Economics and Market Outlook

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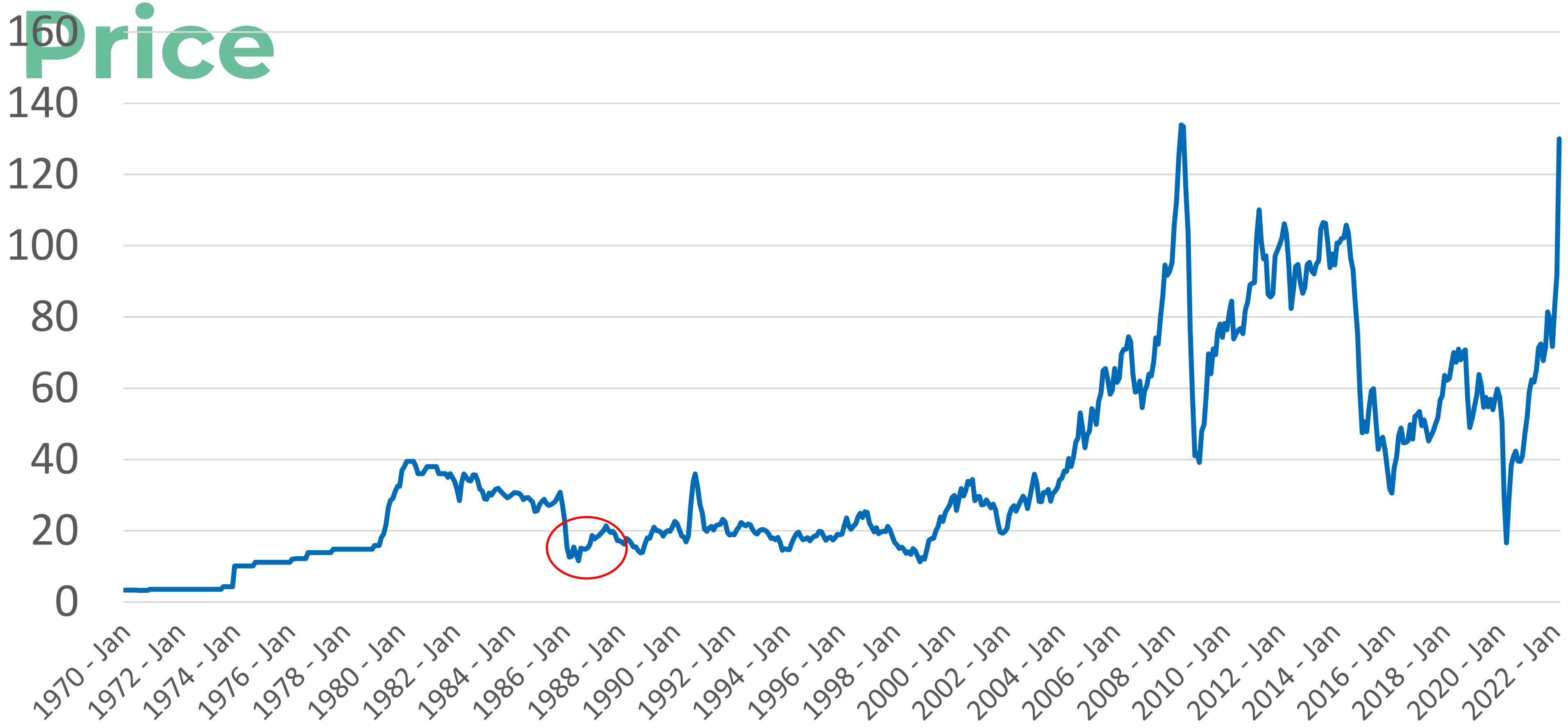
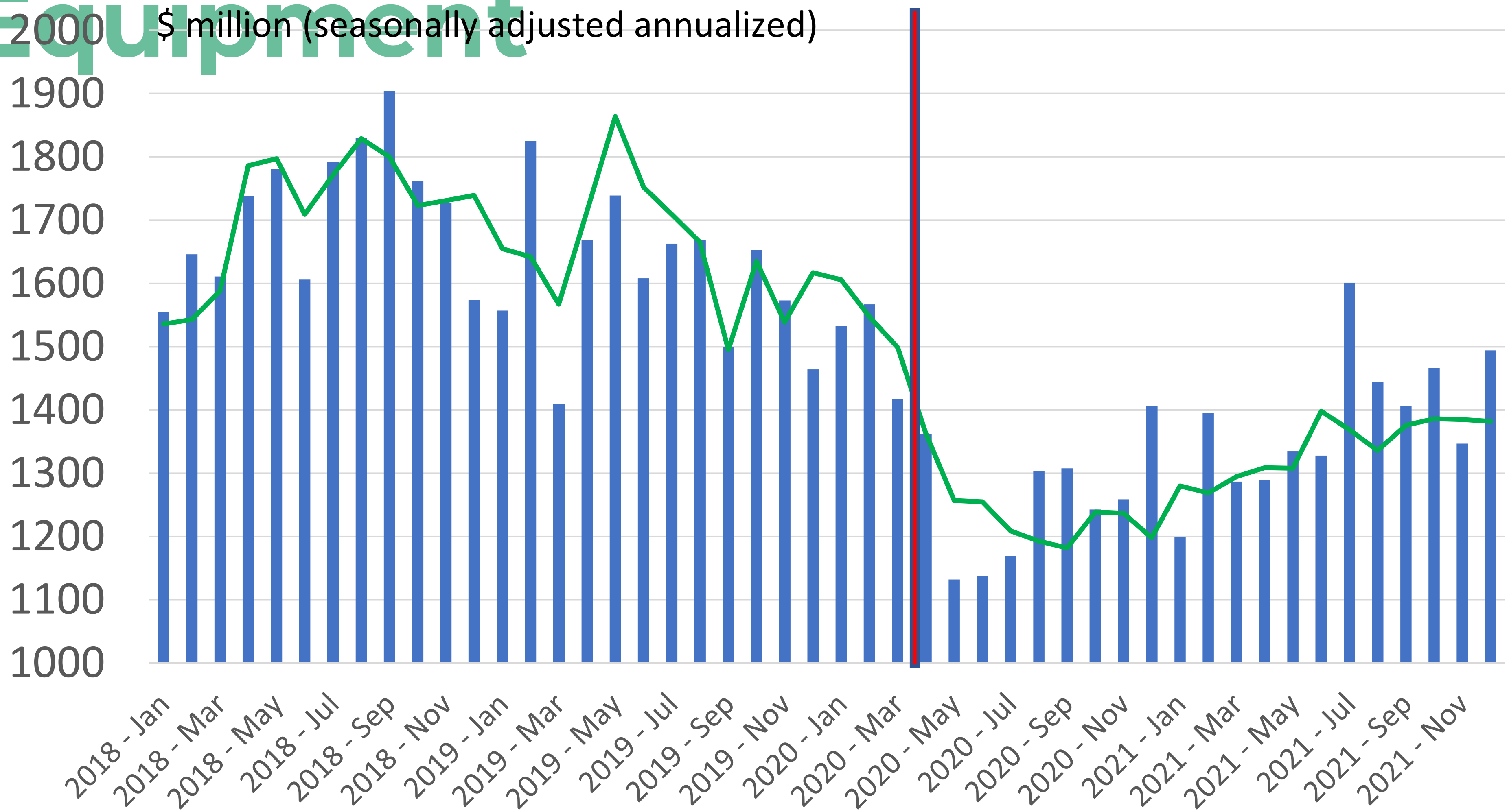
West Texas Crude Oil Price



Orders and Shipments of Drilling Equipment



Jobs Recovery compared to Pre-Covid Days

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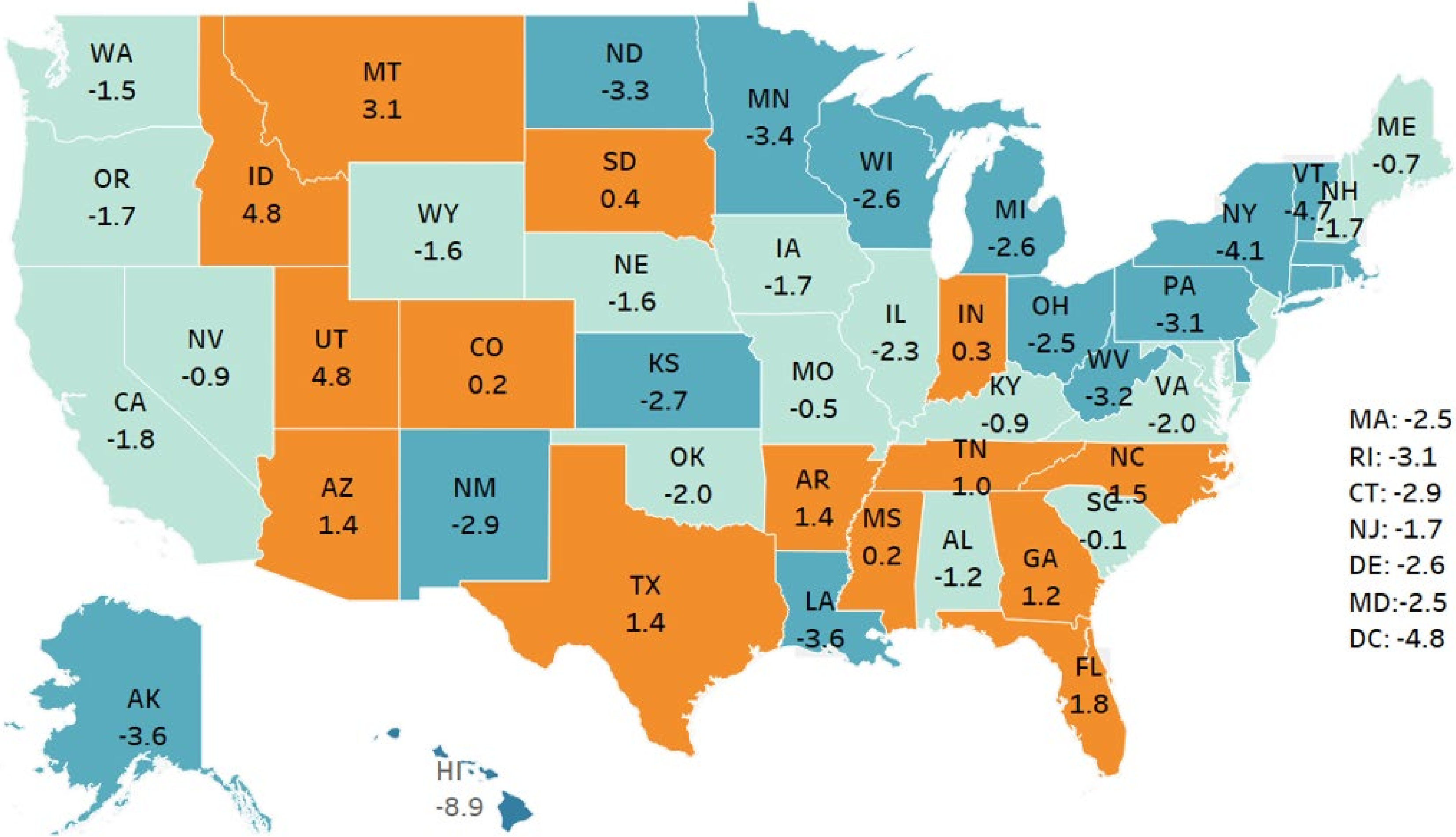
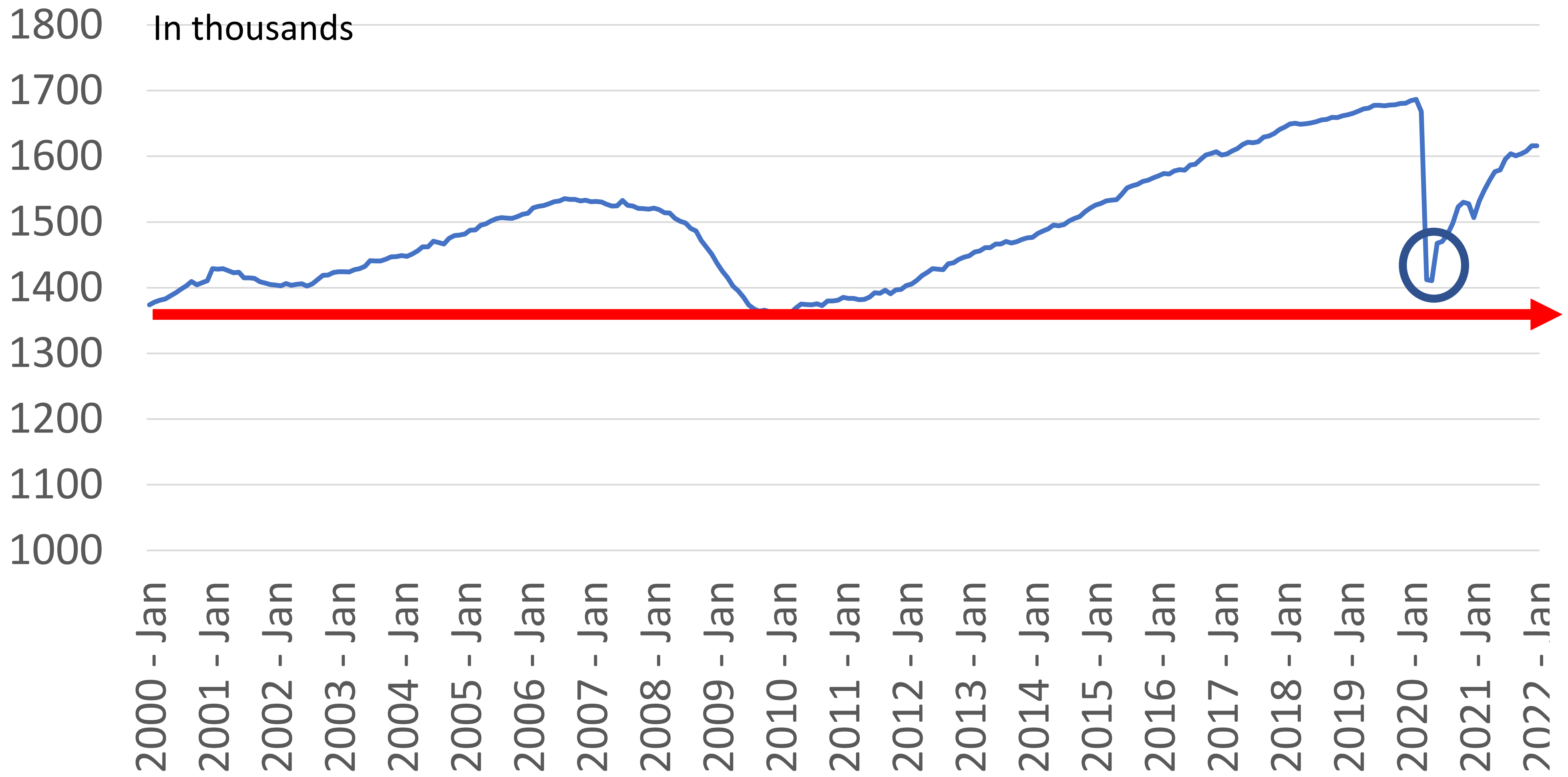
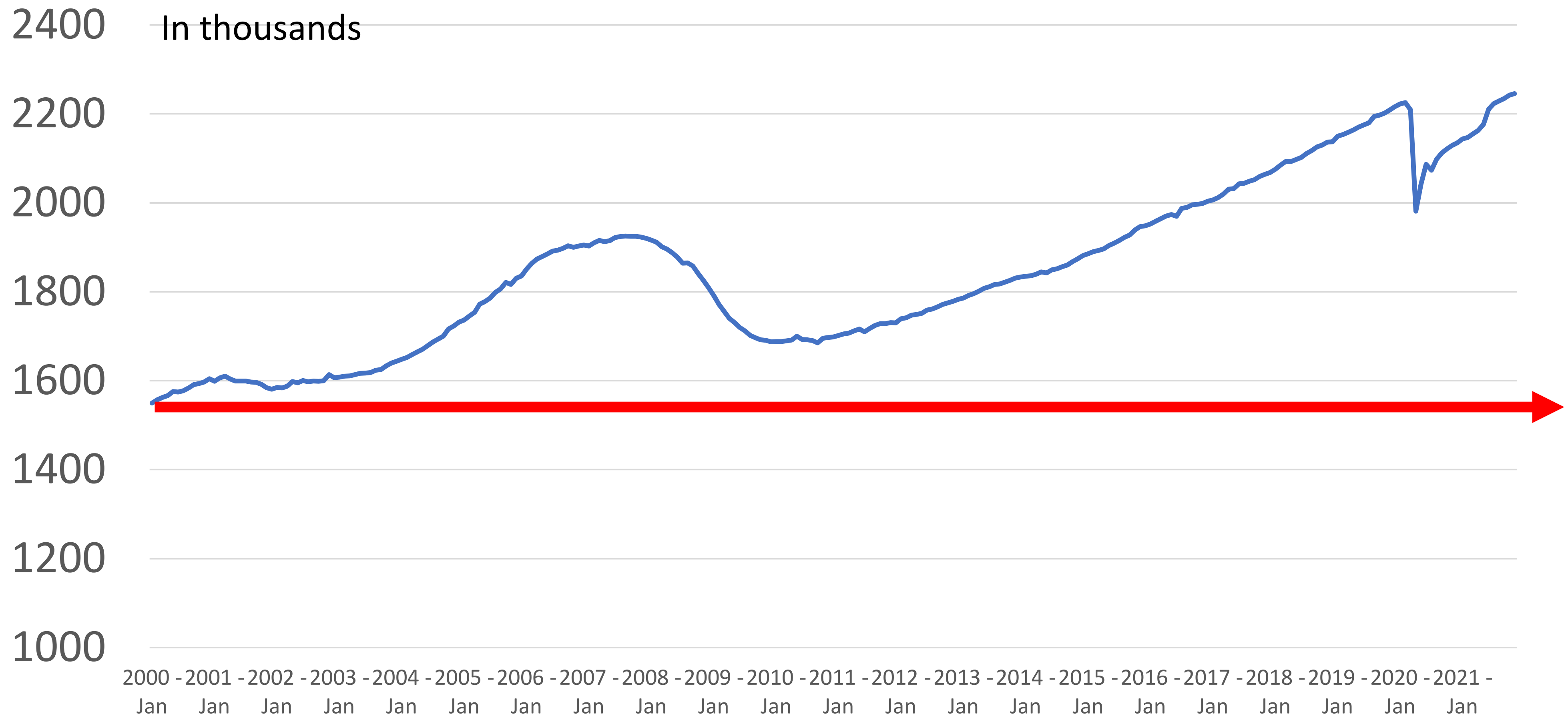


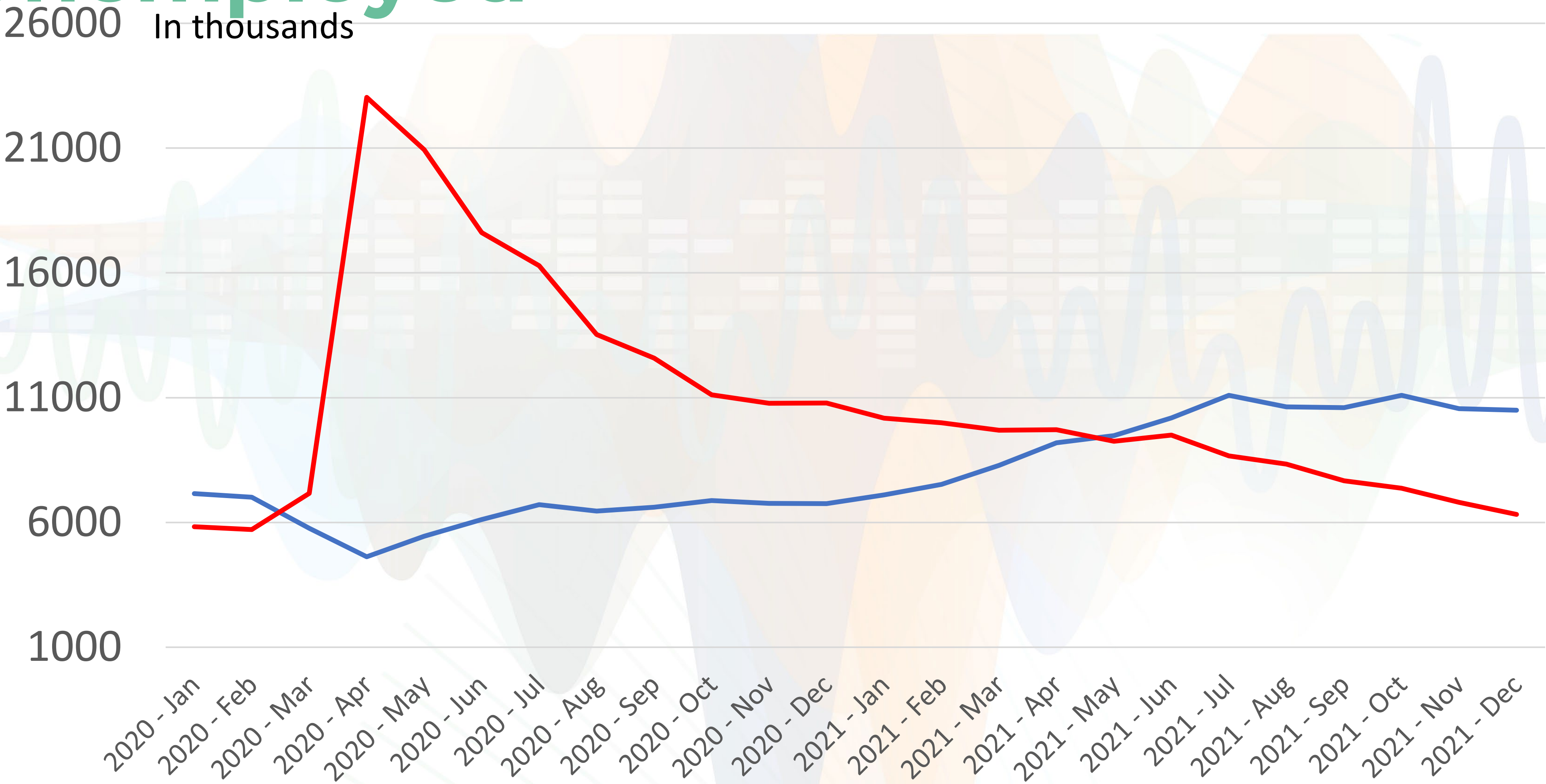
Jobs in Anaheim-Santa Ana-Irivine



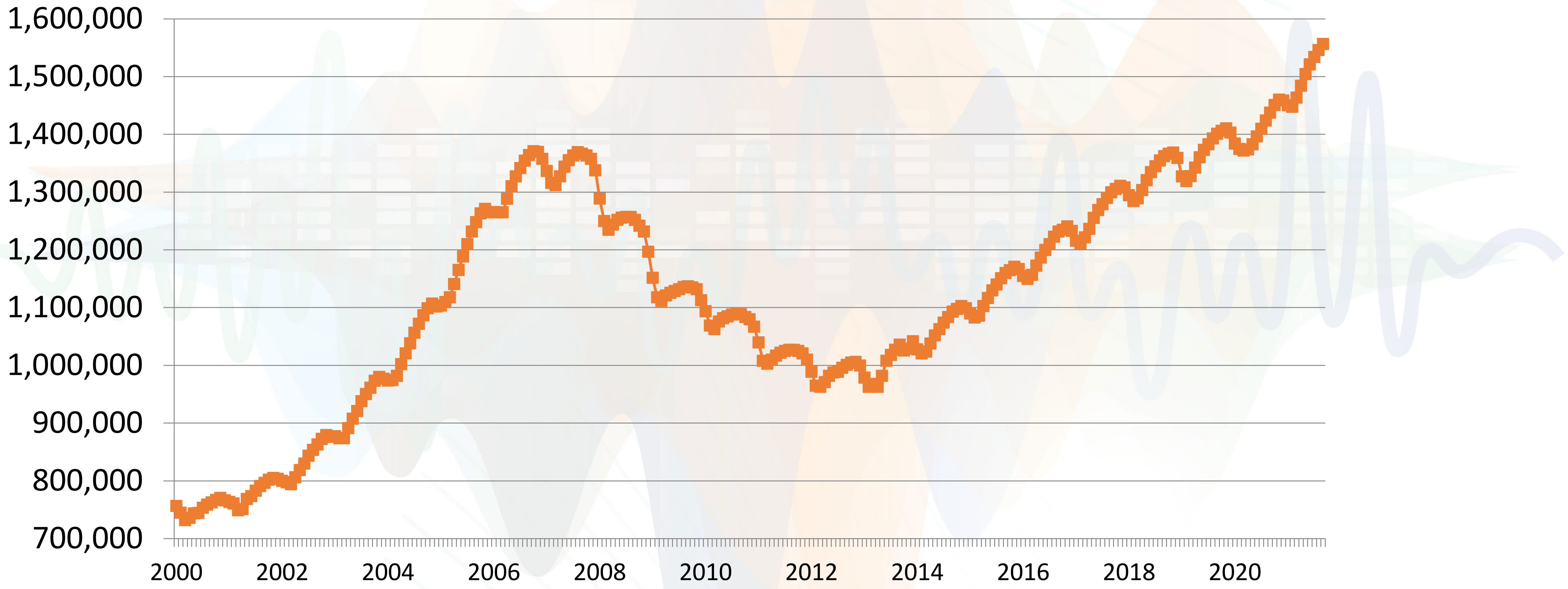
Payroll Jobs in Phoenix



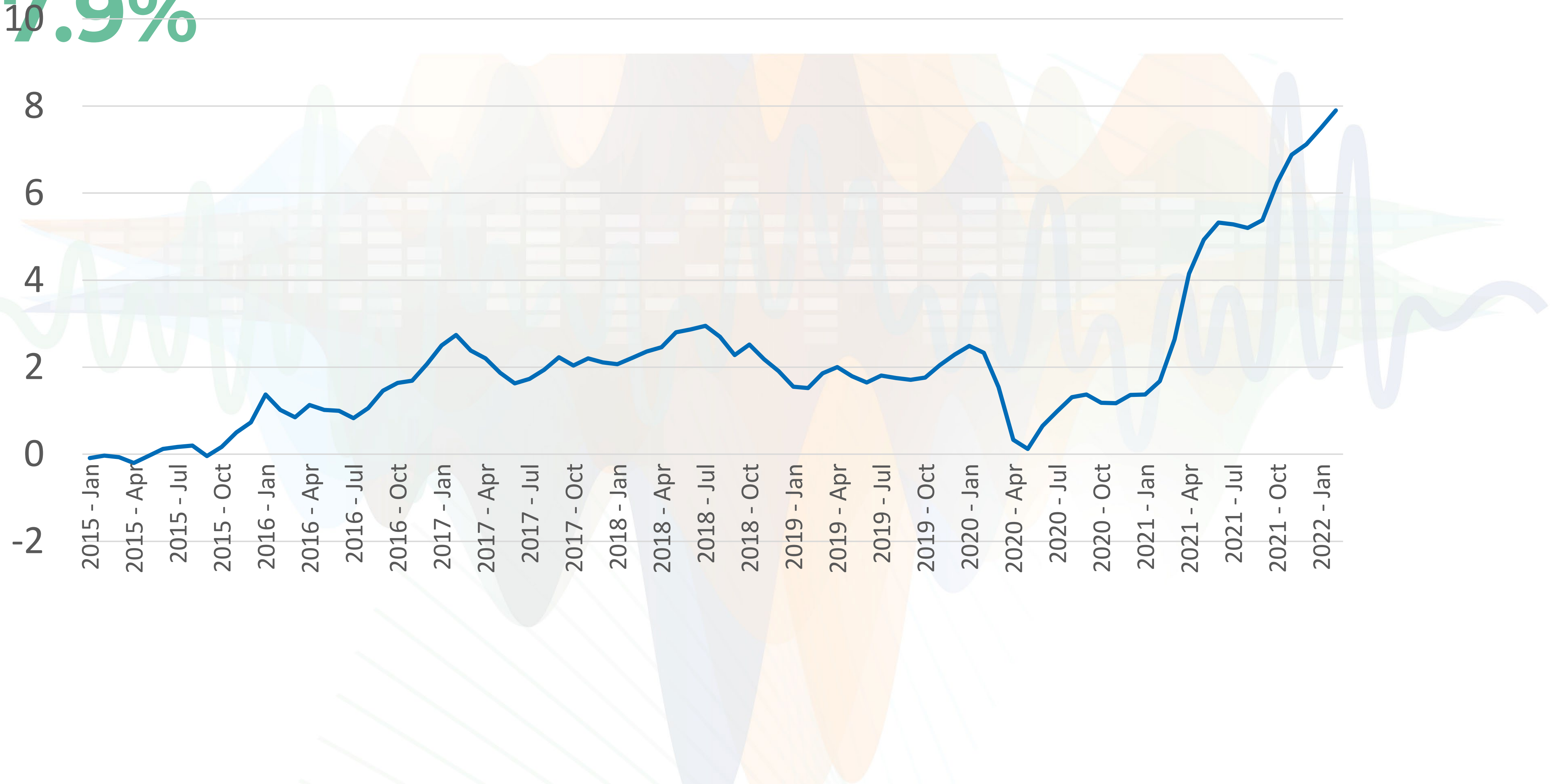
Labor Shortage … Job Openings > Unemployed



NAR Membership



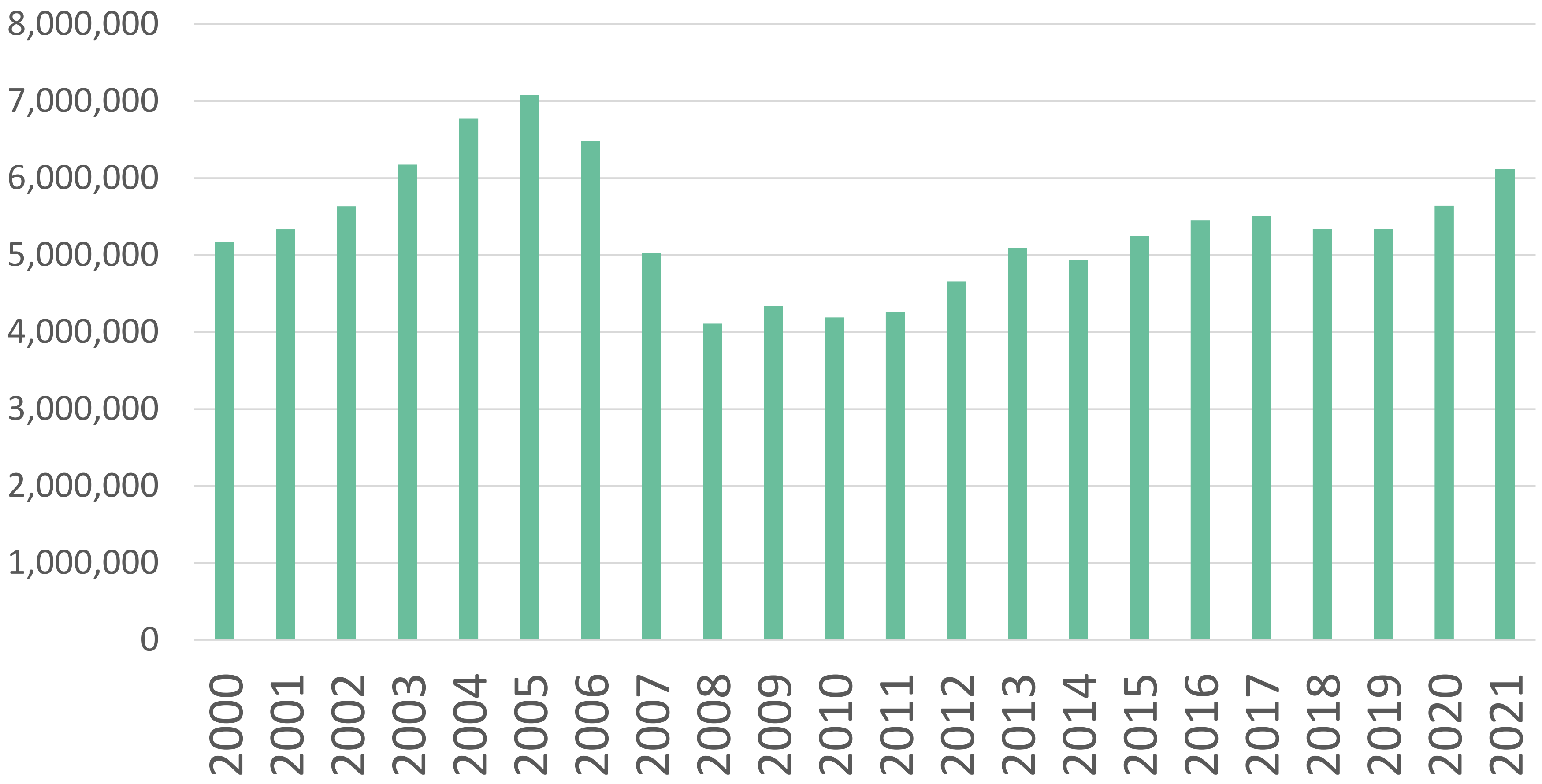
Consumer Price Inflation at 7.9%



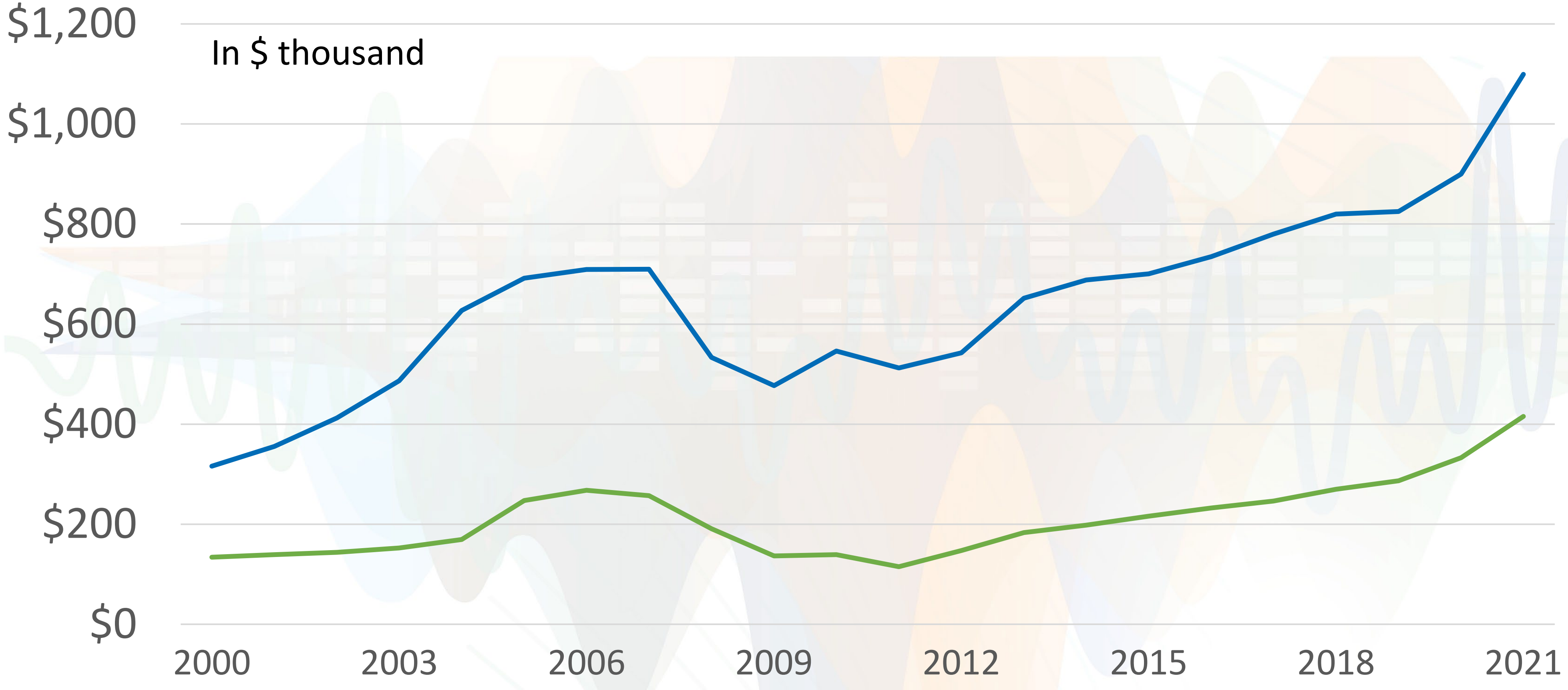
Home Price as Inflation Hedge

Decade	Home Price Average Annual	Consumer Price Average Annual
1970s	9.9%	7.1%
1980s	5.5%	5.6%
1990s	4.1%	3.0%
2000s	2.3%	2.6%
2010s	4.9%	1.8%
2020 + 2021	12%	3%

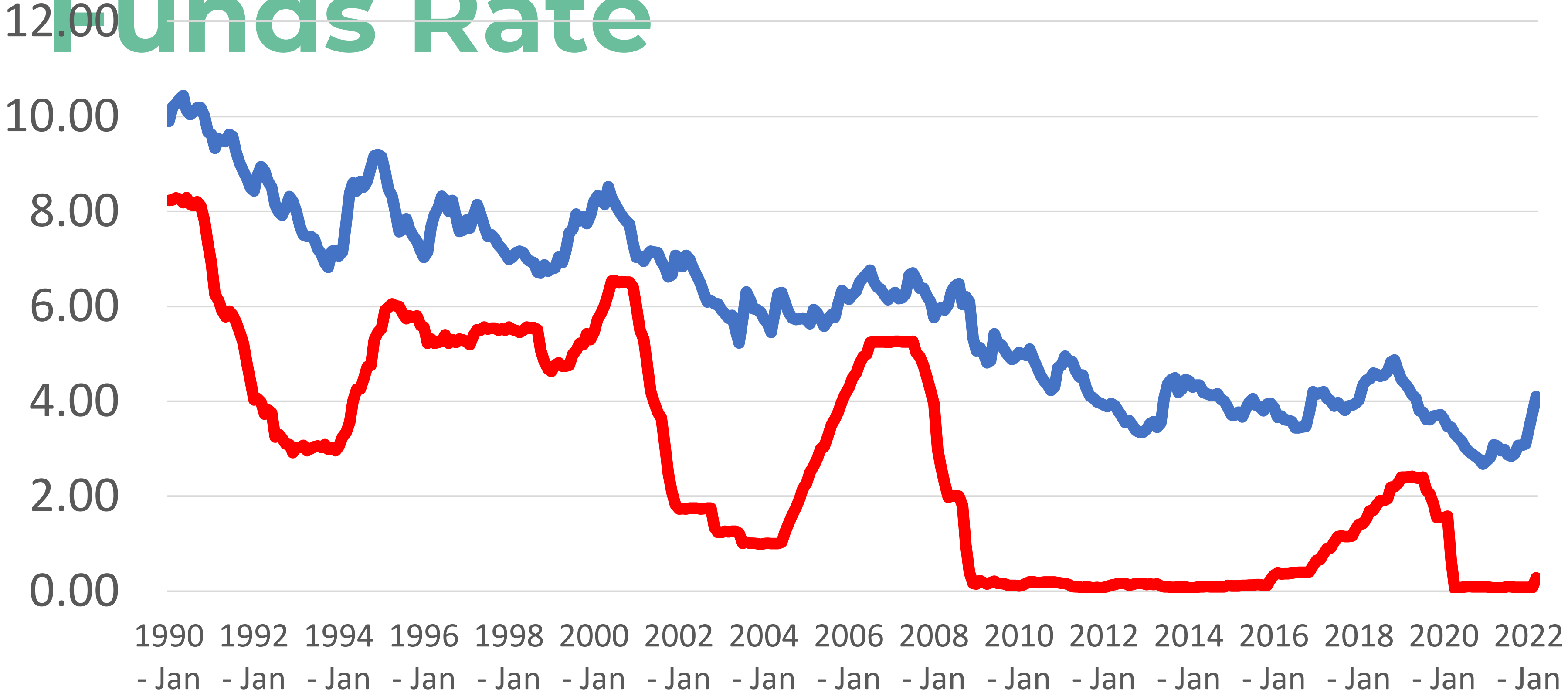
Annual Home Sales



Median Home Price in Anaheim-Santa Ana-Irvine vs. Phoenix



Mortgage Rate and Fed Funds Rate



Monthly Mortgage Payment on 800K loan

Mortgage Rate	Principal + interest
3%	$3373
4%	$3819
5%	$4295
6%	$4796
10%	$7021

Consumer Expectations (as of February 2022)

Variable	1-year ahead	Annual average over 5 years
Home Price Growth	5.1%	2.0%
Rent Growth	6.6%	4.4%
Buying is Good Financial Investment	73.6%	N/A
Buying is Bad Financial Investment	6.6%	N/A

Source: NY Federal Reserve Survey of Consumer Expectations

Inventory … Ready to Turn Higher

Single-Family Housing Starts

National Forecast

Year	Unit Sales	Home Price	Dollar Volume
2017	+1.1%	+5.7%	+7%
2018	-3.1%	+4.9%	+2%
2019	0.0%	+4.9%	+5%
2020	+5.6%	+9.1%	+15%
2021	+8.5%	+16.9%	+25%
2022 forecast	-3%	+5%	+2%
2023 forecast	+2%	+4%	+6%

Thank You