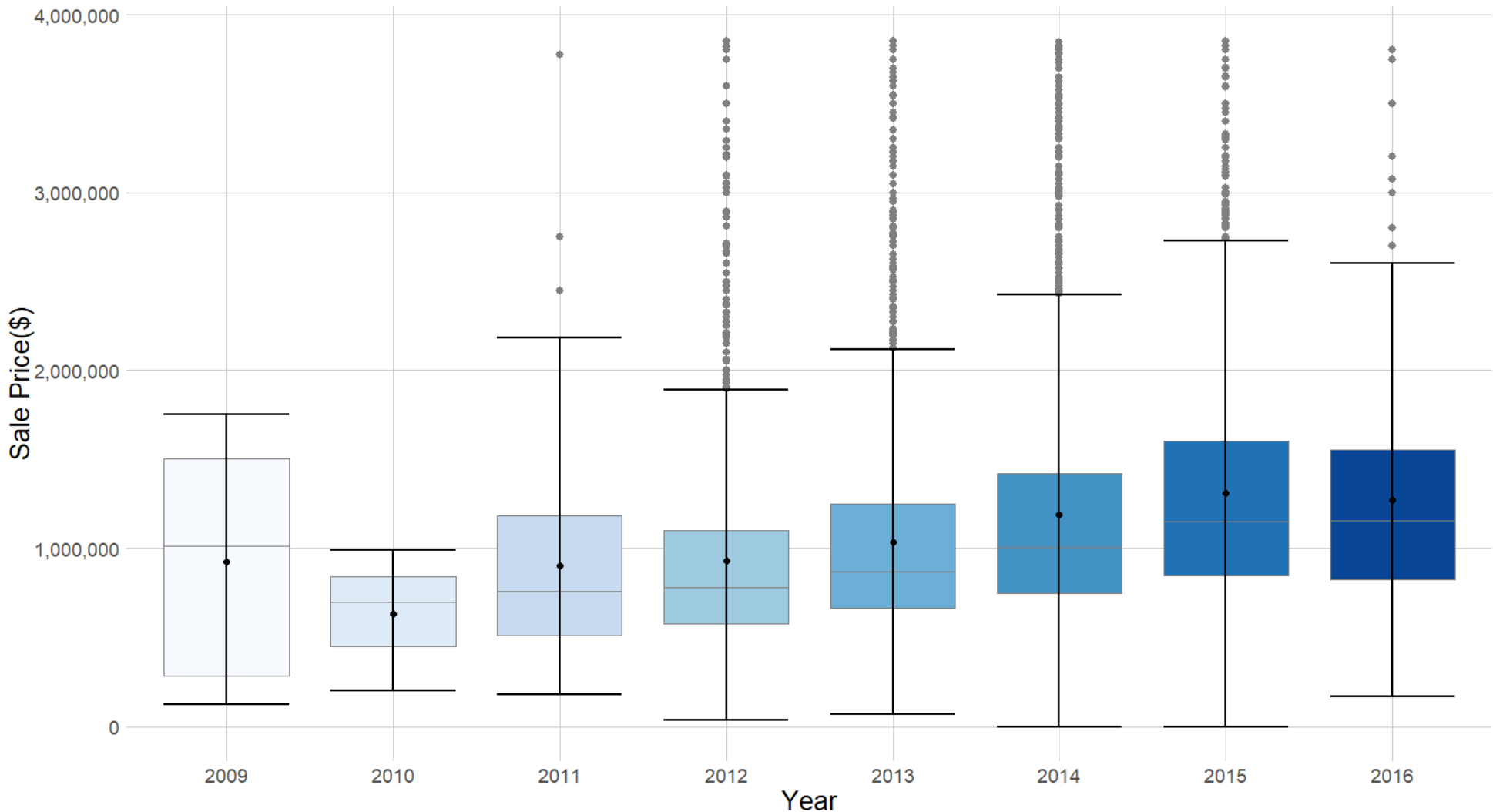


## FOCUS ON SUPPLY CONSTRAINED, AFFLUENT MARKETS

- (Exhibit 1) The San Francisco housing market has experienced a boom since the Great Recession in 2009-2010
  - We focus on buying buildings that have deferred maintenance and issues with the city or collection
  - Purchase at 30% below market value based on proprietary models, renovate and sell at market top

### EXHIBIT 1: DISTRIBUTION OF SAN FRANCISCO HOME PRICES

*Sales Prices for the Period 2003 - 2016*

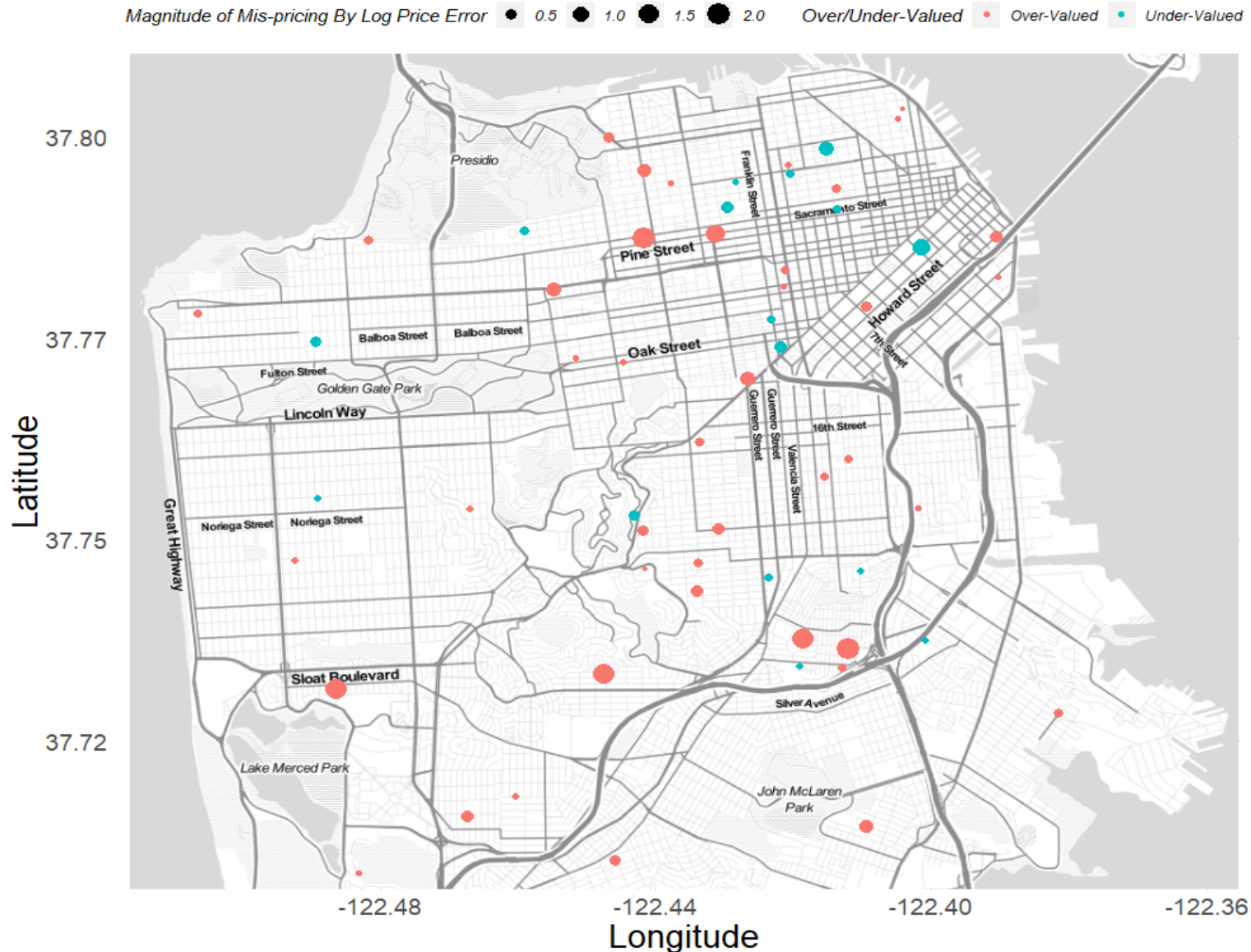


Source: San Francisco Office of the Assessor-Recorder, Zillow

## INVESTMENT COMMITTEE RECOMMENDATION (CIRCA 2016/2017)

- (Exhibit 2) Model suggests SF is over-valued/bubble-like; fewer under-valued options across all neighborhoods
  - **Recommend** selling current SF properties and focus on Los Angeles and New York City

### EXHIBIT 2: STATE OF SF REAL ESTATE MARKET *Model Valuation (2016). Larger Magnitude of Over-Valuation*



## REFERENCES

- Li, Susan. "Linear Regression in Python; Predict The Bay Area's Home Prices." *DataScience* , Data Science Plus, 26 Oct. 2017, [datascienceplus.com/linear-regression-in-python-predict-the-bay-areas-home-prices/](https://datascienceplus.com/linear-regression-in-python-predict-the-bay-areas-home-prices/).  
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- Yeh, Victor. 23 Mar. 2018, "Mapping the Airbnb in San Francisco." [https://rstudio-pubs-static.s3.amazonaws.com/388056\\_2cf374ef754344669c620f0d24aac5b3.html](https://rstudio-pubs-static.s3.amazonaws.com/388056_2cf374ef754344669c620f0d24aac5b3.html).