

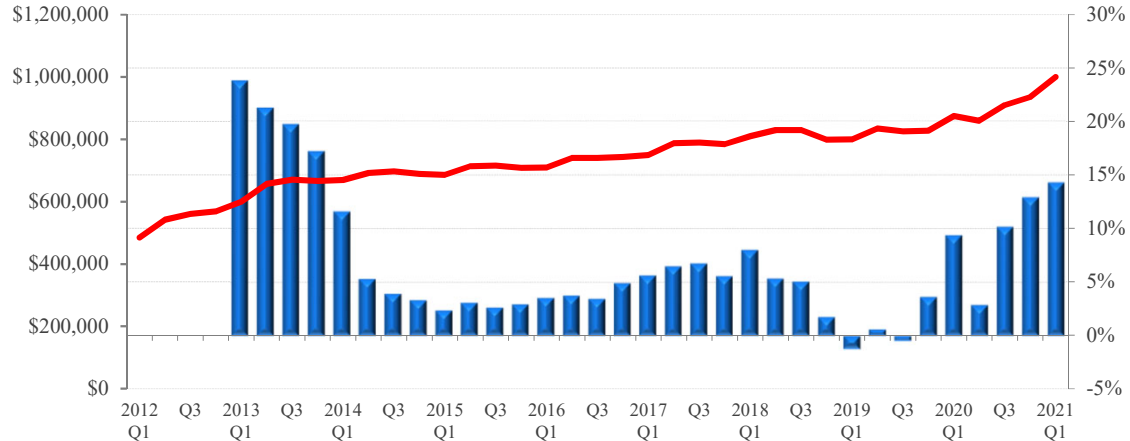
Anaheim-Santa Ana-Irvine Area

Local Market Report, First Quarter 2021

including the impact of COVID-19 on the local economy

Today's Market...

Median Price (Red Line) and One-year Price Growth



Local Price Trends			
Price Activity	Anaheim	U.S.	Local Trend
Current Median Home Price (2021 Q1)	\$1,000,000	\$313,533	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2021 Q1)	14.3%	15.1%	
3-year (12-quarter) Appreciation (2021 Q1)	23.5%	28.6%	
3-year (12-quarter) Housing Equity Gain*	\$190,000	\$69,733	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$330,200	\$122,533	
9-year (36 quarters) Housing Equity Gain*	\$515,100	\$155,200	

*Note: Equity gain reflects price appreciation only

	Anaheim	U.S.	
Conforming Loan Limit**	\$765,600	\$765,600	Government-backed financing is limited in this market, hampering home sales
FHA Loan Limit	\$765,600	\$765,600	
Local Median to Conforming Limit Ratio	131%	not comparable	

Note: limits are current and include the changes made on January 1st 2020.

Local NAR Leadership

The Anaheim-Santa Ana-Irvine market is part of region 13 in the NAR governance system, which includes all of California, Hawaii, and Guam. The 2021 NAR Regional Vice President representing region 13 is Chris Kutzkey.

Benefits of Ownership: Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained** through 2021 Q1 from quarter in which home was of purchased

Price Activity	Anaheim	U.S.	Local Trend
1-year (4-quarter)	\$140,221	\$45,806	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$228,903	\$81,443	
5-year (20-quarter)*	\$354,105	\$117,278	
7-year (28 quarters)*	\$411,030	\$145,583	
9-year (36 quarters)*	\$598,281	\$182,361	

*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

Drivers of Local Supply and Demand...

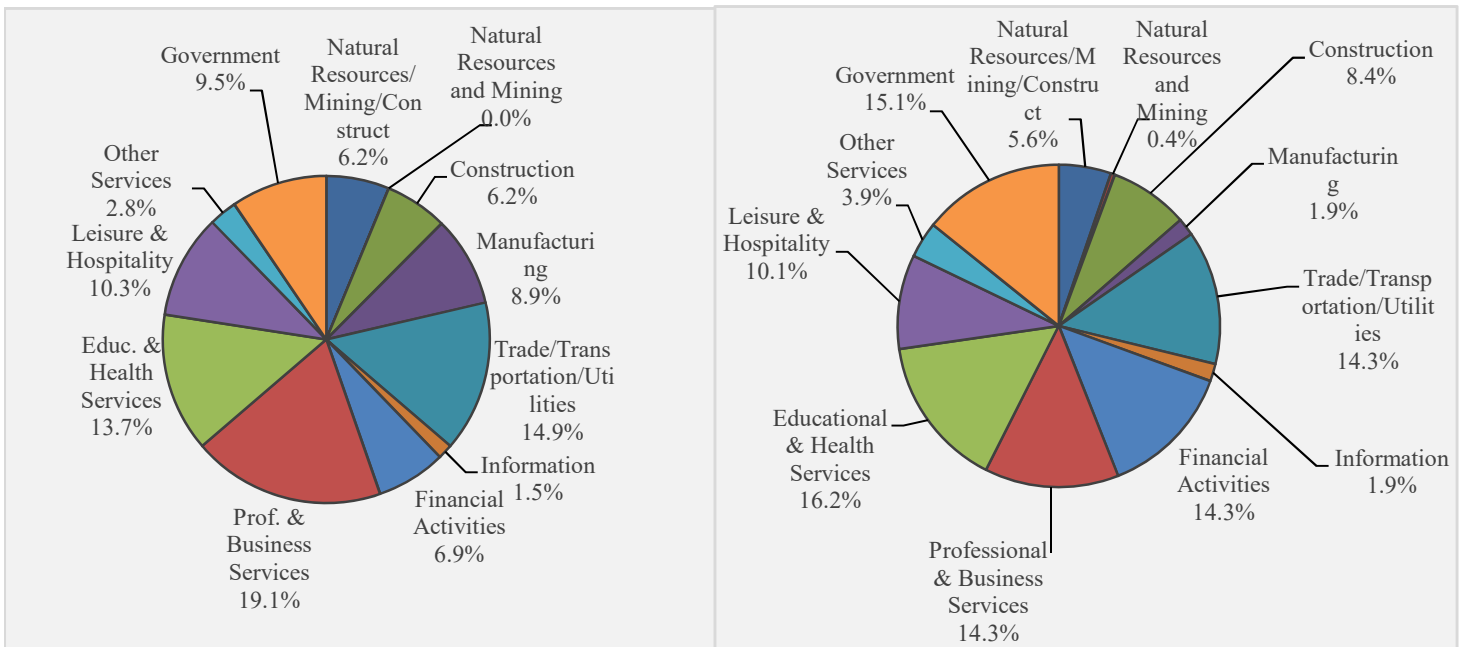


Local Economic Outlook	Anaheim	U.S.	
12-month Job Change (May)	161,500	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Apr)	138,700	Not Comparable	
36-month Job Change (May)	-79,900	Not Comparable	Anaheim's unemployment rate lags the national average, but has improved relative to the same period last year
Current Unemployment Rate (May)	5.9%	5.8%	
Year-ago Unemployment Rate	14.9%	13.3%	Local employment growth is strong compared to other markets
1-year (12 month) Job Growth Rate	11.5%	-4.0%	

Share of Total Employment by Industry

Anaheim-Santa Ana-Irvine Area

U.S.



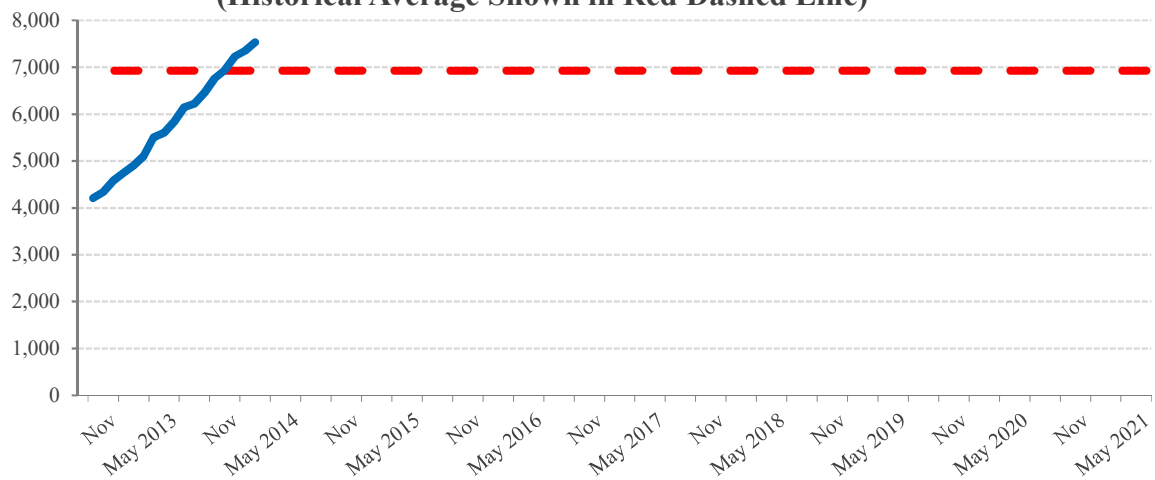
12-month Employment Change by Industry in the Anaheim-Santa Ana-Irvine Area (May - 2021)

Goods Producing	NA	Information	600
Natural Resources/Mining/Construction	9,800	Financial Activities	1,600
Natural Resources and Mining	-100	Prof. & Business Services	25,500
Construction	9,900	Educ. & Health Services	20,200
Manufacturing	4,400	Leisure & Hospitality	36,500
Service Providing Excluding Government	NA	Other Services	11,000
Trade/Transportation/Utilities	29,200	Government	-100

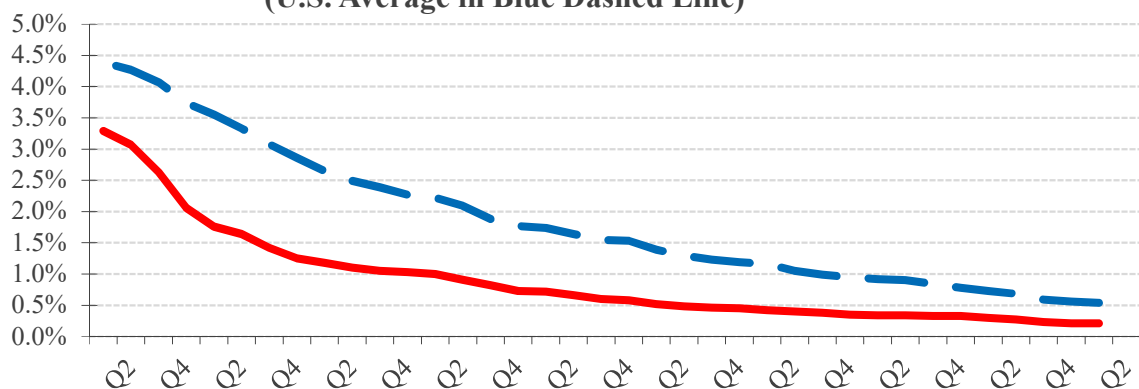
State Economic Activity Index	California	U.S.	
12-month change (2021 - May)	21.5%	7.7%	The economy of California has outpaced the rest of the nation and improved modestly from last month's 21.31% change
36-month change (2021 - May)	2.1%	1.8%	

New Housing Construction			
Local Fundamentals	Anaheim	U.S.	
12-month Sum of 1-unit Building Permits through May 2021	NA	not comparable	Local Data Not Available
8-year average for 12-month Sum of 1-Unit Building Permits	6,929	not comparable	Local Data Not Available
Single-Family Housing Permits (May 2021) 12-month sum vs. a year ago	NA	29.0%	Local Data Not Available

**Construction: 12-month Sum of Local Housing Permits
(Historical Average Shown in Red Dashed Line)**

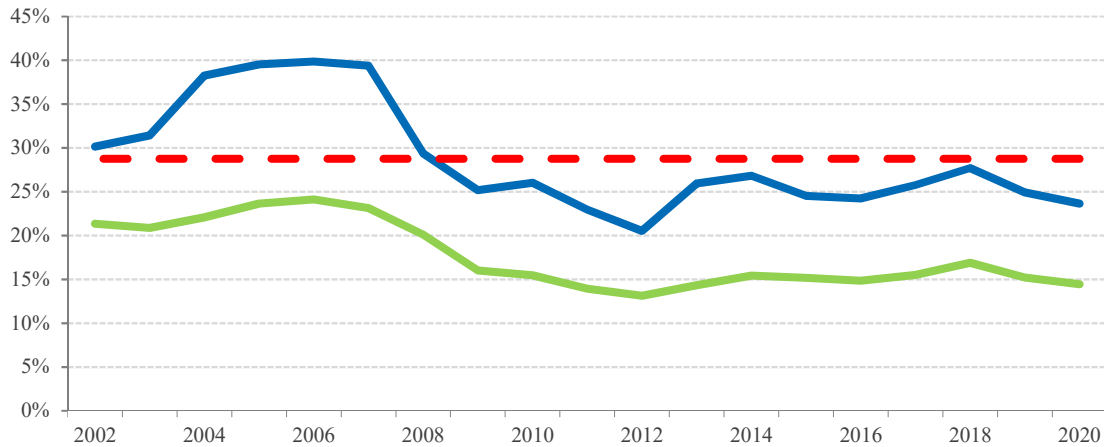


**State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)**



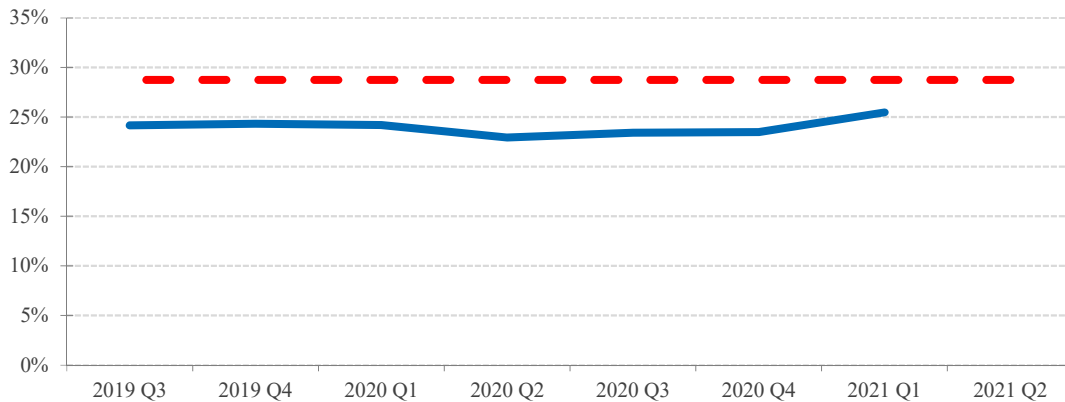
Affordability

Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income
(Local Historical Average Shown in Red, U.S. Average in Green)

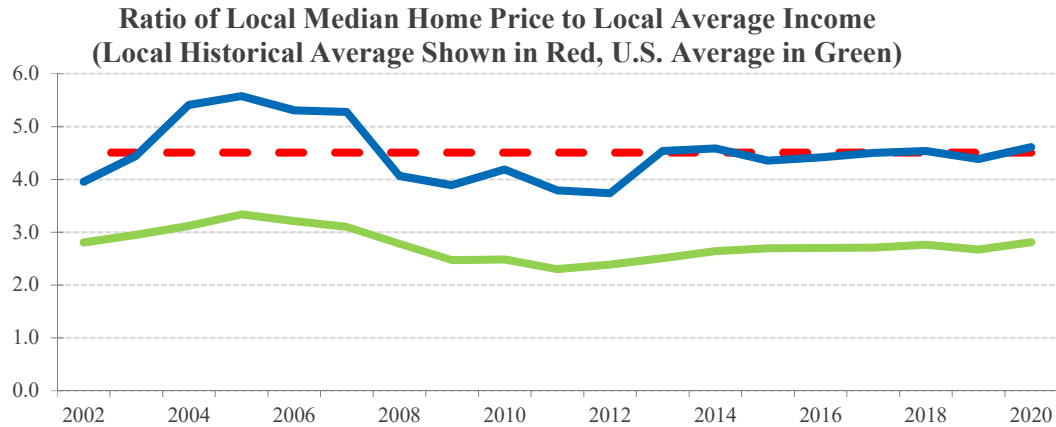


Monthly Mortgage Payment to Income	Anaheim	U.S.	
Ratio for 2020	23.7%	14.4%	Historically strong, but weaker than the fourth quarter of 2020
Ratio for 2021 Q1	25.5%	14.0%	
Historical Average	28.8%	18.0%	Weaker affordability than most markets

Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Anaheim	U.S.	
Ratio for 2020	4.6	2.8	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2021 Q1	5.1	2.8	
Historical Average	4.5	2.7	Less affordable than most markets



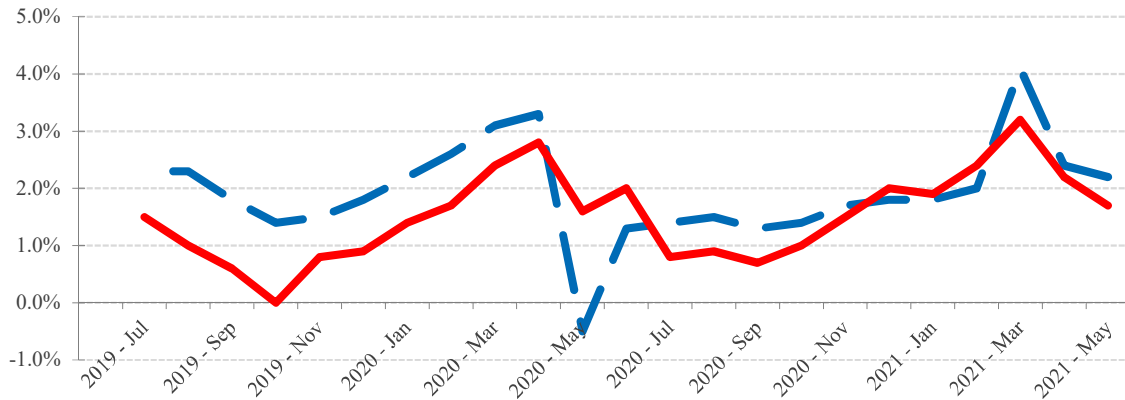
The Mortgage Market



Mortgage rates kicked off 2021 with a new record low. Nevertheless, rates were trending upward for the rest of the first quarter as COVID-19 vaccine became available to more Americans and millions of people received stimulus payments. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate was 2.88 percent in Q1 2021 compared to 3.51 percent a year earlier. Thus, homebuyers have excellent purchasing power at these historically low mortgage rates. What to expect about mortgage rates in the upcoming quarters? Rates are more likely to rise than fall as inflation will pick up in the following months. NAR is forecasting the 30-year mortgage rate to average 3.1% for the second quarter of 2021.

REALTOR® Price Expectations

REALTOR® Price Expectations for the Next 12 Months
(U.S. Average in Blue Dashed Line)



Source: NAR

REALTOR® Price Expectations	California	U.S.	
2021 - May	2.3%	1.8%	REALTORS® expect higher price growth in California than in the U.S. in the next 12 months. Their price expectations are also higher than a year ago.
Prior 12 months	0.8%	1.4%	

Geographic Coverage for this Report

The Anaheim area referred to in this report covers the geographic area of the Anaheim-Santa Ana-Irvine metro area as officially defined by the Office of Management and Budget of the U.S. Government. The official coverage area includes the following counties:

Orange County

More information on the OMB's geographic definitions can be found at https://obamawhitehouse.archives.gov/omb/bulletins_default/