

# Property Submarket Analysis Report

## Executive Summary

The subject is a 1-bed, 1-bath, 716 Sq.Ft. condo at 3550 Bay Sands Dr, Apt 3061. In the for-sale market within 1 mile, there are 461 listings with a median price of \$154,900 and a median price per square foot of \$161.94, alongside a median time on market of 111 days. The rental market shows 71 listings with a median rent of \$1,150 and a median rent per square foot of \$1.19, and a faster median time on market of 54.5 days. Using market medians, the baseline value estimate is \$115,949.04 and the comp-implied value from highly similar 1-bed comps is \$138,239.55. On the rental side, the baseline rent estimate is \$852.04 per month and the comp-implied rent is \$1,055.38 per month, with rental sensitivity spanning \$594.28/month at the low end to \$1,503.60/month at the high end and value sensitivity from \$58,017.48 to \$187,133.76.

These figures point to a submarket with broad price dispersion and slower resale velocity, contrasted with relatively brisk rental absorption. The subject's 716 Sq.Ft. footprint is smaller than the overall market median size (986 Sq.Ft.) and aligned with a one-bedroom premium observed in both sale and rent \$/Sq.Ft. metrics. Strong, like-for-like comps within the same community help explain why the comp-implied figures exceed median-based baselines, positioning the subject above broader medians on a per-square-foot basis.

From an investment standpoint, the comp-anchored figures translate to an estimated gross rental yield of 9.16% and a gross rent multiplier near 10.92, indicating viable income performance for a condo. The rental market's faster median days on market suggests efficient lease-up, though elevated vacancy (20.57%) and slower sales turnover underscore the need for prudent pricing and marketing. Overall, the subject compares favorably within its segment, with income strength supported by the one-bedroom premium and tempered by market-level liquidity and occupancy risks.

## Subject Property Overview

The property is located at 3550 Bay Sands Dr, Apt 3061 and comprises 1 bedroom, 1 bathroom, and 716 Sq.Ft. of living area on an 871 Sq.Ft. lot. It was built in 1990 and carries an HOA fee of 259. The last sale occurred on 2023-02-08T00:00:00.000Z at a price of 115000. The owner name(s) are [Kevin Stalcup, Elizabeth Akers], and the owner type is Individual.

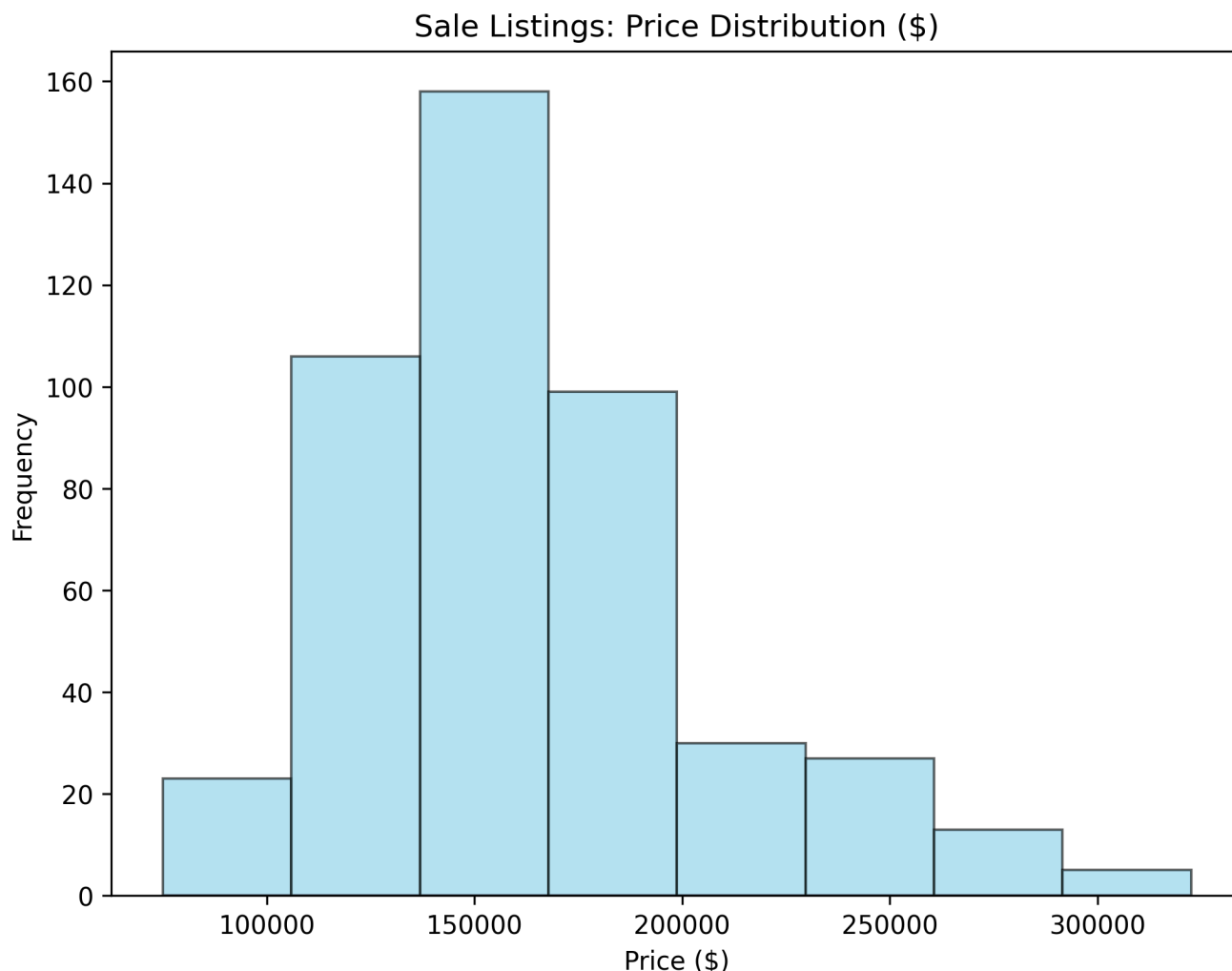
Given its size and 1990 vintage, the home fits squarely within the property cohort prevalent in the immediate community, including the selected comps. At 716 Sq.Ft., it is smaller than the broader submarket's median living area of 986.0 Sq.Ft., a characteristic that typically supports higher pricing on a per-square-foot basis when aligned with one-bedroom demand. The age suggests the building and systems are well-established, and competitive positioning will be influenced by the unit's finish level relative to nearby like-kind inventory.

These attributes shape both sales and rental strategies. On the sales side, the smaller footprint and one-bedroom configuration can justify above-median PPSF when compared with larger units, while overall condition determines whether the property leans toward the upper or lower end of the observed range. For leasing, alignment with the one-bedroom premium and the submarket's faster rental velocity supports targeting the comp-implied rent,

with the HOA fee and market vacancy factored into net yield expectations and marketing timelines.

## Sales Market Analysis

### Sales Market Overview



The sales market comprises 461 listings with a median price of \$154,900 and a median price per square foot of \$161.94; the average price per square foot is \$162.15. Prices span \$75,000 to \$322,500, while PPSF ranges from \$81.03 to \$261.36. The average living area is 1,023.87 Sq.Ft., with a median of 986.0 Sq.Ft., and sizes range from 572.0 to 1,857.0 Sq.Ft. Market velocity is measured by an average days on market of 197.79 and a median of 111.0 days, with the fastest at 2 days and the slowest at 694. The price distribution chart provides visual context for these dynamics.

This data signals a broad spectrum of pricing and unit sizes with meaningful dispersion in PPSF, reflecting varying conditions, finishes, and unit types. The relatively slow median days on market of 111.0 indicates moderate liquidity overall, although the minimum of 2 days shows certain listings transact quickly. The subject's 716 Sq.Ft. is smaller than the 986.0 Sq.Ft. median, a factor that typically elevates PPSF for one-bedroom units compared with larger alternatives.

For the subject, the combination of wide PPSF ranges and slower average turnover suggests prudent pricing and expectation-setting for time on market. The one-bedroom, smaller-size profile supports higher PPSF positioning, but successful execution will depend on finish

quality and competitive pricing within the observed distribution. Market velocity implies that, even with a strong PPSF case, a longer marketing period than rentals should be assumed.

### Comparative Market Analysis (CMA)

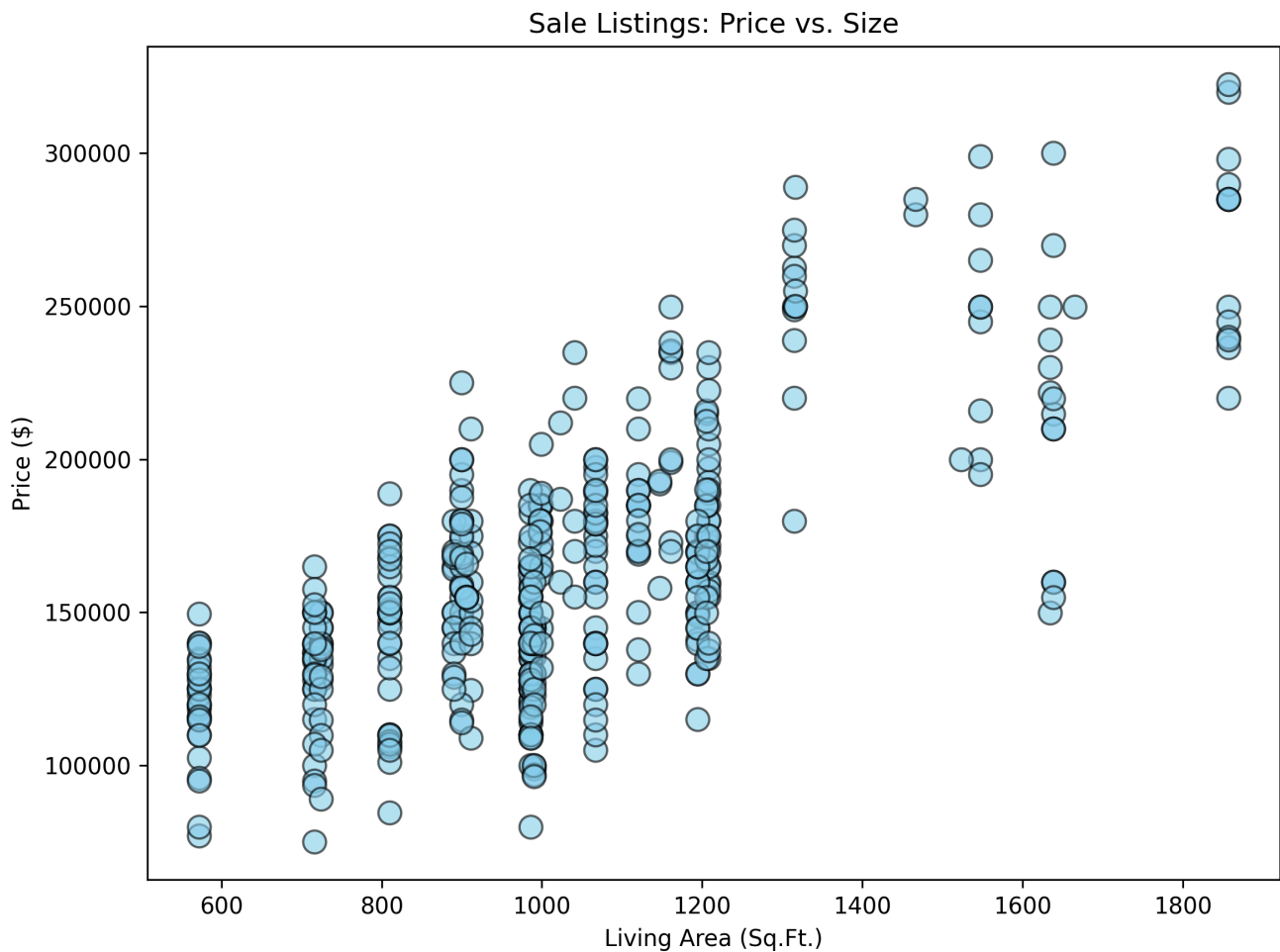
Address	Bedrooms	Bathrooms	Sq.Ft.	Vintage	Price	PPSF
3550 Bay Sands Dr, Apt 3020 1	1.0		716.0	1990.0	\$128,000	\$178.77
3550 Bay Sands Dr, Apt 2063 1	1.0		716.0	1990.0	\$136,800	\$191.06
3550 Bay Sands Dr, Apt 1070 1	1.0		716.0	1990.0	\$149,900	\$209.36
3550 Bay Sands Dr, Apt 1059 1	1.0		716.0	1990.0	\$139,500	\$194.83
3550 Bay Sands Dr, Apt 3061 1	1.0		716.0	1990.0	\$137,000	\$191.34

These five comps are virtually identical in bed/bath count, size at 716.0 Sq.Ft., and 1990 vintage, including the subject unit at \$137,000 and \$191.34 per Sq.Ft. The price points span \$128,000 to \$149,900, corresponding to a PPSF range from \$178.77 to \$209.36. The average PPSF among these matched comps is about \$193.07, forming a tight cluster around the subject's observed level.

Because the comps share the same building address and specifications, they offer a high-quality, like-for-like benchmark with minimal need for qualitative adjustments. The PPSF spread within this group likely reflects condition, interior improvements, view or location nuances, and seller motivation rather than structural differences. The subject's PPSF of \$191.34 sits neatly within the cluster, reinforcing the representativeness of this sample.

Given the near-identity of the comparables, a comp-based valuation is well-supported and more informative than broader submarket medians. While minor adjustments may be warranted for condition, the data suggests that the subject's value can be reliably anchored by this comp set, with variability primarily tied to unit-level finish and timing rather than major structural or locational deltas.

### Value Estimate



The baseline value using the market median PPSF multiplied by the subject's size is \$115,949.04. The comp-implied value based on the average PPSF of the selected like-for-like comps is \$138,239.55. The price vs. size scatter plot provides visual context for where the subject sits relative to the submarket trend.

The comp-implied figure exceeds the median-based baseline, reflecting the premium commanded by identical 1-bed, 716 Sq.Ft., 1990-vintage units within the subject's community. This divergence indicates that community- and unit-type-specific dynamics are materially stronger than the broader median would suggest, and that unit-scale effects support higher PPSF.

Confidence in the comp-based estimate is bolstered by the precision of the matches, though overall submarket dispersion still warrants caution. Given the subject's alignment with the comps, the comp-implied value serves as a reasonable anchor for pricing, with the scatter plot underscoring the fit within a cluster of similar properties.

## Valuation Sensitivity

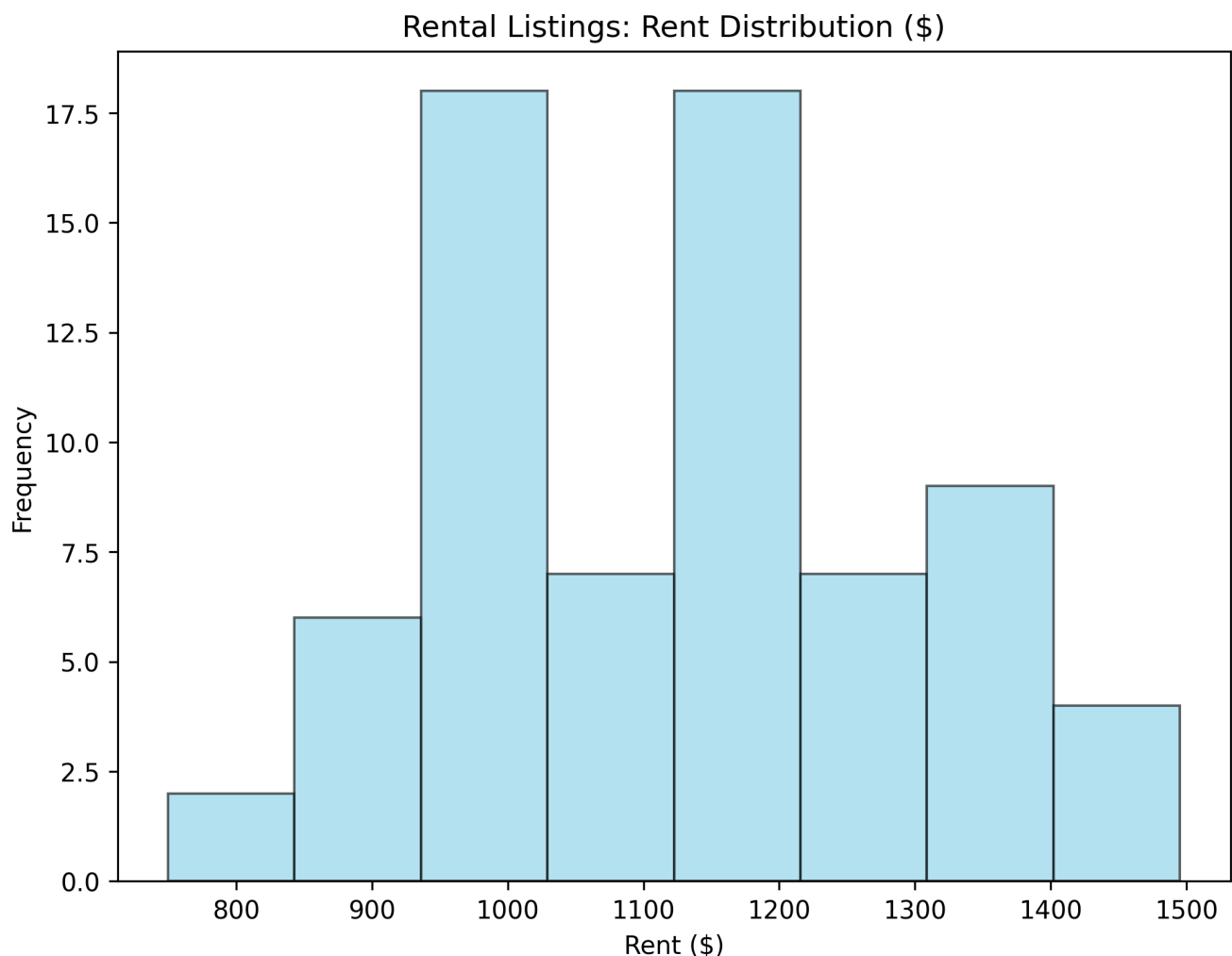
The comp-implied estimate is \$138,239.55. Applying the submarket's minimum and maximum PPSF to the subject's 716 Sq.Ft. yields a minimum estimated value of \$58,017.48 and a maximum estimated value of \$187,133.76. This range captures the breadth of outcomes observed in the market.

The wide sensitivity band stems from significant PPSF dispersion across the submarket, encompassing properties from more dated or less competitive offerings to those achieving a premium due to superior condition or positioning. Within this context, the subject's tight match to the comp set suggests a more probable outcome near the comp-implied level.

For strategy, pricing near the comp-implied estimate is defensible, with flexibility to adjust based on in-unit condition, recent community activity, and buyer feedback. The breadth of the range also informs negotiation planning, underscoring the importance of presentation and timing to secure results toward the upper end.

## Rental Market Analysis

### Rental Market Overview



The rental market includes 71 listings with a median rent of \$1,150 and a median rent per square foot of \$1.19; the average rent per square foot is \$1.24. Rents span \$750 to \$1,495, with RPSF ranging from \$0.83 to \$2.10. Average living area is 954.73 Sq.Ft., and the median is 986.0 Sq.Ft., with a size range from 562.0 to 1,208.0 Sq.Ft. Market velocity shows an average days on market of 162.3 and a median of 54.5, with the fastest at 1.0 day and the slowest at 1,099.0 days. The rent distribution chart illustrates these dynamics.

These figures indicate quicker median turnover for rentals than for sales, consistent with higher near-term demand for lease-ready units. One-bedroom homes tend to command higher RPSF than larger units, a pattern that dovetails with the subject's configuration and size. The spread in RPSF suggests that condition, finishes, and micro-location within communities significantly influence achieved rents.

For the subject, the one-bedroom premium and size alignment support competitive pricing above the broad median on a per-square-foot basis. While median rental velocity points to a relatively efficient lease-up, the wide DOM range underscores the need for sharp pricing and

effective marketing to achieve the desired rent without extended vacancy.

## Comparative Market Analysis (CMA)

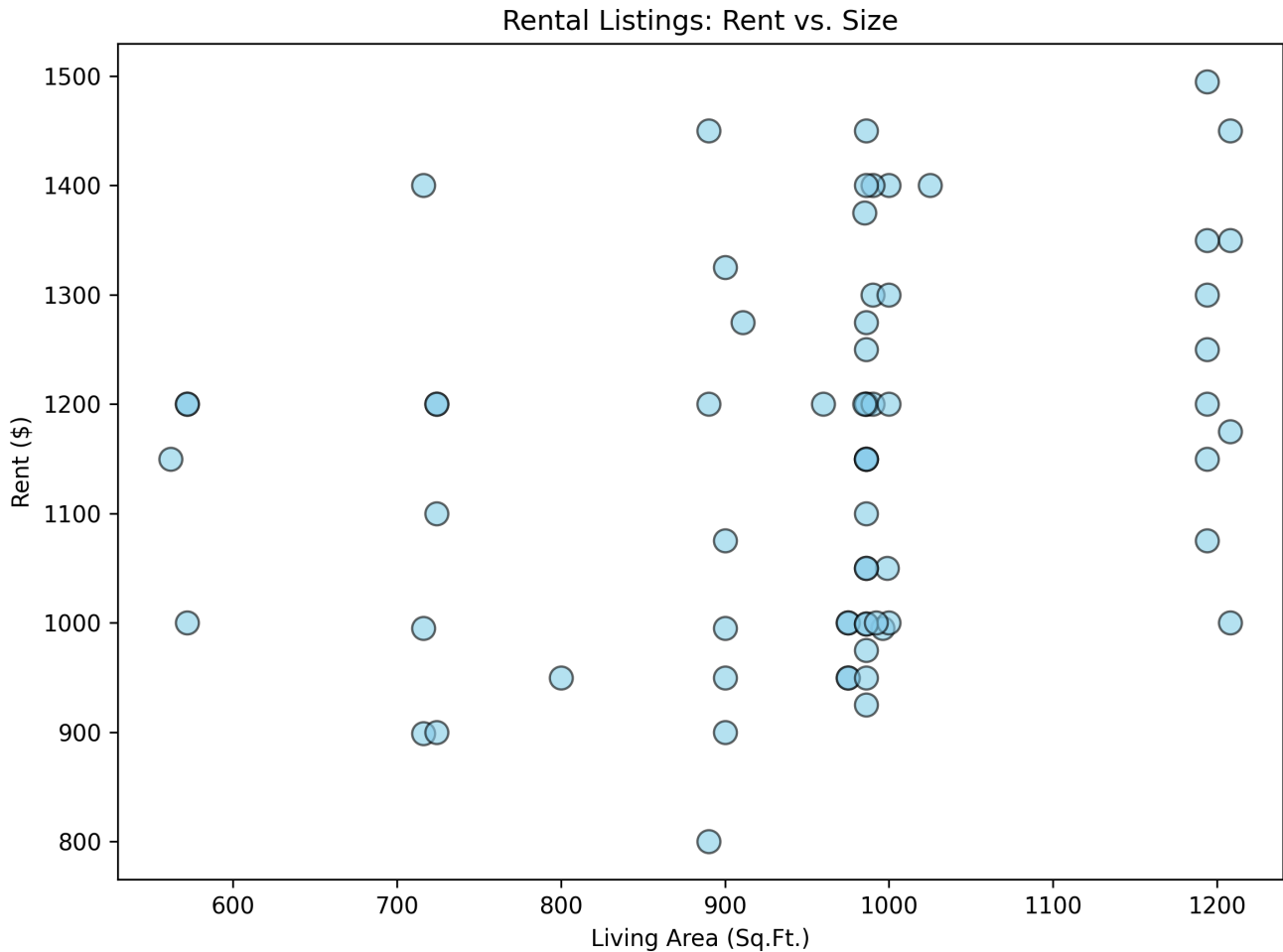
Address	Bedrooms	Bathrooms	Sq.Ft.	Vintage	Rent	RPSF
3550 Bay Sands Dr, Apt 3064	1	1	716.0	1990.0	\$899	\$1.26
3550 Bay Sands Dr, Apt 3071	1	1	716.0	1990.0	\$1,400	\$1.96
3550 Bay Sands Dr, Apt 1024	1	1	716.0	N/A	\$995	\$1.39
3790 Desert Marina Dr, Apt 151	1	1	724.0	N/A	\$1,100	\$1.52
3811 Desert Marina Dr, Apt 125	1	1	724.0	N/A	\$900	\$1.24

These rental comps closely mirror the subject's 1-bed, 1-bath configuration and size, primarily at 716.0 Sq.Ft., with two nearby units at 724.0 Sq.Ft. The vintage is 1990.0 for the in-complex matches, with N/A vintage for nearby Desert Marina addresses. Rents span \$899 to \$1,400, corresponding to RPSF from \$1.24 to \$1.96, averaging about \$1.474 per Sq.Ft.

The adjacency and like-kind nature of these rentals limit the need for large adjustments, with differences in RPSF likely reflecting finish level, floor/location within buildings, and marketing conditions. The presence of both in-complex and immediate vicinity comps reinforces the reliability of the comp set for underwriting the subject.

Collectively, these comps provide strong support for a rent above the market's median baseline when scaled to the subject's size. The in-building matches are particularly persuasive, strengthening confidence in a comp-implied rent approach over broader medians.

## Rent Estimate



Using the market median RPSF, the baseline rent is \$852.04/month for the subject's 716 Sq.Ft. size. Based on the average RPSF from the selected like-for-like comps, the comp-implied rent is \$1,055.38/month. The rent vs. size scatter plot situates the subject within the local trend.

The comp-implied figure exceeds the median-based baseline, which is consistent with the observed one-bedroom premium and the strong alignment to in-complex comparables. This suggests that broader medians understate achievable rent for this specific configuration and community.

Given the quality of the comps and their proximity, the comp-implied rent of approximately \$1,055.38/month is a defensible working estimate for underwriting. It balances achievable pricing with anticipated leasing velocity, assuming competitive presentation and market-level exposure.

## Rental Sensitivity

Applying the submarket's rent per square foot extremes to the subject's size yields a minimum estimated rent of \$594.28/month and a maximum of \$1,503.60/month. This range reflects the full breadth of outcomes observed in the data.

At the lower end, outcomes may correspond to discounted off-season pricing, dated finish levels, or longer marketing times. The upper bound represents peak-demand conditions or highly upgraded units in superior micro-locations within a community. For this subject, the like-for-like evidence suggests positioning near the comp-implied midpoint is most realistic.

From a strategy perspective, the sensitivity band informs pricing decisions and risk tolerance.

Pursuing the top of the range may increase vacancy risk, while targeting the comp-implied level seeks to balance rent with faster lease-up and steadier cash flow planning.

## **Market Dynamics and Segmentation**

### **Market Velocity**

Sales show an average days on market of 197.79 and a median of 111.0, with a range from 2 to 694 days. Rentals post an average days on market of 162.3 and a median of 54.5, ranging from 1.0 to 1,099.0 days. Within 30 days, 16.70% of sales and 36.62% of rentals transact, indicating differing liquidity profiles.

These figures highlight materially faster turnover in the rental market relative to sales, with a higher share of leases closing within a month. At the same time, both markets exhibit long tails, as evidenced by maximum DOM values well beyond a year, underscoring variability in product quality, pricing, and demand.

For the subject, this suggests a likely quicker lease-up relative to a potential resale, informing holding cost assumptions and marketing strategy. Pricing discipline and presentation remain critical to capturing demand within the faster-moving segment of the market.

### **Market Segmentation**

Median sale PPSF varies by bedroom count: 1-bed units at \$192.77, 2-bed at \$157.20, and 3-bed at \$142.38. Median rent RPSF shows a similar gradient, with 1-bed at \$1.66, 2-bed at \$1.17, and 3-bed at \$1.05. The subject is a 1-bed, 716 Sq.Ft. unit compared with the market's median size of 986.0 Sq.Ft.

This segmentation indicates a clear one-bedroom premium on a per-square-foot basis for both sales and rentals. The subject's smaller-than-median footprint supports above-median PPSF and RPSF positioning, particularly when aligned with strong like-for-like evidence within the same community.

Marketing should target tenant and buyer segments that value efficient one-bedroom layouts and are accustomed to higher \$/Sq.Ft. pricing. Positioning the unit's features and finishes to align with this premium segment can help optimize pricing and absorption.

## **Demographic and Economic Analysis**

### **Growth Trends**

The local area has a total population of 6,089 and 3,097 total households. Historical population growth from 2020–2025 was -0.12% annually, while households grew at 0.26% annually over the same period. Forecasts for 2025–2030 indicate population growth at 1.14% annually and household growth at 1.46% annually.

The shift from slightly negative population growth to modest positive projections, alongside accelerating household formation, suggests improving fundamental demand drivers. Even incremental gains can support steady absorption, particularly for smaller, more affordable unit types.

For long-term planning, these trends support sustained, if measured, demand for one-



bedroom rentals and resales. They add a constructive backdrop for rent and price stability, especially when combined with targeted unit positioning within the premium one-bedroom segment.

## **Economics and Affordability**

Median household income is \$49,956, with per capita income at \$35,408. Future median income growth is projected at 3.1% annually from 2025–2030. The unemployment rate is 10.9%. Educational attainment includes a Bachelor's degree share of 13.54% and a Graduate/Professional degree share of 4.88%.

Income levels are moderate but trending upward, which supports gradual increases in purchasing power and rental affordability over time. However, the elevated unemployment rate points to potential headwinds for absorption and rent growth, especially at the top of the market's sensitivity range.

Consequently, pricing should be calibrated to local purchasing power, with an emphasis on value-for-money at the comp-implied rent to ensure a strong applicant pool. Sustained income growth can mitigate some employment risk, but conservative underwriting of lease-up timelines remains prudent.

## **Housing Occupancy**

The occupancy rate stands at 79.43%, with a vacancy rate of 20.57%. These figures indicate an ample supply of available units in the local market.

A vacancy rate at this level signals competitive conditions that can exert pressure on both achieved rents and marketing durations. While the subject benefits from a one-bedroom premium, achieving the upper end of RPSF and PPSF ranges will depend on compelling presentation and effective marketing.

For investors, higher vacancy necessitates careful cash flow planning, stronger upfront leasing strategies, and potential concessions or pricing adjustments to maintain occupancy. Income stream stability can be achieved with disciplined operations and realistic rent expectations anchored by the comp set.

## **Investment Analysis**

The comp-implied value is \$138,239.55, and the comp-implied estimated monthly rent is \$1,055.38. At these figures, the gross rental yield is 9.16% and the gross rent multiplier (GRM) is 10.92. These metrics reflect solid income potential for a condo unit, assuming typical expenses, including the \$259 HOA, and market-level occupancy.

In context, a roughly 9.16% gross yield provides a reasonable cushion against operating costs and potential vacancy, while a ~10.9 GRM aligns with income-focused underwriting in this segment. The observed rent and value sensitivity underscores how finish level, seasonal timing, and marketing execution can shift outcomes within the plausible range.

Overall, the investment case is supported by strong like-for-like comps and a faster-moving rental market relative to sales. Execution risk primarily lies in navigating elevated vacancy and ensuring competitive positioning to achieve the comp-implied rent and maintain steady occupancy.

# SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
1-bed premium: sale PPSF \$192.77 vs 2-bed \$157.20; rent RPSF \$1.66 vs 2-bed \$1.17	Elevated vacancy: 20.57% market vacancy indicates competition	Forecast growth: population 1.14% and households 1.46% annually (2025–2030)	High unemployment: 10.9% may pressure absorption and rent growth
Strong like-for-like comps: identical 716 Sq.Ft., 1990 vintage support \$193.07 PPSF	Slow resale: median sale DOM 111 days; avg 197.79	Rental velocity: 36.62% of rentals lease within 30 days	Price dispersion: PPSF range \$81.03–\$261.36 adds valuation uncertainty
Competitive gross yield: ~9.16% at comp-implied value and rent	HOA expense: \$259/month reduces net yield	Rental sensitivity upper bound: up to ~\$1,503.60/month at max RPSF	Elevated max rental DOM (1,099 days) suggests risk for some listings

The strengths center on the measurable one-bedroom premium—\$192.77 PPSF vs \$157.20 for two-bedrooms on the sales side and \$1.66 vs \$1.17 RPSF on the rental side—supported by highly similar 716 Sq.Ft., 1990-vintage comps averaging \$193.07 PPSF. Income metrics near a ~9.16% gross yield and ~10.9 GRM provide a favorable income profile for the segment. Faster rental velocity, with 36.62% of leases concluding within 30 days, further supports the leasing thesis.

Weaknesses and threats focus on market frictions and dispersion: a 20.57% vacancy rate introduces competitive pressure, while slower resale dynamics (median 111 days; average 197.79) can extend hold times on exit. The PPSF span of \$81.03–\$261.36 contributes to valuation uncertainty, and the 1,099-day maximum rental DOM shows that outliers can experience prolonged exposure. HOA costs of \$259/month trim net yield at the margin.

Opportunities lie in forecast household and population growth—1.46% and 1.14% annually, respectively—paired with the observed one-bedroom premium and fast-leasing segment. To mitigate risks, align pricing with the comp-implied range, emphasize presentation/finish to justify RPSF, and manage expectations on hold periods. Taken together, strengths can outweigh weaknesses when execution remains disciplined and pricing remains data-anchored.

## Conclusion and Recommendation

The subject benefits from precise like-for-like comparables and a market structure that rewards smaller, one-bedroom formats with higher PPSF and RPSF. Anchored to these comps, the estimated value is \$138,239.55, with a sensitivity range from \$58,017.48 to \$187,133.76. On the rental side, the baseline rent is \$852.04/month and the comp-implied rent is \$1,055.38/month, with a broader sensitivity from \$594.28 to \$1,503.60 per month. At these levels, the asset yields a gross rental return of 9.16% and a GRM of 10.92.

Market strength is evident in the faster-moving rental segment and the clear one-bedroom premium, both of which support the subject's income outlook. Balancing these positives are elevated vacancy at 20.57% and slower resale velocity with a median of 111 days on market, alongside broader PPSF dispersion that introduces valuation uncertainty. Still, the tight comp set within the same community bolsters confidence in the comp-implied value and rent.

Overall, this condo presents as an attractive income-oriented opportunity targeting roughly a 9% gross yield. We recommend proceeding to detailed underwriting that incorporates the \$259 HOA, local taxes, insurance, and a realistic lease-up schedule to validate cash flow within the stated sensitivity bands. With competitive positioning and disciplined execution, the subject is well-placed to perform within the upper mid-range of its comp-supported valuation and rent benchmarks.