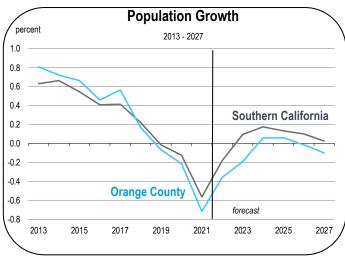
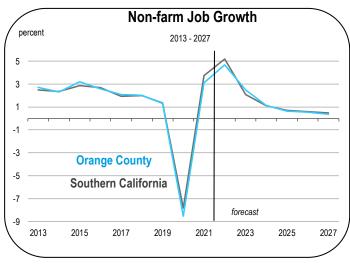
Forecast Summary

- On an annual average basis, nearly 80,000 non-farm jobs will be reinstated in 2022. This is the largest annual increase of employment ever recorded in Orange County.
- Total employment will return to pre-pandemic levels by mid-2023.
- Employment gains in 2022 will be largest in leisure services, healthcare, and professional business services.
- The unexpected surge of tourism occurring after the reopening of both Disneyland and Knott's Berry Farm have accelerated the recovery of tourism and the leisure and hospitality sector in the county.
- Demand for travel and amusement parks is producing a substantial boost to economic growth in Orange County employment, consumer spending, and tax dollars.
- The unemployment rate averaged 6.0 percent in 2021 and is expected to average 3.0 percent in 2022.
- The population contracted in 2021. It is expected to decline gradually over the forecast period.
- Housing production was unspectacular during 2021, continuing the downward drift in new housing permits that has persisted over the last 5 years. Though a minor rebound is forecast in 2022, total housing production over the 2022-2027 period will remain modest.
- Home prices rose sharply in 2021, increasing by 13 percent for all housing and 22 percent for single family detached homes. In 2022, home prices will generate a 12 percent appreciation rate over 2021, despite falling selling values that commenced in May of 2022.



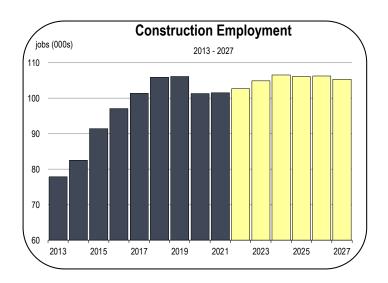


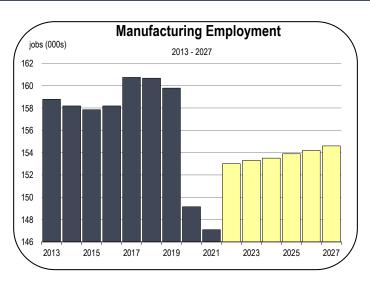
Job Growth

- Total employment in Orange County will expand by 5.0 percent in 2022 and 2.4 percent in 2023.
- Over the entire forecast period, job growth in Orange County will be similar to the Southern California average of 1.6 percent per year.

Construction Employment

- An increase of 5,000 construction workers is expected in 2022.
 There will be an additional 1,000 new jobs forecasted in 2023, pushing the total construction workforce to the highest level since the housing bubble years of 2006-2007.
- After 2024, The Orange County construction workforce is forecast to level off or decline slightly as housing production declines.



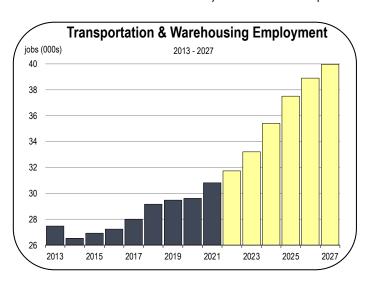


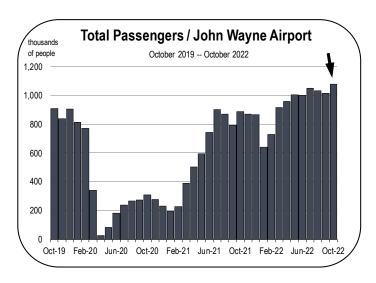


- Manufacturing employment declined by 1.4 percent during 2021 but rebounded 4 percent in 2022, restoring 6,000 jobs
- The largest firms are Edwards Lifesciences in Irvine with over 5,000 employees, followed by Yokohama Tire Corporation in Santa Ana, and Cal Tech Precision in Anaheim.
- The industry has evolved largely toward advanced manufacturing applications which is less labor intensive. While some growth is forecast over the next 5 years, employment contributions will be minimal.

Transportation and Warehousing Employment

- Transportation and warehousing employment rose by 3 percent in 2021.
- Transportation sectors have recovered, including trucking, seaport traffic, and airports. Passenger enplanements and deplanements are now at record levels at John Wayne International Airport.

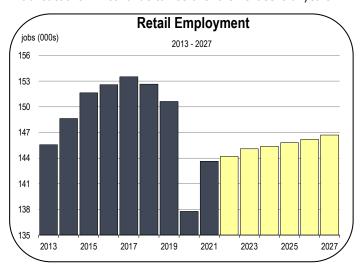


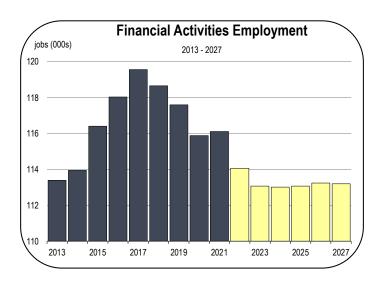


 In 2022, this sector will add 1,000 new jobs, expanding to 1,500 more jobs during 2023. The spate of new industrial space in Orange County and the conversion of retail to industrial, distribution, and fulfilment uses is supporting the strong demand growth for employment in this industry.

Retail Trade Employment

- The retail sector rebounded sharply in 2021 and is adding approximately 500 more jobs in 2022.
- Growth of employment in retail trade is uncertain over the forecast.
 As a result of (1) ongoing consumer substitution from physical stores to online e-commerce, and (2) automation, the sector will enter a longer-term pattern of employment contraction that will persist throughout the forecast period.
- In Orange County, new retail centers within office and housing projects will require more workers, offsetting the downward trajectory in retail due to automation.
- Retail sales and the tax dollars that associate with these transactions will continue to rise over the next several years.



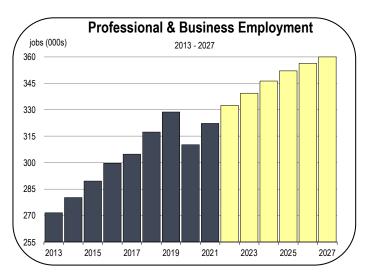


Financial Activities Employment

- Financial activities employment was stagnant in 2021, but a downward trajectory is expected over the rest of the forecast period.
- Employment in all sub-sectors of financial activities will contract in 2022 and 2023, including real estate firms, car rental agencies, banks, and asset management companies. Higher mortgage rates have impacted mortgage and escrow companies and the real estate industry in particular.
- This industry is subject to labor saving technology and automation which has largely reduced the workforce over time.

Professional and Business Services Employment

- The professional and business services industry experienced significant growth in 2021, reinstating 12,000 workers.
- Staffing agencies primarily employ temporary workers. Temp workers are usually laid off first during a downturn but hired back first during a recovery.
- Aside from staffing agencies, the largest job gains in 2021 were observed in professional, scientific and technical services.
- These same subsectors continue to generate the largest job gains in 2022. Computer systems design employment remains a consistently growing sector of the broader industry and is not expected to contract in 2023.
- The overall professional and business services industry is forecast to gain 10,000 jobs in 2022 and 7,000 jobs in 2023.

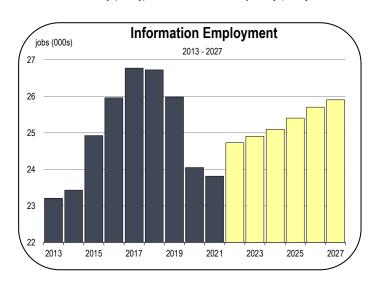


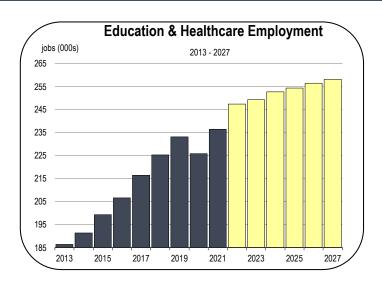
Information Employment

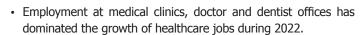
- In Orange County, the information sector is dominated by software publishing, telecommunications, and Internet/data services.
- Across all subsectors, approximately 200 jobs were lost in 2021.
 Most of these jobs will be restored in 2022, and the industry will continue to grow, led by new software and IT job formation.

Private Education and Healthcare Employment

- Despite rapid employment growth of 4.7 percent in 2021 and 4.6 percent in 2022, unfilled healthcare job positions still represent the most of any other industry in the county.
- The largest firms which happen to the 4th and 5th largest companies across all sectors of the County are St Joseph Health with 14,000 employees, and Kaiser Permanente with 8,200 filled jobs. Other large employers include Hoag Memorial (6,700), MemorialCare (5,500), and Children's Hospital (4,107).



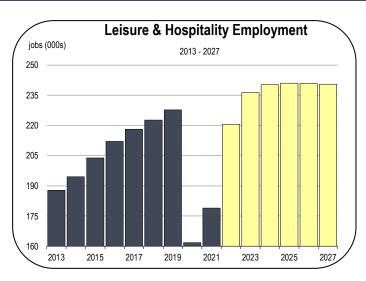




- Healthcare is the second largest employer in the county, just behind leisure and hospitality.
- Over 4,000 jobs will be created at private educational institutions in 2022.
- The composite sector is forecast to add another 5,000 jobs by 2024

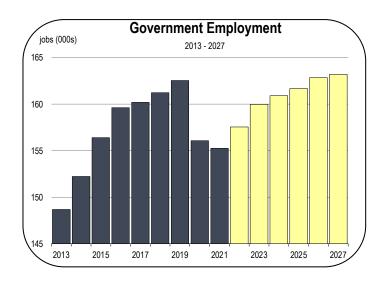
Leisure and Hospitality Employment

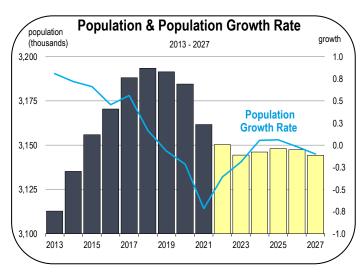
- The largest company in the leisure/hospitality/amusement sector is The Walt Disney Company, with 28,000 employees in Orange County alone.
- In 2021, employment levels in restaurants, bars, and catering services grew by 17,000 jobs, an increase of 10 percent.
- Employment at hotels rose modestly in 2021, accelerating during the first half of 2022 as a result of more new hotel openings throughout the County. Disneyland attendance has entirely rebounded; consequently, jobs in recreation and entertainment soared between mid 2021 and mid 2022, rising 60 percent.
- Leisure and hospitality employment has rebounded sharply during 2022 due to the surge in travel, dining, drinking, and recreation throughout Orange County and most of the California coast.
- The forecast calls for the leisure and hospitality sector to restore 41,000 jobs in 2022 and another 16,000 jobs in 2023, attaining full recovery from the pandemic recession of 2021.

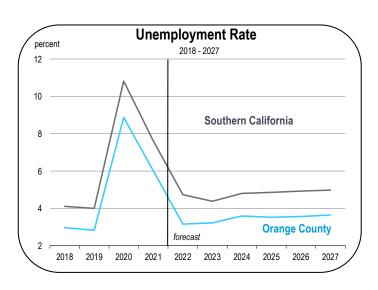


Government Employment

- State and local government departments and schools will restore 2,300 jobs in 2022, following the pandemic influenced reduction of 10,000 workers from May 2020 to May 2021.
- The two largest organizations are (1) UC Irvine employing 25,500 staff, faculty and administrators, and (2) the County of Orange, with 18,600 positions. UCI and the County are the next largest employers after Disney.
- UC Irvine has limited capacity for increased on-campus enrollments but is planning a 20 percent increase in online student opportunities by 2030.
- Total government employment led by the state and local public sector inclusive of the schools and universities will expand by 2,400 jobs in 2023.





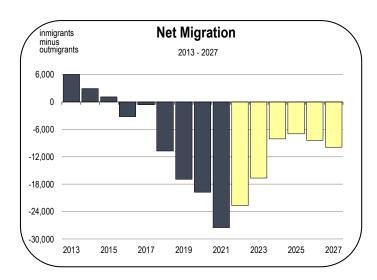


Population Growth

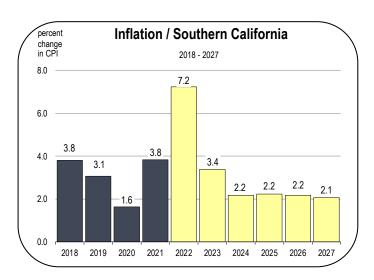
- The Orange County population declined in 2021 by more than 20,000 residents.
- An estimated 27,500 net in-migrants left the county in 2021, the largest total since 2005. Housing affordability is the major issue impacting residents contributing substantially to out-migration.
- Over the forecast period, no change in out-migration trends is expected. Between 2022 and 2027, an average of 12,000 net residents will depart Orange County.
- The natural population increase is still positive, but the extent of net out-migration will result in gradual decline in population over the forecast.

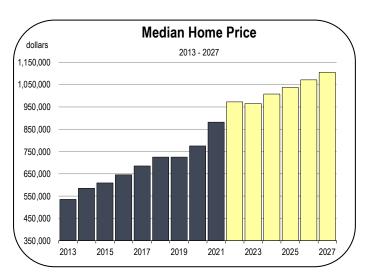
Unemployment and Inflation Rates

 The unemployment rate in Orange County averaged 6 percent in 2021, which was lower than the composite rate for Southern California.



- Even with a slowing national and state economy in 2023, the labor markets will remain strong and the rate of unemployment is not expected to rise beyond 3.4 percent.
- Inflation soared in 2021 and is expected to remain elevated in 2022 and 2023.
- During 2022 and into 2023, there will be a number of factors that will contribute to higher-than-normal inflation. The most prominent will be:
 - Spending by consumers and the federal government that was especially prolific in 2021 and 2022
 - Global supply chain interruptions (from the pandemic) that have raised the cost of production for many businesses
 - Sharp increases in the cost of housing and energy
 - Labor market recruitment challenges that have led to surging wage increases

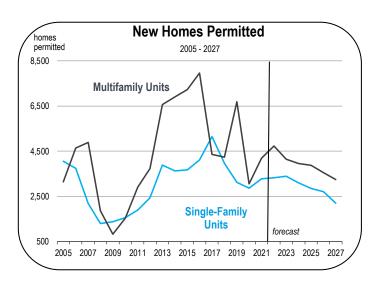


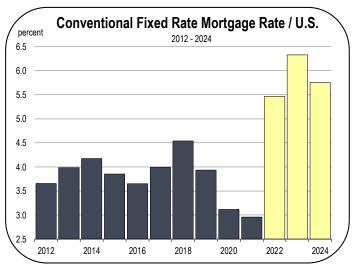


- Combined, these factors have pushed 2022 inflation to its highest rate in 40 years. Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2022 and 2023.
- However, inflation will gradually decelerate in 2023 as supply chains are restored, and the impending economic slowdown moderates the demand for labor and wage increases. Average inflation rates eventually decline to 3 percent again by 2024.

Home Prices and New Housing Production

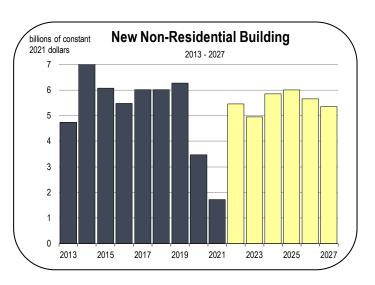
- The median home price for all homes sold in 2021 was \$882,000, an increase of 13 percent from the previous year. For single family homes, the median price was \$1.1 million.
- Home selling prices will average a 10 to 12 percent overall increase in 2022, and decline 2 to 3 percent in 2023.
- Home selling values span a wide range by city, depending on coastal versus inland location in Orange County.





Median Home Selling Value Orange County 2022	M	ledian Sell Price
Aliso Viejo	\$	880,300
Anaheim	\$	826,200
Fullerton	\$	891,000
Huntington Beach	\$	1,127,000
Irvine	\$	1,303,000
Newport Beach	\$	3,204,000
Orange	\$	957,500
San Clemente	\$	1,560,000
Santa Ana	\$	730,100
Yorba Linda	\$	1,222,000

- A 20 percent down payment on the median priced home would be \$160,000, which is out of reach for most households.
- Interest rates have been very low for several years, which has
 offset some of the affordability issues caused by rising home prices.
 But even with low interest rates, monthly mortgage payments are
 still high enough to price many households out of the ownership
 market.



- From 2016 to 2021, an average of 8,800 new homes were authorized per year. Multifamily units accounted for 58 percent of all units.
- Housing production will average 6,800 homes per year from 2022 to 2027. Approximately 60 percent will be multifamily units.
- Housing production continues to taper off in Orange County. The
 volume of new home permits issued in 2021 was higher than in
 2020, but the trend of new units authorized has generally been
 diminishing over time since 2017. Apartments represent the
 principal new housing throughout the County.
- Between 2017 and 2021, 41,000 units were approved and permitted. Over the next 5 years, the forecast calls for 36,000 new homes to commence construction.
- New industrial development is currently the principal building product under construction, with nearly two million square feet due to be completed by mid-2023.
- New permit activity for office space was sparse in 2021 but has accelerated in 2022. Currently, there is 1.3 million square feet of office space under construction in the county.
- The Great Park project represents the epicenter of Irvine's new development activity. It spans 1,300 acres. Approximately half of this acreage has been developed, and about 500 acres are in some stage of construction and planning. These 500 acres are being developed by FivePoint, and are expected to accommodate 4,606 residential units and 2 million square feet of commercial building. A Wild Rivers Water Park recently opened in July 2022.
- At complete buildout, the Great Park is entitled for 10,600 residential units. Approximately 6,200 homes have been built to date.

Mixed Use Office and Industrial Development Underway Orange County 2022-2023								
Principal Projects	Location	Size						
One Broadway Plaza	Santa Ana	327 units						
Spectrum Terrace Phase III	Irvine	345,000 SF						
Innovation Offce Park Phase II	Irvine	1.1 million SF						
Goodman Logistics Center	Fullerton	1.5 million SF						
LT Platinum Triangle	Anaheim	1,120 units						
		5.5 million SF						
One Metro West	Costa Mesa	1,057 units						
Disney Vacation Club Tower	Anaheim	350 rooms						



Verano 8 Graduate Student Housing, UC Irvine

- Rancho Mission Viejo, the mega development in Southern Orange County, is one of the largest residential projects in all of Southern California. Several of the project's neighborhoods are already built and occupied; the entire project will contain 14,000 homes, with as many as 6,000 reserved for seniors.
- Development within the Platinum Triangle, a large area that surrounds and includes Angel Stadium, the Honda Center and the Grove of Anaheim, is a mixed-use of housing, retail, and substantial office product. It is the largest project in the City of Anaheim. To date, development within the Platinum Triangle has produced 5,834 housing units and 54,000 square feet of commercial space.
- One Metro West is a mixed-use community that brings 1.057
 multifamily residences, 25,000 square feet of office space, 6,000
 square feet of specialty retail, a park, and an event plaza to
 Costa Mesa in the northwest corner of the city, adjacent to the
 405 Freeway. The project is approved and is currently in preconstruction planning.
- New hotel openings have been nothing short of prolific in Orange County since 2015, with the momentum interrupted only briefly due to the pandemic recession of 2020.
- Nine more hotels totaling 1,921 rooms opened in 2021. Six are located in Anaheim. Atlas Hospitality Group reported last year that the county has 70 hotels totaling 12,204 rooms currently in planning.
- The Verano 8 complex is a massive 7 story 488,000 square foot housing project with 1,055 beds, principally designed for graduate students at UC Irvine. The project will include parking, study spaces, a lobby, dog park, basketball and volleyball courts and a community center. The project is currently under construction.
- The 350 room Disney Vacation Club Tower, as part of the larger Disneyland Resort, is currently underway in Anaheim. A tentative date for completion is mid-2023.
- Disneyland is conceptually planning to expand both Anaheim theme parks, the hotels, parking, entertainment venues, and restaurants.
 The project is called DisneylandForward and represents billions of dollars in new future development in Orange County.

Economic Indicators

2015-2021 History, 2022-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (billions)	Real per Capita Income (dollars)		Real Farm Ir Production (millions) (p	
2015	3,155,895	1,012	1,117	10,897	2,784	\$193.1	\$41.2	\$61.9	\$34.6	\$72,353	4.5	\$148	0.9
2016	3,170,359	1,018	-3,207	12,083	2,901	\$200.8	\$41.8	\$63.1	\$35.4	\$73,493	4.0	\$133	1.9
2017	3,188,158	1,025	-603	9,501	2,885	\$209.6	\$43.2	\$65.1	\$39.0	\$74,234	3.5	\$128	2.8
2018	3,193,464	1,035	-10,744	8,201	2,915	\$218.9	\$45.0	\$67.5	\$40.9	\$74,539	3.0	\$103	3.8
2019	3,191,365	1,044	-16,948	9,816	2,944	\$227.7	\$46.0	\$69.7	\$41.1	\$75,298	2.8	\$94	3.1
2020	3,184,513	1,051	-19,727	5,919	2,849	\$236.3	\$43.2	\$63.8	\$43.2	\$77,046	8.9	\$97	1.6
2021	3,161,681	1,058	-27,481	7,471	2,876	\$246.7	\$52.2	\$77.9	\$41.8	\$78,029	6.0	\$95	3.8
2022	3,150,365	1,064	-22,704	8,055	2,946	\$271.1	\$63.5	\$96.2	\$42.3	\$80,266	3.1	\$93	7.2
2023	3,144,347	1,071	-16,641	7,538	2,977	\$281.4	\$64.7	\$97.9	\$42.1	\$80,723	3.4	\$92	3.4
2024	3,146,100	1,078	-8,077	7,052	2,988	\$289.8	\$65.5	\$99.0	\$42.5	\$81,340	3.6	\$90	2.2
2025	3,147,989	1,084	-6,976	6,725	2,993	\$303.0	\$66.4	\$100.3	\$43.7	\$83,116	3.5	\$88	2.2
2026	3,147,472	1,090	-8,398	6,250	2,999	\$316.0	\$67.1	\$101.4	\$44.7	\$84,881	3.6	\$86	2.2
2027	3,144,272	1.096	-9,897	5,445	3,003	\$329.8	\$67.9	\$102.5	\$45.8	\$86,863	3.6	\$84	2.1
2028	3,136,221	1,101	-13,658	5,200	3,007	\$344.1	\$68.6	\$103.6	\$46.7	\$88,982	3.7	\$82	2.1
2029	3,127,695	1,106	-13,132	5,000	3,012	\$356.4	\$70.4	\$106.3	\$47.4	\$90,410	3.7	\$80	2.2
2030	3,118,237	1,110	-12,988	4,770	3,012	\$368.8	\$72.5	\$109.5	\$47.9	\$91,891	3.7	\$78	2.1
2031	3,106,992	1,115	-13,041	4,515	3,006	\$380.2	\$74.0	\$111.8	\$48.6	\$93,206	3.8	\$76	2.0
2032	3,095,159	1,119	-12,003	4,193	3,009	\$392.6	\$75.8	\$114.6	\$48.9	\$94,526	3.7	\$74	2.2
2033	3,082,435	1,123	-11,364	4,045	3,012	\$406.1	\$77.5	\$117.1	\$49.5	\$96,435	3.7	\$72	1.8
2034	3,068,888	1,126	-10,468	4,003	3,015	\$420.0	\$79.2	\$119.7	\$49.9	\$98,201	3.7	\$71	2.0
2035	3,054,515	1,130	-9,810	3,899	3,016	\$434.3	\$81.3	\$122.9	\$50.1	\$99,932	3.7	\$70	2.1
2036	3,039,228	1,134	-9,390	3,829	3,019	\$449.0	\$83.9	\$126.9	\$50.2	\$101,278	3.7	\$69	2.5
2037	3,023,082	1,137	-9,051	3,811	3,024	\$464.1	\$86.3	\$130.5	\$50.4	\$102,577	3.7	\$69	2.6
2038	3,006,530	1,141	-8,058	3,620	3,034	\$480.0	\$88.7	\$134.1	\$50.7	\$104,163	3.7	\$69	2.4
2039	2,989,336	1,144	-7,602	3,580	3,042	\$496.1	\$91.2	\$138.0	\$50.8	\$105,517	3.7	\$70	2.6
2040	2,971,573	1,147	-6,751	3,533	3,050	\$512.7	\$93.5	\$141.5	\$51.4	\$107,021	3.7	\$72	2.5
2041	2,952,960	1,150	-6,203	3,490	3,056	\$529.2	\$95.7	\$144.7	\$51.4	\$108,847	3.7	\$73	2.1
2042	2,934,180	1,154	-5,340	3,395	3,060	\$546.1	\$97.7	\$147.8	\$51.7	\$110,827	3.7	\$74	2.0
2043	2,915,625	1,157	-4,124	3,409	3,064	\$563.2	\$100.0	\$151.2	\$52.1	\$112,875	3.7	\$76	1.9
2044	2,897,326	1,160	-2,816	3,278	3,066	\$580.6	\$101.7	\$153.9	\$52.6	\$115,116	3.7	\$78	1.7
2045	2,879,019	1,163	-1,724	3,248	3,066	\$598.2	\$104.0	\$157.4	\$53.3	\$117,233	3.7	\$81	1.8
2046	2,860,764	1,166	-730	3,288	3,065	\$615.4	\$106.3	\$160.9	\$53.4	\$119,098	3.7	\$85	1.9
2047	2,842,227	1,169	-148	3,205	3,063	\$632.6	\$108.6	\$164.3	\$53.6	\$120,683	3.6	\$91	2.1
2048	2,823,450	1,172	437	3,095	3,061	\$650.0	\$111.3	\$168.5	\$53.5	\$122,124	3.6	\$96	2.2
2049	2,804,807	1,174	1,451	3,079	3,059	\$668.0	\$113.9	\$172.3	\$53.6	\$123,986	3.6	\$103	1.9
2050	2,785,923	1,177	2,235	3,022	3,056	\$686.5	\$116.5	\$176.4	\$53.6	\$125,743	3.6	\$111	2.0

Employment Sectors

2015-2021 History, 2022-2050 Forecast

	1 3											
	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (tho	Financial Activities usands of jobs	Professional Services	Information	Health & Education	Leisure	Government
						<u> </u>		,				
2015		2.4	91.4	157.8	26.9	230.5	116.4	289.5	24.9	199.3	203.8	156.4
2016	1,589	2.4	97.0	158.2	27.2	231.2	118.0	299.6	26.0	206.6	212.0	159.6
2017	1,621	2.1	101.4	160.7	28.0	232.5	119.6	304.8	26.8	216.4	218.1	160.2
2018	1,654	2.0	105.9	160.7	29.2	232.5	118.7	317.4	26.7	225.2	222.6	161.2
2019		1.9	106.1	159.8	29.5	230.0	117.6	328.7	26.0	233.1	227.7	162.5
2020		1.9	101.3	149.1	29.6	212.7	115.9	310.1	24.1	225.8	161.8	156.1
2021		1.9	101.5	147.1	30.8	218.9	116.1	322.2	23.8	236.4	179.0	155.3
2022		2.0	106.0	153.0	31.7	219.8	114.1	332.4	24.7	247.4	220.5	157.5
2023		2.0	107.2	153.3	33.2	220.1	113.1	339.4	24 9	249.3	236.3	160.0
2024		2.0	106.5	153.5	35.4	220.0	113.0	346.3	24.9 25.1	252.6	240.3	160.9
2025		2.0	106.1	153.9	37.5	220.2	113.1	352.1	25.4	254.4	241.0	161.7
2026		1.9	106.3	154.2	38.9	221.2	113.2	356.3	25.7	256.5	240.9	162.8
2027		1.9	105.3	154.6	39.9	222.3	113.2	360.0	25.7 25.9	258.1	240.4	163.2
2027		1.8	104.0	155.1	40.4	223.7	112.6	364.2	26.1	259.8	240.4	163.9
2020		1.8	103.5	155.8	40.7	224.8	111.4	368.0	26.2	261.3	240.7	164.4
2029		1.7	102.8	156.0	40.7	225.7	110.1	371.6	26.4	262.7	239.9	164.9
2030		1.7	102.0	155.9	41.0	226.0	108.4	375.0	26.5	264.1	231.0	165.4
2031		1.7	101.3	155.8	41.1	226.5	106.4	378.1	20.5	265.4	231.0	165.7
2032		1.6	101.3	155.6	41.1	226.9	105.3	381.2	26.6 26.7	266.7	232.2	166.1
	1,701	1.0	99.6	155.4	41.0	220.9	103.8	301.2	20.7	200.7	233.3	166.9
2034		1.6						384.3	26.8	267.8		167.1
2035		1.6	98.9	154.1	40.8	227.5	102.5	387.4	26.8 26.9 27.0 27.1	268.6	235.6	
2036		1.6	98.1	153.8	40.6	227.9	101.2	390.4	26.9	269.7	236.7	167.4
2037	1,775	1.6 1.6	97.3	153.9	40.4	228.1	99.8	393.4 396.4	27.0	270.6 271.1	237.9	167.6
2038		1.6	96.5	154.0	40.1	228.3	98.4	396.4	27.1	2/1.1	239.0	167.9
2039		1.6	95.5	153.6	39.8	228.4	97.1	399.3	27.2	271.5	240.1	168.2
2040		1.6	94.7	155.1	39.5	228.5	95.5	402.2	27.3	271.7	241.2	168.5
2041		1.6	93.8	153.6	39.1	228.6	94.0	405.1	27.5	271.8	242.4	168.8
2042		1.6 1.6	93.0	153.5	38.7	228.7	92.3	407.9	27.6	271.8	243.5	169.1
2043		1.6	92.1	153.4	38.3	228.7	90.8	410.8	27.8	271.6	244.6	169.3
2044		1.6	91.2	153.3	37.9	228.6	89.4	413.6	28.0	271.6	245.7	169.6
2045		1.6	90.2	154.2	37.5	228.7	87.9	416.4	28.1	271.3	246.8	169.8
2046		1.6 1.7	89.3	153.5	37.1	228.7	86.5	419.2	28.2	271.4	247.9	170.1
2047		1.7	88.5	153.9	36.6	228.6	84.8	422.0	28.3	271.4	249.0	170.3
2048		1.7	87.4	153.2	36.2	228.6	83.5	424.8	28.4	271.3	250.1	170.6
2049		1.7	86.4	152.5	35.8	228.6	82.1	427.6	28.6	271.5	251.2	170.8
2050	1,797	1.8	85.4	151.8	35.4	228.6	80.6	430.3	28.7	271.8	252.3	171.1

Socioeconomic Indicators

