

Aries Real Estate Investors

Finding High-Growth
Investments by Zip Code

- About Aries
- Objective
- Choosing Profitable Zip Codes
- Areas of Exploration
 - Dallas-Fort Worth
 - Nashville, TN
- Recommendations
- Future Work

Agenda

- Buy and rehabilitate residential properties
- Focus on high-growth urban markets
- Seeking new opportunities to increase market share



About Aries Real Estate Investors



Aries Investment Strategy



PROPERTIES PURCHASED,
REHABBED AND SOLD FOR PROFIT



PROPERTIES HELD 30 DAYS PAST
RENOVATION ARE RENTED FOR 3-5
YEARS



MARKET CONDITIONS EVALUATED
TO DETERMINE RIGHT TIME TO
SELL

The background of the slide is a map. It features a light-colored grid, possibly representing city blocks or a coordinate system. Overlaid on this grid are several thick, dark brown lines that form a complex, interconnected network, resembling a road or transit system. A semi-transparent, light-colored polygonal shape is overlaid on the left side of the map, partially obscuring the grid and the network lines. The word "Objective" is written in a large, black, sans-serif font within this semi-transparent area.

Objective

- Identify 5 Zip Codes
 - High growth potential
 - Minimal risk

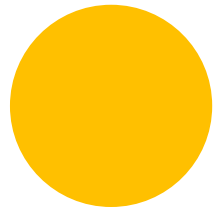
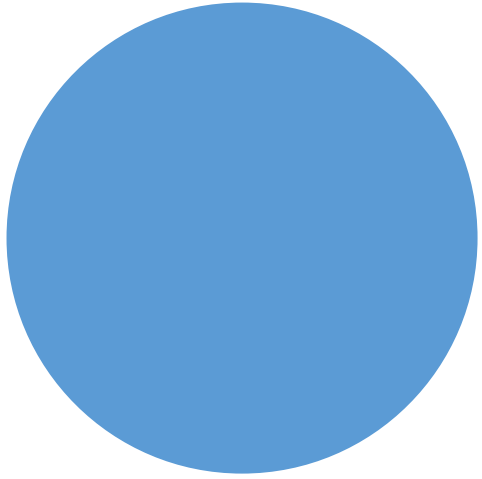
Choosing Profitable Zip Codes

- Selected markets in PwC Emerging Trends in Real Estate Top 5*
- Chose zip codes with lowest risk** and highest historical return on investment***
- Created models to forecast growth for 5 years in each zip code
- Selected Top 5 Zip Codes
 - High returns (45-53% Growth)
 - Low risk (based on strong model performance)

**Coefficient of variance below 0.5

***Return on Investment 30%+ 2008-2018

*Dallas-Fort Worth, Brooklyn, Raleigh-Durham, Orlando, Nashville



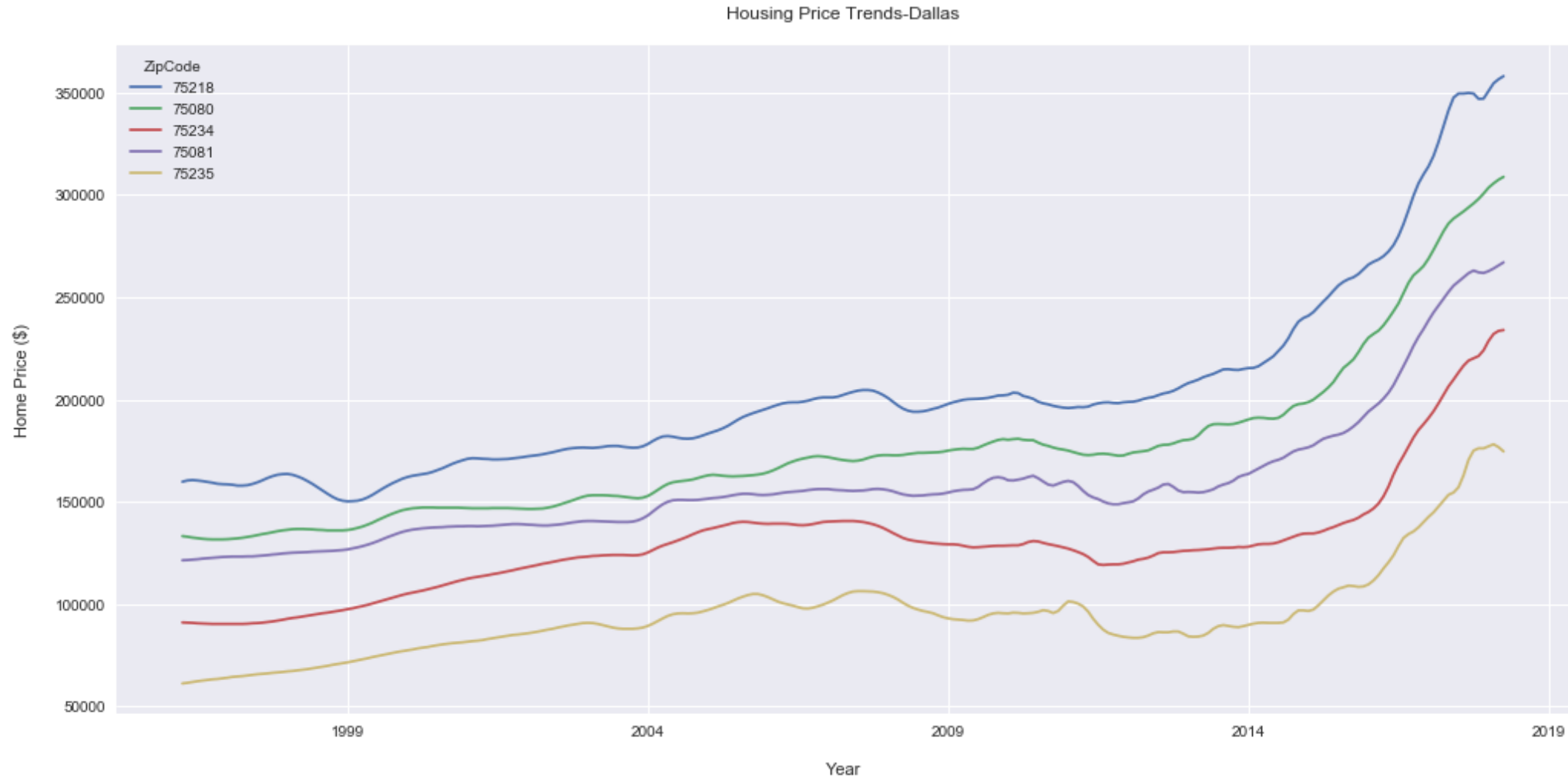
Areas of Exploration

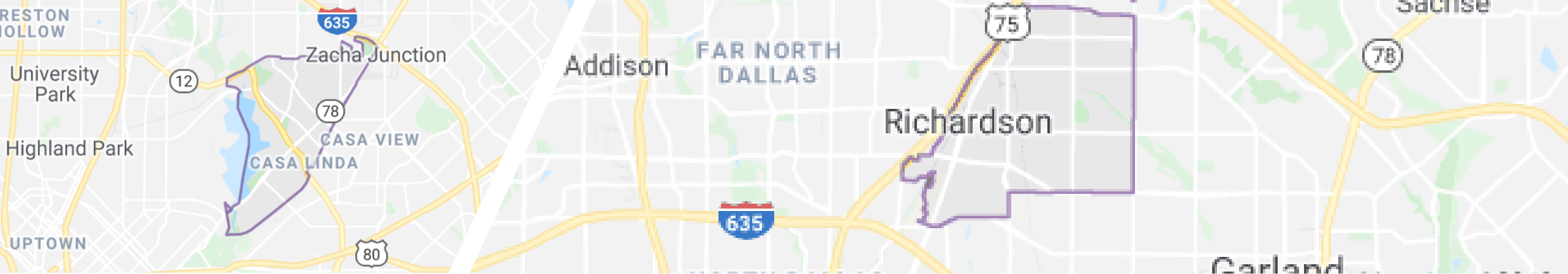
A long-exposure photograph of the Dallas skyline at night. The city lights are visible in the background, with a prominent green laser light show on a tall building. In the foreground, a highway is filled with light trails from cars, creating a sense of motion. A large, semi-transparent white circle is overlaid on the left side of the image, containing text.

Dallas-Fort Worth

- #1 Market to Watch 2019
 - Ranked #1 in Overall Real Estate Prospects
 - Median Home Value: \$237,800
 - 5-Year Population Growth: 2.3%

Dallas House Price Trends





Top Zip Codes in Dallas-Fort Worth

75235 – 53.78% Growth
Median Home Value: \$175,000

75218 – 47.42% Growth
Median Home Value: \$358,100

75081 – 47.28% Growth
Median Home Value: \$267,100

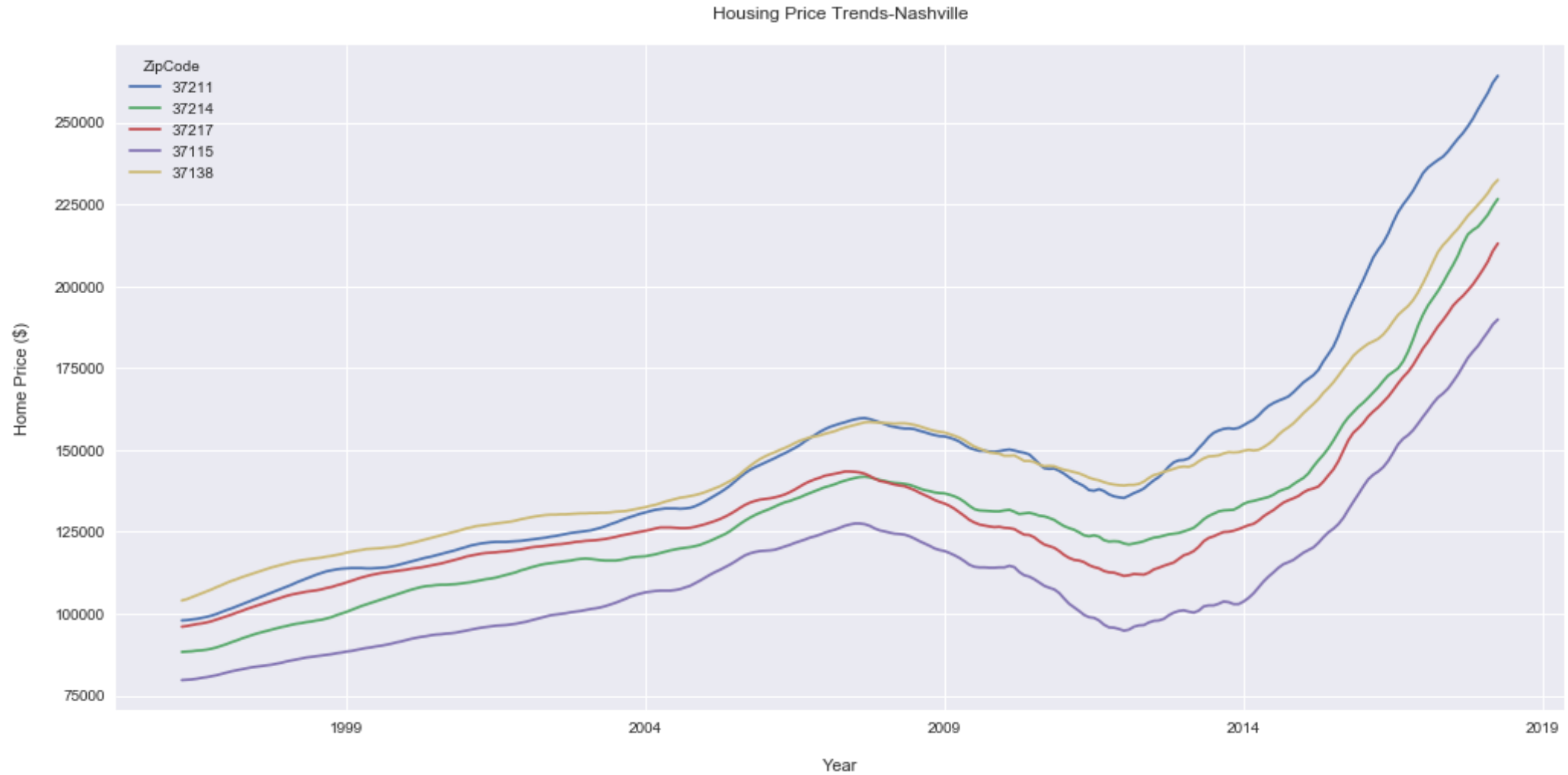


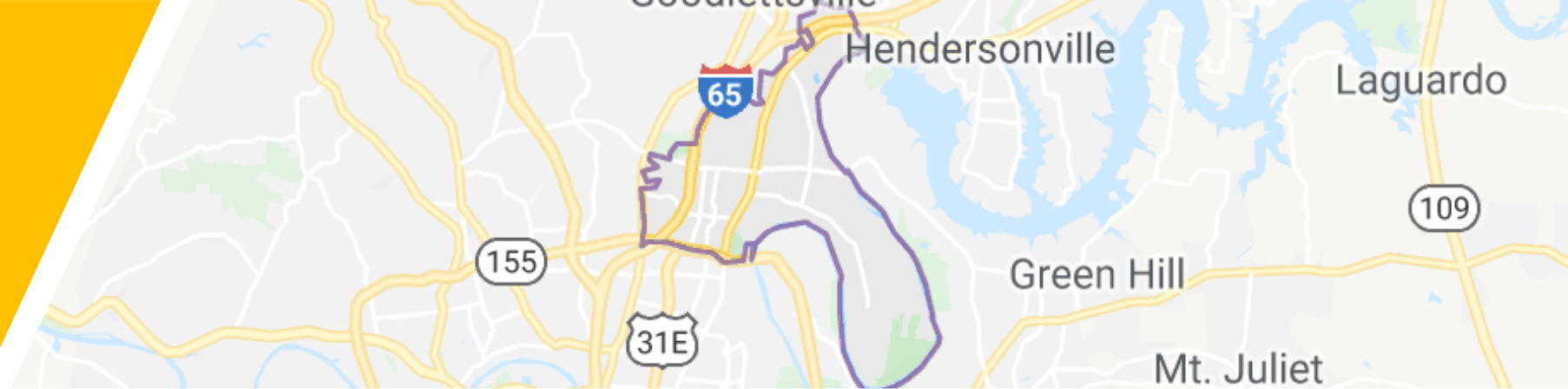


Nashville

- Ranked #5 Overall Real Estate Prospects
- Median Home Value: \$252,200
- 5-Year Population Growth: 2.1%

Nashville House Price Trends

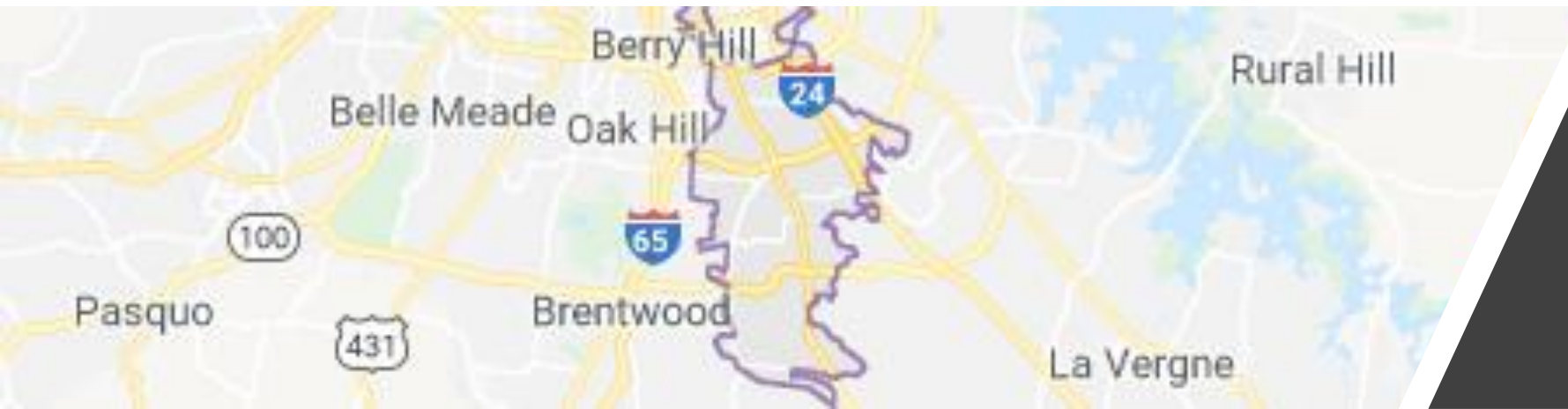




Top Zip Codes in Nashville

37115 – 48.65% Growth
Median Home Value: \$189,800

37211 – 46.70% Growth
Median Home Value: \$264,200



Recommendations

1. Rehab and sell properties immediately for quick return on investment

2. Invest in 37211, 75218 and 75081 for initial investments between \$200K and \$400K

3. Invest in 37115 and 75235 for initial investments between \$150K and \$200K

4. Rent properties not sold within 30 days of completed renovation for 3 to 5 years

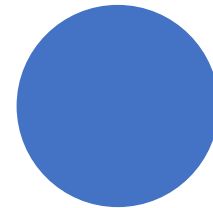
- Median monthly rent in Dallas-Fort Worth: \$1600
- Median monthly rent in Nashville: \$1500

5. At 3 years, evaluate market for sale every 6 months for prime sales conditions

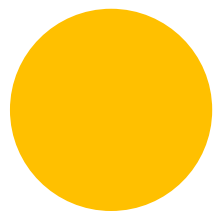
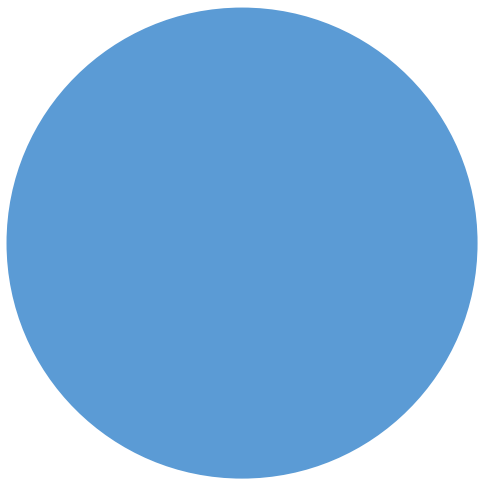
- Sell properties to tenant
- Sell to investor with active lease

- Identity New Markets for Expansion
 - Raleigh-Durham in PwC Top 5 with more moderate returns
 - Brooklyn and Orlando in PwC Top 5 with higher risk
 - Investigate Rental Opportunities
 - Properties may be purchased as long-term rentals
-

Future Work



Thank
you



Appendix



Price Waterhouse Cooper Emerging Trends in Real Estate 2019

U.S. Markets to Watch

Exhibit 3-1 Overall Real Estate Prospects

1 Dallas/Fort Worth	41 San Francisco
2 New York-Brooklyn	42 Las Vegas
3 Raleigh/Durham	43 Northern New Jersey
4 Orlando	44 Detroit
5 Nashville	45 Greenville, SC
6 Austin	46 St. Louis
7 Boston	47 Washington, DC-MD suburbs
8 Denver	48 Jacksonville
9 Charlotte	49 Chicago
10 Tampa/St. Petersburg	50 Birmingham
11 Atlanta	51 Boise
12 Miami	52 Louisville
13 Salt Lake City	53 Tacoma
14 Los Angeles	54 Long Island
15 Orange County	55 Des Moines
16 Seattle	56 Cape Coral/Fort Myers/Naples
17 Fort Lauderdale	57 Sacramento
18 Washington, DC-District	58 Madison
19 Indianapolis	59 Virginia Beach/Norfolk
20 San Antonio	60 Cleveland
21 Portland, OR	61 Omaha
22 Minneapolis/St. Paul	62 Honolulu
23 Columbus	63 Milwaukee
24 Washington, DC-Northern VA	64 Spokane, WA/Coeur d'Alene, ID
25 Charleston	65 Tallahassee
26 San Jose	66 Gainesville
27 New York-other boroughs	67 Knoxville
28 Oakland/East Bay	68 Baltimore
29 Phoenix	69 Westchester, NY/Fairfield, CT
30 San Diego	70 Tucson
31 Philadelphia	71 Memphis
32 New York-Manhattan	72 Oklahoma City
33 Cincinnati	73 New Orleans
34 West Palm Beach	74 Deltona/Daytona Beach
35 Kansas City, MO	75 Providence
36 Jersey City	76 Portland, ME
37 Houston	77 Albuquerque
38 Richmond	78 Buffalo
39 Pittsburgh	79 Hartford
40 Inland Empire	

Exhibit 3-2 Homebuilding Prospects

1 Nashville	41 Sacramento
2 Tampa/St. Petersburg	42 Inland Empire
3 Austin	43 New York-Brooklyn
4 Charleston	44 Cincinnati
5 Orlando	44 Deltona/Daytona Beach
6 Dallas/Fort Worth	46 Pittsburgh
7 Raleigh/Durham	47 Tacoma
8 Charlotte	48 Washington, DC-MD suburbs
9 Jacksonville	49 Honolulu
10 Denver	49 Knoxville
11 Minneapolis/St. Paul	51 Columbus
12 West Palm Beach	52 San Francisco
13 Atlanta	53 Madison
14 Washington, DC-Northern VA	53 Omaha
15 Indianapolis	55 Boston
16 Portland, OR	56 St. Louis
17 Phoenix	57 Tallahassee
18 Salt Lake City	58 Birmingham
19 Houston	59 Tucson
20 Seattle	59 Oklahoma City
21 Cape Coral/Fort Myers/Naples	61 New York-other boroughs
22 Boise	62 Detroit
23 Fort Lauderdale	63 Baltimore
24 Las Vegas	64 Long Island
25 San Diego	65 Westchester, NY/Fairfield, CT
26 Greenville, SC	66 Chicago
27 Washington, DC-District	67 Virginia Beach/Norfolk
28 San Antonio	68 Albuquerque
29 Miami	69 Memphis
30 Des Moines	70 Cleveland
31 Oakland/East Bay	71 Northern New Jersey
32 San Jose	72 New York-Manhattan
33 Los Angeles	73 Jersey City
34 Philadelphia	74 New Orleans
35 Richmond	74 Providence
36 Kansas City, MO	76 Milwaukee
37 Spokane, WA/Coeur d'Alene, ID	76 Portland, ME
38 Orange County	78 Hartford
39 Louisville	79 Buffalo
40 Gainesville	

Source: Emerging Trends in Real Estate 2019 survey.

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Key: More than 1 standard deviation above mean +/- 1 standard deviation of mean More than 1 standard deviation below mean

Mean

Zillow Hottest Markets 2019

2019
hottest markets

1

San Jose

Median Home Value: **\$1,251,200**
Median Rent: **\$3,521**
Household Income: **\$117,474**
Population Growth: **1.0%**

2

Orlando

Median Home Value: **\$233,700**
Median Rent: **\$1,472**
Household Income: **\$55,089**
Population Growth: **2.8%**

3

Denver

Median Home Value: **\$403,800**
Median Rent: **\$2,075**
Household Income: **\$76,643**
Population Growth: **1.2%**

4

Atlanta

Median Home Value: **\$215,000**
Median Rent: **\$1,411**
Household Income: **\$65,381**
Population Growth: **1.6%**

5

Minneapolis

Median Home Value: **\$265,200**
Median Rent: **\$1,659**
Household Income: **\$76,856**
Population Growth: **1.4%**

6

San Francisco

Median Home Value: **\$963,000**
Median Rent: **\$3,417**
Household Income: **\$101,714**
Population Growth: **1.0%**

7

Dallas

Median Home Value: **\$237,800**
Median Rent: **\$1,611**
Household Income: **\$67,382**
Population Growth: **2.3%**

8

Nashville

Median Home Value: **\$252,200**
Median Rent: **\$1,499**
Household Income: **\$63,939**
Population Growth: **2.1%**

9

Jacksonville

Median Home Value: **\$208,200**
Median Rent: **\$1,357**
Household Income: **\$58,709**
Population Growth: **1.8%**

10

San Diego

Median Home Value: **\$592,800**
Median Rent: **\$2,573**
Household Income: **\$76,207**
Population Growth: **0.6%**

