Property Submarket Analysis Report

Executive Summary

The subject is a 3-bed, 2-bath, 1,878 Sq.Ft. home built in 1973 with a monthly HOA of $175. Local for-sale listings show a median price per square foot of 131.15, implying a baseline value of 246,299.70 for the subject, while a comp-based analysis of five closely matched sales suggests 258,983.71. On the rental side, the market median rent per square foot is 0.98, implying baseline monthly rent of 1,840.44, and the comp-implied rent is 2,219.80. Market velocity shows a median of 102.0 days on market for sales versus 41.0 days for rentals, with 16.37% of sales and 40.04% of rentals transacting within 30 days. Demographics indicate stable-to-improving growth forecasts and moderate unemployment at 5.6%, with high occupancy at 93.91%. Based on comp-derived estimates, the gross rental yield is 10.29% with a GRM of 9.72, and sensitivity brackets value between 96,247.50 and 506,872.20 and rent between 544.62 and 4,150.38.

Taken together, the comp-implied metrics sit above the market baselines, signaling that closely matched peers are trading and leasing at a premium to overall medians. Faster rental turnover relative to sales highlights stronger near-term tenant demand, while the subject's larger-than-median size within the 3-bedroom cohort supports above-median rent potential. The broad dispersion in price per square foot underscores heterogeneous conditions and finishes across the submarket, which can introduce variability around the baseline.

For the subject property, these dynamics suggest a favorable income profile relative to acquisition price if purchased near comp-implied value, with leasing prospects supported by faster rental absorption and high occupancy. Investors should balance this income strength against slower sales velocity, which can lengthen exit timelines, and recognize that wide value dispersion leaves outcomes condition-sensitive. Within this context, targeting comp-aligned pricing and above-median rent offers a practical approach to capture demand while managing risk.

Subject Property Overview

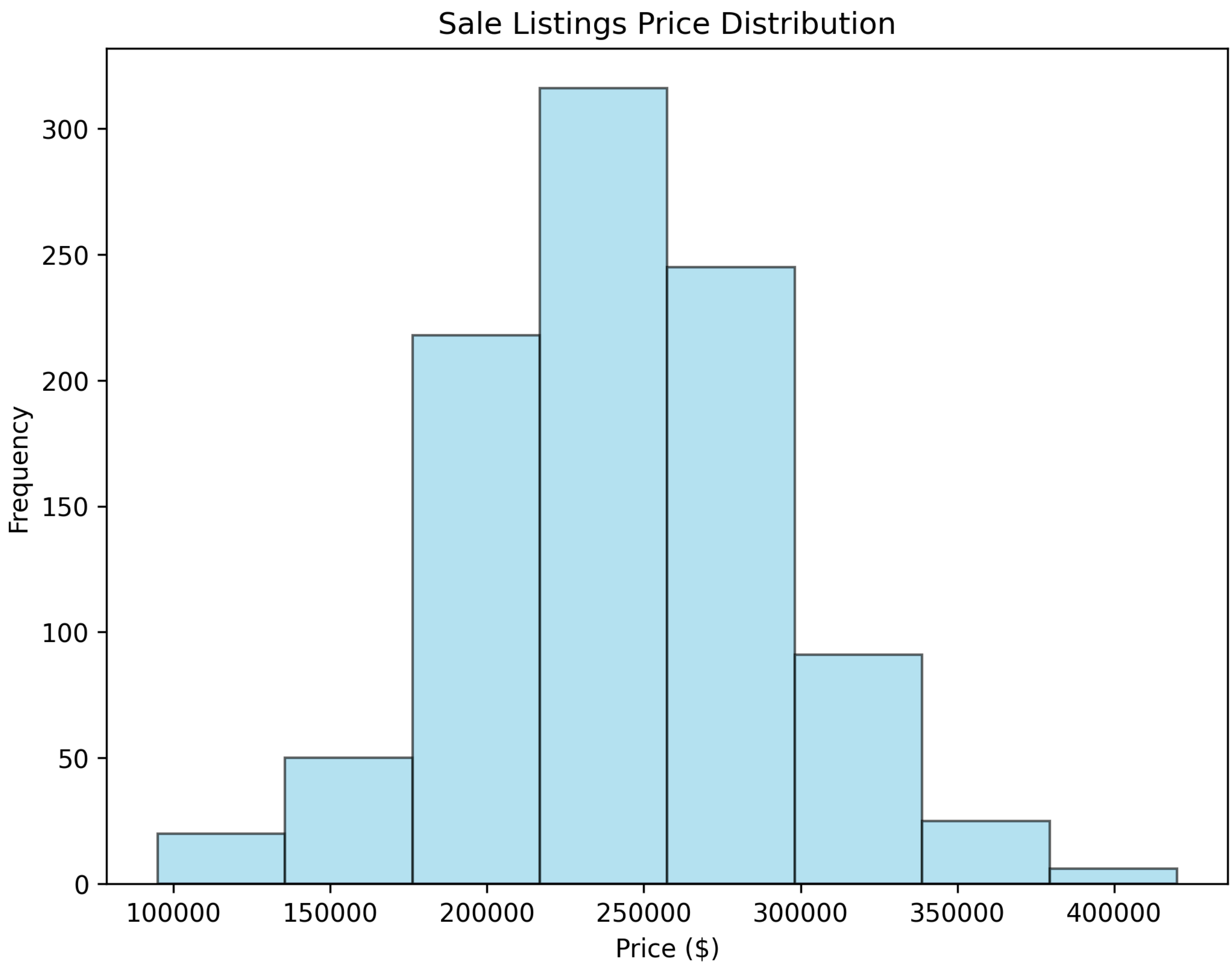
The property at 5500 Grand Lake Dr is a 3-bedroom, 2-bathroom home with 1,878 Sq.Ft. of living area on an 8,843 Sq.Ft. lot. It was built in 1973 and carries a monthly HOA fee of 175. The last sale date is recorded as 2024-11-18T00:00:00.000Z with last sale price not available. Current ownership is held by Rolando Villarreal and Maria Teresa Loredo Villarreal, listed as Individuals.

At 1,878 Sq.Ft., the home is near the local sales market's average living area of 1,920.914521 and slightly above the 1,814.0 Sq.Ft. median, while it also exceeds the rental median size of 1,621.5 Sq.Ft. The 1973 vintage places it on the older side relative to some newer nearby product, a factor that can influence both buyer and renter perceptions depending on upgrades and maintenance. The HOA can reflect neighborhood amenities and standards, which may enhance appeal if costs are aligned with perceived value.

These characteristics position the subject competitively for both sale and rent: its size should support market-aligned pricing on the sales side and above-median rent among comparable 3-bedroom offerings. Marketing should emphasize livable square footage and any updates that mitigate age-related concerns; pricing strategy should calibrate to comp-aligned levels given the submarket's wide PPSF dispersion. The HOA fee should be incorporated into holding cost underwriting and framing of overall value for prospective tenants and buyers.

Sales Market Analysis

Sales Market Overview



The for-sale market includes 971 listings with a median price of 240000.0 and a median price per square foot of 131.15, alongside an average price per square foot of 132.452636. Prices span from 95000 to 420000, and price per square foot ranges from 51.25 to 269.9. Living areas average 1920.914521 Sq.Ft. with a median of 1814.0 Sq.Ft., from a minimum of 741 to a maximum of 3844 Sq.Ft. Average days on market stand at 189.214212 and the median at 102.0, with a minimum of 2 and a maximum of 692 days. The subject's 1,878 Sq.Ft. lies near the average and slightly above the median for the area.

Pricing clusters around roughly 131–132 per Sq.Ft., with a broad range reflecting varied conditions, ages, and features within the submarket. Elevated time on market—median 102.0 days and average 189.214212 days—indicates a slower sales cadence and suggests that buyers have room to negotiate. The histogram highlights concentration near the $240k median, while the breadth of sizes (741–3,844 Sq.Ft.) points to multiple pricing tiers and product niches.

For the subject, typical size alignment and mid-market positioning mean the baseline valuation logic is applicable, but the observed dispersion necessitates attention to condition and finish level. A slower turnover environment can reward well-priced listings and emphasize presentation quality. Strategically, calibrating pricing to comp-supported levels while allowing for longer marketing periods can reduce carrying risk and support target outcomes.

Comparative Market Analysis (CMA)

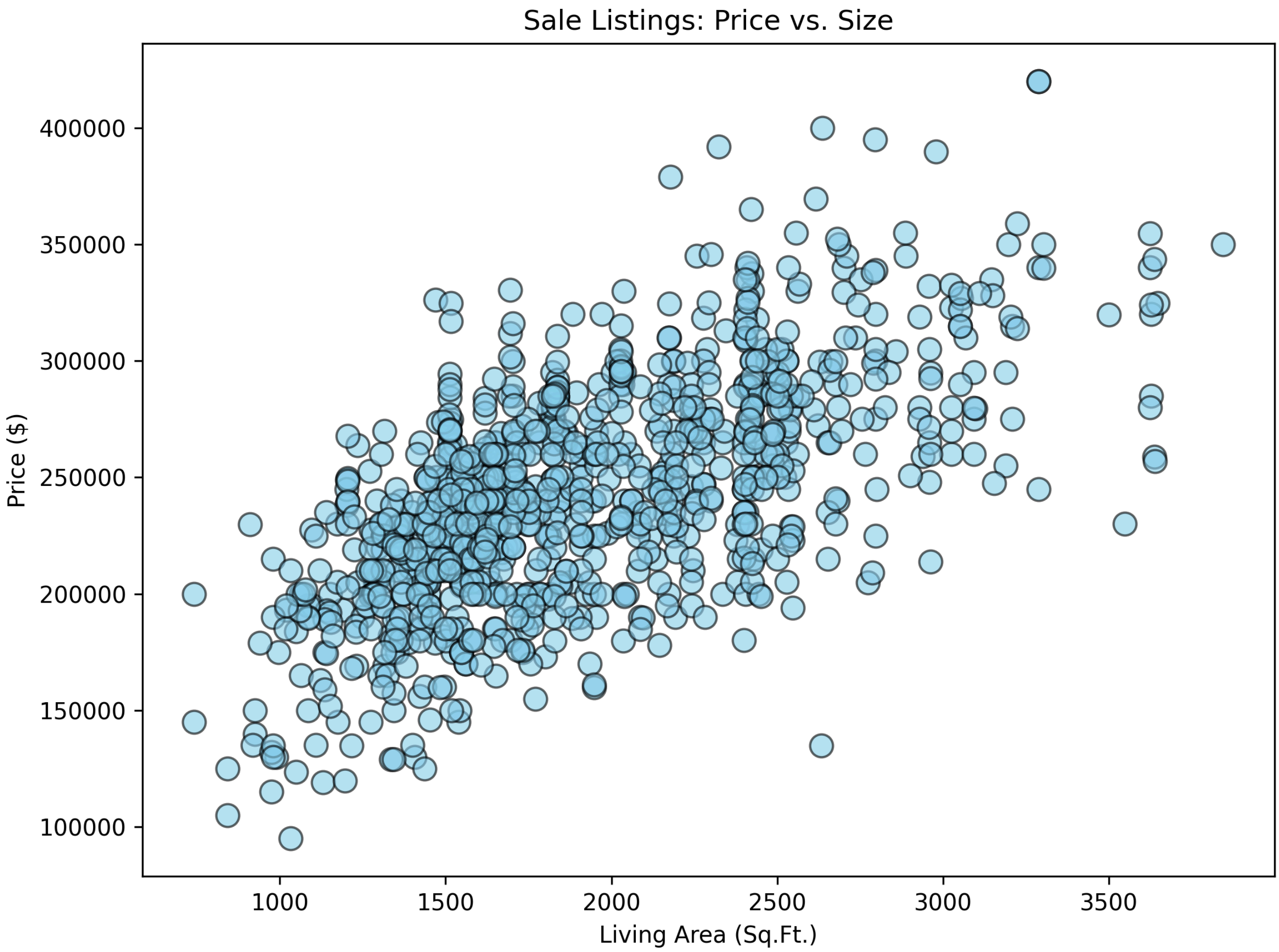
Address	Bedrooms	Bathrooms	Sq.Ft.	Vintage	Price	PPSF
5500 Grand Lake Dr	3	2.0	1878	1973.0	205000	109.16
7207 Solar Eclipse	3	2.0	1883	2022.0	320000	169.94
6314 Bay Meadows St	3	2.0	1866	1979.0	276000	147.91
6611 Lake Glen St	3	2.0	1864	1974.0	209900	112.61
5119 Cabin Lake Dr	3	2.0	1892	1988.0	229900	121.51

These five listings are the closest matches in beds, baths, size, and vintage, with living areas from 1,864 to 1,892 Sq.Ft. and vintages spanning 1973.0 through 2022.0. Prices range from 205000 to 320000, and price per Sq.Ft. ranges from 109.16 to 169.94. Their price per Sq.Ft. averages 137.90, placing the subject’s size-adjusted value estimate modestly above the market median PPSF and within the local price spectrum.

The 2022-built 7207 Solar Eclipse exhibits the highest PPSF at 169.94, reflecting a likely premium for newer construction, while 6314 Bay Meadows St at 147.91 is also above the group’s average. The entries at 6611 Lake Glen St (112.61) and 5119 Cabin Lake Dr (121.51) more closely resemble the subject’s vintage and value positioning, with the subject’s own entry at 109.16 indicating the lower end of the range. Overall, this set captures both higher-end, newer product and more typical, older homes that bracket the subject’s likely position.

Given the small but well-matched sample, comp-based valuation appears reasonably reliable for anchoring price expectations, with condition and update level as key adjustment factors. The presence of a newer outlier strengthens upper-bound context, while the late-1970s and 1980s properties help triangulate typical PPSF for older stock. Any adjustments should focus on renovation scope, mechanical systems, and curb appeal relative to these peers.

Value Estimate



The baseline value derived from the market median PPSF is $131.15 \times 1{,}878 = 246{,}299.70$. Using the average comp PPSF, the comp-implied value is $137.904 \times 1{,}878 = 258{,}983.71$. The price vs. size scatter situates the subject near the core of the local size distribution, providing a clear visual anchor for these estimates.

The comp-implied estimate exceeds the baseline, indicating that closely matched peers trade at a modest premium to the submarket median on a price-per-square-foot basis. This supports positioning near the upper end of the mid-$200k range for a condition-aligned home and is consistent with the observed clustering in the scatter.

Confidence in this estimate is supported by the tight size and layout alignment of comps, though overall dispersion in submarket PPSF remains high. With five solid comps and broad market variability, valuation confidence is moderate and should be reconciled with an on-site condition assessment to confirm the appropriate placement within the range.

Valuation Sensitivity

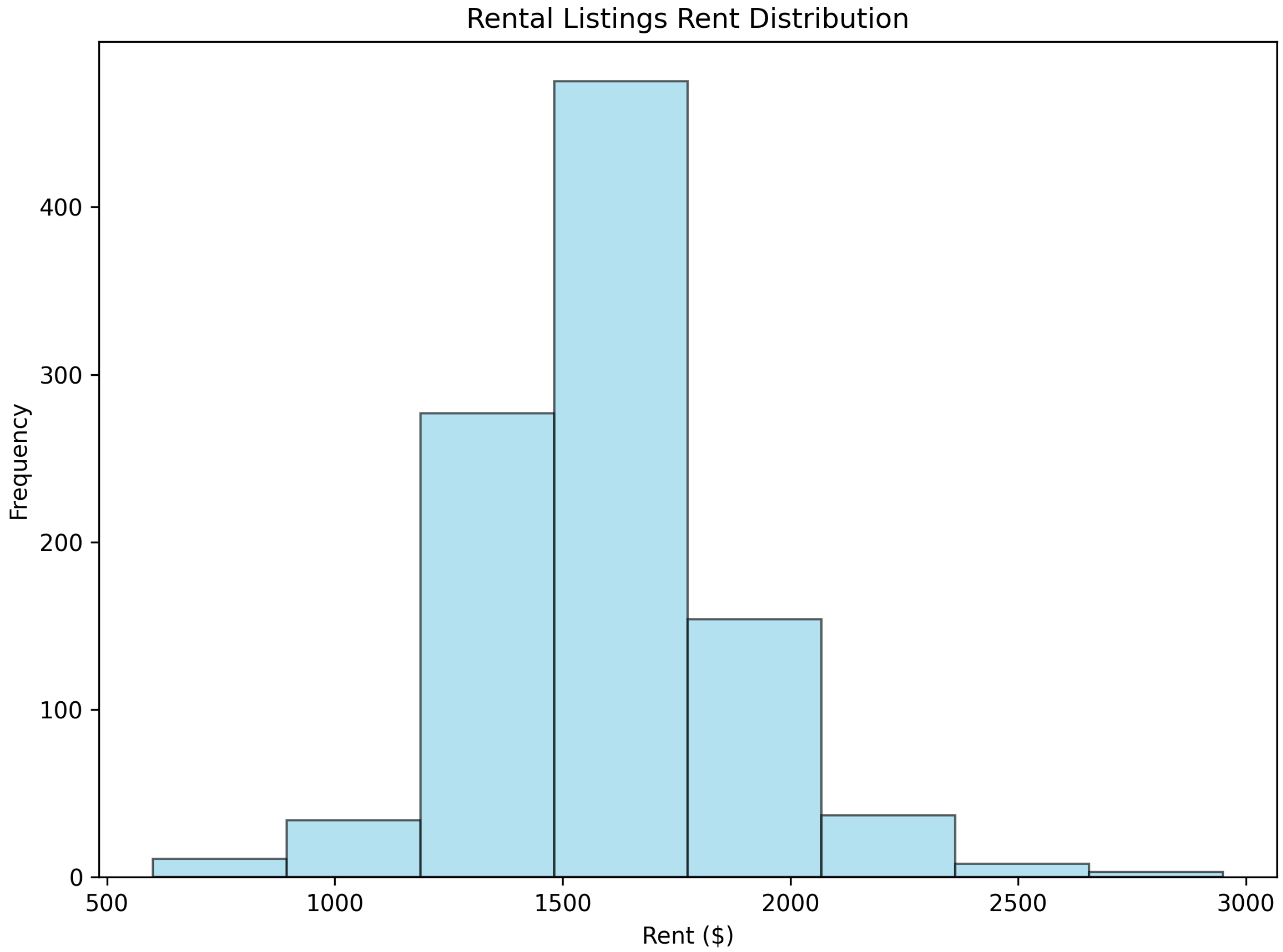
The value sensitivity spans from $51.25 \times 1{,}878 = 96{,}247.50$ at the market's minimum PPSF to $269.9 \times 1{,}878 = 506{,}872.20$ at the maximum PPSF. This anchors the subject's potential value across the full observed spectrum of pricing in the submarket.

The lower bound corresponds to older, likely outdated condition or adverse locational/lot factors, while the extreme upper bound reflects high-end renovations, premium finishes, or superior micro-location attributes. Given the comp set and subject profile, positioning toward the comp-implied figure is consistent with peers of similar size and vintage.

For pricing strategy, the breadth of the range argues for a condition-forward approach: invest in presentation to defend comp-level pricing, and expect negotiation in a slower sales environment. Sellers should plan for flexibility, while buyers can target value near the comp-implied figure, adjusting for any observed deferred maintenance.

Rental Market Analysis

Rental Market Overview



The rental market includes 999 listings with a median rent of 1575.0 and a median rent per square foot of 0.98, alongside an average RPSF of 0.988802. Rents run from 600 to 2950, while RPSF spans 0.29 to 2.21. Average living area is 1704.71281 Sq.Ft. with a median of 1621.5 Sq.Ft., ranging from 475.0 to 3647.0 Sq.Ft. Average days on market for rentals is 103.180151, with a median of 41.0 and a range of 1.0 to 1176.0 days.

Rent levels cluster around the $1,575 median at about $0.98/Sq.Ft., and turnover is materially faster than in the sales market. The size distribution suggests substantial activity in the 1,500–1,700 Sq.Ft. range, with the subject at 1,878 Sq.Ft. sitting above the rental median size.

This setup supports above-median rent potential for the subject, given its larger footprint and alignment with 3-bedroom demand. Faster leasing times should help reduce vacancy risk, particularly if the property is competitively positioned on finish, maintenance, and amenities.

Comparative Market Analysis (CMA)

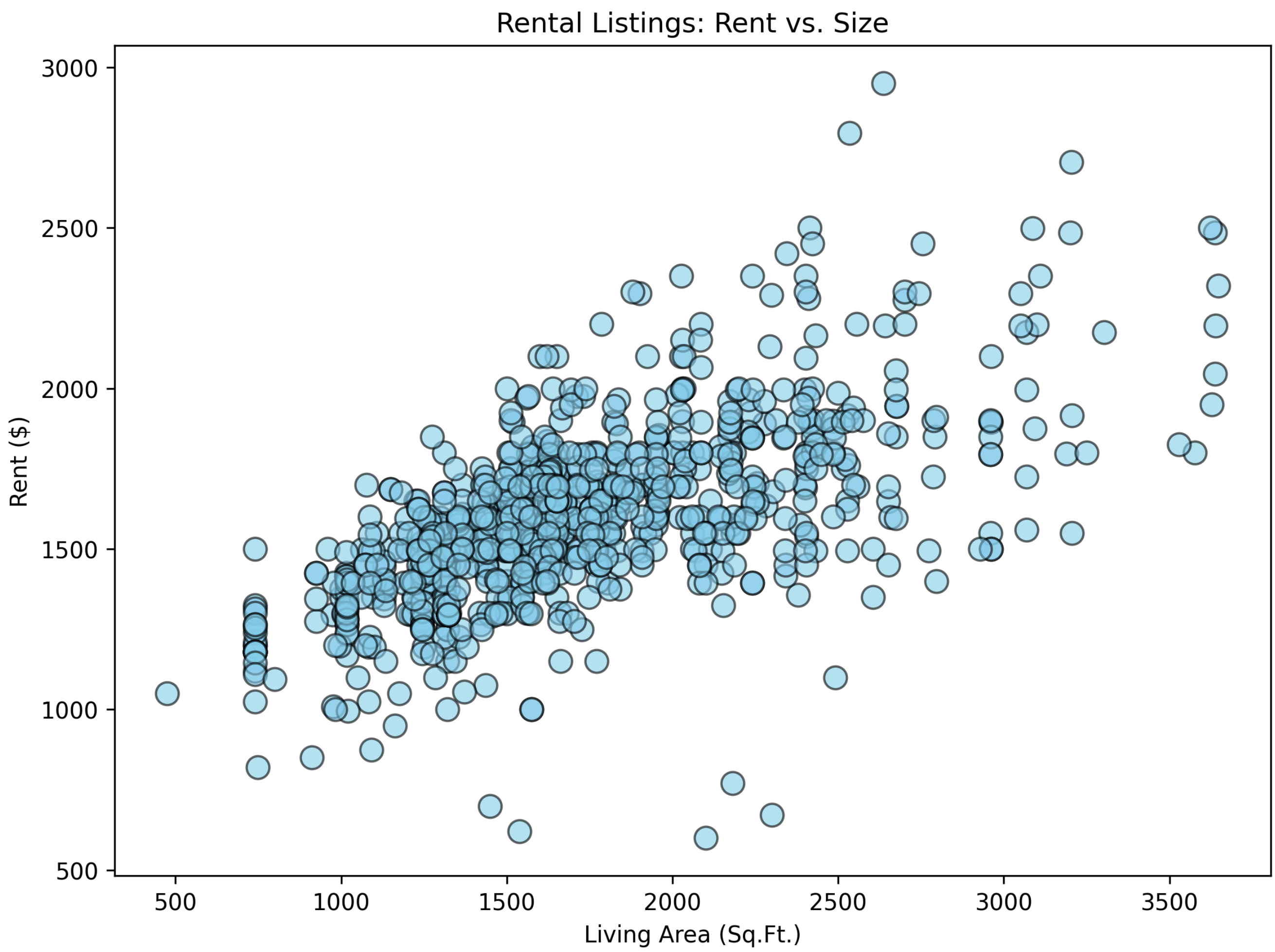
Address	Bedrooms	Bathrooms	Sq.Ft.	Vintage	Rent	RPSF
7535 Rose Robin Run Ct	3	2.0	1880.0	2020.0	1685	0.90
5115 Fawn Lk	3	2.0	1873.0	N/A	1695	0.90
7302 Hidden Hls N	3	2.0	1888.0	N/A	1499	0.79
4611 Echo Lake Dr	3	2.0	1892.0	2001.0	1795	0.95
7037 Lynn Lake Dr	3	2.0	1863.0	1999.0	1650	0.89

These rentals closely match the subject's 3-bed/2-bath layout and size, ranging from 1,863.0 to 1,892.0 Sq.Ft. Vintages include 1999.0, 2001.0, and 2020.0, with two entries marked N/A, and achieved RPSF between 0.79 and 0.95. Their rent per Sq.Ft. averages 1.182, indicating a modest premium to the market median for homes near the subject's size.

The size and configuration alignment strengthens comparability, with vintage differences offering insight into how updated stock may command small premiums. Missing vintage data for two properties limits granular age-based adjustments, but the range of RPSF observed provides a useful benchmark for positioning.

Collectively, these comps support an above-median rent framework for the subject, contingent on condition and presentation. Any adjustments should account for interior upgrades, mechanicals, and curb appeal relative to late-1990s and early-2000s stock, especially given the subject's earlier vintage.

Rent Estimate



The baseline rent, using the market median RPSF, is 0.98 × 1,878 = 1,840.44. The comp-implied rent, using the average comp RPSF, is 1.182 × 1,878 = 2,219.80. The rent vs. size scatter places the subject within the mainstream size cohort, allowing both benchmarks to be visualized against the broader market.

The comp-derived rent exceeds the baseline, reflecting the premium observed among close peers of similar size. Given the subject's above-median size within the 3-bedroom segment, this spread is consistent with expectations for larger, well-positioned homes.

In practice, the comp-based estimate is the more appropriate guide for pricing if the property's condition is competitive. Landlords should calibrate final asking rent to actual finishes and timing, using the baseline as a conservative floor and the comp-based rate as the achievable target.

Rental Sensitivity

The rental sensitivity spans from 0.29 × 1,878 = 544.62 at the lower bound to 2.21 × 1,878 = 4,150.38 at the upper bound. This range reflects the full dispersion of RPSF observed in the market.

Lower-end outcomes correspond to heavily discounted offerings or off-season marketing for dated units, while the upper end aligns with premium renovations, superior sublocations, or peak seasonal conditions. The comp-implied figure offers a more precise expectation for homes most comparable to the subject.

From a strategy standpoint, pricing near the comp-implied rent balances revenue maximization with occupancy. Owners can test slightly higher asking rents during periods of stronger demand, but prioritizing lease-up speed within this target range supports cash flow stability and reduces vacancy risk.

Market Dynamics and Segmentation

Market Velocity

Sales listings have an average days on market of 189.214212 and a median of 102.0, spanning from 2 to 692 days. Rentals record an average of 103.180151 days and a median of 41.0, with a range from 1.0 to 1176.0 days. Within 30 days, 16.37% of sales and 40.04% of rentals transact.

This highlights a clear liquidity contrast: rentals move materially faster than sales, with a significantly larger share leasing within the first month. The faster rental cadence signals healthy tenant demand and suggests that well-priced offerings are absorbed quickly.

For the subject, these dynamics imply a reasonable expectation of swift lease-up at market-aligned rents, while any sale strategy should allow for a longer marketing window. Investors should factor this into holding cost forecasts and remain attentive to listing timing to optimize both leasing and sale outcomes.

Market Segmentation

Median sale price per square foot by bedrooms is 145.875 for 2-bed, 138.430 for 3-bed, 117.535 for 4-bed, 106.370 for 5-bed, and 98.610 for 6-bed homes. Median rent per square foot by bedrooms is 0.745 for 1-bed, 1.560 for 2-bed, 1.000 for 3-bed, 0.890 for 4-bed, 0.760 for 5-bed, and 0.560 for 6-bed homes. Median size for 3-bed homes is 1650 Sq.Ft. on the sales side and 1548 Sq.Ft. on the rental side, while the subject is a 3-bed at 1,878 Sq.Ft.

Three-bedroom homes sit in the mid-range for both sale PPSF and rent RPSF, with smaller homes typically commanding higher PPSF and RPSF and larger homes trending lower on a per-square-foot basis. The subject's larger-than-median footprint positions it above typical 3-bed sizes in both the sale and rental datasets.

Marketing should target households seeking larger 3-bedroom layouts, emphasizing livable space and value. Pricing can lean modestly above 3-bed medians for rent if condition supports it, while sale pricing should respect the mid-tier PPSF norms, adjusting upward or downward based on finishes and competitive positioning.

Demographic and Economic Analysis

Growth Trends

The local area has a total population of 13515 and total households of 4599. Historical population growth from 2020–2025 is -0.53%, while historical household growth over the same period is 0.05%. Forecasts for 2025–2030 show population growth of 0.33% and household growth of 0.81%.

Recent slight population softness contrasts with a modest positive household outlook, suggesting stability with incremental improvement ahead. The faster household growth relative to population implies continued household formation that can underpin housing demand.

For the subject and its submarket, these trends support a steady, not speculative, outlook for occupancy and rent. Over the medium term, incremental growth can help sustain price and rent levels, with demand most resilient in well-located, appropriately priced homes.

Economics and Affordability

Median household income is 71187 and per capita income is 31119, with future median income growth projected at 1.92% from 2025–2030. The unemployment rate is 5.6%. Educational attainment shows 18.18% with a bachelor's degree and 11.32% with a graduate/professional degree.

This mix points to moderate purchasing power and a generally stable, cost-sensitive renter base. The education profile, with roughly 29.5% holding a bachelor's or higher, supports persistent housing demand at mainstream price points.

Affordability considerations suggest that rent growth should track income gains, favoring properties that deliver strong value for space and condition. For investors, this environment can support durable cash flows if rent positioning matches local incomes and quality expectations.

Housing Occupancy

Occupancy stands at 93.91%, leaving a vacancy rate of 6.09%. This indicates a relatively tight housing market, with most units occupied.

High occupancy reduces leasing friction and can bolster pricing power, especially for well-maintained, appropriately priced homes. The vacancy cushion is modest, limiting the risk of extended downtime for competitive listings.

For the subject, these dynamics should help sustain stable income streams and mitigate lease-up risk, provided that asking rents align with the demonstrated comp range and the home presents competitively.

Investment Analysis

Estimated comp-implied value is 258,983.71 and estimated comp-implied monthly rent is 2,219.80. Based on these figures, the gross rental yield is 10.29% and the gross rent multiplier (GRM) is 9.72. These metrics are grounded in the comp sets and the broader market medians described above.

A double-digit gross yield and sub-10 GRM indicate favorable income characteristics and competitive pricing relative to achievable rent. In a market with faster rental absorption than sales, this balance supports a strong income thesis.

The investment case is reinforced by high occupancy and steady household growth, with the primary sensitivities tied to property condition and the broader dispersion in PPSF. If acquisition pricing can be secured near the comp-implied figure and operating costs are in line with expectations, potential returns remain attractive.

SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
High occupancy (93.91%) supports rental demand	Older vintage (1973) relative to some comps	Forecast household growth (0.81% 2025–2030)	Elevated sales DOM (median 102; avg 189.21)
Subject is larger than 3-bed medians (1,878 vs. 1,650–1,548 Sq.Ft.)	HOA adds $175/ month to holding costs	Comp-implied rent ($2,219.80) above baseline ($1,840.44)	Unemployment at 5.6% may pressure affordability
Comp-implied gross yield ~10.29%	Recent population trend slightly negative (-0.53% 2020–2025)	40.04% of rentals lease within 30 days	Wide PPSF range (51.25–269.9) implies pricing volatility

Strengths include high occupancy at 93.91%, a subject size that exceeds 3-bed medians, and a comp-implied gross yield near 10.29%, all of which support the income thesis. Faster rental absorption, with 40.04% leasing within 30 days, further underpins leasing confidence. Comp-implied rent of 2,219.80 above the baseline of 1,840.44 adds supportive evidence for achievable pricing.

Weaknesses stem from the 1973 vintage relative to newer comps and the added $175 monthly HOA cost, which must be absorbed in underwriting. A slightly negative recent population trend also tempers demand momentum, and the wide PPSF range signals valuation volatility that can complicate pricing decisions.

Opportunities arise from forecast household growth of 0.81% (2025–2030) and the potential to capture premiums with competitive condition and positioning. Threats include elevated sales days on market, moderate unemployment at 5.6% affecting affordability, and the broad PPSF dispersion that can challenge precise valuation. Mitigation centers on condition upgrades, prudent pricing, and leveraging faster rental velocity to support occupancy.

Conclusion and Recommendation

Local sales point to a comp-implied value of 258,983.71 versus a baseline of 246,299.70. On the rental side, comps suggest about 2,219.80 per month compared with a baseline of 1,840.44. Sensitivities span 96,247.50–506,872.20 for value and 544.62–4,150.38 for rent, while the comp-based income profile yields 10.29% with a GRM of 9.72.

Market strength is most evident in rental velocity and high occupancy, with demographic forecasts showing modest improvement and unemployment at a manageable 5.6%. The focused comp set of five provides a useful anchor for both valuation and rent, though the wide PPSF dispersion and slower sales cadence introduce some uncertainty and underscore the importance of condition.

Recommendation: Pursue acquisition near the mid-to-upper $200k range and target rent near 2,200 per month, subject to inspection and final underwriting of operating costs. Emphasize presentation and competitive positioning to capture above-median rent and lean on faster rental absorption to support cash flow while allowing for longer sales timelines if an exit is contemplated.