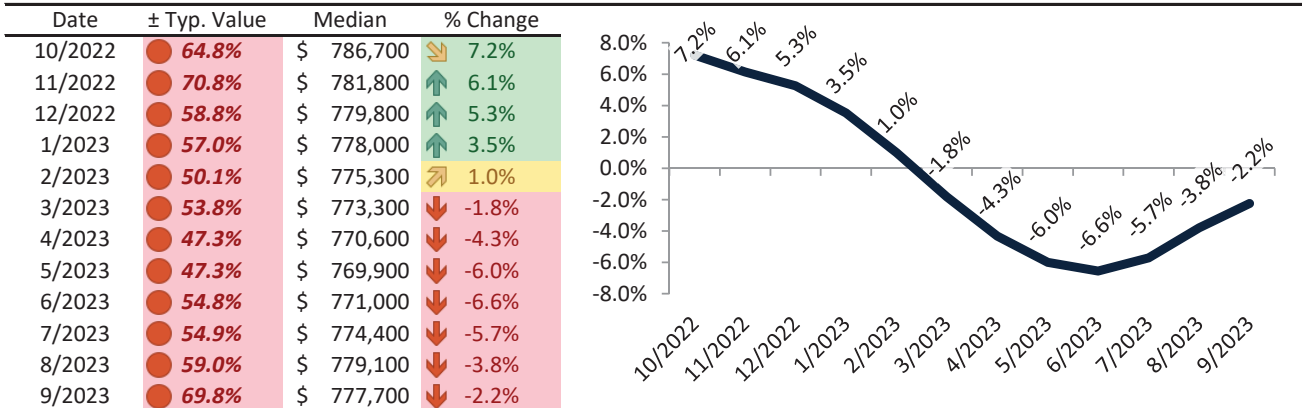
Rents rose 2.8% year-over-year. The current capitalization rate (rent/price) is 3.1%.

Market rating = 1

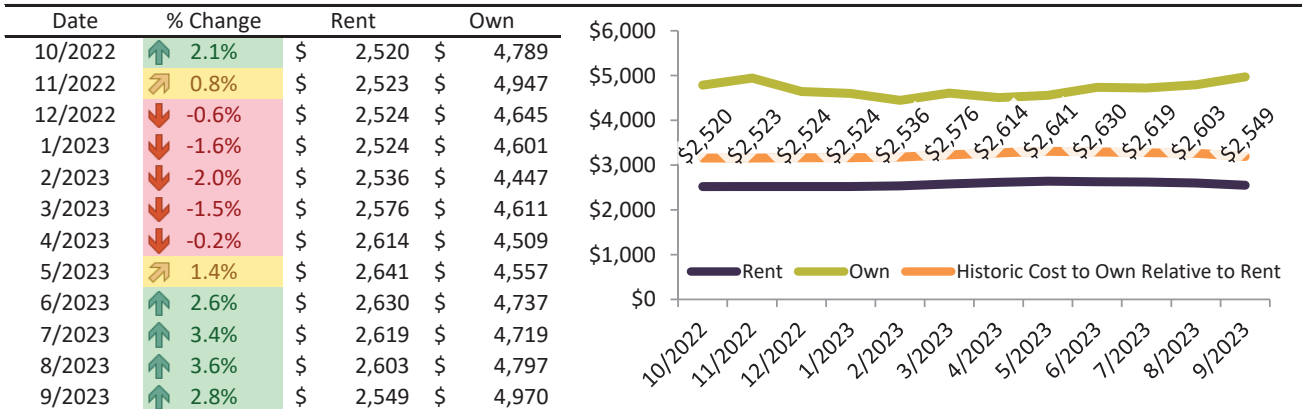
Median Home Price and Rental Parity trailing twelve months



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



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

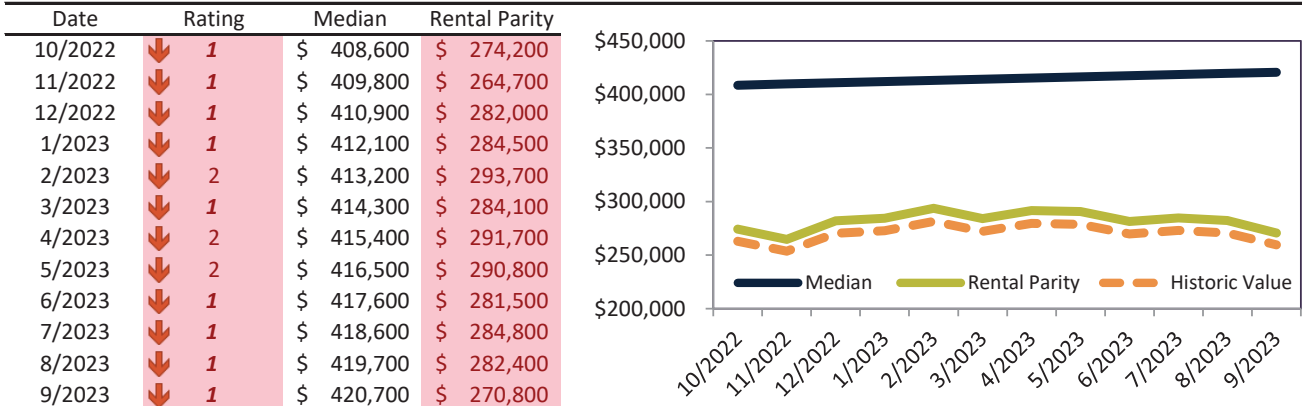


Central City-Liberty Wells Housing Market Value & Trends Update

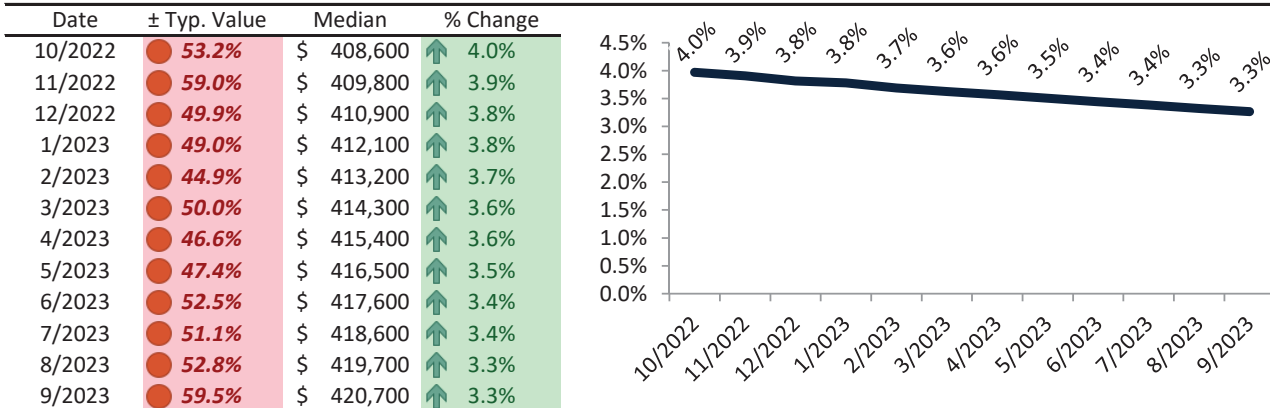
Historically, properties in this market sell at a -4.2% discount. Today's premium is 55.3%. This market is 59.5% overvalued. Median home price is \$420,700. Prices rose 3.3% year-over-year. Monthly cost of ownership is \$2,688, and rents average \$1,730, making owning \$957 per month more costly than renting. Rents rose 3.9% year-over-year. The current capitalization rate (rent/price) is 3.9%.

Market rating = 1

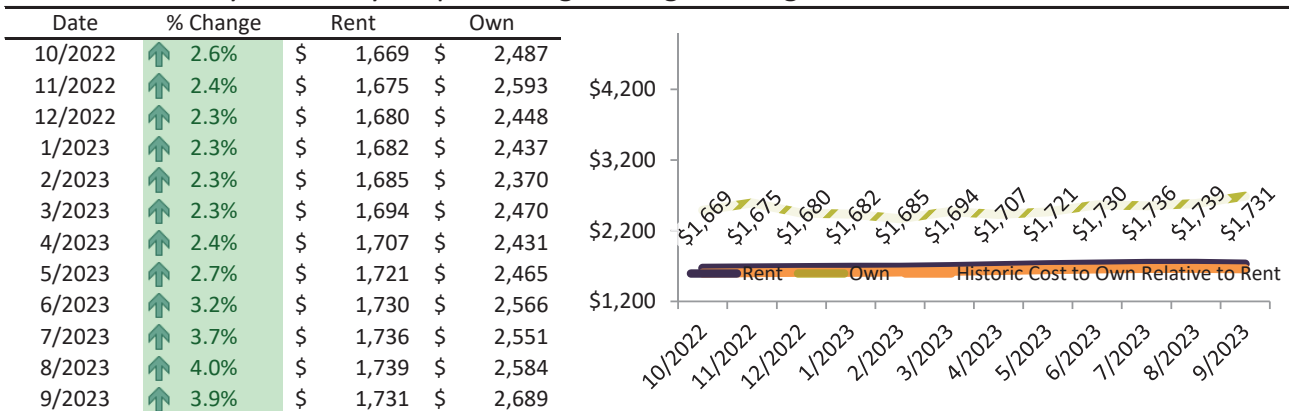
Median Home Price and Rental Parity trailing twelve months



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



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

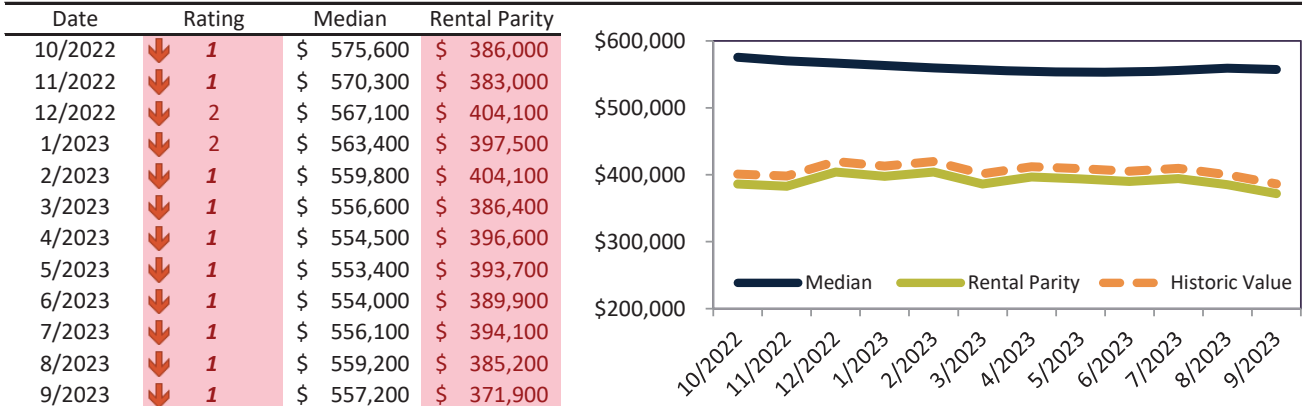


84106 Housing Market Value & Trends Update

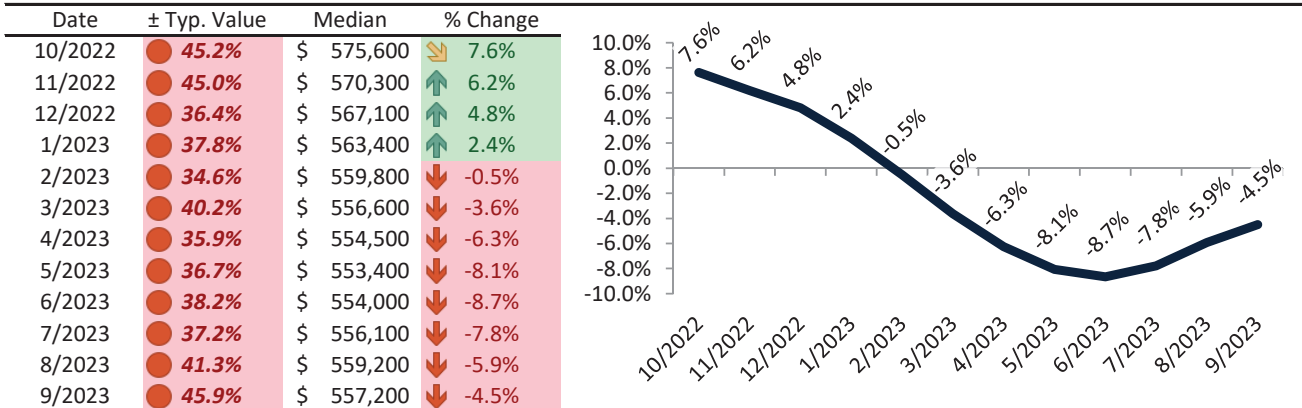
Historically, properties in this market sell at a 3.9% premium. Today's premium is 49.8%. This market is 45.9% overvalued. Median home price is \$557,200. Prices fell 4.5% year-over-year. Monthly cost of ownership is \$3,561, and rents average \$2,377, making owning \$1,183 per month more costly than renting. Rents rose 5.0% year-over-year. The current capitalization rate (rent/price) is 4.1%.

Market rating = 1

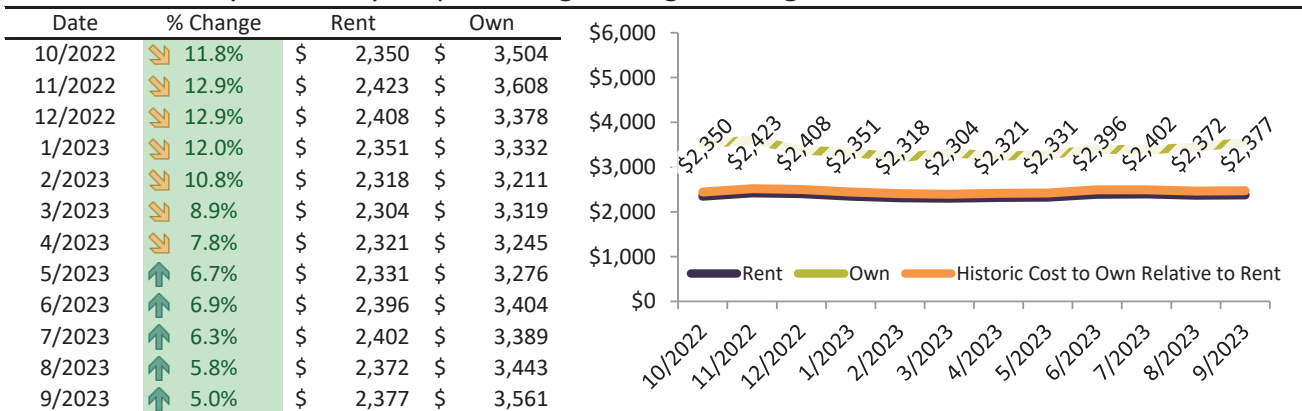
Median Home Price and Rental Parity trailing twelve months



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



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

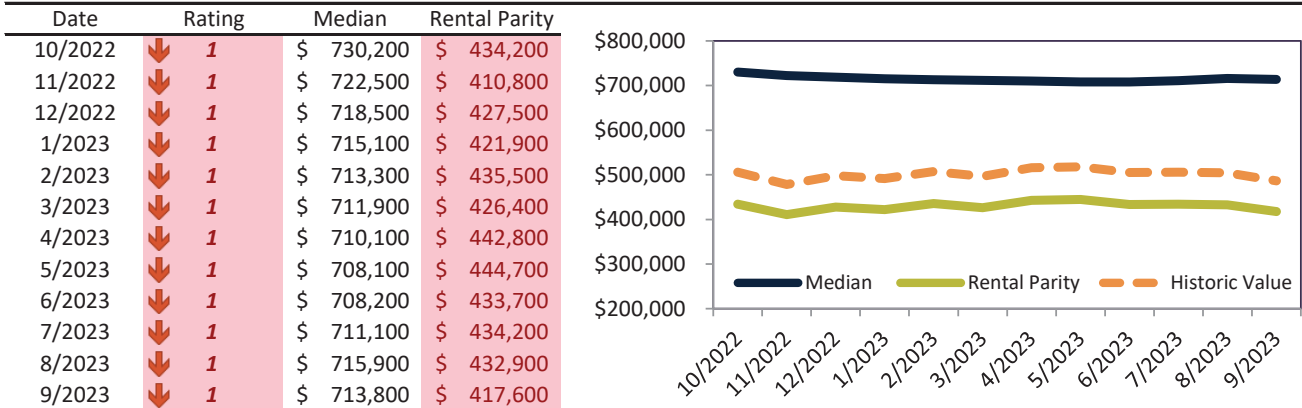


84103 Housing Market Value & Trends Update

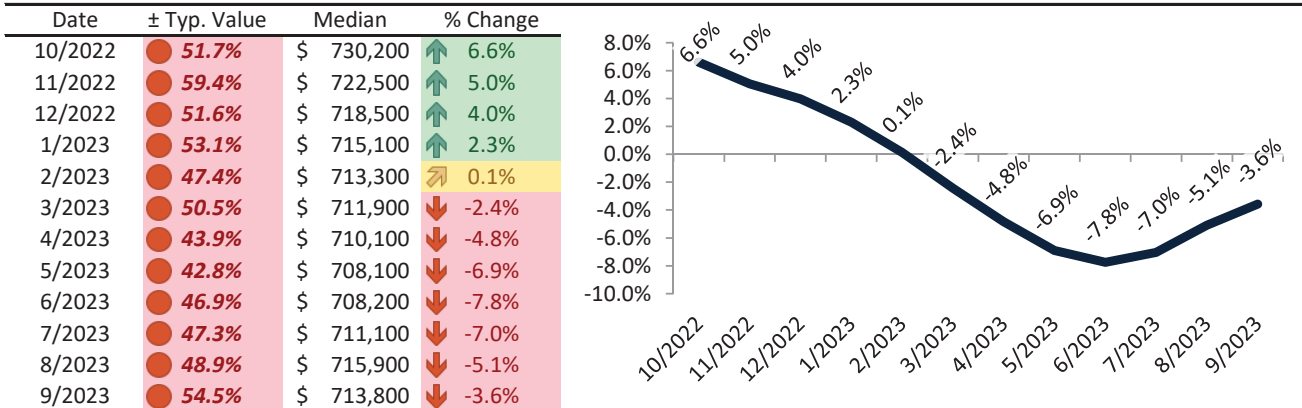
Historically, properties in this market sell at a 16.4% premium. Today's premium is 70.9%. This market is 54.5% overvalued. Median home price is \$713,800. Prices fell 3.6% year-over-year. Monthly cost of ownership is \$4,561, and rents average \$2,669, making owning \$1,892 per month more costly than renting. Rents rose 3.0% year-over-year. The current capitalization rate (rent/price) is 3.6%.

Market rating = 1

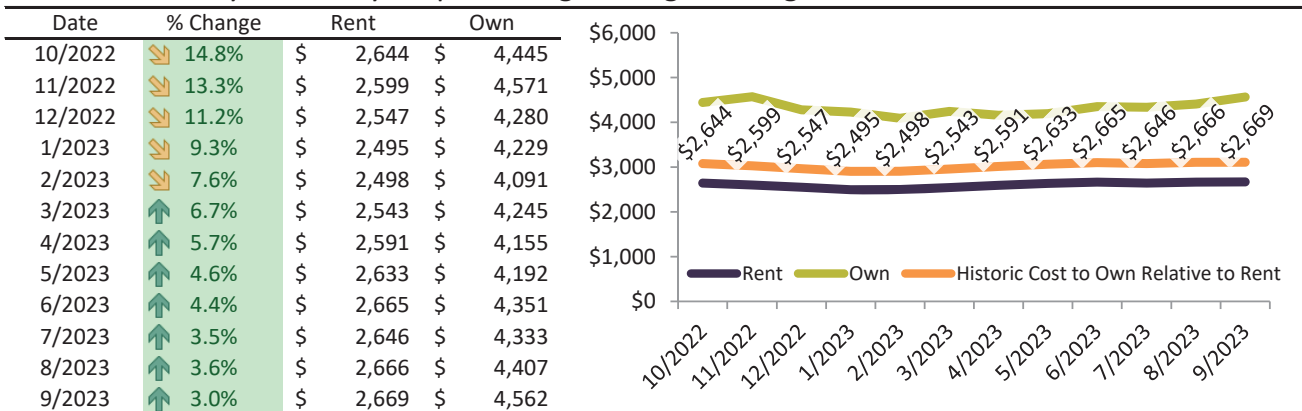
Median Home Price and Rental Parity trailing twelve months



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



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

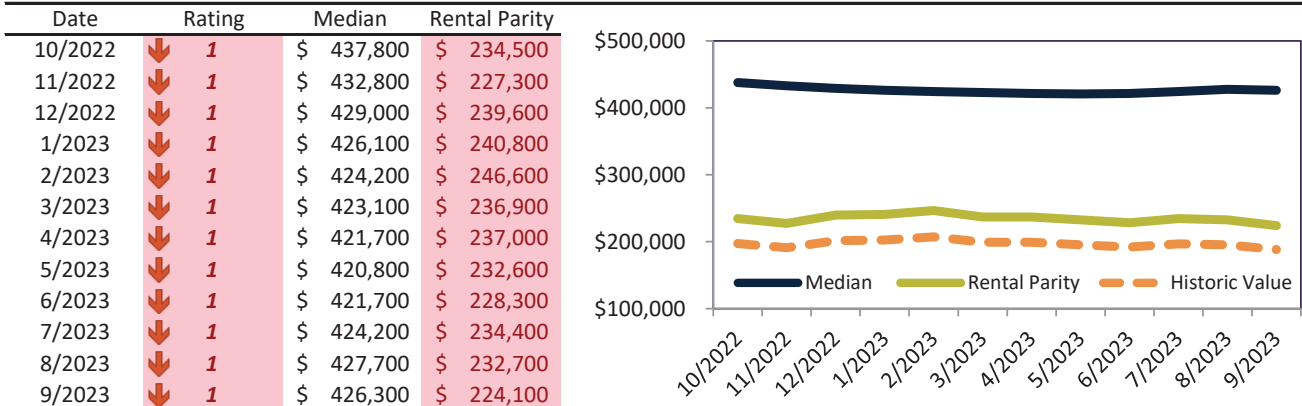


84116 Housing Market Value & Trends Update

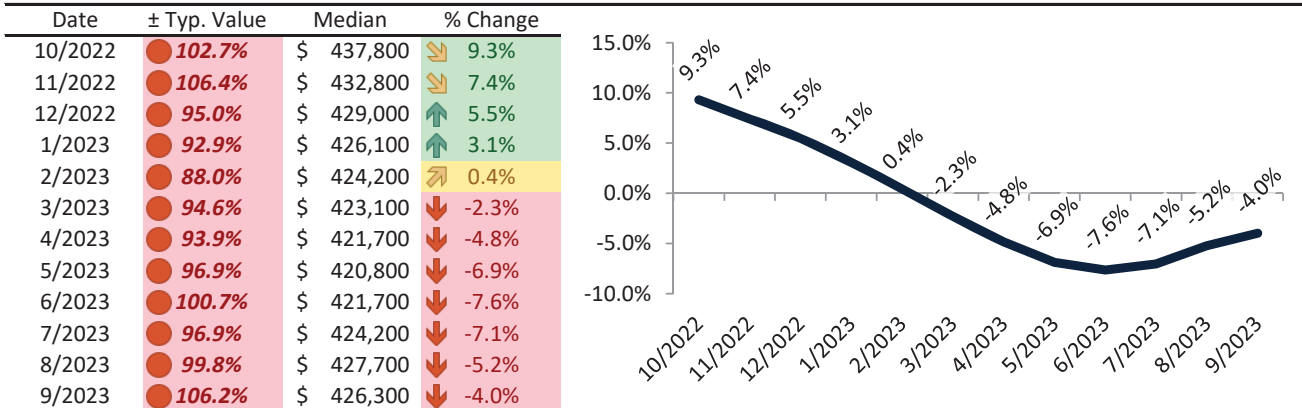
Historically, properties in this market sell at a -16.0% discount. Today's premium is 90.2%. This market is 106.2% overvalued. Median home price is \$426,300. Prices fell 4.0% year-over-year. Monthly cost of ownership is \$2,724, and rents average \$1,432, making owning \$1,291 per month more costly than renting. Rents rose 1.1% year-over-year. The current capitalization rate (rent/price) is 3.2%.

Market rating = 1

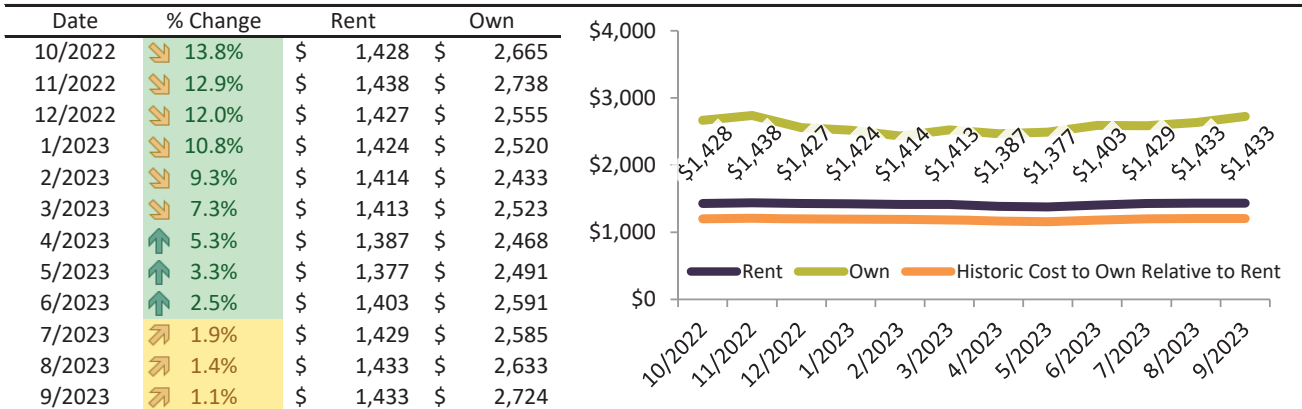
Median Home Price and Rental Parity trailing twelve months



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



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

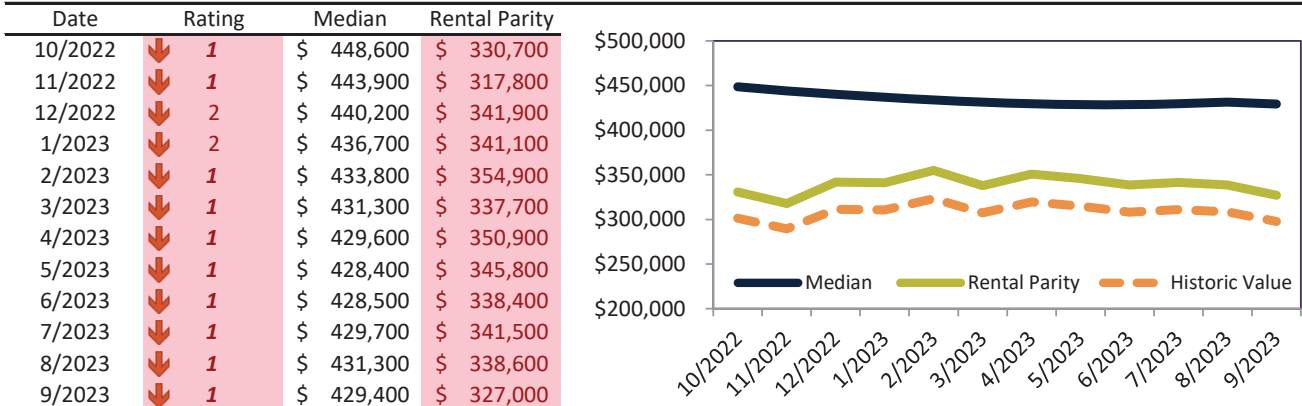


84115 Housing Market Value & Trends Update

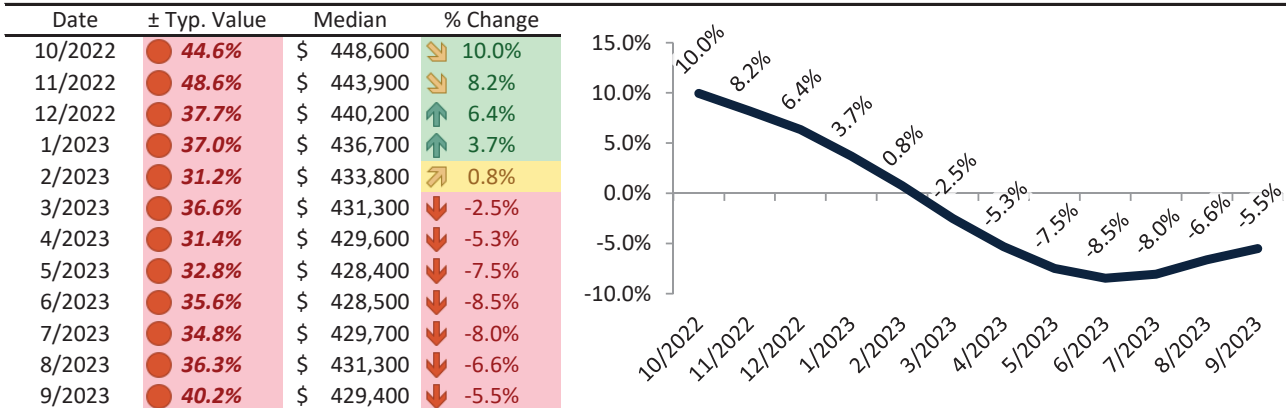
Historically, properties in this market sell at a -8.9% discount. Today's premium is 31.3%. This market is 40.2% overvalued. Median home price is \$429,400. Prices fell 5.5% year-over-year. Monthly cost of ownership is \$2,744, and rents average \$2,090, making owning \$653 per month more costly than renting. Rents rose 5.9% year-over-year. The current capitalization rate (rent/price) is 4.7%.

Market rating = 1

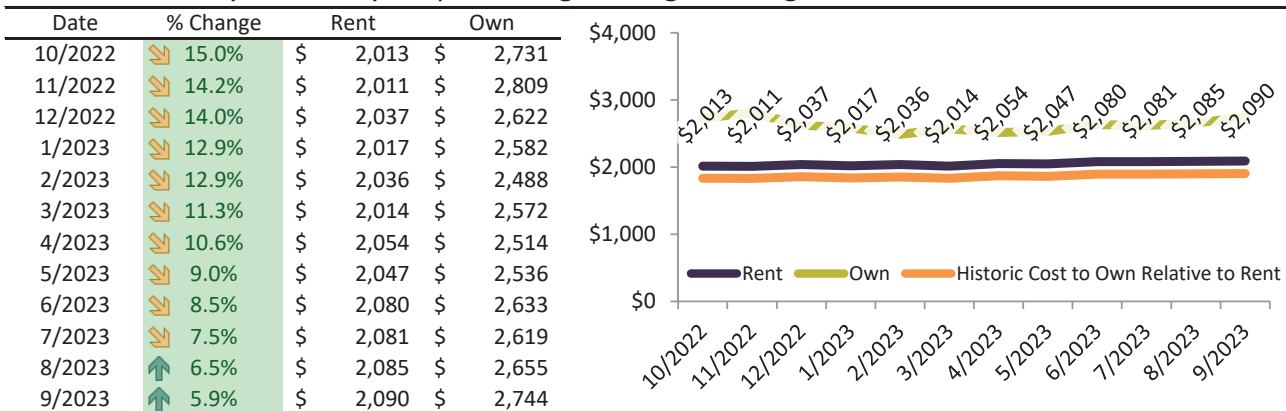
Median Home Price and Rental Parity trailing twelve months



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



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

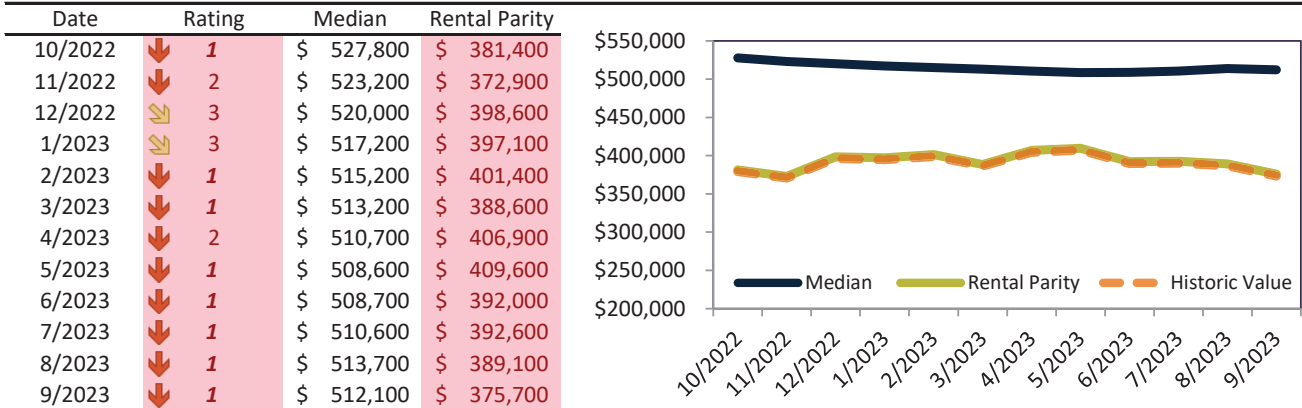


84102 Housing Market Value & Trends Update

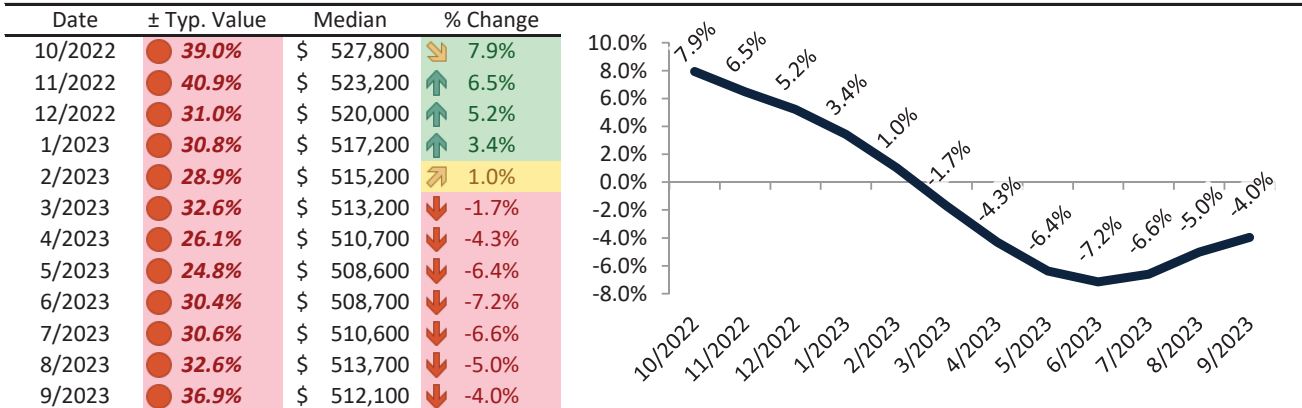
Historically, properties in this market sell at a -0.6% discount. Today's premium is 36.3%. This market is 36.9% overvalued. Median home price is \$512,100. Prices fell 4.0% year-over-year. Monthly cost of ownership is \$3,272, and rents average \$2,401, making owning \$871 per month more costly than renting. Rents rose 5.3% year-over-year. The current capitalization rate (rent/price) is 4.5%.

Market rating = 1

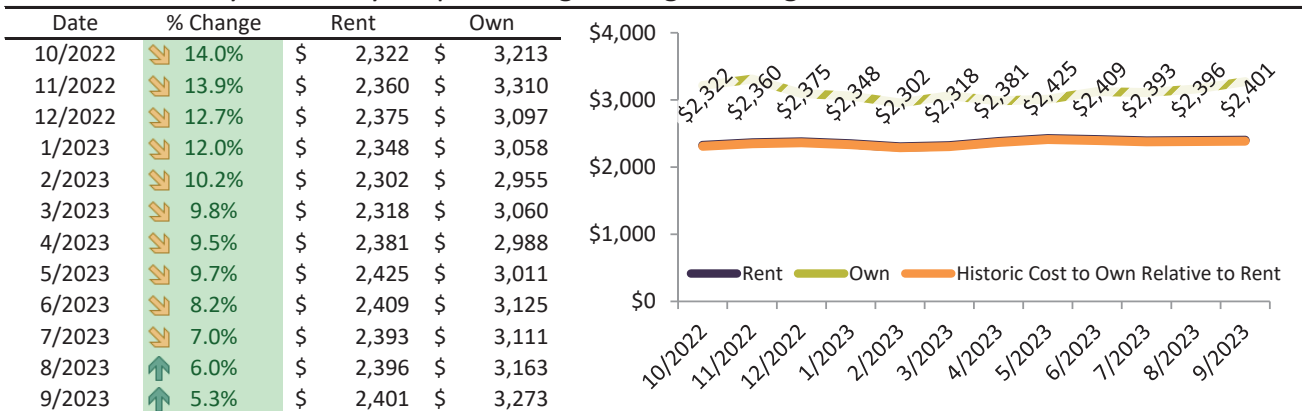
Median Home Price and Rental Parity trailing twelve months



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



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

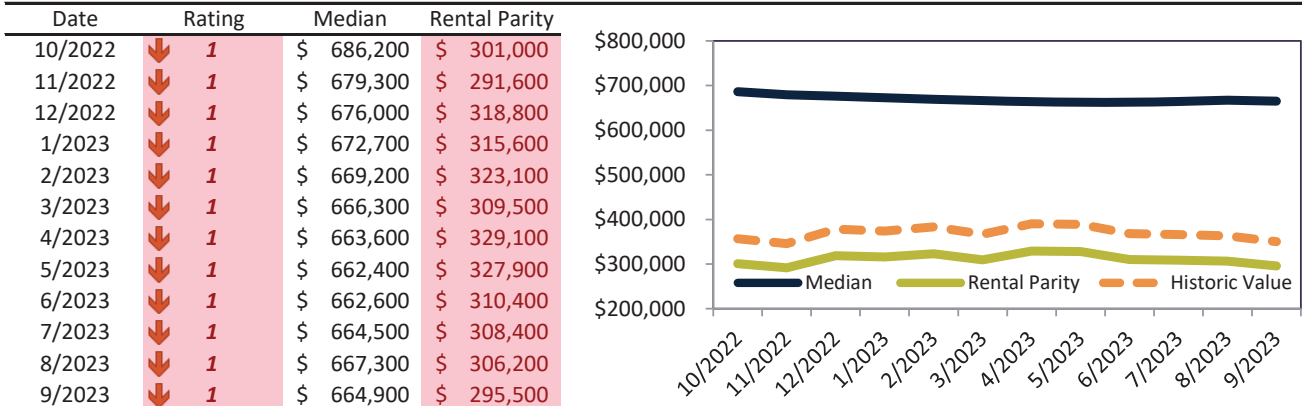


84105 Housing Market Value & Trends Update

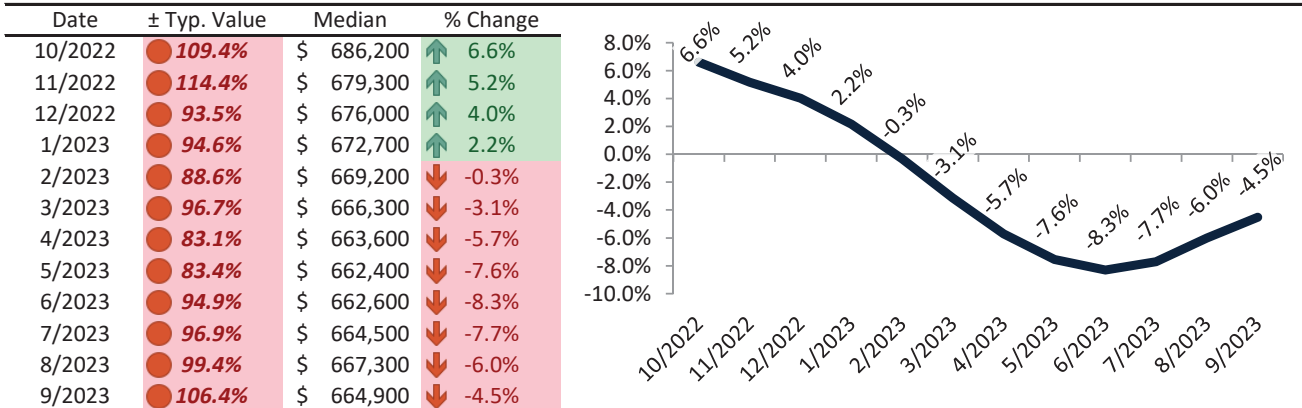
Historically, properties in this market sell at a 18.6% premium. Today's premium is 125.0%. This market is 106.4% overvalued. Median home price is \$664,900. Prices fell 4.5% year-over-year. Monthly cost of ownership is \$4,249, and rents average \$1,889, making owning \$2,360 per month more costly than renting. Rents rose 2.4% year-over-year. The current capitalization rate (rent/price) is 2.7%.

Market rating = 1

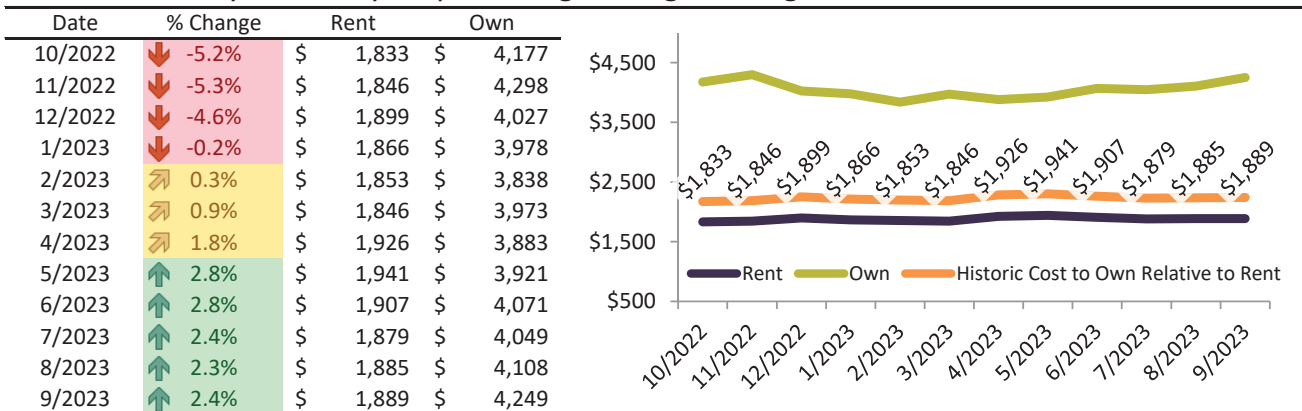
Median Home Price and Rental Parity trailing twelve months



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



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

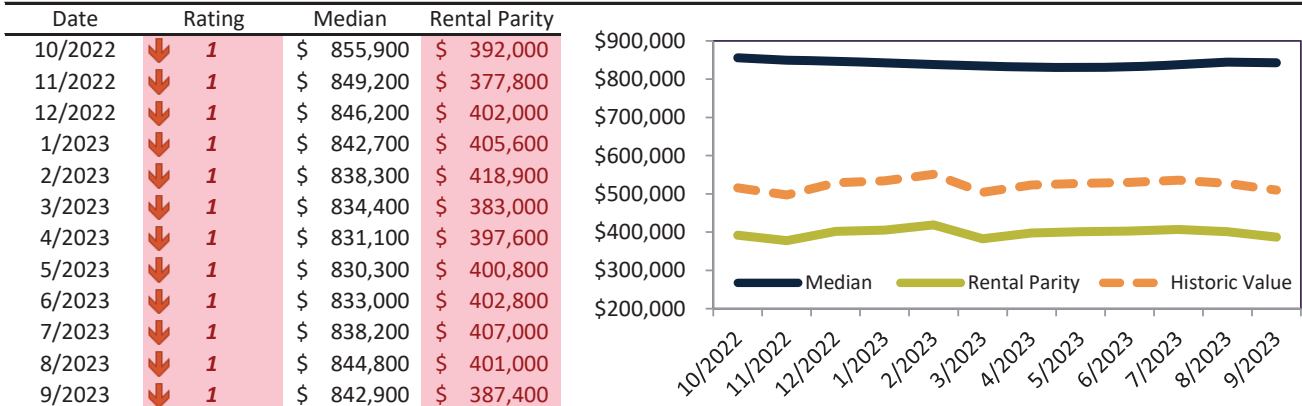


84108 Housing Market Value & Trends Update

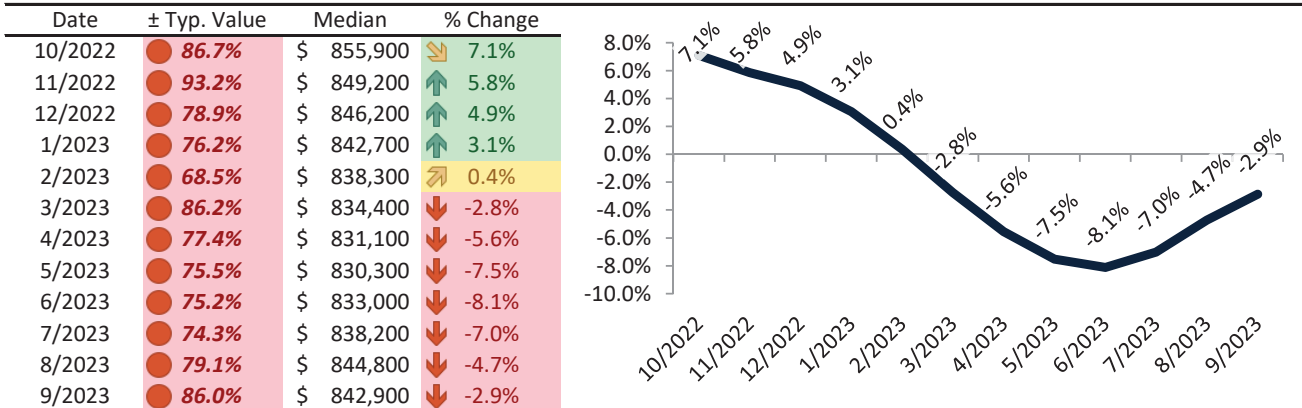
Historically, properties in this market sell at a 31.6% premium. Today's premium is 117.6%. This market is 86.0% overvalued. Median home price is \$842,900. Prices fell 2.9% year-over-year. Monthly cost of ownership is \$5,386, and rents average \$2,475, making owning \$2,910 per month more costly than renting. Rents rose 2.9% year-over-year. The current capitalization rate (rent/price) is 2.8%.

Market rating = 1

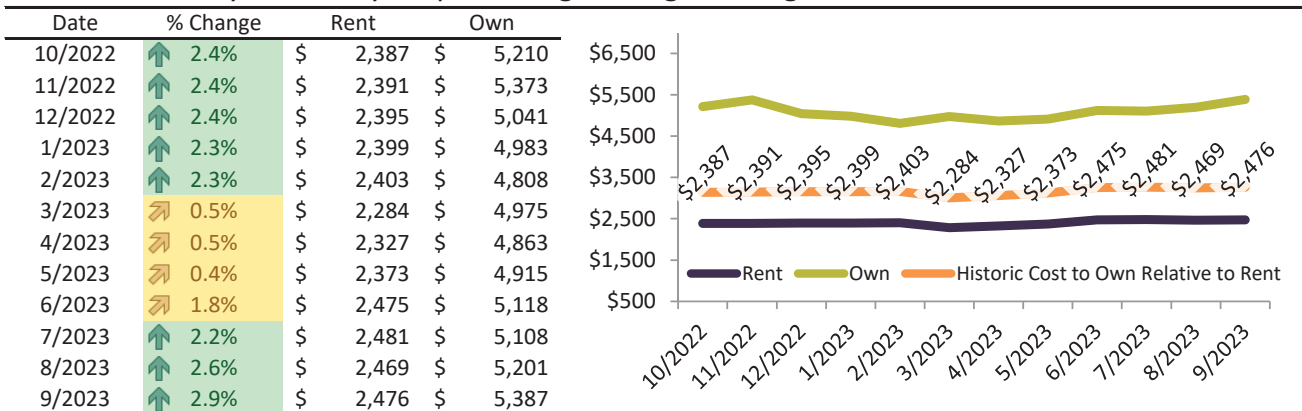
Median Home Price and Rental Parity trailing twelve months



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



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



84104 Housing Market Value & Trends Update

Historically, properties in this market sell at a -22.3% discount. Today's premium is 57.8%. This market is 80.1% overvalued.

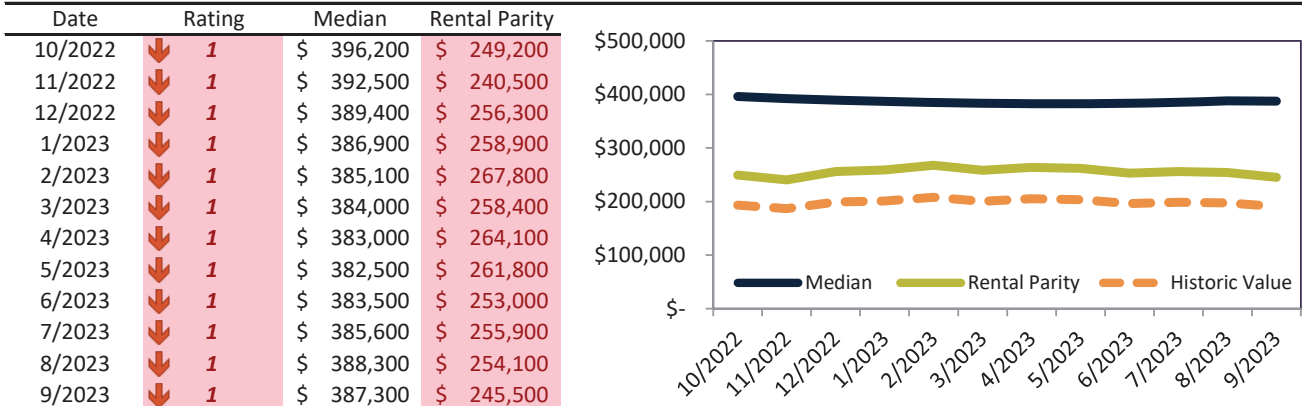
Median home price is \$387,300. Prices fell 3.3% year-over-year.

Monthly cost of ownership is \$2,475, and rents average \$1,569, making owning \$905 per month more costly than renting.

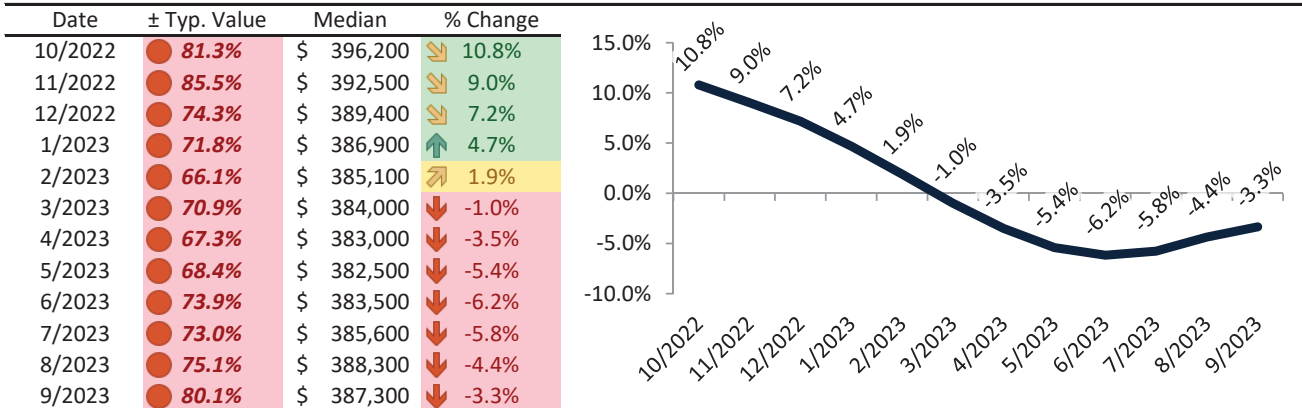
Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 3.9%.

Market rating = 1

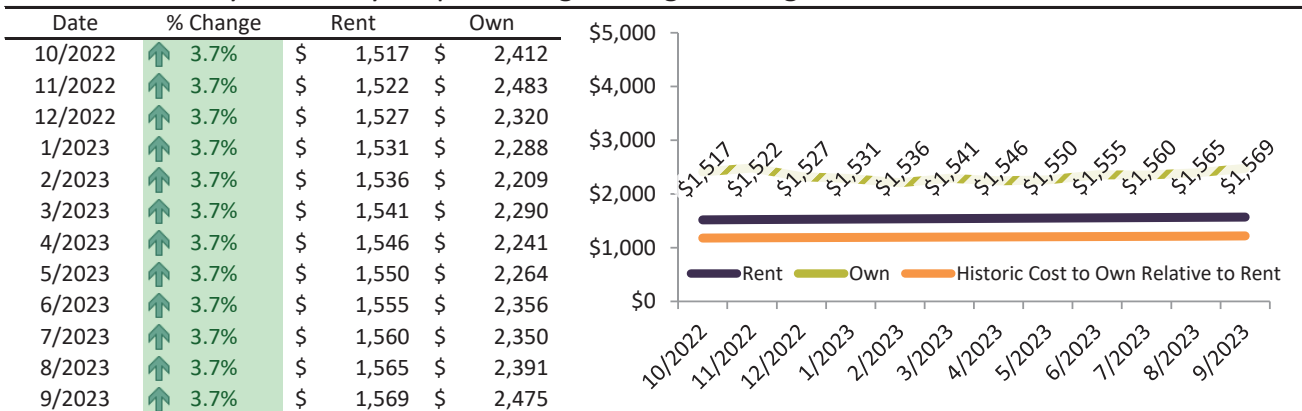
Median Home Price and Rental Parity trailing twelve months



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



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

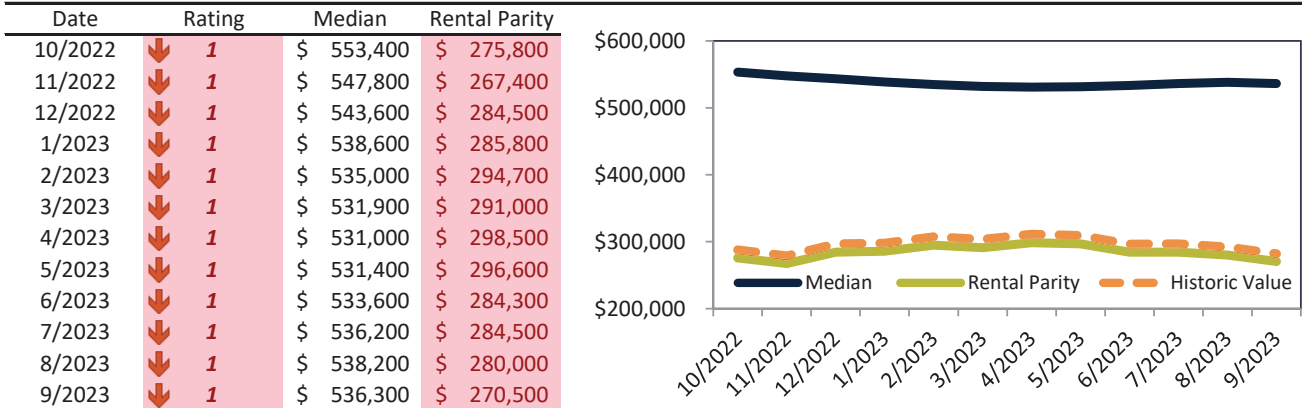


84054 Housing Market Value & Trends Update

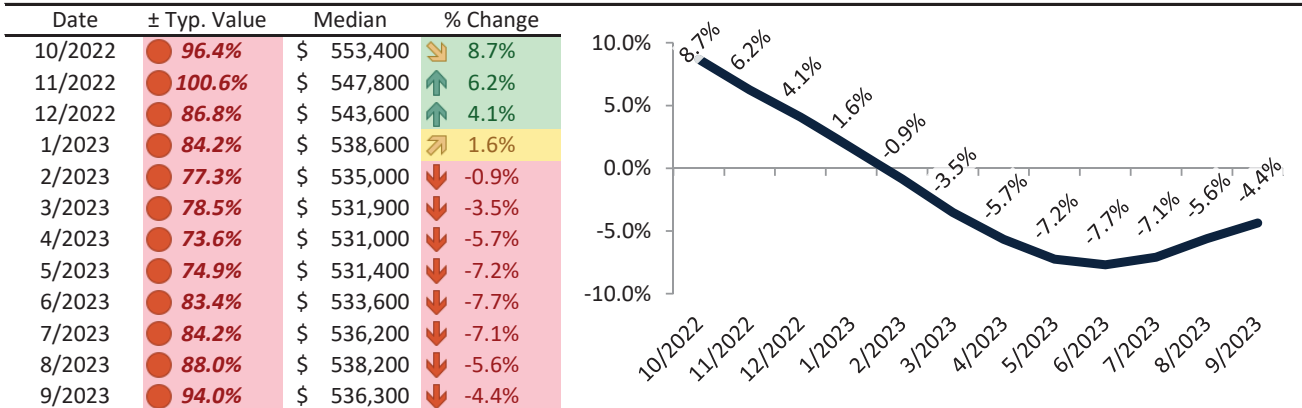
Historically, properties in this market sell at a 4.2% premium. Today's premium is 98.2%. This market is 94.0% overvalued. Median home price is \$536,300. Prices fell 4.4% year-over-year. Monthly cost of ownership is \$3,427, and rents average \$1,728, making owning \$1,698 per month more costly than renting. Rents rose 2.7% year-over-year. The current capitalization rate (rent/price) is 3.1%.

Market rating = 1

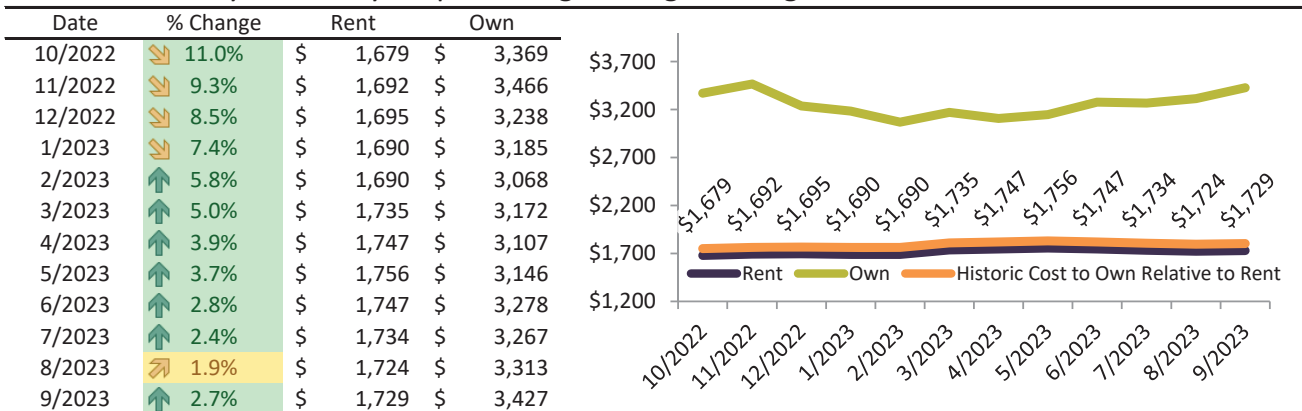
Median Home Price and Rental Parity trailing twelve months



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



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



84101 Housing Market Value & Trends Update

Historically, properties in this market sell at a 27.4% premium. Today's premium is 72.5%. This market is 45.1% overvalued.

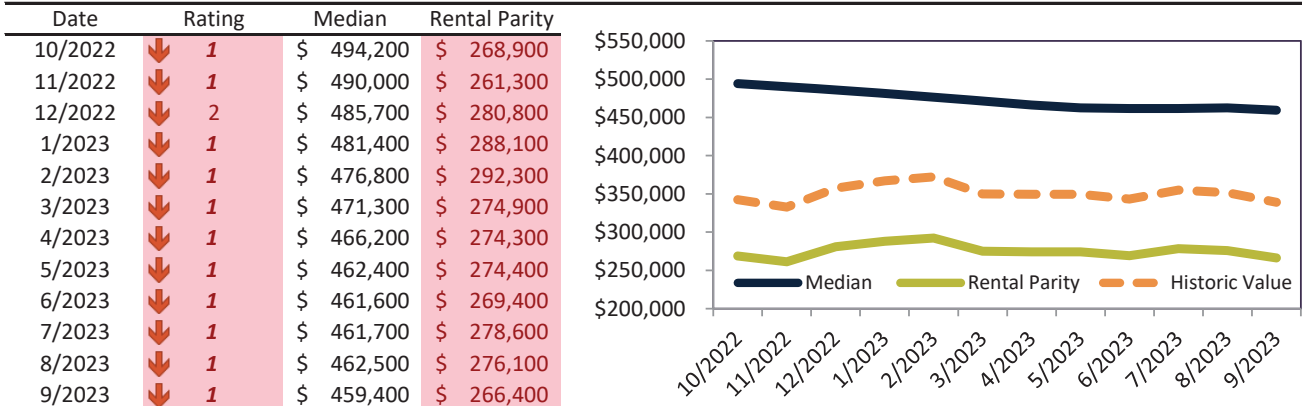
Median home price is \$459,400. Prices fell 8.1% year-over-year.

Monthly cost of ownership is \$2,935, and rents average \$1,702, making owning \$1,233 per month more costly than renting.

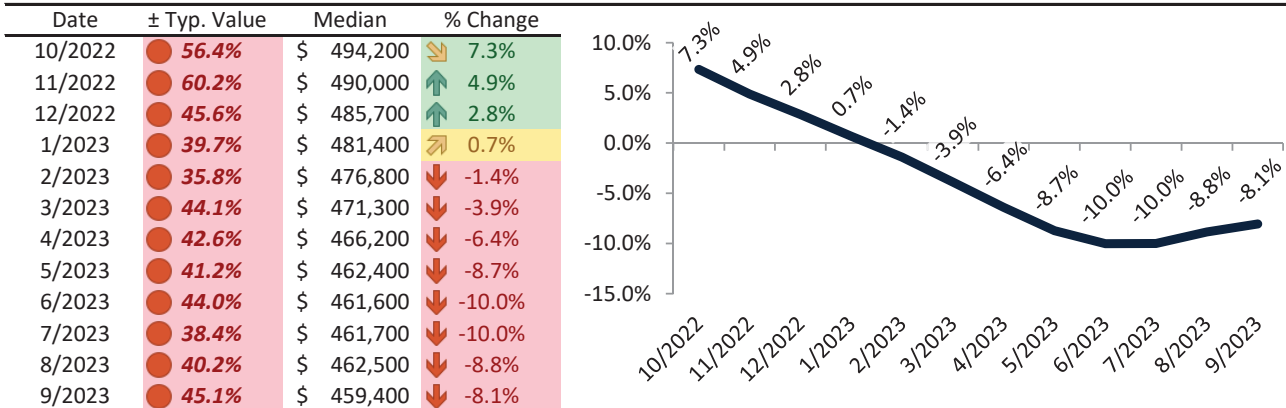
Rents rose 0.7% year-over-year. The current capitalization rate (rent/price) is 3.6%.

Market rating = 1

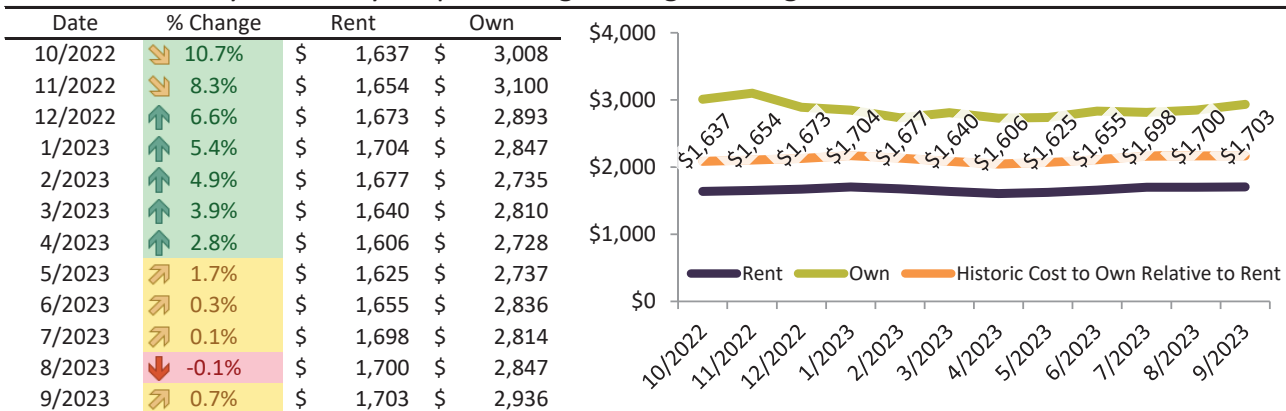
Median Home Price and Rental Parity trailing twelve months



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



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



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.

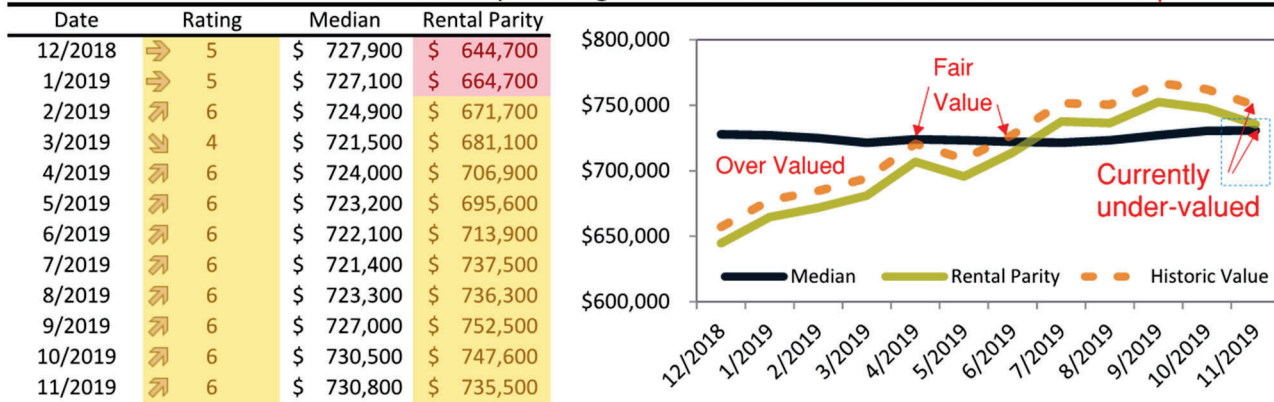
Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 4.2%.

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.

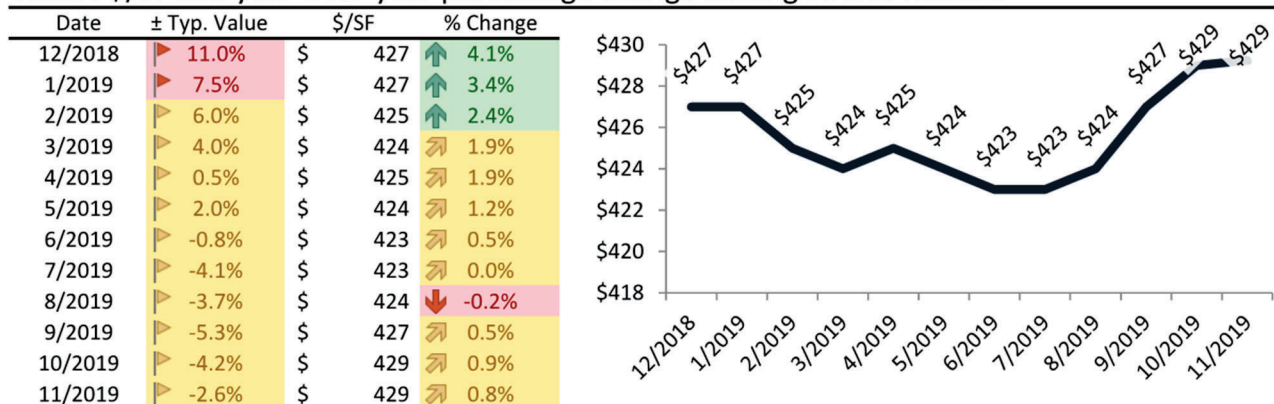
The third line plotted against these two parallel lines is the median resale price for the area. This line reveals whether the market is currently trading at a premium or discount to rental parity and historic value. The more important of these relationships is between median resale price and historic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

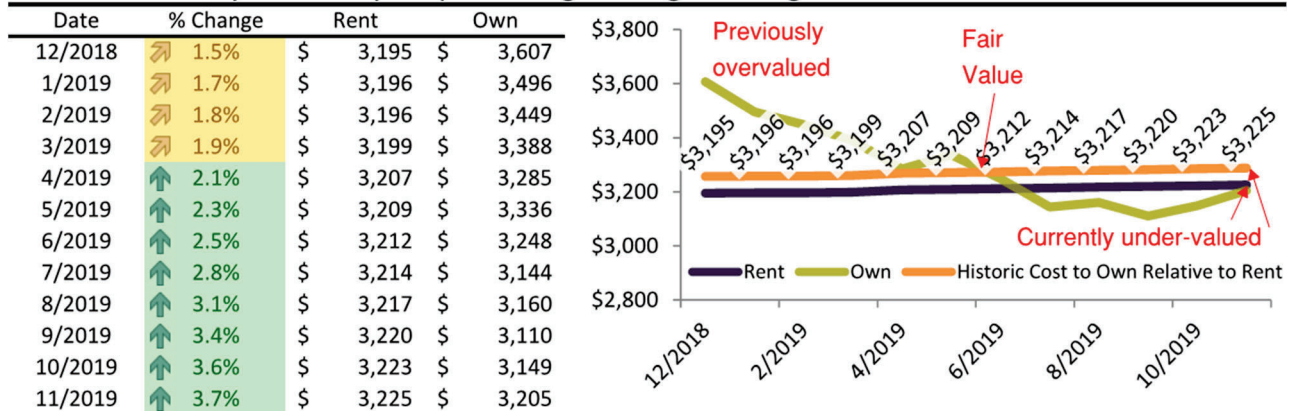
Resale \$/SF and year-over-year percentage change trailing twelve months



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

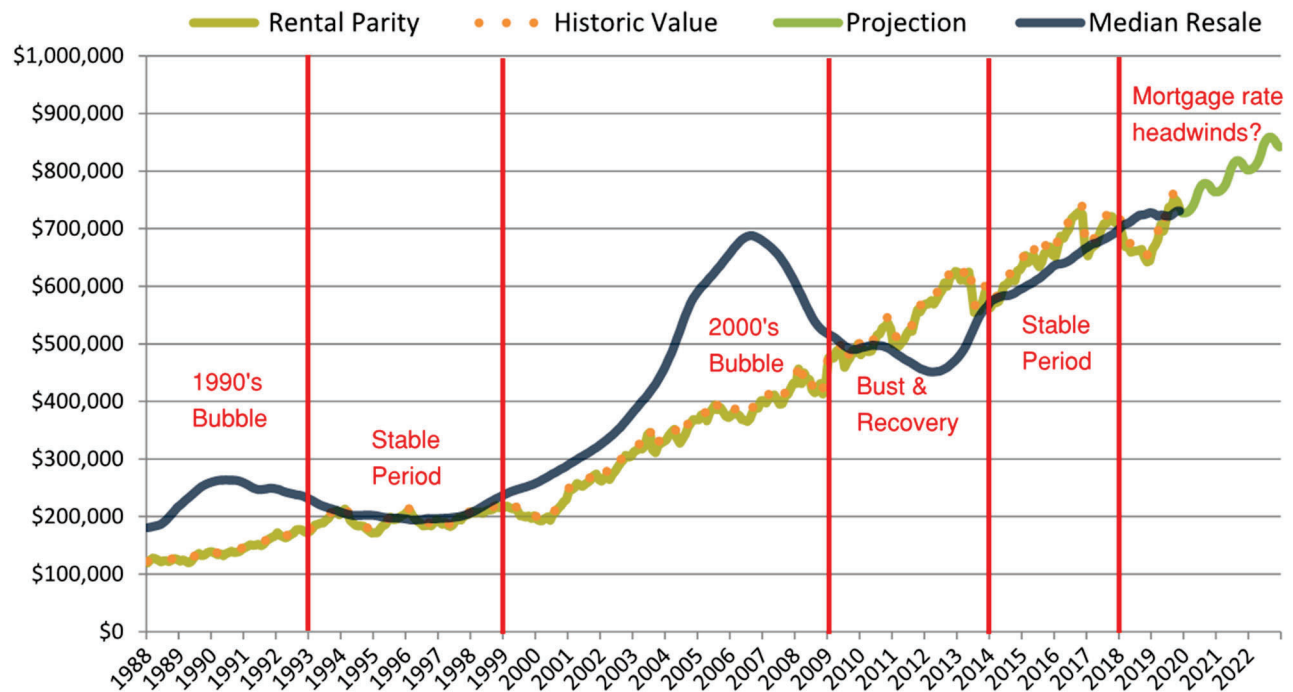


This method of looking at the data is more revealing to those who like to focus on monthly costs rather than purchase price. It reveals how affordable properties are relative to monthly rent, which is what rental parity analysis is all about. The first column of data shows the rate of rent growth over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

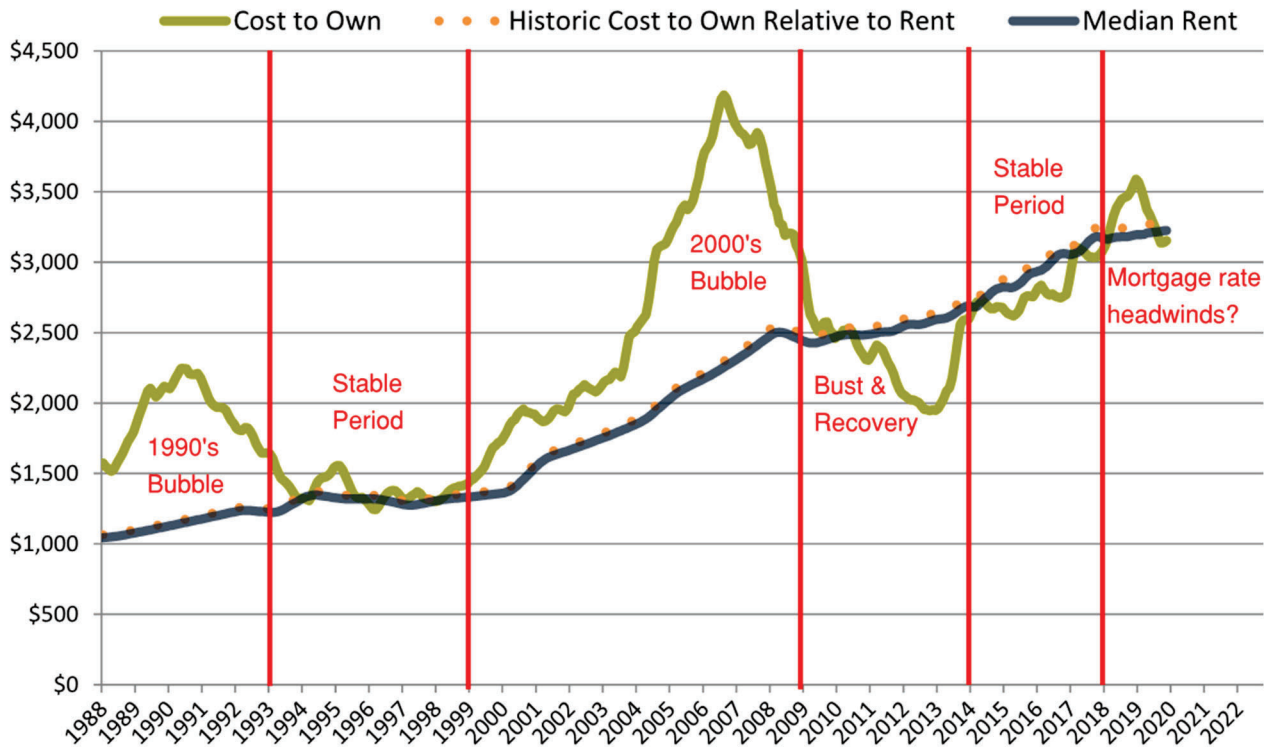
The next page of the report shows two charts: County median home price since January 1988, and County median rent and monthly cost of ownership since January 1988. These charts are designed to put current circumstances in historic context. They answer questions like, “How volatile are prices?” and “How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

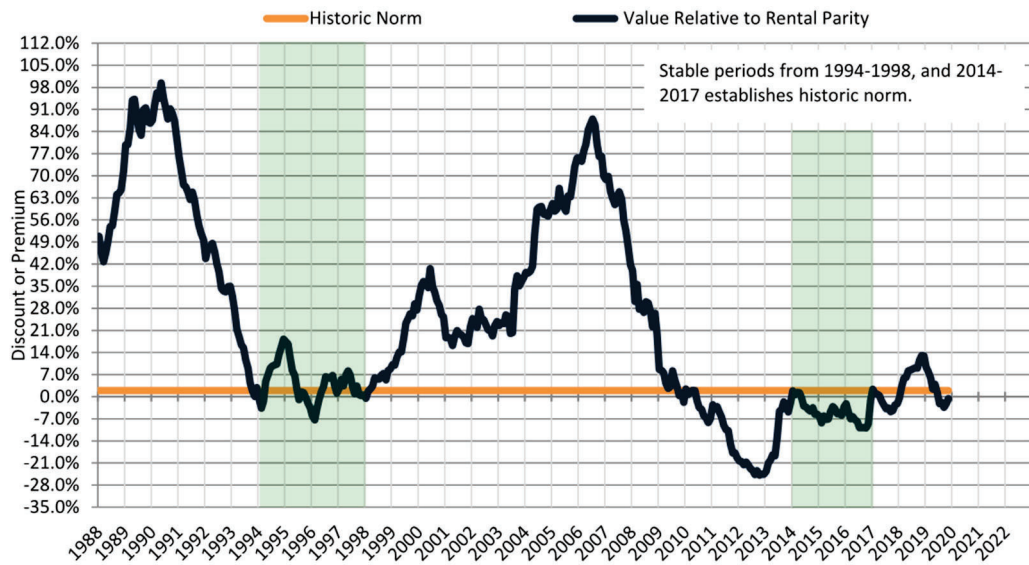
Historic Median Home Price Relative to Rental Parity: Orange County since January 1988

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.

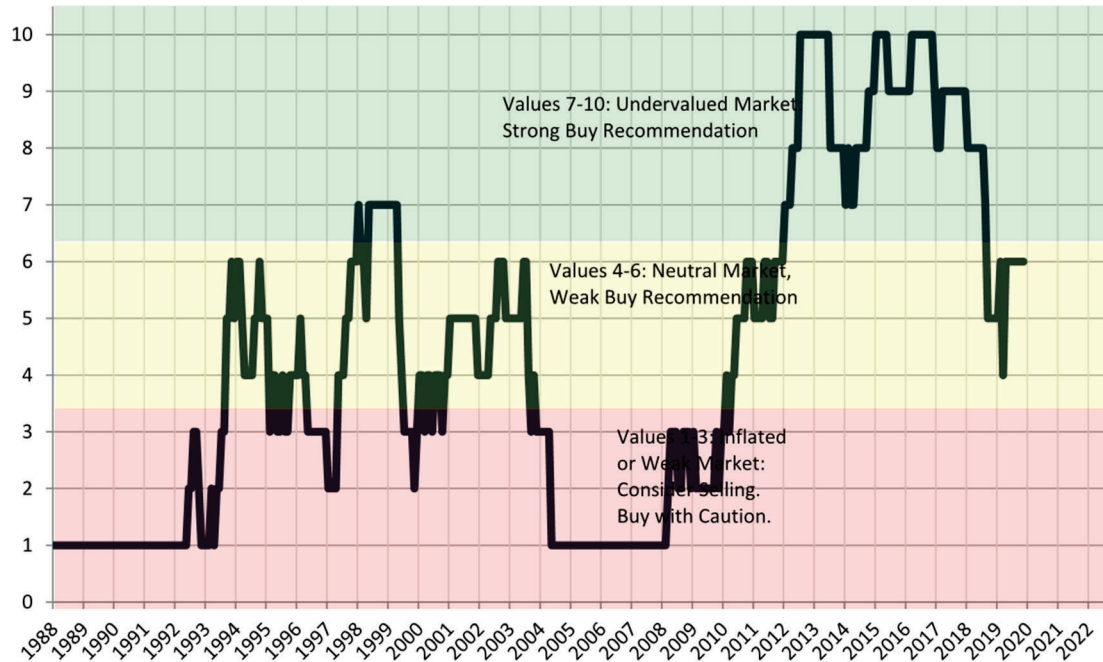
The chart above shows, at a glance, how close the market trades to its historic norm.

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.