Real Estate Investment Analysis Report

Authors: Mohmeet Kaur, Tigmanshu Goyal

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Chapter 1: Executive Summary

Performance Analysis Summary

	Unnamed: 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
0	Gross rental income	$12833.33	$15785.00	$16179.62	$16584.12	$16998.72	$17423.69	$17859.28	$18305.76	$18763.40	$19232.49
1	Cash flow	$-4041.69	$-1836.28	$-1808.63	$-1777.01	$-1741.32	$-1701.48	$-1657.39	$-1608.96	$-1556.11	$-1498.72
2	EoY equity	$37328.35	$41386.10	$45587.08	$49938.73	$54448.98	$59126.26	$63979.57	$69018.51	$74253.30	$79694.87
3	Investment	$43862.50	$43862.50	$43862.50	$43862.50	$43862.50	$43862.50	$43862.50	$43862.50	$43862.50	$43862.50
4	Overall Return ($)	$21686.66	$23676.13	$25831.84	$28165.11	$30687.83	$33412.51	$36352.29	$39520.99	$42933.18	$46604.20
5	CoCRoI	-9.14%	-3.90%	-4.13%	-4.06%	-3.98%	-3.89%	-3.79%	-3.68%	-3.56%	-3.43%
6	Overall RoI (CAGR)	-100.00%	-46.02%	-23.26%	-13.73%	-8.54%	-5.30%	-3.08%	-1.48%	-0.27%	0.68%
7	Cap rate	3.28%	4.80%	4.82%	4.84%	4.86%	4.89%	4.92%	4.95%	4.99%	5.03%
8	Gross Rent Multiplier	11.3	9.19	8.96	8.74	8.53	8.32	8.12	7.92	7.73	7.54
9	Expense/rent ratio	1.31	1.12	1.11	1.11	1.1	1.1	1.09	1.09	1.08	1.08
10	Rent/Purchase Price ratio	8.85%	10.89%	11.16%	11.44%	11.72%	12.02%	12.32%	12.62%	12.94%	13.26%

Property & Deal Details

Property & Deal Details	Value
Full address	317 Newell St, Barberton, OH 44203
Purchase Price	$145000
Zestimate to Purchase Price %	2.41%
Loan Amount	$108750
Bedrooms	3
Bathrooms	1
Year Built	1908
Home Type	SingleFamily
Niche Area Feel	The area feel of the neighborhood is described as "Sparse Suburban."
Niche Overall Grade	B
Estimated Median Rent	$1283.3333333333333

Chapter 2: Performance Analysis

Overall CAGR and Return Analysis

The investment property data presents an intriguing financial journey over 30 years. Looking through the provided dataset, which accounts for the `Overall CAGR` and `Overall Return`, we can create a narrative about the investment's performance and potential risks, as seen in each year.

Initially, the investment shows a negative `Overall CAGR` and `Overall Return`, with sharp losses in the first few years. During **Year 0**, the `Overall CAGR` stands at an alarming -100.0, while `Overall Return` is 21686.659135391703. By **Year 1**, the `Overall CAGR` shows improvement to -46.021939130679556 with an `Overall Return` of 23676.12694880568. This progression implies that although the investment remains at a loss, it's reducing as the years advance.

Over time, from **Year 2** to **Year 9**, the `Overall CAGR` continues its upward trajectory from -23.258383376291025 to positive growth noted in **Year 9** at 0.6759520734537894. Similarly, the `Overall Return` enhances steadily, starting from 25831.835635711657 to 46604.20342681867.

The situation further improves as we move from **Year 10** onward. Here, the property registers positive `Overall CAGR`, increasing consistently year by year. By **Year 29**, the figure rises to 5.50754416726551, reflective of the compound annual growth strengthening over the investment cycle. Concurrently, the `Overall Return` grows to 207642.04502744103 in the same year, demonstrating a robust return on the initial `Total Investment` of 43862.5.

Risk Assessment

Despite these positive indications, certain risks are noteworthy:

1. **Early Losses:** The investment bears initial losses, notably negative cash flows. The "Cumulative Annual Cash Flow" remains negative until a crossover in **Year 25** (when it turns positive at -31310.306617703973), indicative of a prolonged period before cash flows start becoming favorable.
2. **Sales Cost Impact:** Costs associated with selling (`Sales Cost`) compound over time, which unfavorably influences the `Overall Return`. By **Year 29**, the `Sales Cost` reaches 20599.79840744992, impacting the net returns upon exit.

In conclusion, the investment demonstrates significant initial risk but with potential for solid long-term gains. As the property's value appreciates and the equity builds up, it eventually yields positive returns and contributes to a favorable compound growth rate. Investors with a longer time horizon and capacity to bear early losses may find this property attractive for its eventual payout. However, they must remain cognizant of the initial negative returns and factor in the implications of the sales costs carefully in their financial planning.

Assessment of CoCRoI

Summary of CoCRoI Trends

The data provided spans a 30-year evaluation of a real estate investment. The Cash on Cash Return on Investment (CoCRoI) shows an initial negative trend, which is gradually turning positive as the years progress:

- **Initial Years (0-24):** The CoCRoI starts at -9.14% in Year 0 and remains negative until Year 24 with -0.08%. Throughout these years, there is a consistent negative CoCRoI, although the magnitude of negativity gradually decreases. The largest negative CoCRoI is in Year 0 with -9.14%, and it improves each year.
- **Mid-Point (Year 15):** By Year 15, the CoCRoI improves to -2.42%, showing a recovering trajectory although still negative.
- **Positive Shift (Year 25 onwards):** The CoCRoI turns positive starting from Year 25 with 0.25% and continues to increase up to 1.71% in Year 29. This indicates a turning point where the investment starts to yield positive cash returns relative to the initial capital investment.
- **Year 30:** An anomaly occurs in Year 30, with the CoCRoI dropping back to 0.13%. This could indicate increased costs or reduced income in this year relative to previous years.

Risks Highlighted by CoCRoI Data

- **Extended Negative Period:** The extended period from Year 0 to Year 24 where CoCRoI is negative poses a significant cash flow risk. The investment will require external cash support to cover negative cash flows until these returns become positive in Year 25.
- **Anomalous Year 30:** The drop in CoCRoI in Year 30 to 0.13% after reaching 1.71% in Year 29 requires attention. It may be due to a unique event or pattern such as increased maintenance costs, tax implications, or drop in rental income, which adversely affected cash flow.

Cash Flow Analysis

- **Continually Negative Cash Flow:** The Annual Cash Flow mirrors the CoCRoI trend - it remains negative until Year 24, starting at -$4,009.52 in Year 0 and gradually ascending to -$35.65 by Year 24. This implies that additional capital will be required to support the investment during these periods.
- **Positive Cash Flow Onset:** Starting Year 25, Annual Cash Flow turns positive to $108.15 and improves to $748.93 by Year 29, before dropping to $58.10 in Year 30. These trends reflect the CoCRoI assessments indicating that profitability is realized starting Year 25.

Recommendations

- **Financial Preparedness:** Investors should be ready to supplement cash needs initially for nearly 25 years before experiencing a financial breakeven.
- **Monitoring Costs/Fees:** Investigation into costs and income patterns to prevent adverse anomalies similar to Year 30 in subsequent years should be conducted.
- **Long-Term View:** Considering this investment as a long-term strategy could be beneficial, given the eventual positive returns after Year 24.
- **Analyzing Year 30 Drop:** A detailed investigation into the Year 30 decline in both CoCRoI and cash flow should be conducted to prevent future occurrences and refine income strategies.

Careful management and a focus on maintaining and improving income streams beyond the 25th year will be essential for ensuring that this property continues to generate a favorable return thereafter.

Historical CAGR Table

Time Horizon	CAGR (%)
3-Year	25.38
5-Year	20.17
10-Year	11.91

Assessment Summary

Based on the provided Compound Annual Growth Rate (CAGR) data for the investment property:

- **3-Year Performance**: The property has experienced an impressive CAGR of 25.38%. This indicates a strong short-term growth trajectory, suggesting that the property has been in a market or condition that significantly boosted its value in recent years.
- **5-Year Performance**: Over a 5-year period, the CAGR is 20.17%. This slightly lower figure compared to the 3-year CAGR might indicate that the growth experienced more recently was extraordinary or that certain market dynamics have changed, but the property still retains robust growth characteristics.
- **10-Year Performance**: With a 10-year CAGR of 11.91%, the longer-term performance reflects historical stability and consistent appreciation. This rate is sustainable and positive over an extended period, emphasizing long-term value retention and growth.

Risks and Considerations

- **Market Volatility**: The sharp change from a 10-year CAGR of 11.91% to a 3-year CAGR of 25.38% suggests potential volatility or sudden market changes. Investors should assess whether this rapid increase is sustainable and investigate the factors driving such growth.
- **Economic Factors**: It is crucial to consider broader economic conditions that may have influenced recent capital gains, such as inflation, interest rates, and local employment trends.
- **Dependence on Recent Trends**: While the recent upward trend is a positive signal, relying solely on short-term performance can be risky. Historical growth rates should be viewed in the context of the propertyÃ¢â‚¬â„¢s market, and adjustments should be made for any extraordinary conditions impacting these figures.
- **Market Correction Potential**: As with any substantial appreciation, there is a risk of a market correction. Investors should be cautious about assuming continued high growth rates and consider preparing for potential downswings.

These considerations will help in making an informed decision about investing in or continuing to hold this property.

Price History Analysis

Initial Trended Downward Movement and Stabilization (2015-2016)

The data indicates the property underwent a downward trend from $48,697 in January 2015 to $31,696 in August 2015, hitting a low of $24,206 in June 2016. This represents a significant drop of approximately 50.3% from the highest point at the start of the dataset to the lowest point. Such volatility in the early timeframe shows potential vulnerability, possibly reflecting overall market conditions or specific property issues.

Recovery and Growth Phase (2016-2020)

Starting from the latter half of 2016, the property shows signs of recovery, reaching $42,242 in October 2016 and continuing the upward trajectory to $68,891 by August 2019. By December 2019, the price appreciated to $62,705, marking an appreciable increase from the trough in June 2016. The recovery indicates a positive sentiment returning, with the value nearly tripling from the lowest observed value ($24,206) within this period.

Stability and Incremental Gains (2019-2021)

From mid-2019 to late 2021, the property value showed relative stability with incremental gains. By December 2021, the Zestimate reached $76,100, indicating a steady rise and possibly a consolidation phase where the price fluctuations stabilized, albeit with periodic dips that could mark seasonal trends or market corrections.

Recent Surge and High Volatility (2021-Present)

In recent periods, especially from early 2023, the property exhibited a sudden surge, reaching $90,600 in June 2023. Interestingly, a conspicuous anomalous spike is observed from July 2024, where the price leaps from $57,700 to $146,000. By October 2024, the property value peaked at $150,000. Such rapid and disproportionate increase could indicate speculative buying, market aberrations, or significant property improvements.

Risk Assessment

Historical Volatility and Market Sensitivity

The history of this property shows significant periods of volatility with dramatic price fluctuations, especially during 2015-2016 and the recent anomalies in 2024. This indicates a risk factor related to market sensitivity that potential buyers or investors should be aware of. Such volatility may be due to externalities impacting the property sector or internal property limitations that were later rectified.

Potential Speculation

The recent surges may also suggest speculative buying patterns or market overvaluation, which poses a risk if the market corrects this valuation. If rooted in speculation, these prices may not reflect true market conditions or property value, resulting in a correction.

Sustainability of Recent Gains

Evaluating the sustainability of the current high valuations is critical. The consistent upward trend in 2021-2023 followed by the 2024 surge needs a deeper market analysis to determine if actual market dynamics and demand justify these prices, or if external factors may cause future price corrections.

Overall, while the property appears to be on a positive trend in terms of price appreciation recently, past volatility and future risk factors should be considered for a holistic evaluation and investment decision-making.

Table

Metric	Value
Zestimate to Purchase price delta (%)	2.41

Assessment

The Zestimate to Purchase price delta is 2.41%, indicating that the Zestimate is currently 2.41% higher than the purchase price. This disparity suggests that the property was acquired slightly below its estimated market value, which can be favorable for the buyer, assuming the Zestimate represents an accurate assessment of market conditions.

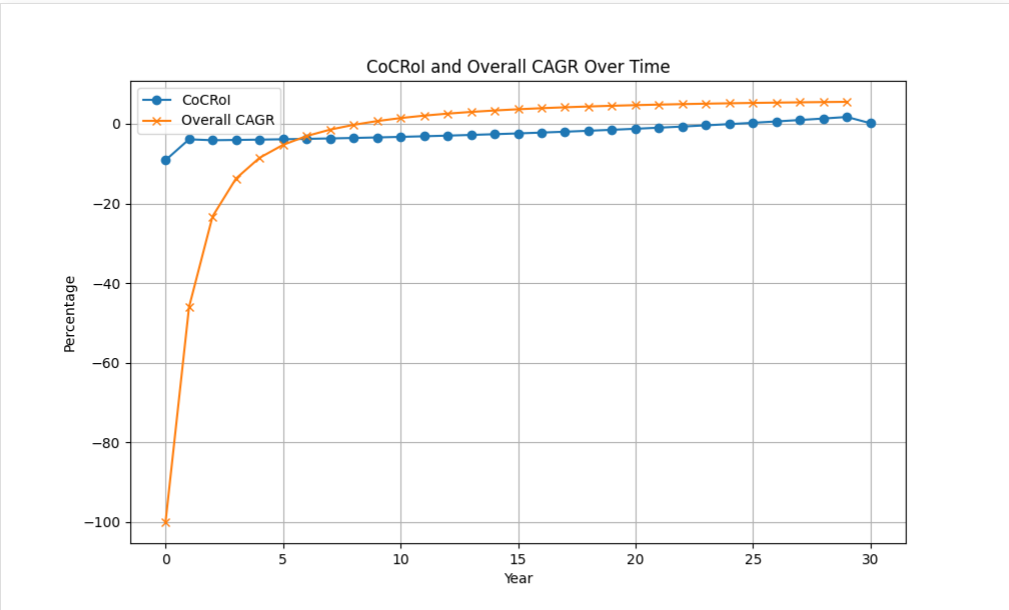
Risks

1. **Zestimate Accuracy**: The reliability of the 2.41% delta depends heavily on the accuracy of the Zestimate. If the Zestimate is not reflective of true market valueÃ¢â,¬â€due to outdated data, atypical property features, or recent neighborhood market shiftsÃ¢â,¬â€this could mislead the perceived investment value.

2. **Market Volatility**: Any future changes in market conditions could affect the validity of the current Zestimate. Economic downturns, neighborhood depreciation, or changes in property demand could erode perceived value benefits derived from the current estimate.

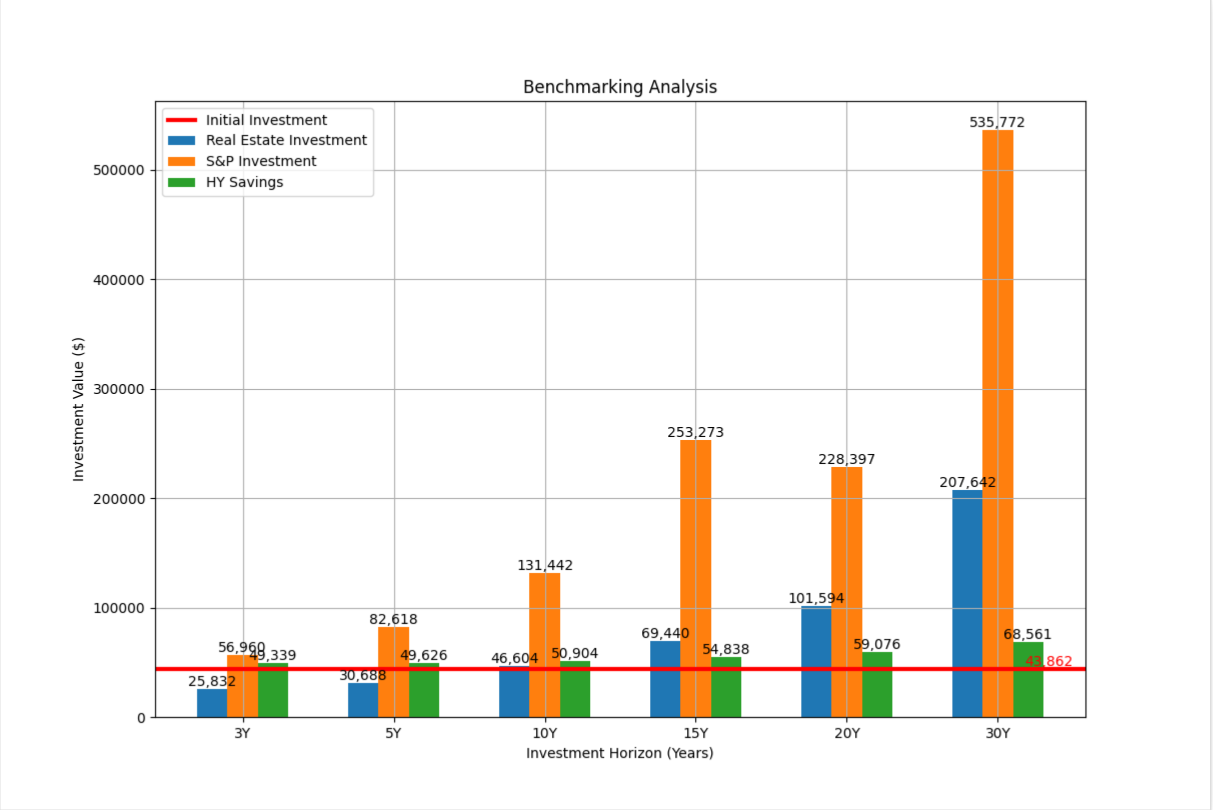
It is crucial for the prospective buyer to conduct additional due diligence, which may include obtaining independent appraisals, reviewing recent sale prices of comparable properties, and considering local market trends to solidify the market advantage suggested by this dataset.

Below is a chart showing the evolution of the CoCRoI and Overall CAGR throughout the ownership tenure



Below is a chart showing the evolution of Zestimate (from Zillow) price of the property over history

Below is a chart showing the benchmarking assessment of the property against the market and high yield savings accounts - i.e., the evolution of the initial investment (downpayment and closing cost) if invested alternatively in the market or high yield savings accounts



Chapter 3: Cash Flow & Expenses

In-Depth Analysis

To assess the financial prospects of the property for the anticipated tenure of ownership, I have utilized the data concerning annual rental income, operational expenses, mortgage, and resulting cash flow.

Rental Income Growth

The initial rental income in Year 1 is approximately $12,833, and it experiences a robust growth to approximately $31,515 in Year 30. This indicates a steady increase in rental income due to appreciation or rent escalations over time. It suggests a potential for long-term revenue growth.

Expenses and Offers

Property Management Costs

One notably interesting aspect is the property management expense, which is $0 in Year 1. This might imply either that there is a complimentary property management offer for the first year or the owner self-manages the property initially. From Year 2 onward, the property management fee begins at $1,579 and increases gradually alongside the rental income increases.

Other Expenses

- **Repairs and Capex:** Both these expenses begin at $1,540 in Year 1, showing marginal increases each year. By Year 30, they reach $3,151 each.
- **Vacancy Costs:** Starting at $642 in Year 1, the vacancy costs increase parallel to rental income, reaching $1,576 in Year 30, indicating a consistent approach to vacancy management relative to increasing rental income.
- **Insurance:** Insurance expenses start at $500 and grow to $1,559 by Year 30, indicating increments that appear to be somewhat aligned with standard market inflation and increased property value over time.
- **Taxes:** Initial taxes are around $2,500 and reach $5,116 in Year 30, reflecting increased property value, market assessments, or tax rate changes over the tenure.

Cash Flow Analysis

The property generates negative cash flow initially starting with -$4,042 in Year 1, indicating a higher burden of expenses relative to rental income. As rental income rises over the years, the cash flow becomes less negative, showing improvement, and eventually reaches a positive cash flow of $120 by Year 26, escalating to $763 by Year 30. This showcases an eventual turn to profitability, indicating a long-term investment horizon leading to eventual positive cash returns.

Risks

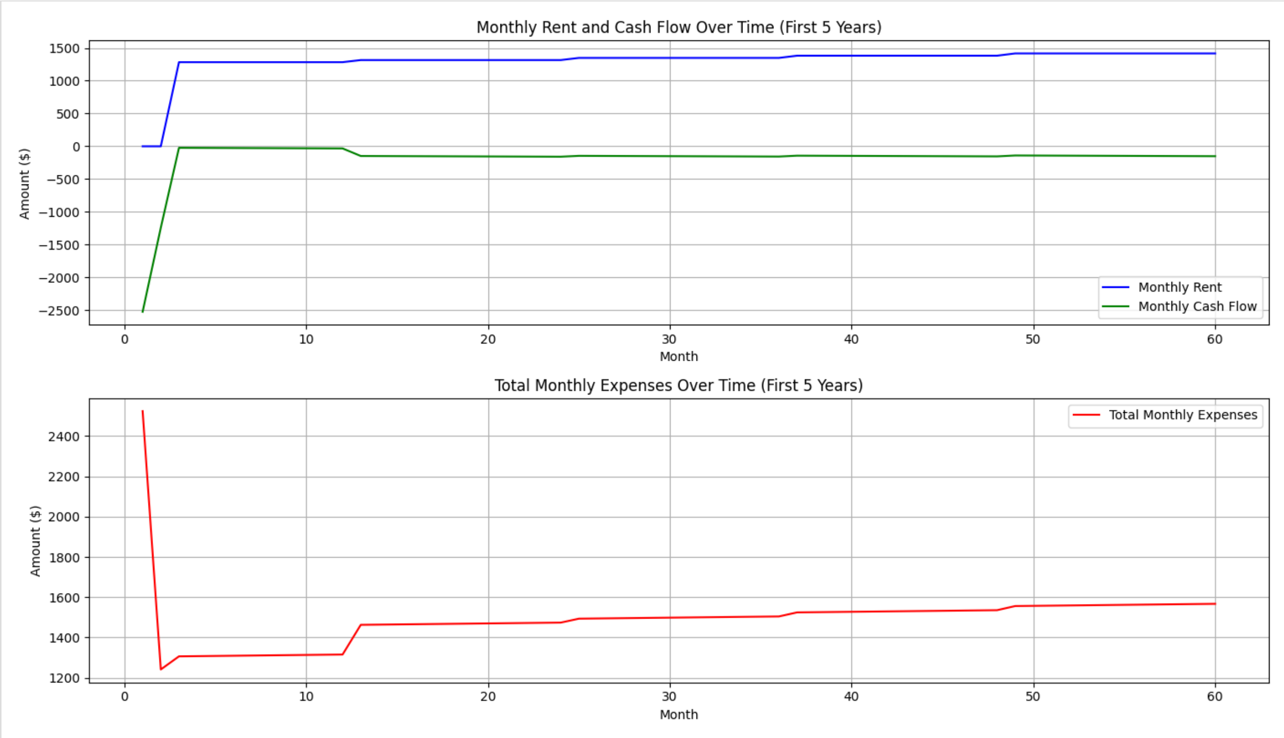
1. **Initial Negative Cash Flow:** Prolonged periods of negative cash flow from Year 1 through Year 25 pose a significant risk, requiring sufficient capital reserves to sustain the property until it becomes cash flow positive.
2. **Rising Operating Costs:** The steady increase in operating costs, particularly taxes, repairs, and managing fees, could present challenges if not balanced with an equivalent increase in rental income.
3. **Dependence on Rental Income Increase:** The financial viability heavily leans on continuous rental appreciation; any stagnation in rental growth might exacerbate negative cash flows.

Additional Insights

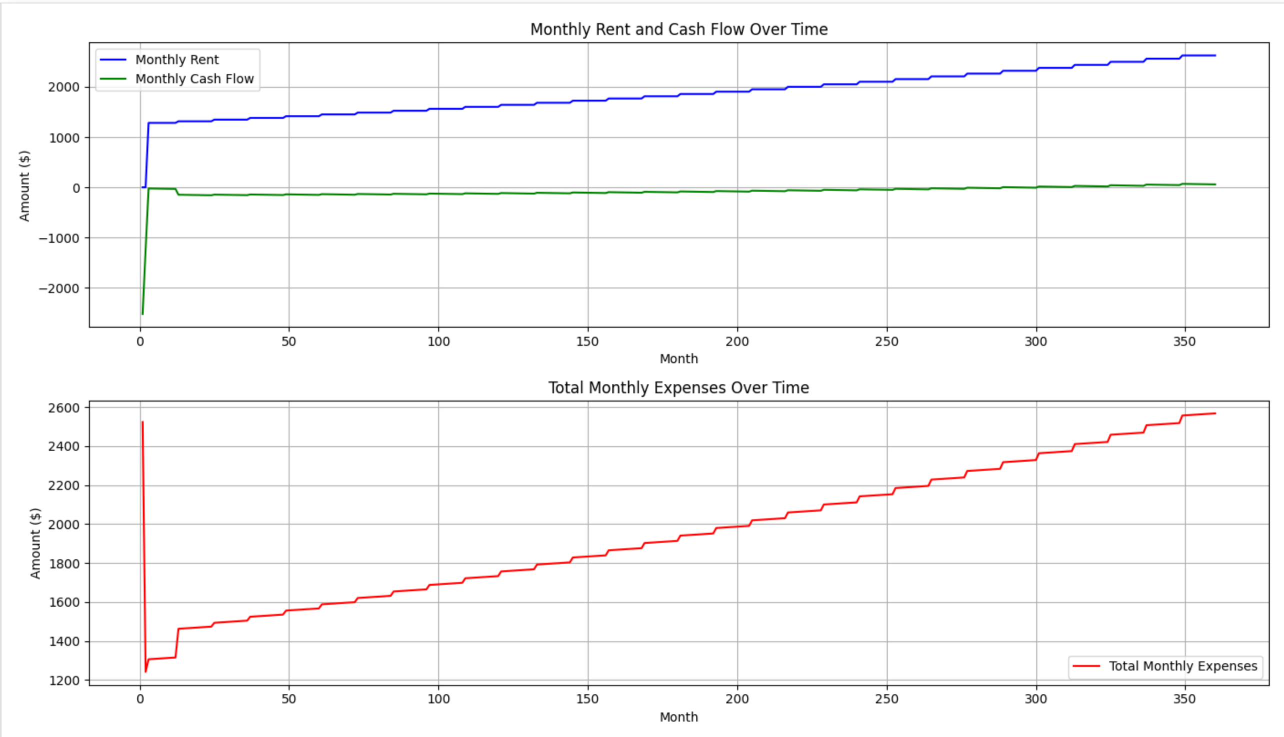
- The strategy likely focuses on capital appreciation and rental income growth rather than initial cash flow returns, with the expectation of eventual profitability.
- The zero property management cost in Year 1 reflects either an introductory offer or a strategic decision, offering short-term budget relief. However, the subsequent costs call for strategic planning in future financial projections.

Overall, the data suggests patience is key to benefiting financially from this property investment, with significant improvement seen as time progresses past the mid-term horizon. Risk assessment and strategic cash flow management are paramount in order to weather the initial negative returns.

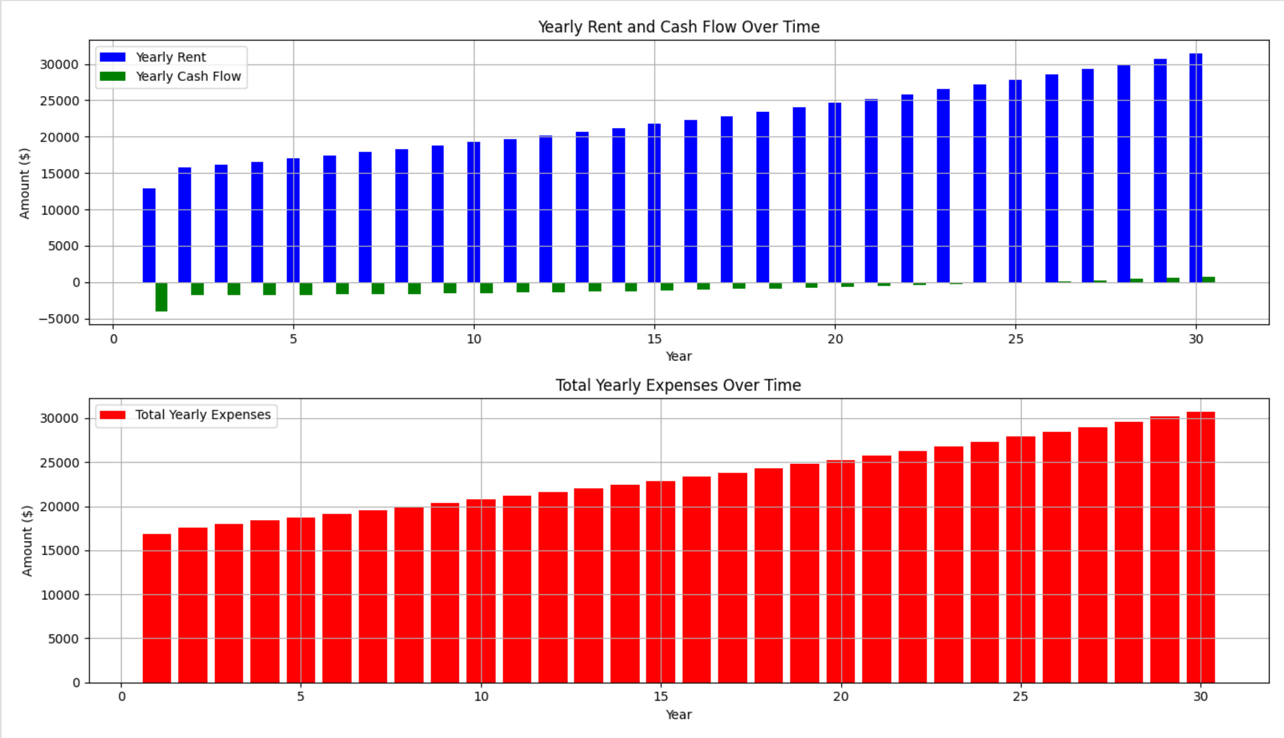
Below is a chart showing the evolution of the monthly rent, monthly cash flow and monthly expenses for the first 5 years of ownership



Below is a chart showing the evolution of the monthly rent, monthly cash flow and monthly expenses throughout the ownership tenure



Below is a chart showing the evolution of annual rent, cash flow and expenses throughout the ownership tenure



Yearly Rent and Cash Flow Over Time
Yearly Rent
Yearly Cash Flow
Amount ($)
Year
Total Yearly Expenses Over Time
Total Yearly Expenses

Chapter 4: Mortgage

Mortgage Amortization Analysis

The mortgage amortization schedule provided offers insight into the payment breakdown over each month, comprising principal, interest, and the resultant remaining loan balance. Reviewing this schedule allows for a comprehensive understanding of cash flow requirements and the long-term obligations associated with the mortgage. Below are the key observations:

Key Data Points

1. **Initial Month Analysis**:
2. **Monthly Payment**: The consistent monthly payment is $732.67 throughout the repayment term.
3. **Principal Payment**: Starts at $86.97 in Month 1.
4. **Interest Payment**: $645.70 in Month 1.
5. **Remaining Balance**: Initial loan balance is approximately $108,750.
6. **First Year End Analysis**:
7. **Principal Payment**: By Month 12, the principal payment increases to $92.82.
8. **Interest Payment**: Correspondingly, the interest payment gradually lowers to $639.85.
9. **Remaining Balance**: After 12 months, the unpaid balance reduces to approximately $107,672.
10. **Mid-Term Payment Analysis (Month 180)**:
11. **Principal Payment**: $250.93 by Month 180, reflecting a significant increase in principal contribution.
12. **Interest Payment**: Reduced to $481.74.
13. **Remaining Balance**: Approximately $80,884, signifying progress in principal reduction.
14. **Final Year Analysis**:
15. **Significant Final Month Changes**: By the last months, the principal share almost matches the total monthly payment, leading to the full repayment in Month 360.
16. **Final Payment**: Principal payment is $728.34 in Month 360, with a minimal interest portion of $4.32, indicating significant reduction in interest burden by the end of the loan term.

Key Observations

- **Increasing Principal Payments**: As typical of an amortizing loan, the principal payments increase over the life of the loan, beginning at $86.97 and culminating at $728.34 by Month 360. This gradual increase assists in accelerating the reduction of the remaining balance over time.
- **Decreasing Interest Payments**: As the principal diminishes, the interest payment reduces concurrently. This decline is due to the interest being calculated on the decreasing outstanding balance.
- **Remaining Balance Reduction**: The remaining loan balance consistently decreases every month, evidencing the amortization effect as the principal is paid down.

Risk Assessment

- **Interest Heavy Initial Payments**: Early in the amortization schedule, a substantial portion of the monthly payment is dedicated to interest. For instance, in the first month, $645.70 of $732.67 is interest. Early repayment or additional principal payments could optimize the interest budget.
- **Long-Term Lock-In**: With fixed payments, the borrower benefits from predictability. However, it also means lesser flexibility unless

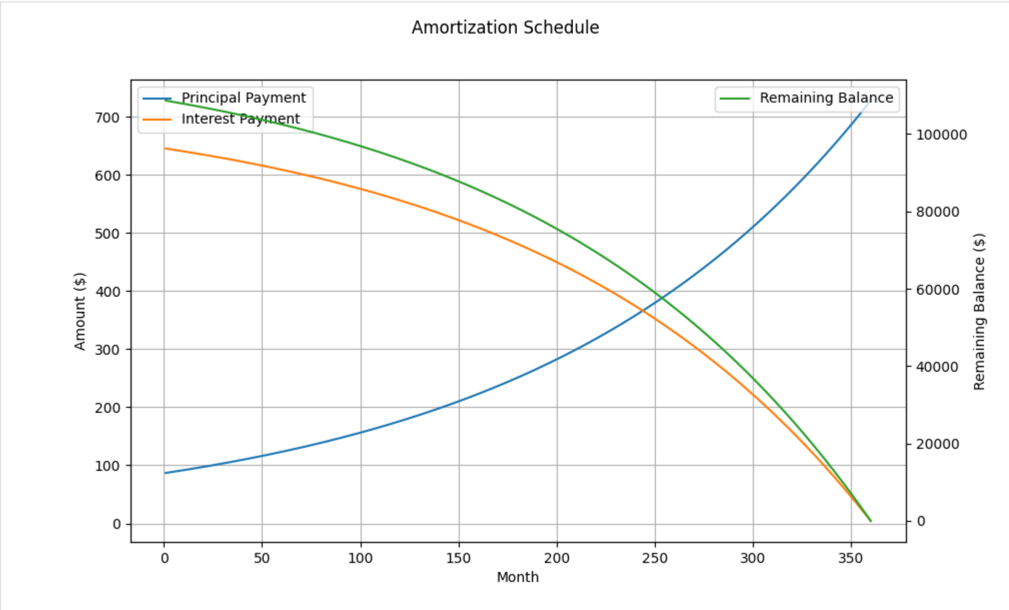
refinancing options are explored for better terms should interest rates decline in the wider economy.

- **Negative Balance Observation**: The final entry indicates a slightly negative balance, represented as `-2.98e-09`, due to computational rounding during the amortization process, which is typically reconciled in practical applications.

Conclusion

The mortgage loan demonstrates classic amortization characteristics with increasing principal contributions and reducing interest payments. Understanding this pattern aids in informed financial planning and investment analysis. Regular reviews and potential early repayments or refinancing could enhance cost savings and investment returns. The foregoing analysis should be bolstered with visual data representation for more intuitive comprehension by investors, ensuring they make decisions aligned with their financial goals.

Below is a chart showing the evolution of the remaining principal, paid interest and remaining balance throughout the mortgage period



Chapter 5: Location (by Niche)

Assessment Table

Assessment Type	Assessment Outcome
Area Feel	Sparse Suburban
Overall Rating	B

Overall Assessment

The potential property is located in an area described as "**Sparse Suburban**" with an overall rating of "**B**." This represents a neighborhood that likely features a mix of residential housing, possibly with larger lots and a quieter environment than dense urban areas. The term "Sparse Suburban" suggests that the community may appeal to families or individuals seeking more space and less traffic congestion than found in urban centers.

The "**B**" rating indicates a neighborhood that is generally above average when considering factors such as crime rate, housing, family-friendliness, and schools. While not the highest rating available, it reflects a satisfactory standard of living, with potential growth, depending on local development plans and economic conditions.

Tenant Profile

Given these conditions, the area might attract middle-class families looking for more space than city life offers, professionals working in nearby urban centers but preferring quieter residential settings, and possibly retirees seeking a pleasant and balanced environment.

Risks

While the overall grade is respectable, the "**B**" rating implies there may be some areas needing improvement. Potential risks might include certain aspects of public infrastructure, availability of amenities, or crime rates slightly higher than best-rated neighborhoods. Without specific crime data or educational quality reports, these areas should be investigated further with local data or insights from community surveys to ensure a comprehensive understanding of the risk profile.

For prospective investors or developers, planning should include strategies to enhance neighborhood appeal, such as advocating for improved local amenities, community services, or infrastructural upgrades to potentially raise the overall niche rating over time.

Chapter 6: Property Characteristics

```markdown | Characteristic | Value | |-----------------------|---| | Year Built | 1908 | | Living Area (sqft) | 1384 | | Bedrooms | 3 | | Bathrooms | 1 | | Garage Spaces | 2 | | Lot Size | 6,599 sqft | | HVAC | Forced Air, Gas | | Cooling | Central Air | | Appliances | NOT FOUND | | Home Type | SingleFamily | | HOA Fees | NOT FOUND | | Annual Insurance | 609 | | Utilities | NOT FOUND | | Property Condition | NOT FOUND | | Views | NOT FOUND | | Description | 3 Bedroom colonial close to downtown... |

Assessment

The property, built in 1908, is a single-family residential home with a decent living area of 1,384 sqft and a lot size of 6,599 sqft, indicating moderate space availability. The home has 3 bedrooms and 1 bathroom, making it suitable for small families or rental purposes. Its proximity to downtown and schools bodes well for convenience, as highlighted in the **Description**. The presence of central air cooling and forced air, gas HVAC systems are potential advantages ensuring comfort.

However, there are notable risks and uncertainties. The **Property Condition** being marked as "Needs TLC" and the lack of specifics under "Property Condition" and "Appliances" denote potential unforeseen repair costs that could affect profitability. The **Subject to short sale approval** status highlighted in the description introduces a complication that might delay or complicate the purchase process. Additionally, missing information such as **HOA Fees**, **Utilities**, and **Views** may be significant for a comprehensive assessment of recurring costs or benefits like community maintenance and aesthetics.
```

Chapter 7: School Ratings

Below is the risk assessment of the nearby schools -

Name	Rating	Distance (miles)	Level	Type
Barberton Middle School	5	0.3	Elementary	Public
Barberton High School	4	0.5	High	Public
Barberton Elementary School East	5	0.9	Elementary	Public

Summary Assessment

The real estate investment property is situated in a neighborhood with access to three nearby schools, all of which are public institutions. **Barberton Middle School** and **Barberton Elementary School East** are both rated highly at **5 out of 5**, indicating a strong educational offering, especially important for families with younger children. Additionally, **Barberton Middle School** is conveniently located at just **0.3 miles** away from the property, and **Barberton Elementary School East** at **0.9 miles**, making them easily accessible.

Barberton High School serves older students and has a respectable rating of **4**. It is **0.5 miles** from the property, providing a feasible distance for daily commute by walking or short drives.

Overall, the proximity and high performance of these schools contribute positively to the property's value, particularly for families prioritizing quality education and school convenience in their home buying decisions.

Chapter 8: Nearby Amenity

Below is the risk assessment of the nearby amenities -

Amenity	Address	Distance (in km)	Distance (in miles)	Duration	Risk Score	Rationale
Hospital	NOT_FOUND	NOT_FOUND	NOT_FOUND	NOT_FOUND	10	The absence of a hospital within known proximity represents a high risk in emergency scenarios.
School	555 Barber Road, Barberton	1.0 km	0.62 miles	2 mins	3	Proximity to a school is favorable for families, indicating a low risk for investors targeting family-oriented properties.
Restaurant	343 4th Street Northwest, Barberton	0.4 km	0.25 miles	1 min	2	The very close distance to dining options is attractive for many buyers and tenants, resulting in low risk.
Park	Municipal Building, 500 West Hopocan Avenue, Barberton	0.3 km	0.19 miles	1 min	2	Parks enhance neighborhood appeal, particularly for young families, reducing investment risk.
Bank	532 Wooster Road West, Barberton	1.2 km	0.75 miles	3 mins	4	Slightly increased distance adds minimal inconvenience; moderate risk for those needing frequent banking services.
Grocery	Barberton	0.8 km	0.50 miles	2 mins	3	Close proximity to grocery stores usually suggests a low risk due to ease of access to daily necessities.

Overall	Score	Rationale
	7	Despite the high risk associated with the absence of a nearby hospital, excellent proximity to other crucial amenities such as schools, restaurants, parks, banks, and groceries largely offsets this risk, making the property moderately favorable.

Chapter 9: Tax History

Tax History Analysis

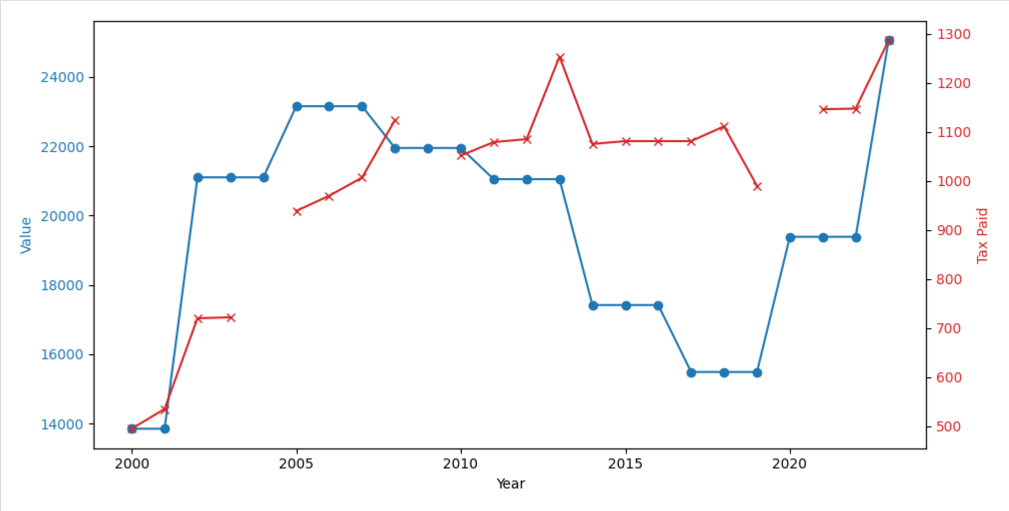
The data provides a comprehensive overview of the tax history and property value changes for a real estate investment, spanning over several years. Here is an analysis based on the information provided in the JSON:

1. **Consistency and Variation in Tax Payment:**
2. Over the entire period covered, the tax payments have shown both increases and decreases, with a relatively marked increase over recent years. In the year 2000, the tax paid was $495.20, while in 2023 it rose to $1,286. This demonstrates a significant increase over the long term.
3. The tax payment increased considerably in 2002 with a `taxIncreaseRate` of 0.345, resulting in a tax of $720.28, compared to $495.20 in 2000.
4. **Property Value and Tax Fluctuations:**
5. The property's assessed value fluctuated over time, contributing to the variations in taxes paid. For instance, in 2001, the property value increased significantly by a `valueIncreaseRate` of 0.523, resulting in a higher tax amount.
6. More recently, in 2023, the property value saw an increase to $25,050 from $19,387 the previous year, which contributed to an increase in taxes to $1,286 from $1,147.16.
7. **Intermittent Tax Stability and Spikes:**
8. There were periods of relative stability in the amount of tax paid. For instance, from 2017 to 2018, where the tax paid in 2017 was $1,080.92 with no increase in 2018.
9. Conversely, there are significant spikes such as the transition from 2021 to 2022, where the `taxIncreaseRate` was 0.121, indicating a notable rise that could have implications for future projections if similar trends continue.
10. **Risk Assessment:**
11. A notable risk is the potential for continued increases in property taxes alongside rising property values. For instance, the increase in tax from 2022 to 2023 of approximately 12.1% is substantial.
12. Historical reductions such as the `taxIncreaseRate` of -0.108 at one point indicate that such decreases can occasionally occur, although less frequently.
13. **Recent Trends:**
14. The recent trend (2021-2023) demonstrates a more aggressive increase in taxes, which might reflect changes in the neighborhood infrastructure, market demand, or local policy adjustments.

Summary of Tax Evolution

Overall, the tax history of this investment property shows an upward trend in the amount of tax paid, closely linked with property value fluctuations. While there are occasional periods of tax reduction, increases are more frequent and pronounced. The volatility in tax payments over the years suggests a need for investors to be cautious and factor in potential increases during financial planning. Constraints such as local economic conditions and municipal decisions also play a crucial role in influencing these properties' tax liabilities. It will be essential to monitor these metrics regularly to anticipate and mitigate any adverse financial impacts related to tax increments.

Below is a chart showing the evolution of the paid tax and assessed value of the property over history (sourced from Zillow)



Value
24000
22000
20000
18000
16000
14000
2000
2005
2010
2015
2020
Year
1300
1200
1100
1000
900
800
700
600
500
Tax Paid

Chapter 10: Rent Estimation

Estimated Rent Table

Type	Estimated Rent
Median Rent	1283.33
Average Rent	1279.00
25th Percentile	1171.00
75th Percentile	1282.50

Summary of Rent Estimates

In the provided dataset, we observe relatively consistent rent estimates across the different measures, which suggest a stable rental market for the area in question.

- **Median Rent** is $1283.33, a value quite close to the **75th Percentile** ($1282.50). This indicates that half of the rents are below approximately $1283.33, suggesting that there's no significant skew in the rent distribution.
- The **Average Rent** stands at $1279.00, which is notably similar to the Median Rent ($1283.33) and lends further support to the indication of a symmetric distribution in rental prices, implying limited extreme values affecting the mean.
- The **25th Percentile** is at $1171.00, offering insight into the lower quartile of rents. The gap between the 25th percentile and the median (approximately $112.33) illustrates that there is a gradual increase in rent above the lower quartile.
- There's a narrow interquartile range, as the 75th percentile only marginally surpasses the Median Rent by $0.83. This closely packed data indicates low variance among the typical rent values, signaling minimal disparity among the upper-middle segment of rental properties.

Given these insights, the variance in estimated rents appears minimal, suggesting a balanced rental market. However, potential risks include a lack of movement in rent, which could either signal market stability or stagnation.

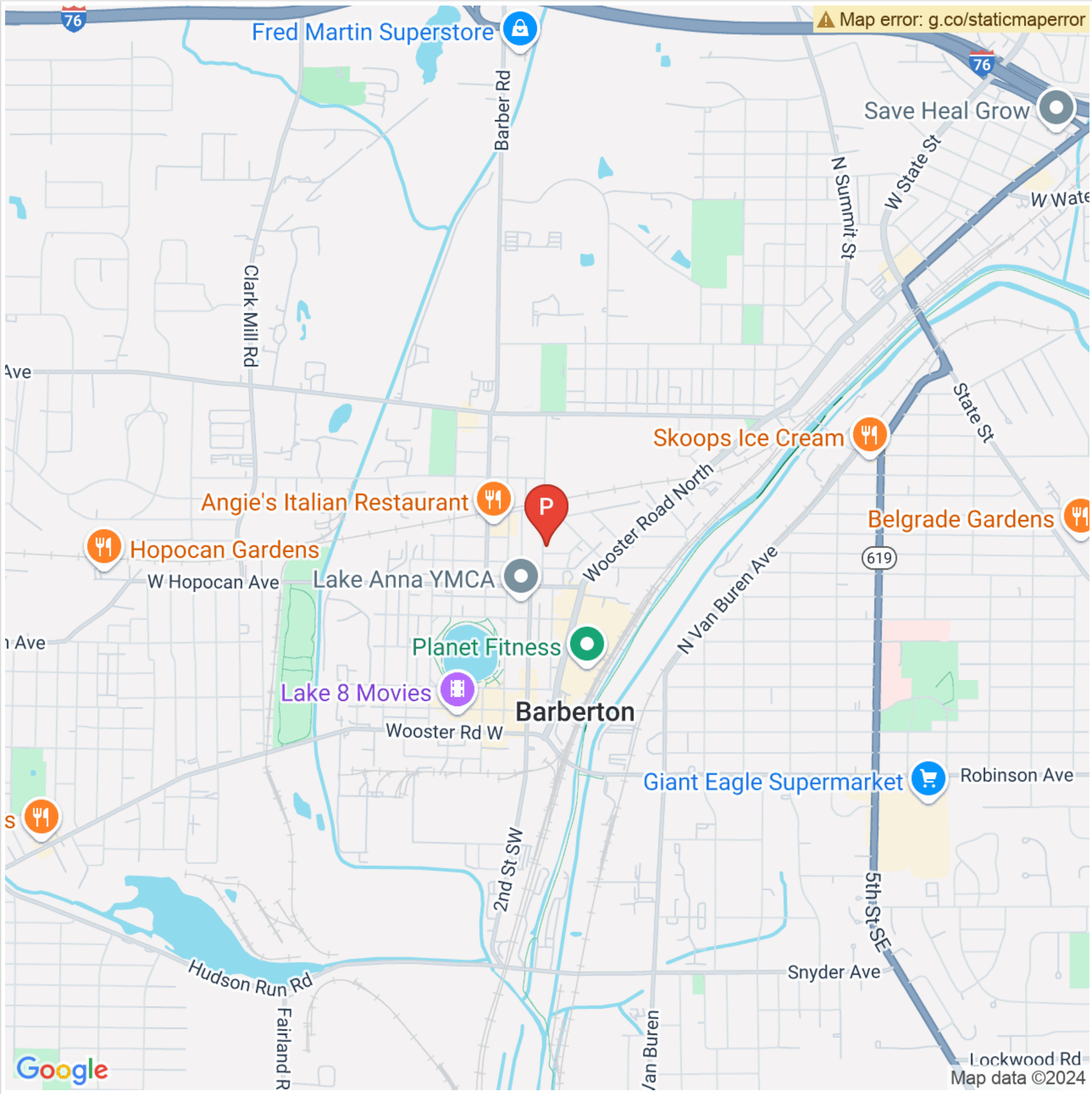
Risks

- A relatively narrow range between the **25th** and **75th Percentile** ($111.50) suggests low volatility in the rental market. This may pose a risk in case of market dynamics, where significant external factors might not be quickly adjusted in rental prices.
- The similarities between **Median**, **Average**, and the **75th Percentile** raise the question of whether the market is potentially saturated, with limited room for rent increases or incentivizing new investors.

Without additional data on market trends, economic factors, or regional demand, it is recommended to maintain close monitoring of any economic changes that might influence these stable trends. Overall, the data depicts a somewhat predictable rental pricing structure, with current values suggesting equilibrium rather than growth or decline.

Appendix

Additional Images:



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