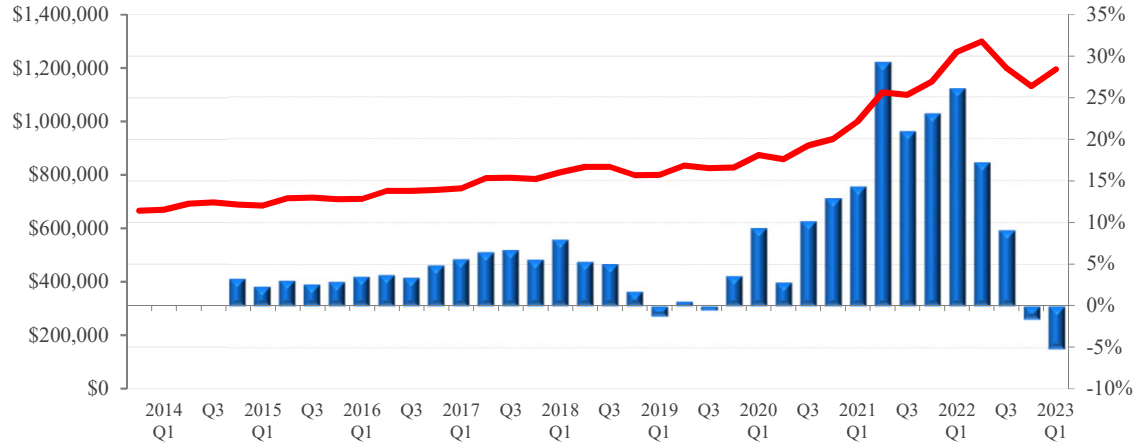


# Anaheim-Santa Ana-Irvine Area

## Local Market Report, First Quarter 2023

### 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 (2023 Q1)	\$1,195,500	\$366,733	Prices are down compared to a year earlier and continue to weaken
1-year (4-quarter) Appreciation (2023 Q1)	-5.1%	0.3%	
3-year (12-quarter) Appreciation (2023 Q1)	36.6%	34.6%	
3-year (12-quarter) Housing Equity Gain*	\$320,500	\$94,267	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$485,500	\$151,000	
9-year (36 quarters) Housing Equity Gain*	\$525,700	\$175,733	

\*Note: Equity gain reflects price appreciation only

	Anaheim	U.S.	
<b>Conforming Loan Limit**</b>	\$1,089,300	\$1,089,300	Government-backed financing is limited in this market, hampering home sales
<b>FHA Loan Limit</b>	\$1,089,300	\$1,089,300	
<b>Local Median to Conforming Limit Ratio</b>	110%	not comparable	

Note: limits are current and include the changes made on January 1st 2023.

#### 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 2023 NAR Regional Vice President representing region 13 is Shannon King.

## Benefits of Ownership: Total Equity Appreciation

### Total Equity Accrued to Owner by Year and Quarter of Purchase



#### Total Equity Gained\*\* through 2023 Q1 from quarter in which home was of purchased

Price Activity	Anaheim	U.S.	Local Trend
1-year (4-quarter)	\$43,573	\$7,042	Price trends in the last three years have undercut the steady post-recession home equity growth despite owners paying down principle
3-year (12-quarter)*	\$367,788	\$108,992	
5-year (20-quarter)*	\$453,183	\$143,305	
7-year (28 quarters)*	\$578,729	\$179,328	
9-year (36 quarters)*	\$634,414	\$206,734	

\*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...

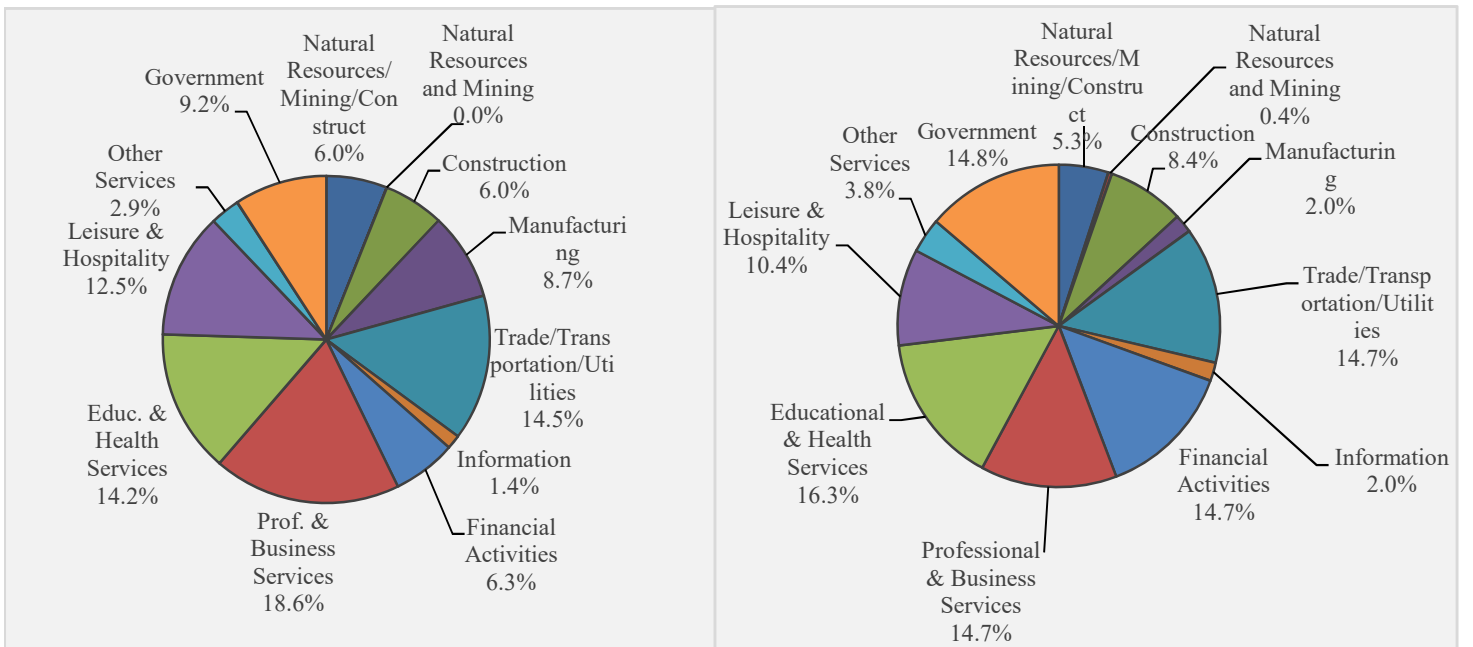


Local Economic Outlook	Anaheim	U.S.	
12-month Job Change (Mar)	42,200	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Feb)	45,800	Not Comparable	
36-month Job Change (Mar)	31,900	Not Comparable	Unemployment has risen since the same period last year, but Anaheim's labor market has been more resilient than the national average
Current Unemployment Rate (Mar)	3.4%	3.5%	
Year-ago Unemployment Rate	3.3%	3.6%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	2.6%	3.8%	

## Share of Total Employment by Industry

Anaheim-Santa Ana-Irvine Area

U.S.



### 12-month Employment Change by Industry (Mar - 2023)

Goods Producing	NA	Information	300
Natural Resources/Mining/Construction	700	Financial Activities	-3,200
Natural Resources and Mining	-100	Prof. & Business Services	6,700
Construction	800	Educ. & Health Services	9,800
Manufacturing	2,700	Leisure & Hospitality	16,400
Service Providing Excluding Government	NA	Other Services	1,300
Trade/Transportation/Utilities	6,300	Government	4,800

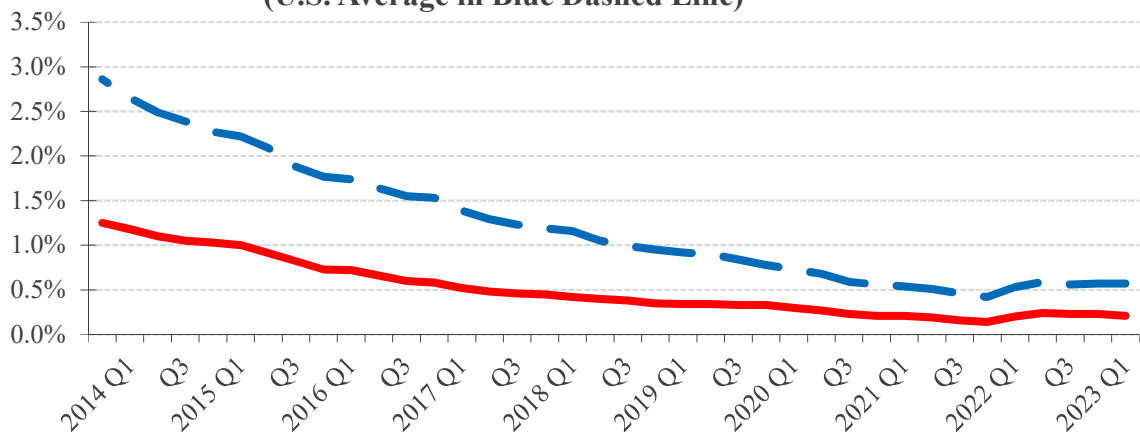
State Economic Activity Index	California	U.S.	
12-month change (2023 - Mar)	3.3%	3.8%	California's economy is growing, but decelerated from last month's 3.92% change and lags the rest of the nation
36-month change (2023 - Mar)	11.6%	6.7%	

New Housing Construction			
Local Fundamentals	Anaheim	U.S.	
12-month Sum of 1-unit Building Permits through Mar	NA	not comparable	Local Data Not Available
8-year average for 12-month Sum of 1-Unit Building Permits	NA	not comparable	Local Data Not Available
Single-Family Housing Permits (Mar) 12-month sum vs. a year ago	NA	-21.2%	Local Data Not Available

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

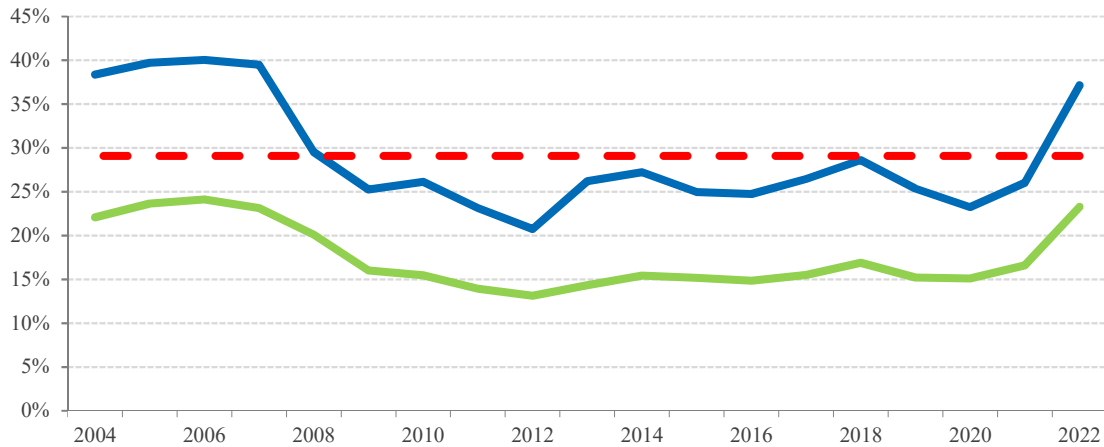


**State Total Foreclosure Rate vs. U.S Average  
(U.S. Average in Blue Dashed Line)**



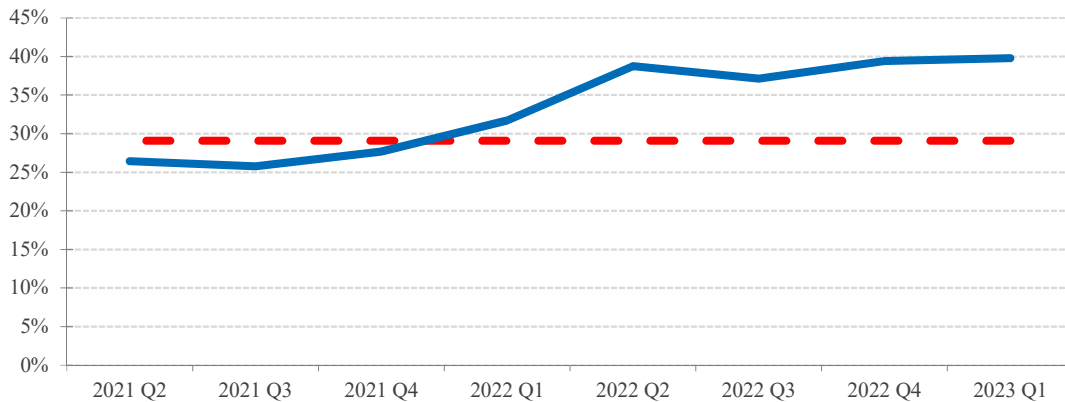
# Affordability

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

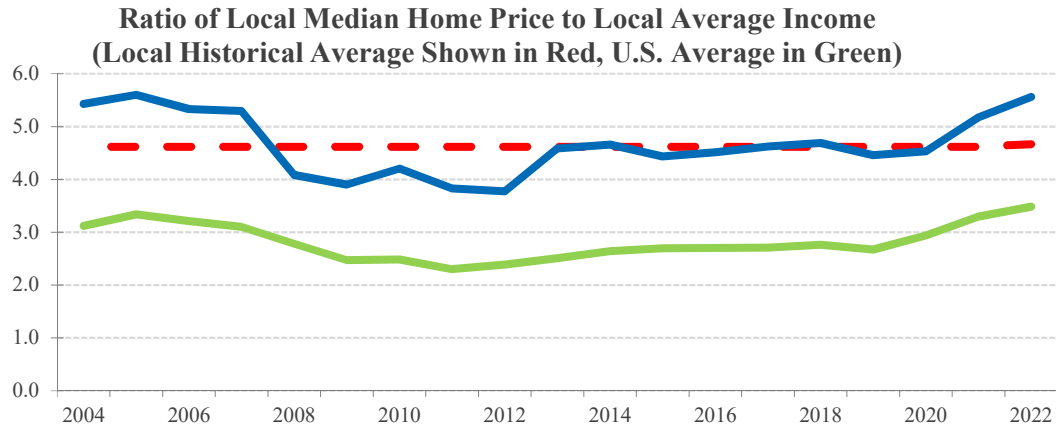


Monthly Mortgage Payment to Income	Anaheim	U.S.	
Ratio for 2022	37.2%	23.3%	Weak by local standards and could weigh on demand
Ratio for 2023 Q1	39.8%	23.3%	
Historical Average	29.1%	17.8%	Weaker affordability than most markets

**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 2022	5.6	3.5	The price-to-income ratio eased, but could be better
Ratio for 2023 Q1	5.3	3.1	
Historical Average	4.7	2.8	Less affordable than most markets



## The Mortgage Market



After surpassing twice the 7 percent threshold at the end of 2022, mortgage rates fell in the beginning of 2023. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate dropped to 6.36% in the first quarter of 2023 from 6.69% the previous quarter. Nevertheless, rates continue to be 1.7 times higher than the previous year (3.79%). Although rates will continue to fluctuate in the following months, with inflation easing further and the Federal Reserve expected to pause its rate hikes soon, mortgage rates will stabilize near 6% in the second half of the year. NAR forecasts the 30-year fixed mortgage rate to average 6.3% and 6.1% at the second and third quarter of the year, respectively.

## 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/](https://obamawhitehouse.archives.gov/omb/bulletins_default/)

