



# Explore Denver Neighborhoods for Rental Property Investments

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Yujing Zhang

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# SUMMARY

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- ☐ Introduction
- ☐ Data and Methodology
- ☐ Discussion and Conclusion



# Introduction

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## – Project Goal

- Analyze and compare Denver neighborhoods to identify target locations for rental property investments.

## – Denver Market Highlights

- Over 700,000 population (2018 est.), or 4,520 per mi<sup>2</sup>.
- Ranked 18<sup>th</sup> out of the 172 combined statistical areas (CSA) in population.
- Ranked 14<sup>th</sup> among all CSA in population growth since 2010.
- The 3<sup>rd</sup> best place to live in U.S by the U.S News and World Report.
- Median Home Price of Denver – Aurora – Lakewood MSA was 80% above recession, top 1 price growth among all MSA (July 2019 by Attom Data Solutions).



# Data and Methodology

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## Step 1: Analyze Neighborhood Demographics

- Key Metrics: Median Household Income; Percent Poverty; Percent Less Than High School Diploma
- Thresholds: Above Medium
- Results: 28 neighborhoods meet all three requirements.
  - *Wellshire, Rosedale, Cheesman Park, Hilltop, Montclair, Hale, South Park Hill, Virginia Village, Auraria, Platte Park, Southmoor Park, Hampden South, Cory – Merrill, Belcaro, Washington Park, Washing Park West, Cherry Creek, Country Club, Congress Park, City Park, Civic Center, Stapleton, Lowry Field, West Highland, Berkeley, Regis, Marston, and Indian Creek*



# Data and Methodology (cont.)

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## Step 2: Analyze Neighborhood Rental Economics

- Key Metrics: Rent Value Ratio; Vacancy
- Thresholds: Above Medium
- Results: 21 neighborhoods meet all three requirements.
  - *Chaffee Park, Athmar Park, Northeast Park Hill, University Hills, Harvey Park, Mar Lee, Westwood, College View – South Platte, Overland, Ruby Hill, Bear Valley, Harvey Park South, Hampden South, Cory – Merrill, Stapleton, Montebello, Regis, Skyland, Barnum, Gateway – Green Valley Ranch, Indian Creek*



# Data and Methodology (cont.)

Five (5) neighborhoods passed both demographic (Step 1) and the rental economics (Step 2) thresholds: Hampden South, Cory – Merrill, Stapleton, Regis, and Indian Creek.

Below is a summary of these five neighborhoods:

NBHD	RENT_VALUE_RATIO	VACANCY	MED_HH_INCOME	PCT_POVERTY	PCT_LESS_THAN_HS_DIPLOMA
Hampden South	4.129653	6.421894	67354.67	5.10	3.780702
Cory - Merrill	4.536792	2.587601	94583.00	7.40	2.458034
Stapleton	4.232819	4.135664	117256.00	4.05	8.368132
Regis	4.298282	2.207235	56691.00	13.50	7.661437
Indian Creek	6.221172	4.489164	56940.00	7.40	4.026380





# Data and Methodology (cont.)

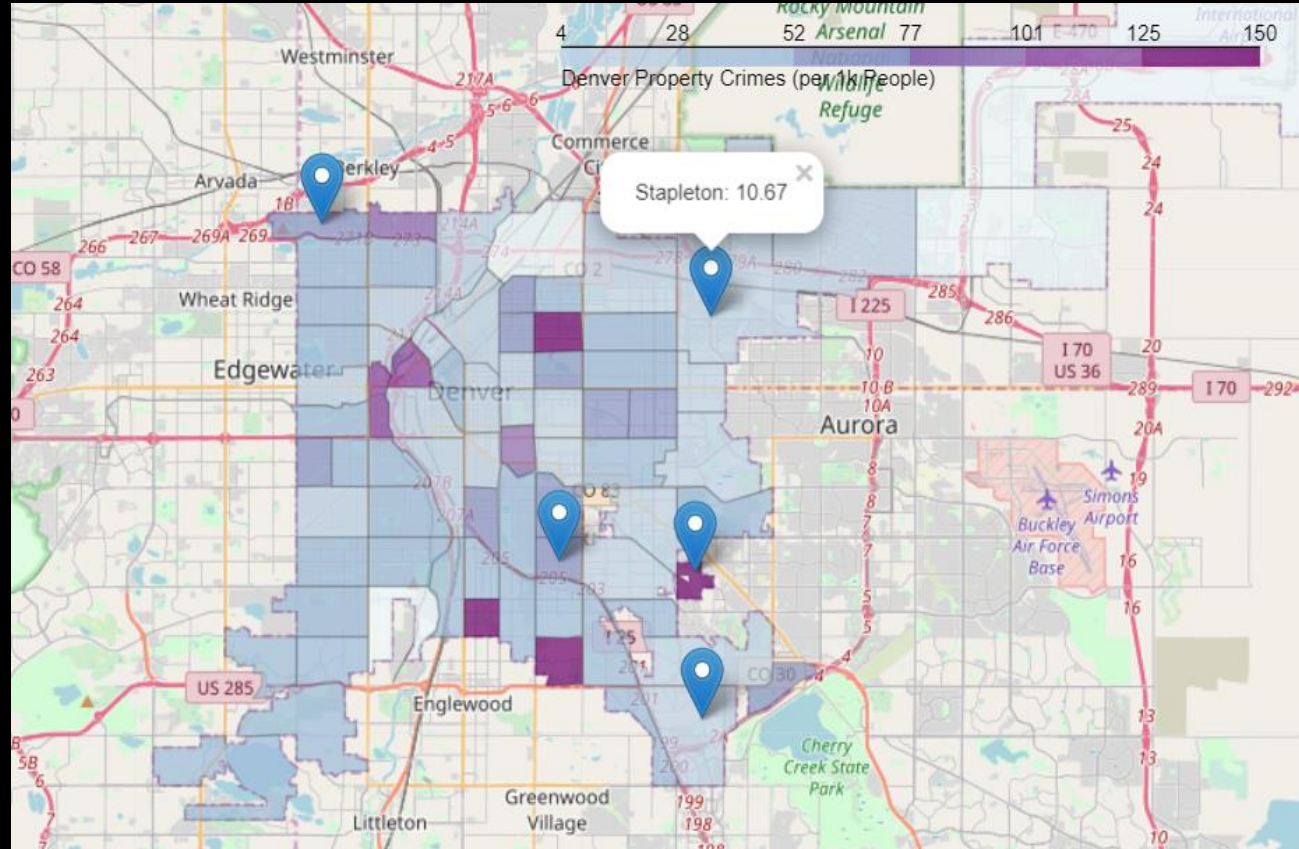
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## Step 3: Analyze Crime Data

- Crime data were categorized into property crimes and violence crimes.
- Crime data normalized to avoid bias caused by size of the neighborhoods.

	Neighborhood	Lat	Long	Property Crimes per 1k People	Violence Crimes per 1k People
0	Hampden South	39.6434	-104.8940	25.542526	19.544413
1	Cory - Merrill	39.6893	-104.9501	72.298944	31.681560
2	Stapleton	39.7603	-104.8908	10.666062	7.488937
3	Regis	39.7874	-105.0439	53.105737	61.403509
4	Indian Creek	39.6858	-104.8965	148.348519	106.492027

# Data and Methodology (cont.)

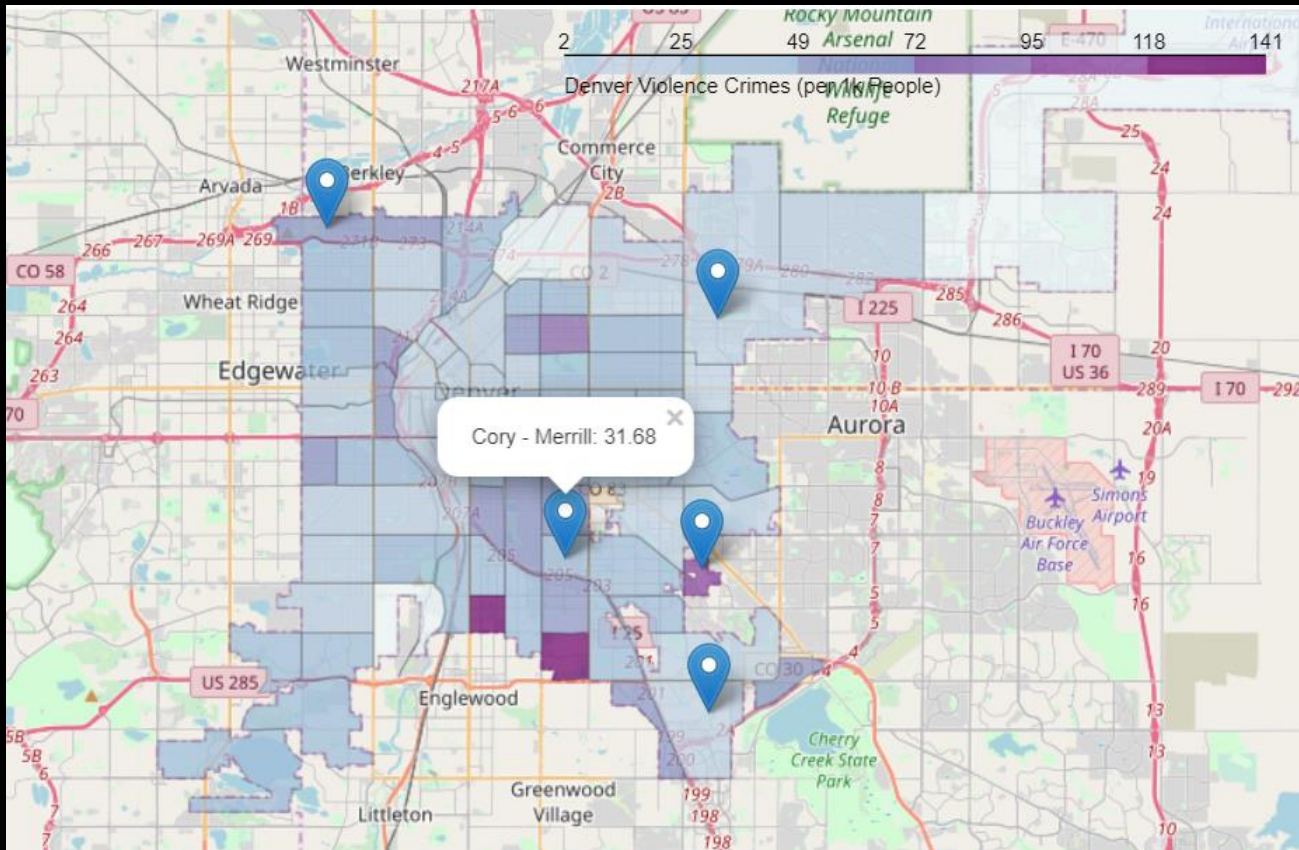


## Step 3: Analyze Crime Data (cont.)

- Property Crime Choropleth Map
- Four (4) neighborhoods show crime counts lower than average: Hampden South; Cory – Merrill; Stapleton; Regis
- Indian Creek registered above average crime counts.



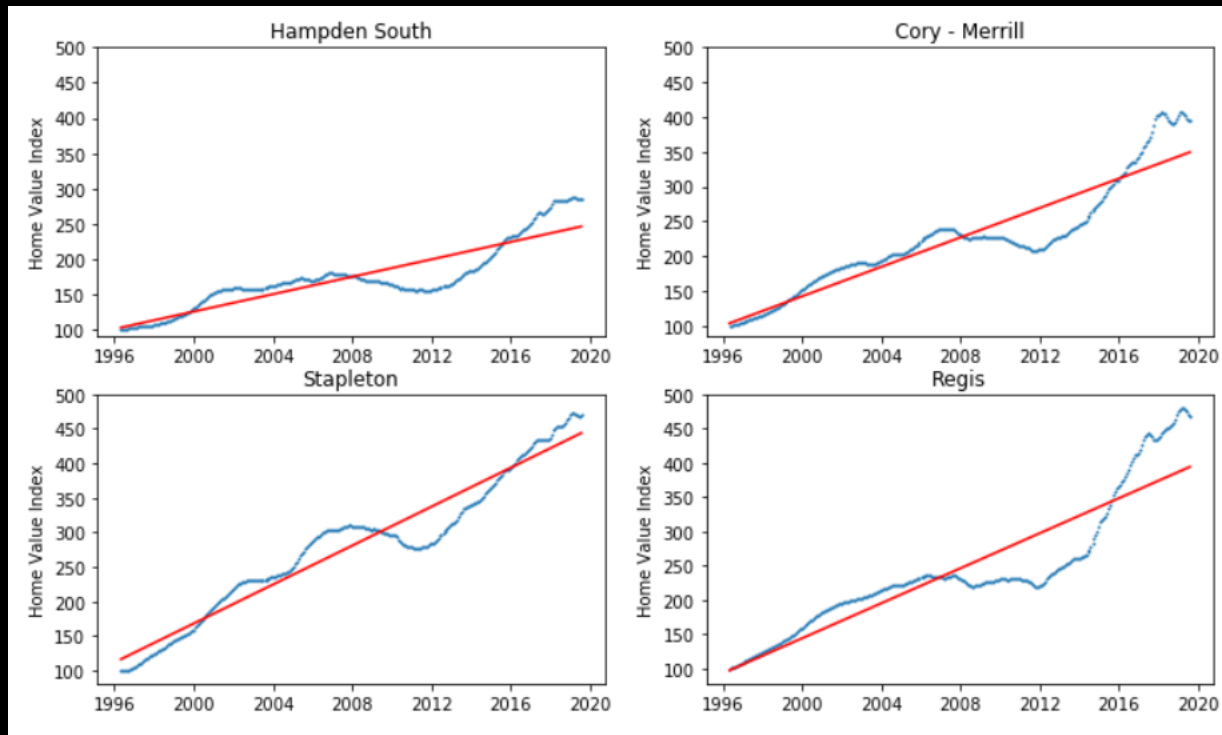
# Data and Methodology (cont.)



## Step 3: Analyze Crime Data (cont.)

- Violence Crime Choropleth Map
- Four (4) neighborhoods show crime counts lower than average: Hampden South; Cory – Merrill; Stapleton; Regis
- Indian Creek registered above average crime counts.

# Data and Methodology (cont.)



## Step 4: Analyze Home Value Growth

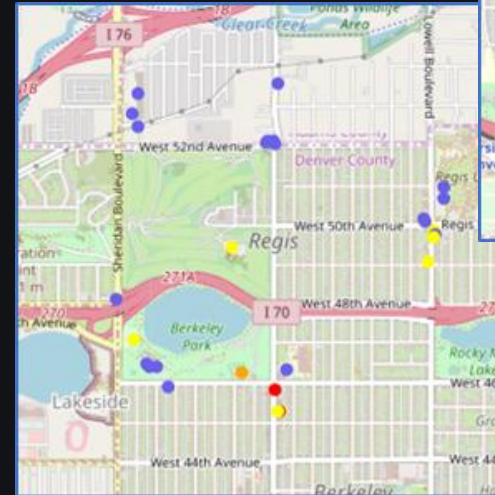
- Data: Median Home Value from 4/1996 to 7/2019 (provided by Zillow)
- Stapleton shows the highest growth: ranked the 16<sup>th</sup> among 77 neighborhoods.
- Regis and Cory – Merrill were ranked the 19<sup>th</sup> and the 33<sup>rd</sup>.
- Hampden South shows the lowest growth: ranked the 63<sup>rd</sup> among the 77 neighborhoods.

# Data and Methodology (cont.)

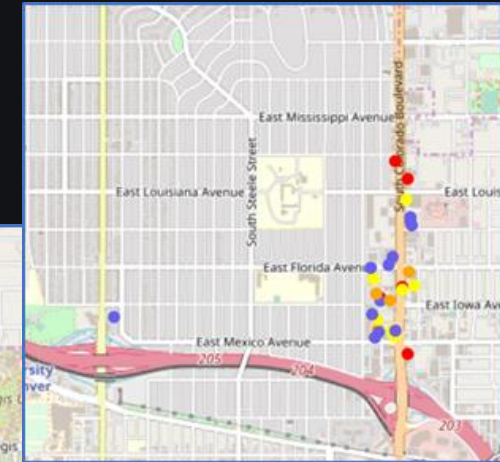
## Step 5: Analyze Points of Interest around the Neighborhoods

- There are more popular venues in Cory – Merrill than in Stapleton or Regis.
- Along the Colorado Blvd (in Cory – Merrill), there is a high density of popular venues.

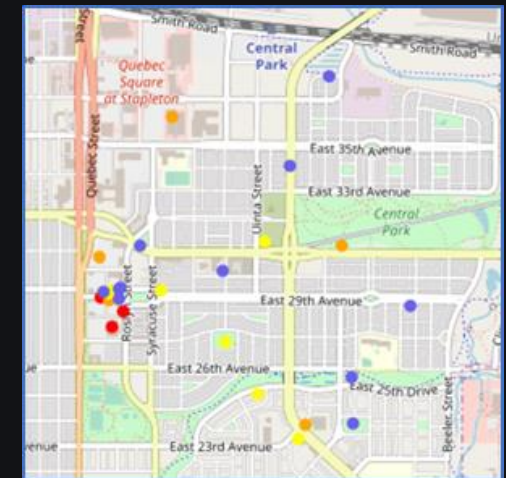
Regis



Cory - Merrill



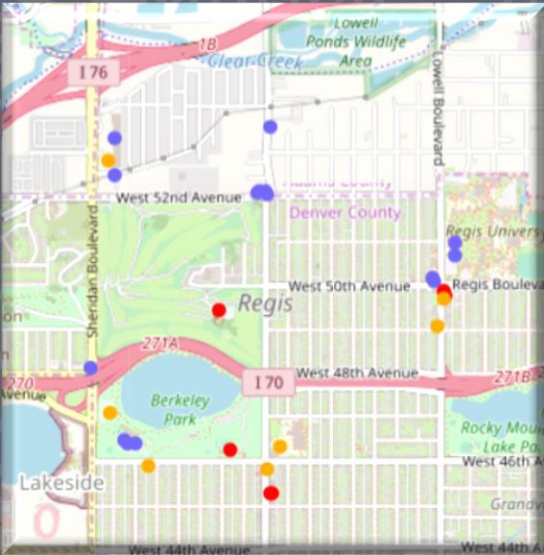
Stapleton



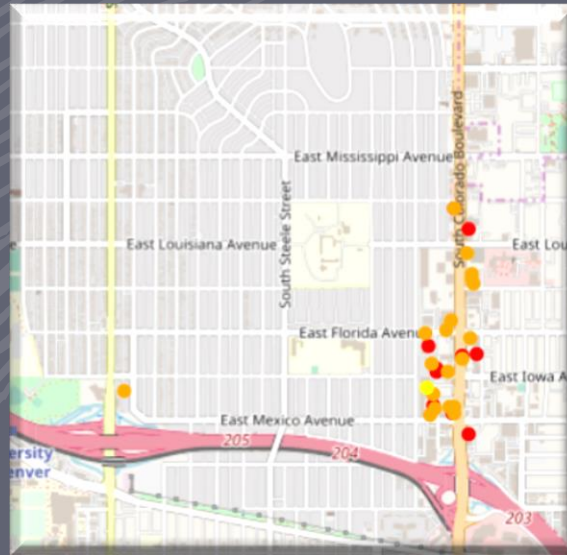
Red: over 50 'likes'  
Orange: 30 - 49 'likes'  
Yellow: 10 - 29 'likes'  
Purple: under 10 'likes'



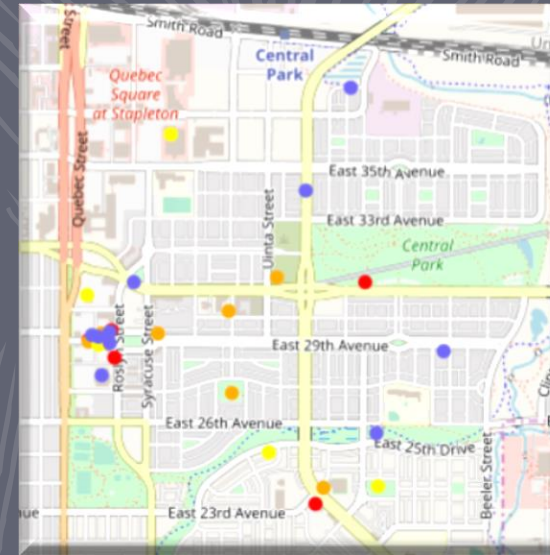
## Regis



## Cory - Merrill



## Stapleton



### Ratings:

**Red:** 8 or above  
**Orange:** 7 or above  
**Yellow:** 6 or above  
**Purple:** under 6

## Data and Methodology (cont.)

### Step 5: Analyze Points of Interest around the Neighborhoods (cont.)

- Most of the venues around Cory – Merrill were rated 7 and above, in average higher than those in Stapleton and Regis.
- In Stapleton and Regis, venue ratings spread over a broader range.



# Conclusion and Discussion

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- Points of Consideration

- Average financial strength: HH Income, % Poverty, % Less than High School Diploma
- Rental property economics: Rent Value Ratio, Vacancy
- Security and Safety: Property and Violence Crime Count Per 1K People
- Growth momentum: Regression of Home Value Index from 4/1996 to 7/2019
- Access to popular venues: venue ratings and 'likes' count

- Neighborhoods of Choice

- Stapleton
- Cory – Merrill
- Regis

- Other Concerns in Location Choice not Covered in This Study

- Transportation
- Infrastructure and facilities
- Housing supply