Investor Day 2025

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2026 Economic Climate

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Seize on the cyclical uplift

The global real estate market appears to be emerging from the a downturn in capital values.

Interest rate stabilization is providing some clarity to pricing and driving more buyers to the table.

The future investment landscape will likely be more volatile. Now is the ideal the time to invest.

Net % of Firms Expecting the Economy to Improve in the Next 6 Months
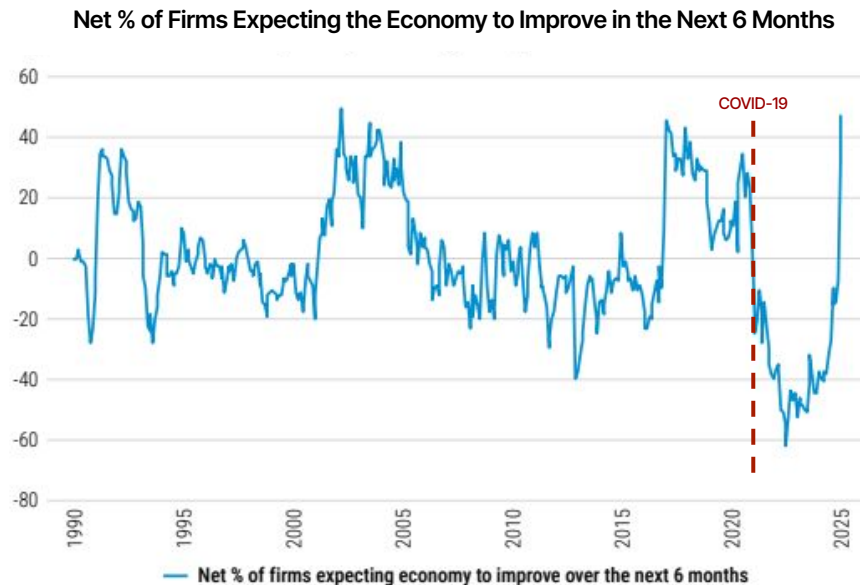
Source: Federal Reserve Economic Data (FRED), Macrobond, NFIB, Columbia Threadneedle Investments

https://docs.columbiathreadneedle.com/documents/Global%20Real%20Estate%20Outlook%202025.pdf

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Market leverage through data

More information available than ever before.

Analyze high-dimensional relationships and trends in real estate markets.

Private equity is uniquely positioned to make the most of this information.
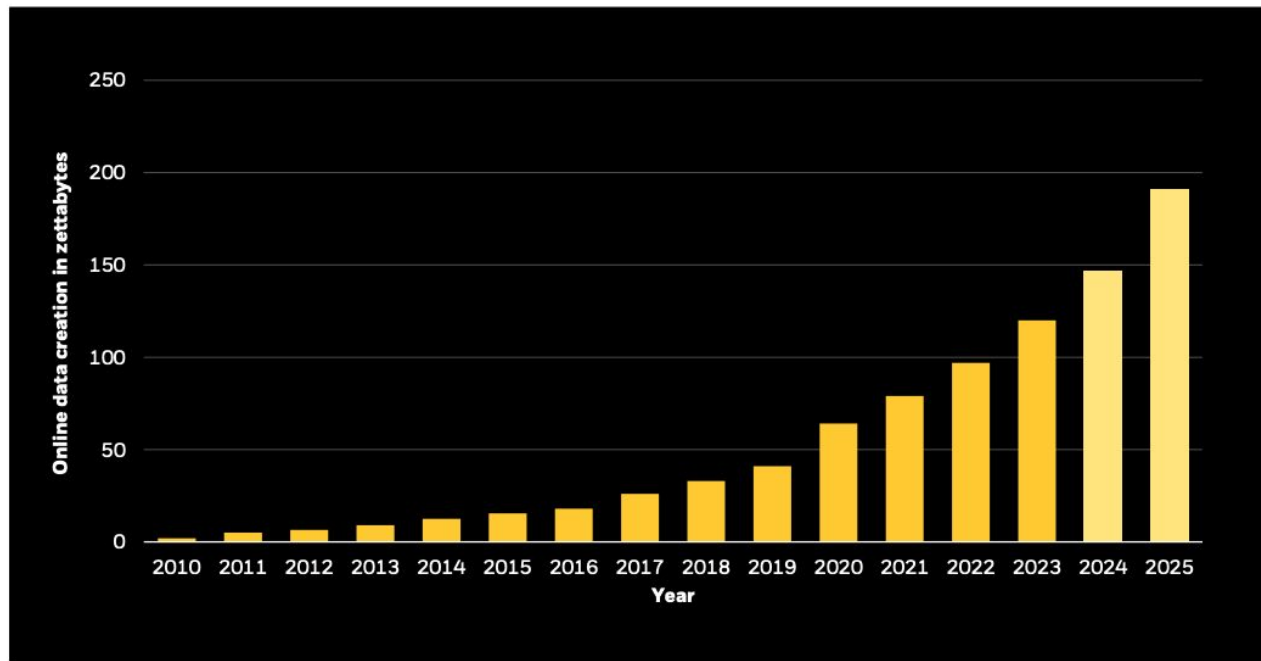

Source: "Big data statistics: How much data Is there in the world?", Rivery, May 28, 2025

AI and digital infrastructure

AI will be a key driver for digital infrastructure (not limited to just data centers).

This represents a unique opportunity for private investment to diversify within an emerging market.

Highly synergistic investment strategies can pair infrastructure and real estate positions with fast-growing AI startups.

Categorical Real Estate Investment
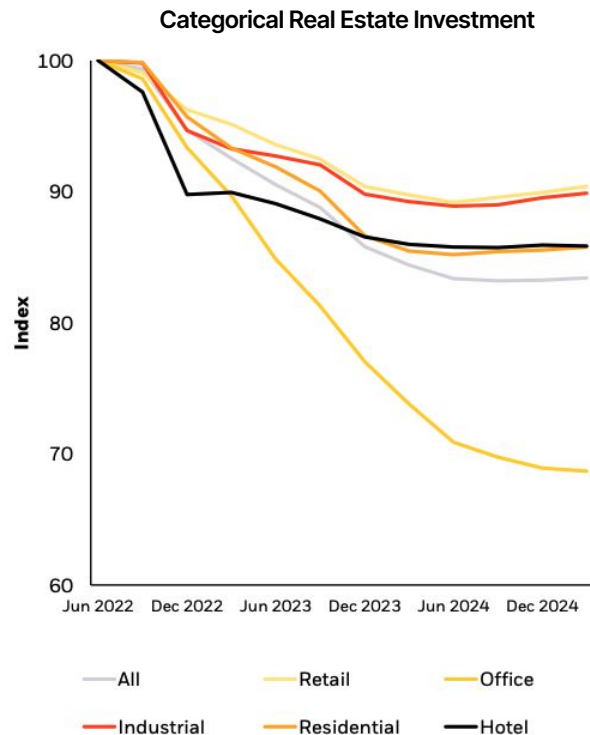
DarkPebble's 2030 Ambition

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Key Variables & Glossary

Housing Metrics

- **ZHVI** – Zillow's home value index, used as a market-level price benchmark
- **1-Year YoY Growth** – percent price change over the most recent 12 months
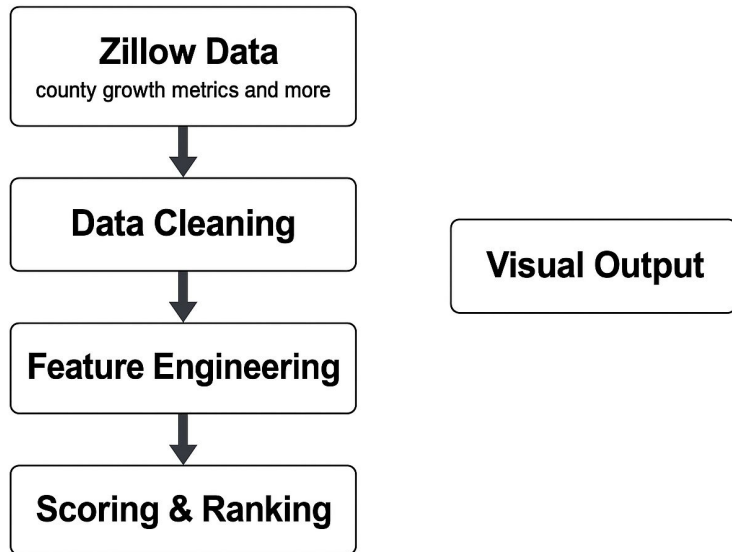- **3-Year CAGR** – compounded annual growth rate over the last 36 months

Rental Metrics

- **Latest Rent** – most recent fair-market rent estimate
- **Rental YoY** – annual change in rent (%)
- **Actual Yield** – rent ÷ price (cash-flow indicator)

Demographics & Income

- **Income z-score** – standardized income level relative to all CA counties
- **Demographic z-score** – age distribution, household size, and population composition

Composite Scores

- **Growth Combined** – YoY + 3-year trend combined
- **z-score v2** – standardized multi-feature ranking
- **0–100 normalized score** – final comparison metric used for county ranking

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┌─────────────────────────────┐
│        Zillow Data          │
│ county growth metrics and more │
└─────────────────────────────┘
              │
              ▼
┌─────────────────────────────┐
│       Data Cleaning         │          ┌──────────────────┐
└─────────────────────────────┘          │  Visual Output   │
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│     Feature Engineering     │
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│      Scoring & Ranking      │
└─────────────────────────────┘
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Findings

	RegionName	growth_3y
1	Imperial County	18.41%
2	Orange County	14.51%
3	Santa Clara County	8.54%
4	Kings County	7.59%
5	Santa Barbara County	7.59%
6	Modoc County	7.39%
7	San Luis Obispo County	7.33%
8	Kern County	7.25%
9	San Diego County	6.59%
10	Madera County	4.56%
11	Tulare County	4.55%
12	Ventura County	4.15%
13	Inyo County	3.83%
14	Fresno County	3.53%
15	Monterey County	3.53%

	RegionName	growth_1y
1	Imperial County	6.83%
2	Modoc County	3.67%
3	Sierra County	2.94%
4	Inyo County	2.66%
5	Glenn County	2.61%
6	Kings County	2.04%
7	San Luis Obispo County	1.31%
8	Madera County	1.14%
9	Tulare County	1.04%
10	Mono County	0.76%
11	Butte County	0.62%
12	Kern County	0.32%
13	Alpine County	0.20%
14	Fresno County	0.07%
15	Orange County	0.07%

County Growth Summary

- Imperial County shows the strongest growth in both the 3-year and 1-year measures.

- San Luis Obispo, Kings, and Santa Clara also appear consistently in the top group.

- Short-term growth is softer statewide, but the top counties still show positive momentum.

Metro Context

- Major metros grew strongly until 2022, then flattened during the high-rate period.

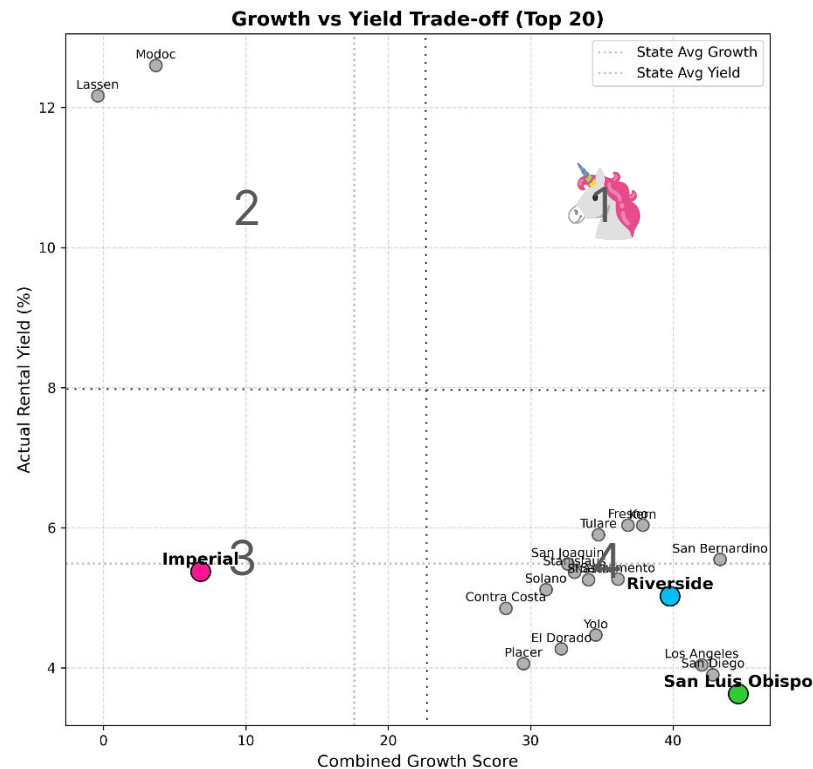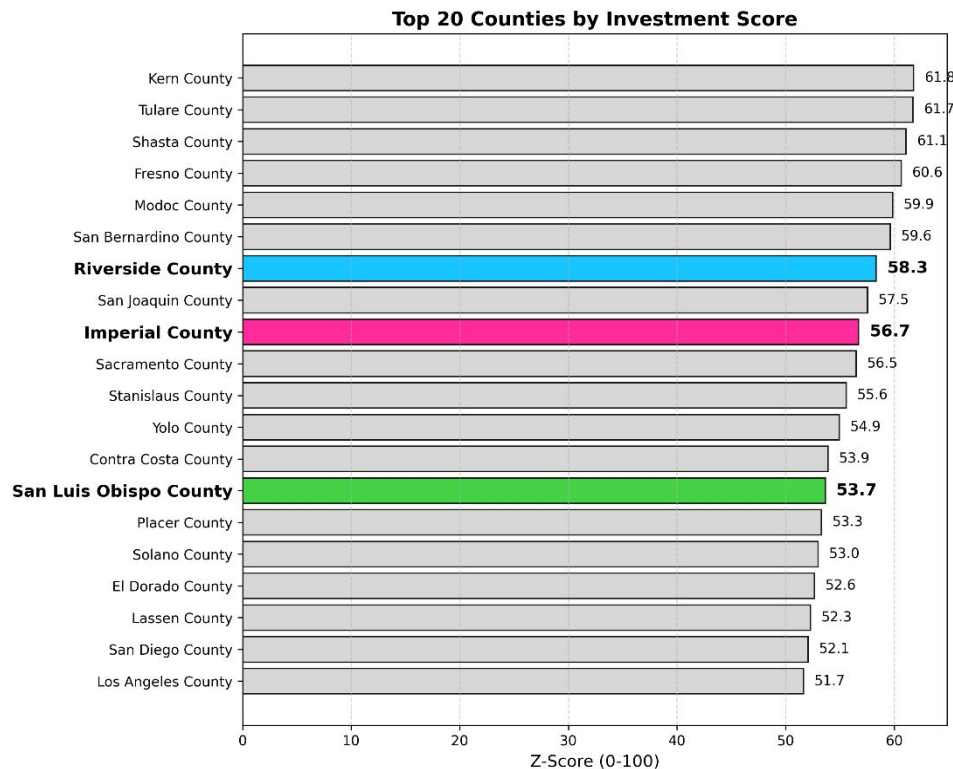- Rising counties continue to outpace large coastal metros in recent appreciation.

ZHVI Level – Selected Metros (Los Angeles, CA; San Diego, CA; San Francisco, CA; Riverside, CA; Sacramento, CA)
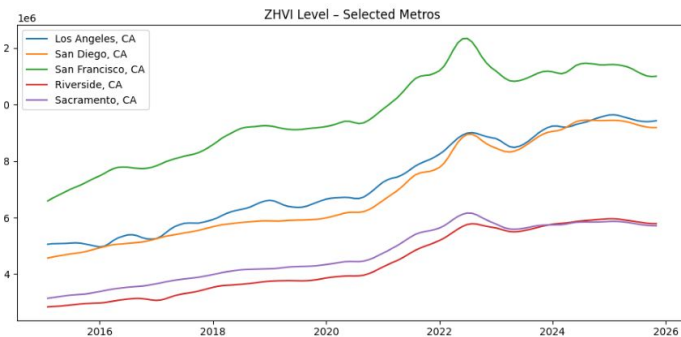
Standardized Investment Score (z-score)

$$\text{Score} = (0.40 \times Z\text{Growth}) + (0.30 \times Z_{\text{Income}}) + (0.20 \times Z_{\text{Affordability}}) + (0.10 \times Z_{\text{Demographics}})$$
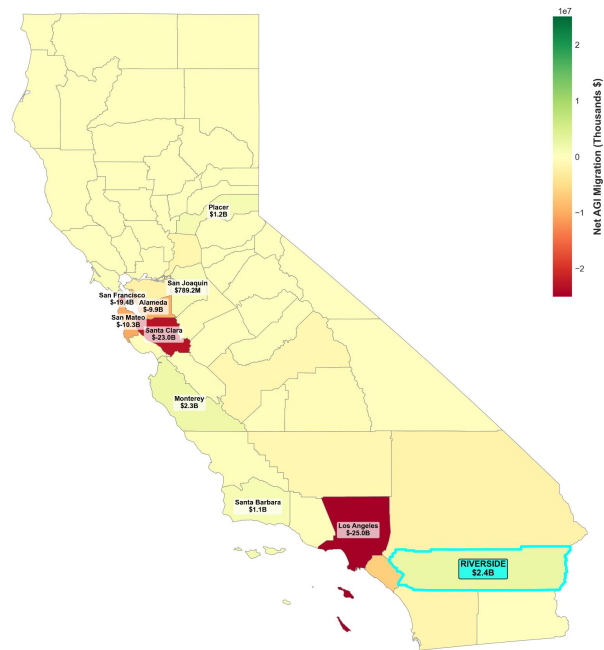
Components	Weight	Explain
Growth	**40%**	A weighted mix of long-term and short-term appreciation. i.e.) **0.7** x **3-Year CAGR** + **0.3** x **1-Year YoY Growth**
Income	**30%**	Focuses on cash flow and rental upside.
Affordability	**20%**	Penalizes expensive markets. i.e.) **-1 x Price** (**Inverted**, so lower prices score higher)
Demographics	**10%**	Population Growth.

Top 20 Counties by Z-Score and Trade-offs

Top 20 Counties by Investment Score

County	Z-Score (0-100)
Kern County	61.8
Tulare County	61.7
Shasta County	61.1
Fresno County	60.6
Modoc County	59.9
San Bernardino County	59.6
Riverside County	**58.3**
San Joaquin County	57.5
Imperial County	**56.7**
Sacramento County	56.5
Stanislaus County	55.6
Yolo County	54.9
Contra Costa County	53.9
San Luis Obispo County	**53.7**
Placer County	53.3
Solano County	53.0
El Dorado County	52.6
Lassen County	52.3
San Diego County	52.1
Los Angeles County	51.7

Growth vs Yield Trade-off (Top 20)

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Wealth migration (Net AGI)

California Wealth Migration Trends (Net AGI)

County	Net Inflow
Riverside	**+$2.4M**
Monterey	+2.3M
Placer	+$1.2M
Santa Barbara	+1.1M
San Joaquin	+0.8M

Source: IRS Migration Data (2021-2022)

Top 3 Counties of Investment

Key Counties

Name	Factors
San Luis Obispo	Supply
Riverside	Wealth
Imperial	Development

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San Luis Obispo County

- Top-tier scarcity market
  - Premium rental remodels
  - Student housing plays
  - Supply constrained coastal product

- Moderate-NIMBY homeowner oriented

- Amenity Gold-Mine
 - "Happiest City in the United States"

Riverside County

- High priority growth market
  - Under-regulated
  - Inattentive to tenants, focus on managing growth
  - High-volume acquisition/development

- Steady Demand Structure
  - Room for repositioning towards luxury
  - Coastal incomes chasing inland prices
  - Medium elasticity with consistent supply pipelines

Digital infrastructure development

California also contains several counties outside the traditional major cities that could be key in developing digital infrastructure in the age of AI.

Imperial County stands out as a strong, well-rounded candidate: low cost, and fast growing county with near limitless development potential.

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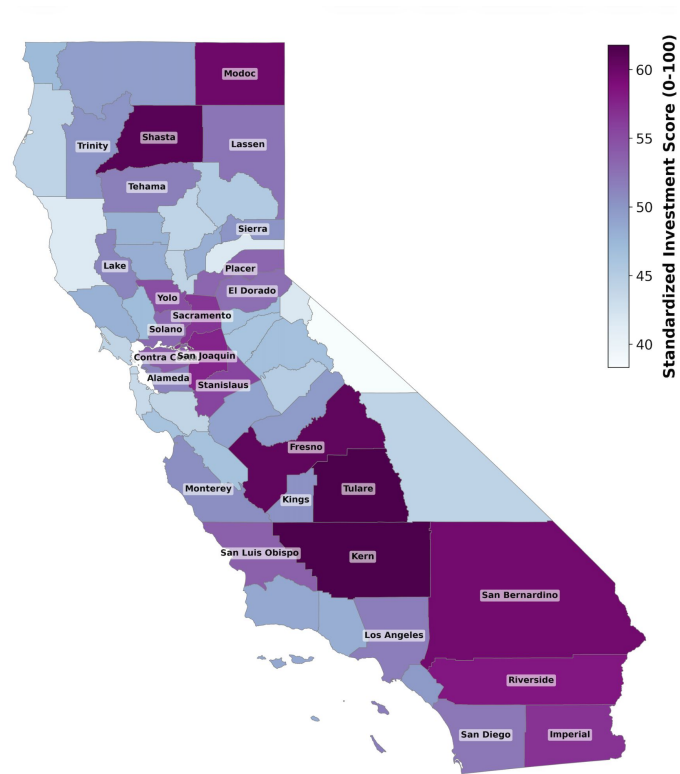
Trend of CA

Buying single-family homes in strictly zoned
markets

Follow the Money

California Counties by Net Adjusted Gross Income (Millions)

Green: Money Flowing In
Red: Money Flowing Out

Cunty	Net AGI (Millions)
Riverside	2.40
Monterey	2.29
Placer	1.21
Santa Barbara	1.07
San Joaquin	0.79
Marin	0.46
San Luis Obispo	0.32
San Francisco	-19.39
Santa Clara	-22.95
Los Angeles	-25.041

A positive gross income indicates a growing economy and a net increase in purchasing power.

General California Population Trends
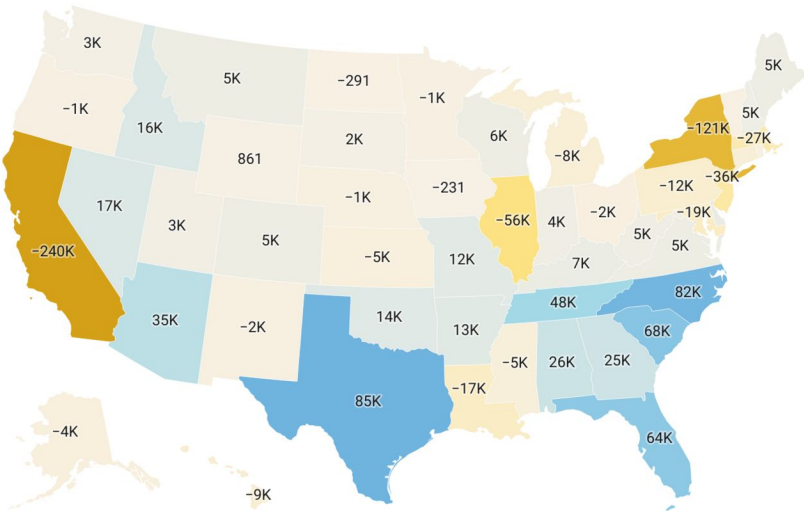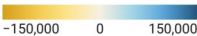
Challenges and Key Risks

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California's population trends

California Counties by Net Population Change (100k)

Green: Population Moving In
Red: Population Moving Out

Where Americans moved in 2024

Net domestic migration shift between July 2023 and July 2024

-150,000   0   150,000

Net domestic migration is calculated as the difference between the number of Americans moving into a given state (in-migration) and the number of people leaving that state (out-migration) over a specific period.

Map: Meghan Malas • Source: U.S. Census Bureau • Created with Datawrapper

RC ResiClub

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Friction with the Local Populace

- Low income populations will require relocation
    - Need to be encouraged to move
    - Potential for media scrutiny
- Reliance on local economic growth to encourage new buyers
    - Little control over local business decision making
- Other firms failed due to collective anti-outsider sentiment
    - Santa Barbara has been particularly resistant

Legal Frameworks and Regulations

- AB 1482 - The California Tenant Protection Act (2019)
  - Rent Cap (Stabilization)
  - Just Cause Eviction Protections

- County Specific Regulatory Concerns:
  - Growth Management Ordinances
  - STR-enforcement
  - Environmental Protections and Resource Constraints
  - Conflicting Industrial Use Zoning