Real Estate Investment Analysis Report

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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	$-3963.69	$-1614.28	$-1442.63	$-1267.01	$-1087.32	$-903.48	$-715.39	$-522.96	$-326.11	$-124.72
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	$43862.50
4	Overall Return ($)	$21764.66	$23976.13	$26497.84	$29341.11	$32517.83	$36040.51	$39922.29	$44176.99	$48819.18	$53864.20
5	CoCRoI	-9.04%	-3.68%	-3.29%	-2.89%	-2.48%	-2.06%	-1.63%	-1.19%	-0.74%	-0.28%
6	Overall RoI (CAGR)	-100.00%	-45.34%	-22.28%	-12.54%	-7.21%	-3.85%	-1.56%	0.10%	1.35%	2.31%
7	Cap rate	3.33%	4.95%	5.07%	5.19%	5.31%	5.44%	5.57%	5.70%	5.84%	5.98%
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	1.1	1.09	1.08	1.06	1.05	1.04	1.03	1.02	1.01
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

Investment Summary and Analysis

Overview of Key Metrics

The data provided outlines the financial trajectory of a real estate investment over a 30-year period. Upon reviewing the critical financial indicators such as Cumulative Cash Flow, Home Equity, Overall Return, and CAGR, an overarching assessment can be formulated.

Initial Years Observations (Years 0-5)

- **Cumulative Cash Flow** starts negatively at -$3,963.69 in Year 0 and grows to -$10,278.41 by Year 5. While this implies an annual decrease in liquidity, it is typical as the early years often involve front-loaded costs and less revenue (e.g., through rent or leases).
- **Home Value** increases from $145,000 in Year 0 to $160,091.72 in Year 5. This increase in property value is approximately a 10.39% growth over five years.
- **Home Equity** rises from $37,328.35 to $59,126.26 during this period, indicating an accumulation of property ownership as the mortgage is paid down.
- The **Overall CAGR** starts at -100.0% in Year 0 and improves to a negative -3.85% by Year 5, illustrating progress as initial investments begin to stabilize in value.

Mid-term Performance (Years 6-20)

- **Cumulative Cash Flow** begins to recover significantly by Year 10, becoming positive at $1,347.56 in Year 20, indicating the property potentially becoming self-sustaining or cash-generating.
- On the other hand, the **Overall Return** increases noticeably, from an initial loss (-$21,764.66) progressing positively to $141,284.37 by Year 20. This reflects compounding returns as both property appreciation and debt amortization accrues.
- **Home Equity** steadily grows, reaching $157,173.80 by Year 20, further solidifying the investor's ownership stake.
- **Overall CAGR** turns positive by Year 5 (0.1%) and continues to improve, reaching 6.02% by Year 20, indicative of increasing investment profitability.

Long-term Outcome (Years 21-29)

- **Cumulative Cash Flow** continues to be positive, reaching $35,724.36 by Year 29, emphasizing a shift from an initially debt-heavy position to a surplus.
- The **Home Value** also appreciates over time, peaking at $257,497.48 by Year 29.
- Considering **Home Equity**, it achieves full equity ($257,497.48) in Year 29, showcasing the property fully paid off and entirely owned.
- **Overall Return** at Year 29 is $272,622.05, highlighting successful returns on the initial investment.
- **Overall CAGR** stabilizes at around 6.5% by Year 29, signifying a robust return profile aligned with expectations from real estate investments.

Risk Assessments

- **Early Years Liquidity Risk**: The negative Cash Flow in early years (up to year 9) represents a liquidity risk. Investors need to ensure sufficient capital reserves to cover operating deficits.
- **Market Volatility**: Property Value assumptions are progressively increasing; any market downturns could alter the expected Home Value and thus impact future returns.
- **Sales Costs**: Although included in the overall calculation, increased sales costs or unexpected transaction fees may adversely affect the net realizable return upon sale.

Conclusion

The investment property displays a potential for moderate long-term returns, with CAGR beginning positively after year 7. Adequate planning is required to manage the early cash flow negatives. The property value appreciation contributes significantly to return outcomes, and equity build-up provides future security, making this venture potentially rewarding if managed prudently. Overall, it presents a well-paced investment rewarding patient, strategic investors over its full term span.

Analysis of Cash-on-Cash Return on Investment (CoCRoI)

The data highlights the Cash-on-Cash Return on Investment (CoCRoI) and Annual Cash Flow over a period of 30 years for a potential real estate investment. Let's delve into the key insights and potential risks derived from this data.

Initial Negative Returns

- In the early years (Years 0 to 9), the investment reports negative CoCRoI, starting at approximately -9.04% in Year 0. This figure aligns with a negative Annual Cash Flow of -$3,963.69, despite a Total Investment of $43,862.5.
- The CoCRoI gradually improves each year, moving from -3.68% in Year 1 to -0.28% by Year 9, yet remains negative, indicating ongoing losses during this period.

Break-even and Positive Returns

- The break-even point appears to be around Year 10, where the CoCRoI turns positive at 0.19%, correlating with a positive Annual Cash Flow of $81.29. This suggests that after a decade, the investment starts to generate returns over and above the initial expenses.
- As the years progress, CoCRoI steadily increases, showcasing a significant improvement. By Year 15, the CoCRoI is 2.70%, with a corresponding Annual Cash Flow of $1,184.22.
- By the end of the 30-year period (Year 29), the CoCRoI reaches a healthy 11.44%, and the Annual Cash Flow is $5,017.17.

Long-term Positive Outlook

- Post-break-even, the CoCRoI demonstrates a consistent and exponential growth trajectory. From Year 20 onward, there is a noteworthy increase in returns, culminating in substantial profitability by Year 29.
- The Total Investment remains constant at $43,862.5 throughout, ensuring that the rise in CoCRoI and Annual Cash Flow reflects genuine investment growth.

Risk Analysis

Prolonged Negative Returns

- The primary risk lies in the extended duration of negative returns, lasting approximately a decade. A negative CoCRoI for the first 10 years could burden investors who require quick returns or lack liquidity during this period.

Cash Flow Volatility

- While the Annual Cash Flow becomes positive from Year 10, the slow recovery from Year 0 indicates potential cash flow volatility in the early stages. This might pose challenges for investors dependent on stable cash generations initially.

Dependence on Long-Term Gain

- The profitability of this investment is heavily reliant on long-term commitment. Investors seeking quicker ROI might find the structure less appealing.

Conclusion

The potential investment displays a promising long-term return with a marked improvement in CoCRoI and substantial positive cash flows towards the latter part of the 30-year term. However, the extended period of initial losses and slow cash flow recovery emphasize the importance of strategic planning and patience. Investors should be prepared for initial challenges but can anticipate rewarding payoffs if they maintain the investment over the long haul.

Time Horizon	CAGR
3-Year	25.38
5-Year	20.17
10-Year	11.91

Assessment Summary

The compound annual growth rate (CAGR) data for the investment property shows substantial historical growth over the past three, five, and ten years.

- **3-Year CAGR**: At 25.38%, the 3-year CAGR indicates a robust growth trajectory. This high growth rate reflects recent favorable market conditions, which could be due to a range of factors such as increased demand, limited supply, or exceptional property characteristics enhancing its value.
- **5-Year CAGR**: The 5-year CAGR stands at 20.17%, demonstrating consistent growth, albeit at a slightly reduced rate compared to the 3-year figure. This deceleration might suggest a market that is stabilizing, albeit remaining strong.
- **10-Year CAGR**: A 10-year CAGR of 11.91% indicates long-term growth and stability, which is promising for long-term investors seeking steady appreciation over an extended period.

Risks

While the current performance is impressive, it is essential to be aware of potential risks:

- **Market Volatility**: The exceptionally high 3-year growth rate could signal a peak or an overheated market, which might pose the risk of a downturn or correction.
- **Economic Factors**: Changes in interest rates, inflation, or economic policy could impact property values and growth rates negatively.
- **Sustainability**: The long-term sustainability of such high growth rates is uncertain, and investors should be cautious about expecting similar performance indefinitely into the future.

Overall, the historical data suggests positive growth trends, but potential risks necessitate prudent and informed decision-making for ongoing investment in this property.

Assessment of Historical Property Price Evolution

Based on the provided property price data from the Zillow Zestimate metric, several key insights can be offered to evaluate the property's price evolution over the years.

Initial Trends and Declines

Initially, from early 2015 (`t`: 1420012800, `v`: 48697) to mid-2015 (`t`: 1438326000, `v`: 31696), the Zestimate shows a considerable decline, dropping from /$48,697 to /$31,696. This represents a significant decrease of approximately 35% in valuation over just a few months. The period saw several fluctuations, but the overall trend from early 2015 to late 2015 was downward, with the lowest point in November 2015 (`t`: 1446274800, `v`: 27,474).

Recovery and Growth

The property valuation began to see a recovery starting in early 2016. From the substantial drop, values climbed again, peaking in mid-2017. In April 2017 (`t`: 1493535600), the price reached /$50,703, followed by steady increases until it peaked at /$60,855 in August 2017 (`t`: 1504162800). This period marks a substantial recovery from prior lows, highlighting a uniform growth of over 100% from the lowest valuation in 2015.

Fluctuations and Subsequent Stabilization

From the peak in 2017, the price shows some fluctuations but mostly stabilizes around the /$60,000 mark until early 2020. This is indicated by the consistent figures reported until the COVID-19 pandemic's influence, which saw a dip but a relatively quick recovery by mid-2020 with values maintaining above /$60,000 (`t`: 1593500400, `v`: 63,316).

Post-Pandemic Escalation and Volatility

The most dramatic growth period occurs from 2020 to 2023. Property values significantly increased, rising to /$96,000 in July 2023 (`t`: 1696057200, `v`: 90,600) before a notable dip thereafter. The extreme jump from /$72,000 in 2023 to /$146,400 in July 2024 (`t`: 1717138800, `v`: 146,400) marks a volatile period, indicating rapid appreciation, possibly speculative, or resulted from market corrections.

Recent High-Valuation and Risk Factors

Most recently, the price listed for December 2025 (`t`: 1734336000, `v`: 150,000) suggests strong market confidence or external factors driving property value increases. Such rapid increases can pose risks, especially if driven by speculative market trends or policy shifts that have unsustained roots.

Risks and Considerations

The recent dramatic increase in property value can suggest a few risks:

- **Market Overvaluation:** This rapid change may indicate a forthcoming market correction, especially if not supported by equivalent increases in underlying factors such as economic growth, infrastructure development, or significant demand hikes.

- **Investment Volatility:** For potential investors, this volatility signifies higher risk, with the potential for sharp declines once market speculation stabilizes or corrective forces come into play.

- **Sustainability Concerns:** Without tangible factors underpinning this growth, the sustainability of such high valuations might be called into question, alerting investors to a potential bubble.

In conclusion, while the property has shown resilience and growth over the years, recent explosive increases could potentially risk its market stability, requiring cautious analysis and market awareness for future investment or purchasing decisions.

Zestimate to Purchase Price Delta Analysis

Metric	Value
Zestimate to Purchase price delta (percentage)	2.41

Assessment

The **Zestimate to Purchase price delta** is at **2.41%**, indicating that the Zestimate for the property is 2.41 percent higher than the purchase price. This is a favorable situation for the buyer as it suggests the acquisition price is below the assessed market value.

Positive Indicator

- A positive percentage means the property is potentially being purchased under its estimated market value, suggesting a value advantage for the buyer.

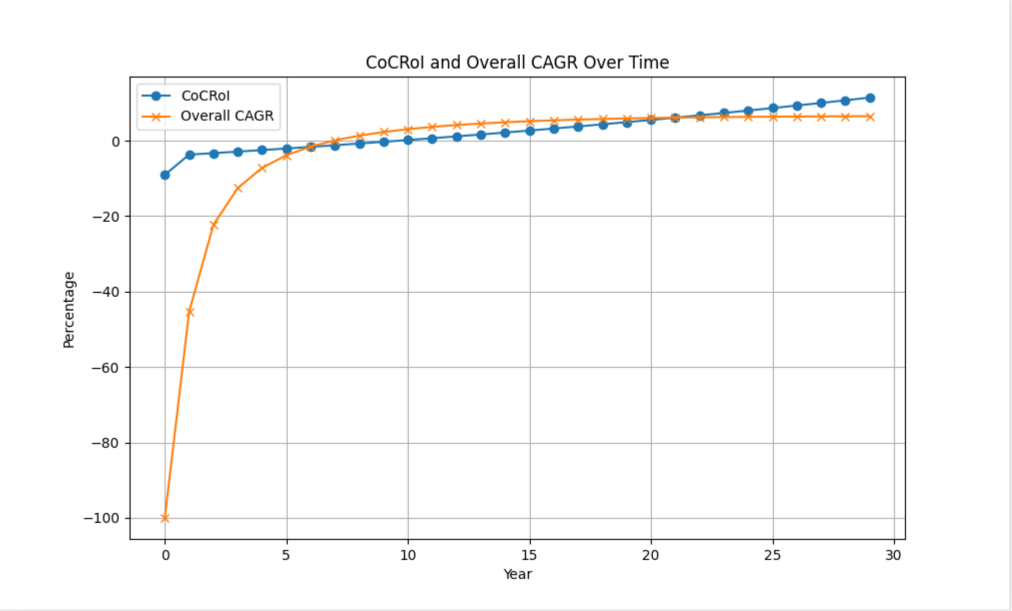
Potential Risks

- **Market Fluctuation**: Although the Zestimate is higher now, factors such as market volatility could affect future property values, potentially reducing the benefit margin.
- **Zestimate Reliability**: Zestimate provides a rough estimate of market value based on available data. Discrepancies in data or unaccounted property-specific factors might lead to inaccuracies.
- **Condition of Property**: Without insights into the property's physical condition or necessary repairs, the real value relative to the purchase

price could vary significantly.

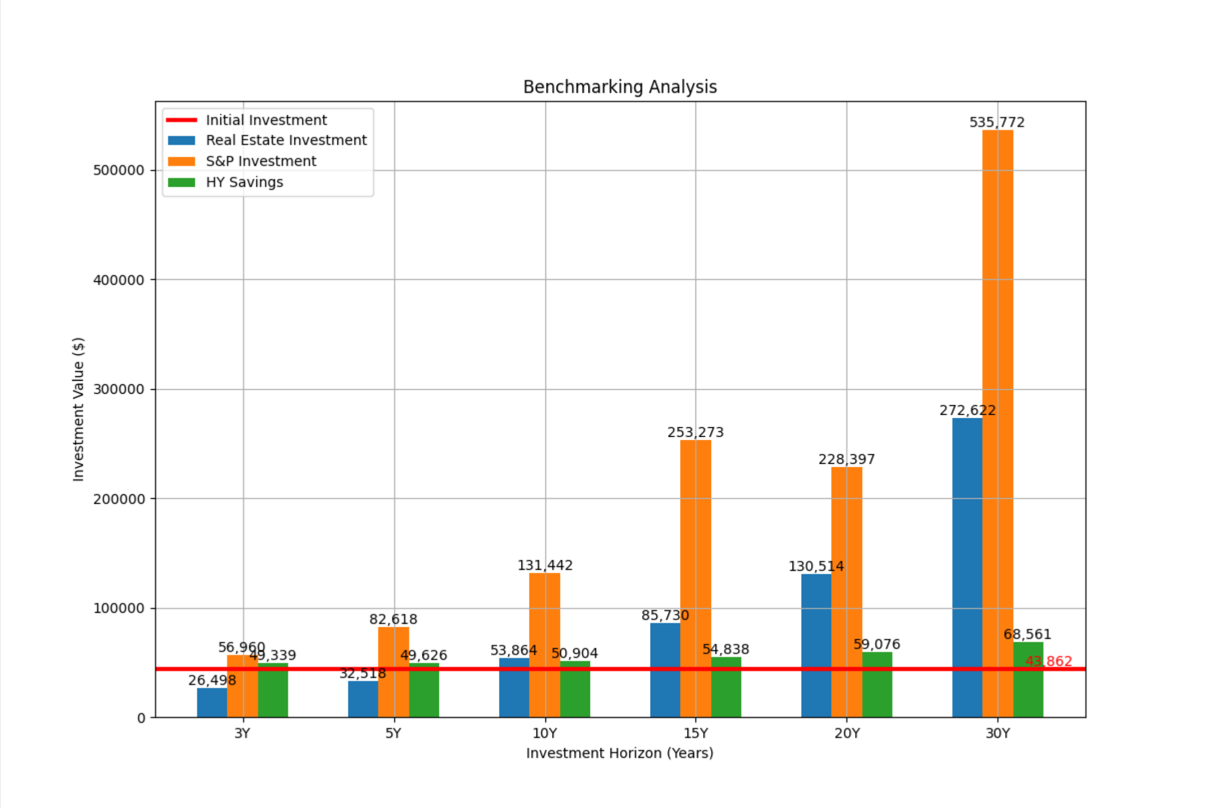
In conclusion, while the **positive delta** suggests an immediate financial benefit, due diligence should be maintained in evaluating the property's actual market value and future growth potential to ensure an informed investment decision.

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



Benchmarking Analysis
Initial Investment
Real Estate Investment
S&P Investment
HY Savings
Investment Value ($)
0
100000
200000
300000
400000
500000
Investment Horizon (Years)
3Y
5Y
10Y
15Y
20Y
30Y
26,498
56,960
49,339
32,518
82,618
49,626
53,864
131,442
50,904
85,730
253,273
54,838
130,514
228,397
59,076
272,622
535,772
68,561
43,862

Chapter 3: Cash Flow & Expenses

Financial Overview

Analyzing the property's financials over 30 years provides a comprehensive look at potential profitability and risks. Here's a breakdown:

1. **Rental Income Growth**: The rental income starts at approximately $12,833 in Year 1 and rises to about $31,515 by Year 30. This reflects a healthy increase, vital for offsetting inflation and increasing expenses.
2. **Total Expenses**: Notably, Year 1 features zero costs for property management, indicating a potential introductory offer or initial self-management. Afterwards, property management incurs costs each year, starting at $1,578 in Year 2. Insurance costs also increase yearly, from $500 in Year 1 to around $1,559 by Year 30, reflecting typical market trends and potential inflation adjustments.
3. **Vacancy Costs and Repairs**: Both vacancy costs and repair expenditures see a steady rise, paralleling the rental income trend. This suggests realistic assumptions about maintenance and tenant turnover.
4. **Mortgage Expenses**: The mortgage remains fixed at about $8,792 annually, most likely due to a fixed-rate mortgage. This stability can offset the variability in other expenses but still imposes a significant financial load relative to initial rental income levels.

Cash Flow Analysis

The most crucial data for potential investors is cash flow:

- **Negative Cash Flow First Half** The property operates at a negative cash flow from Year 1 (-$3,964) through Year 10 (-$124). This period poses a risk unless the owner can handle the operational deficit, likely through external income or savings.
- **Transition to Positive Cash Flow**: From Year 11 onward, the property begins generating positive cash flow, starting at $81 and increasing to approximately $5,017 by Year 30. This turnaround marks the point where rental income growth surpasses expense increases.

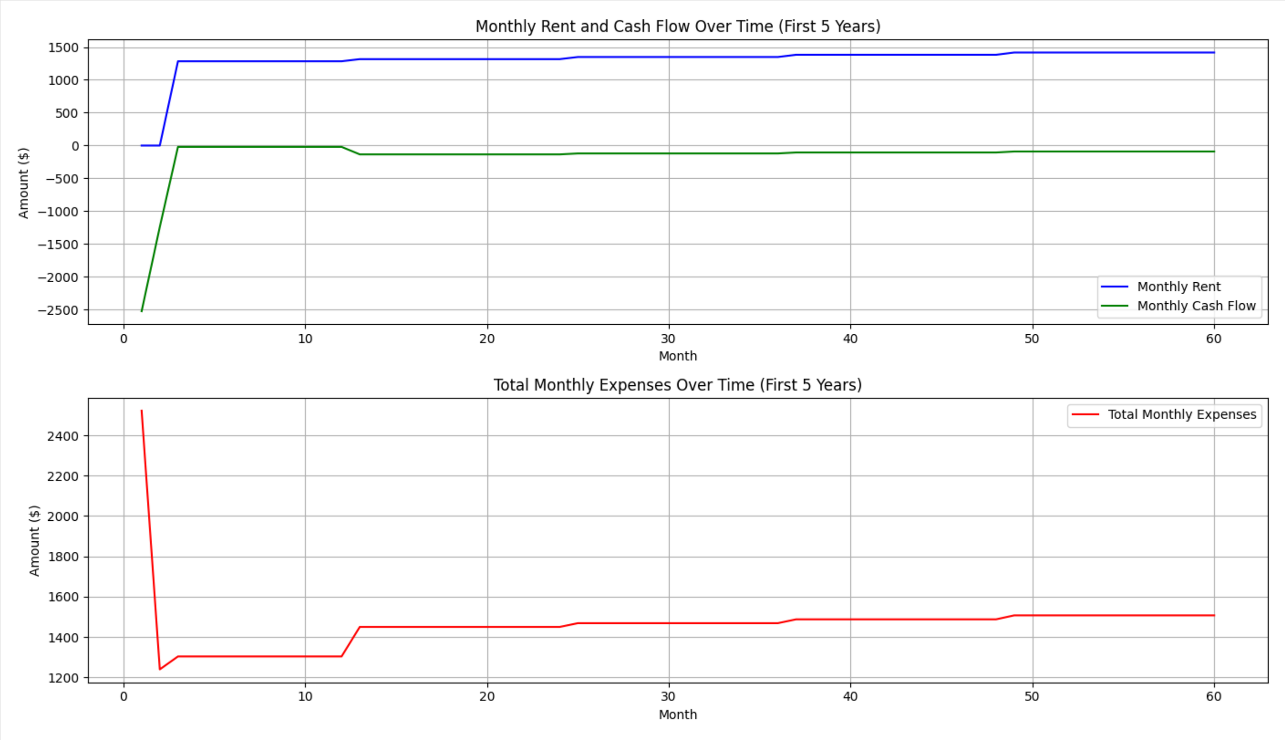
Key Insights and Risks

1. **Introductory Offer Implication**:
2. The absence of property management costs in Year 1 might indicate an initial offer or the owner handling these duties initially, transitioning to a management service in Year 2. This could be a strategic opportunity to reduce costs early on.
3. **Increasing Expenses Risk**:
4. Though rental income rises, so do expenses, notably repairs, capex, and insurance. Owners must prepare for potential unanticipated cost peaks, especially as properties age.
5. **Cash Flow Risks**:
6. A prolonged negative cash flow period requires careful liquidity management. Investors must ensure sufficient cash reserves or alternative income streams for the first decade.
7. **Long-term Profitability**:
8. Despite negative cash flow in the initial years, the positive trend beyond Year 11 suggests the property can be a sound investment, assuming the owner navigates early challenges effectively.

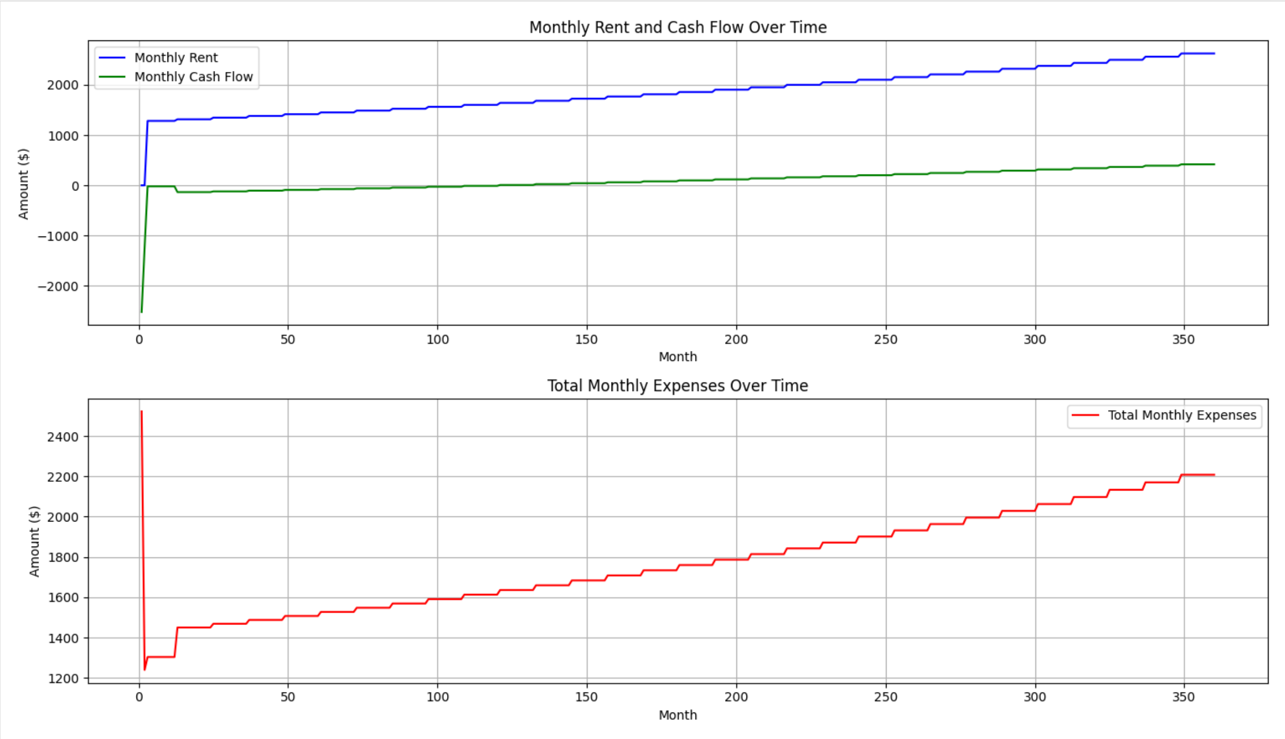
Conclusion

The data presents a property investment with a growth-oriented rental strategy but initial cash flow challenges. Strategic budgeting for the first ten years and leveraging any introductory management offers are critical for long-term profitability. The outlined risks emphasize the importance of reserve funds and robust financial planning. By Year 30, ongoing growth in rental income and positive cash flow underscore substantial profit potential.

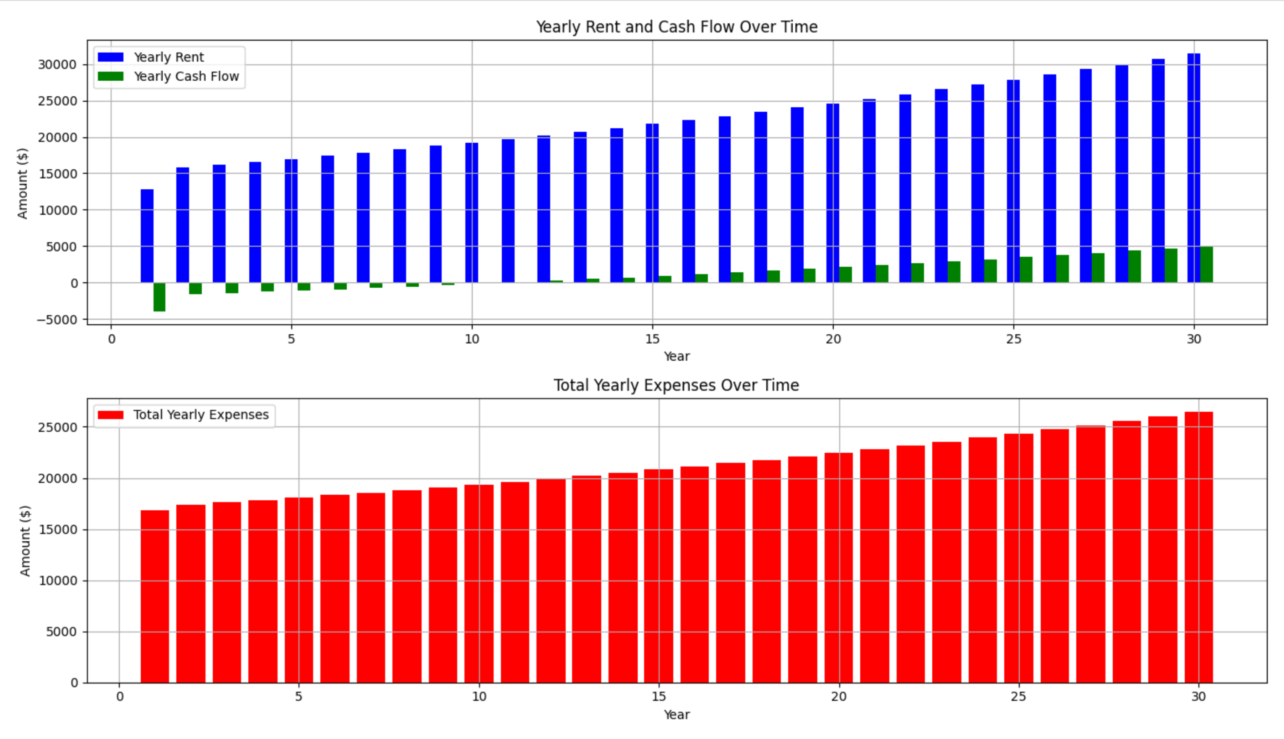
Below is a chart showing the evolution of the monthly rent, monthly cash flow and monthly expenses for the first 5 years of ownership



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
30000
25000
20000
15000
10000
5000
0
−5000
Amount ($)
0
5
10
15
20
25
30
Year
Total Yearly Expenses Over Time
Total Yearly Expenses
25000
20000
15000
10000
5000
0
Amount ($)
0
5
10
15
20
25
30
Year

Chapter 4: Mortgage

Mortgage Amortization Analysis

After evaluating the provided mortgage data spanning a 360-month period, here is a detailed assessment of the mortgage amortization schedule:

Monthly Payments

- **Consistent Monthly Payment**: The monthly payment remains constant at approximately /$732.67 throughout the life of the loan.

Principal and Interest Breakdown

- **Early Payments**: Initially, a larger portion of each payment is dedicated to interest as seen in Month 1 where the interest payment is /$645.70 (88% of the monthly payment), compared to the principal payment of /$86.97.
- **Over Time Shift**: Over time, this balance shifts in favor of the principal. By Month 180, the principal payment has increased to /$250.93, while the interest paid decreases to /$481.73.

Remaining Balance

- **Decreasing Balance**: The remaining balance decreases steadily from the initial balance, noted as /$108,663.03 after the first payment, to a final balance of nearly zero by Month 360.
- **Final Payment**: By Month 360, the principal payment is /$728.34, and merely /$4.32 goes towards interest, leaving an almost negligible remaining balance of 0.

Risk Assessment

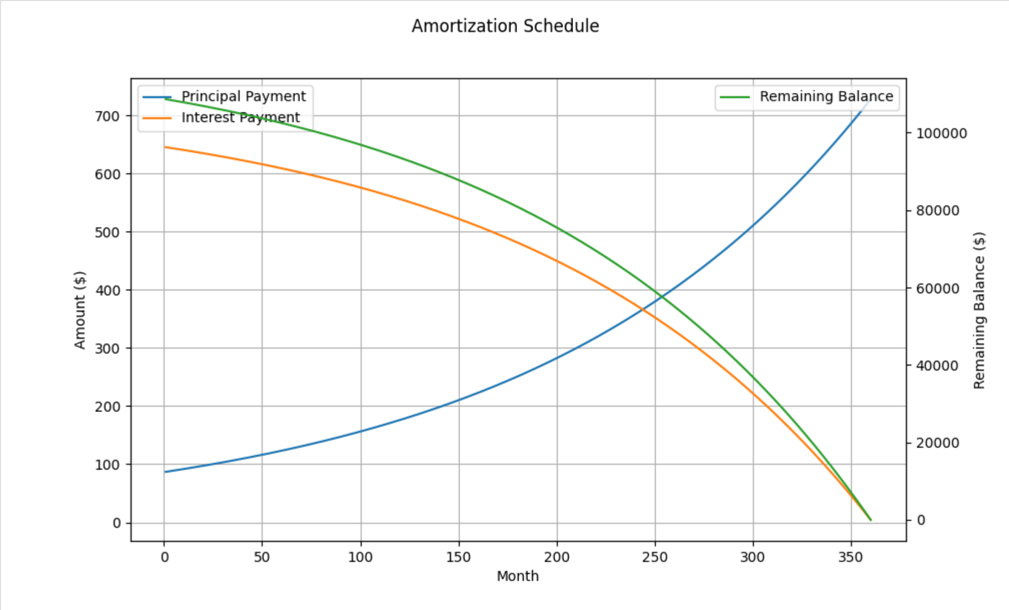
- **Interest Dominance in Early Payments**: There is a risk posed by the substantial interest payments in the initial phase of the loan. Being largely interest-heavy, there is little impact on reducing the principal early on. This may result in less equity building in the initial years, making it less favorable for homeowners looking to sell early.
- **Negative Remaining Balance in Simulation**: The final computation results in a slightly negative balance of -/$2.98 x 10^-9, a rounding artifact that normally should not occur. ItÃ¢â‚¬â„¢s negligible but should be addressed for precise accounting.

Conclusion

The mortgage structure is typical of a fixed-rate amortization schedule, with higher interest payments initially transitioning gradually toward higher principal payments as the loan progresses. If maintaining a long-term property investment, this mortgage should fulfill its purpose well, gradually building equity over time.

For a more concise financial decision, visual representation through graphs should provide clearer insight into how these payments evolve over the mortgage term. This could be a line chart that illustrates the breakdown between principal and interest payments monthly, helping the investor better understand the amortization progression and visualize equity growth potential.

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



Amortization Schedule
Principal Payment
Interest Payment
Remaining Balance
Amount ($)
Remaining Balance ($)
Month
0
100
200
300
400
500
600
700
0
50
100
150
200
250
300
350
0
20000
40000
60000
80000
100000

Chapter 5: Location (by Niche)

Table of Assessment

Assessment Type	Assessment Outcome
Niche Area Feel	Sparse Suburban
Niche Overall Grade	B

Summary of Overall Assessment

The potential property is located in a **Sparse Suburban** area, indicating a neighborhood that is less densely populated with more open spaces and possibly larger lots. This kind of area may appeal to families and individuals looking for a quieter, more relaxed lifestyle compared to urban settings.

The **overall grade of B**, as provided by Niche, suggests that the area is generally good but could have certain factors that are less than ideal. This grade considers elements such as crime rates, housing prices, family amenities, and school quality. A 'B' grade implies an above-average living environment but does not reach the pinnacle of excellence.

Potential Tenants

This type of location and grading is typically attractive to:

- Families seeking a quiet environment with reasonable access to amenities.
- Individuals or couples who prefer a suburban vibe with potential proximity to parks or natural environments.
- Retirees who might enjoy the slower pace and less crowded living conditions.

Risks

- **Moderate Rating**: With an overall grade of B, there might be concerns related to specific categories such as mediocre school ratings, modest housing market performance, or average crime rates. It is important to investigate these factors further to ascertain the specific strengths and weaknesses of the area.
- **Sparse Suburban Preferences**: Tenants looking for vibrant nightlife, a bustling social scene, or easy access to diverse job opportunities may find the sparse suburban setup less appealing, potentially narrowing the pool of potential tenants.

Overall, while this area has its appeals for specific tenant profiles, stakeholders should consider diving deeper into the reasons behind the B rating to comprehensively understand the area's advantages and challenges before making investment decisions.

Chapter 6: Property Characteristics

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, shopping, restaurants, middle and high schools. Needs TLC. Fenced backyard, 2 car detached garage. Subject to short sale approval.

Investment Property Assessment

The property, built in 1908, is a historically aged single-family home. With a living area of 1,384 square feet and featuring three bedrooms and one bathroom, it fits a typical family profile. The lot size is a reasonably spacious 6,599 square feet, which is favorable for outdoor activities or further improvements. However, the property's mention of needing "TLC" indicates that maintenance or renovations might be needed, constituting a potential risk factor.

The age of the property (115 years old) suggests the possibility of outdated systems and a higher need for repairs, especially considering that key utility information is not available (as indicated by missing "Utilities" and "Property Condition" data points). Furthermore, with unknown HOA fees and lack of appliance details, these could lead to unexpected additional expenses.

The insurance cost, available at $609 annually, seems moderately priced for the property's characteristics. The mention of it being "subject to short sale approval" might present an opportunity for price negotiation, yet it also adds complexity to the purchase process. Interested buyers should perform thorough due diligence, notably around structural condition and potential hidden costs, to adequately assess both the investment potential and associated risks.

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

Assessment Summary

The real estate investment property is situated in a neighborhood with good educational facilities, which adds value to the investment. Barberton Middle School and Barberton Elementary School East both have a high rating of 5, making them desirable options for families with young children. These schools are within 0.3 and 0.9 miles, respectively, which makes commuting convenient.

Barberton High School has a slightly lower, but still commendable, rating of 4 and is just 0.5 miles away. Its proximity ensures accessibility for high school-aged children. All these schools being public options might be attractive to families looking to avoid private school tuition.

Overall, the proximity (averaging 0.566 miles) and ratings of the schools suggest that the neighborhood is supportive with respect to educational infrastructure, which should be attractive to potential family tenants or buyers.

Chapter 8: Nearby Amenity

Below is the risk assessment of the nearby amenities -

Amenity	Address	Distance (km)	Distance (miles)	Duration	Risk Score	Rationale
Hospital	NOT_FOUND	NOT_FOUND	NOT_FOUND	NOT_FOUND	10	The absence of a hospital nearby poses a high risk, especially in emergencies and impacts health safety.
School	555 Barber Road, Barberton	1.0	0.62	2 mins	3	The close proximity of a school is advantageous for families, reducing commute time for education needs.
Restaurant	343 4th Street Northwest, Barberton	0.4	0.25	1 min	2	Very close dining options enhance lifestyle convenience, representing a low risk.
Park	Municipal Building, 500 West Hopocan Avenue, Barberton	0.3	0.19	1 min	2	Nearby green space provides recreational advantages and contributes to a healthier lifestyle.
Bank	532 Wooster Road West, Barberton	1.2	0.75	3 mins	4	A nearby bank is a moderate risk score, offering financial convenience but warranting consideration for potential traffic.
Grocery	Barberton	0.8	0.5	2 mins	3	A nearby grocery store facilitates easy access to daily necessities, lowering living convenience risks.

Overall Score and Rationale
6 - The property benefits from excellent access to most amenities, notably in education, shopping, and lifestyle. However, the absence of a nearby hospital significantly elevates the risk score, impacting overall health and safety aspects. Prioritizing healthcare access in future evaluations or potential infrastructure development plans would be prudent.

Chapter 9: Tax History

Tax Evolution Analysis

The tax history presents a detailed progression of property taxes over a span of 25 years, from 1997 to 2023, which I will discuss based on detected patterns and notable changes in this tax timeline.

Initial Period (1997-2000)

For the year 1997, **taxes paid were $495.20** with a property value of $13,853. There was significant tax and property valuation stability since the tax increase rate and value increase rate remained at 0. By 2000, the tax paid increased to $720.28, corresponding to a property value of $21,102, marked by high value and tax increases in 2000 of **52.33% and 34.52% respectively**, indicating an evident spike during this period.

Mid-Term Stability (2001-2005)

Throughout 2001 to 2004, taxes saw gradual increases, dominated by moderate or zero increments. For instance, in 2004, **a tax enhancement of 8.13%** brought the amount to **$535.46**. This modest increment suggests a period of stability both in terms of assessment value and tax imposed.

Period of Decline and Recovery (2005-2010)

In this period, fluctuations were prominent. Notably, in 2006 and 2009, a decline in the property value was observed, accounting for **0.052% and 0.041% reduction respectively**. In 2007, however, there was a moderate recovery with a tax amount of **$1,051.50**. The fluctuations suggest market conditions affecting both property values and subsequent taxes.

Recent Years Progressive Increase (2018-2023)

Starting from 2018, there's a recurrent pattern of tax and value increases that becomes more pronounced in recent years. In 2020, a substantial value increase rate of **25.17%** occurred, though taxes did not see a correlated increase at the same rate, suggesting taxation policy changes or valuation reassessments.

By the year 2023, taxes increased to **$1,286** from **$1,147.16 in 2022**, which is a tax increase rate of **12.10%**, paired with a property value of **$25,050** experiencing a surge of **29.21%**. This reflects notable appreciation in property value, alongside increased tax commitment.

Risks and Patterns

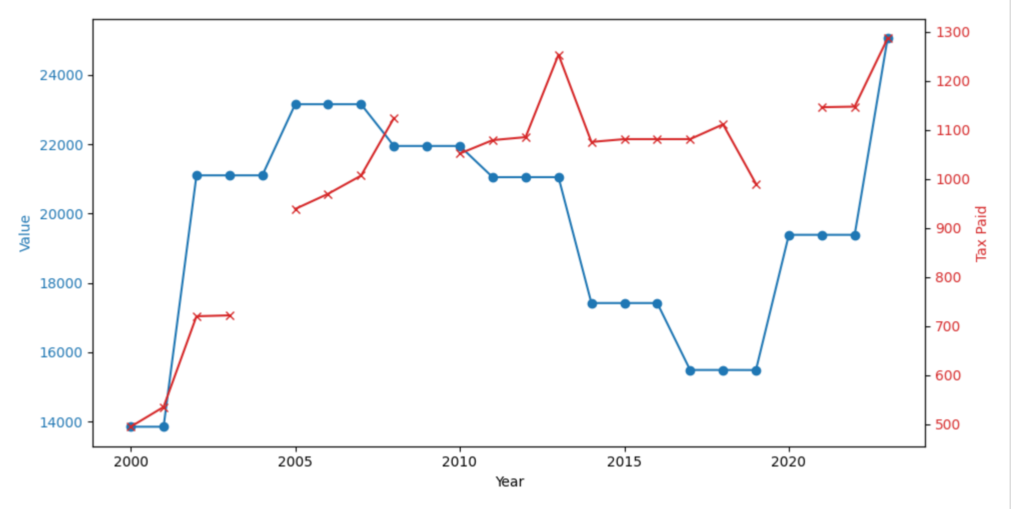
1. **Volatility in Tax Rates**: There are periods where property value appreciation doesn't correspond with tax rate adjustments. This can lead to unpredictability in future tax liabilities.

2. **Major Boom in Recent Years**: The recent years have shown rapid increases both in property value and tax paid. From 2022-2023 alone, there's a marked increase of **12.10% in taxes** and **29.21% in value**, which could imply potential vulnerability to market corrections.

3. **Lack of Data in Certain Yeas**: Missing tax information in certain years (such as 2006) might indicate either policy shifts or recording inconsistencies, raising concerns about long-term predictability based on historical data.

In conclusion, the tax history shows periods of stability along with those marked by significant fluctuations, especially notable in recent years. Investors should be mindful of this volatility and potential risks with rapid value and tax increases, especially considering long-term investment strategies and potential tax changes in response to market forces.

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



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

Chapter 10: Rent Estimation

Table of Estimated Rents

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

Assessment of Estimated Rents

Based on the data provided:

- **Median and Average Rent:** The median rent is $1283.33, while the average rent is $1279.00. The median being slightly higher than the average suggests a relatively symmetrical distribution of rents, but with a slight right skew where higher rent estimates have a minor pull.
- **25th and 75th Percentiles:** The 25th percentile is $1171.00 and the 75th percentile is $1282.50. This indicates that 50% of all estimated rents fall within this $111.50 range. The narrow range from the 25th to the 75th percentile implies low variability in the middle 50% of the rent estimates.

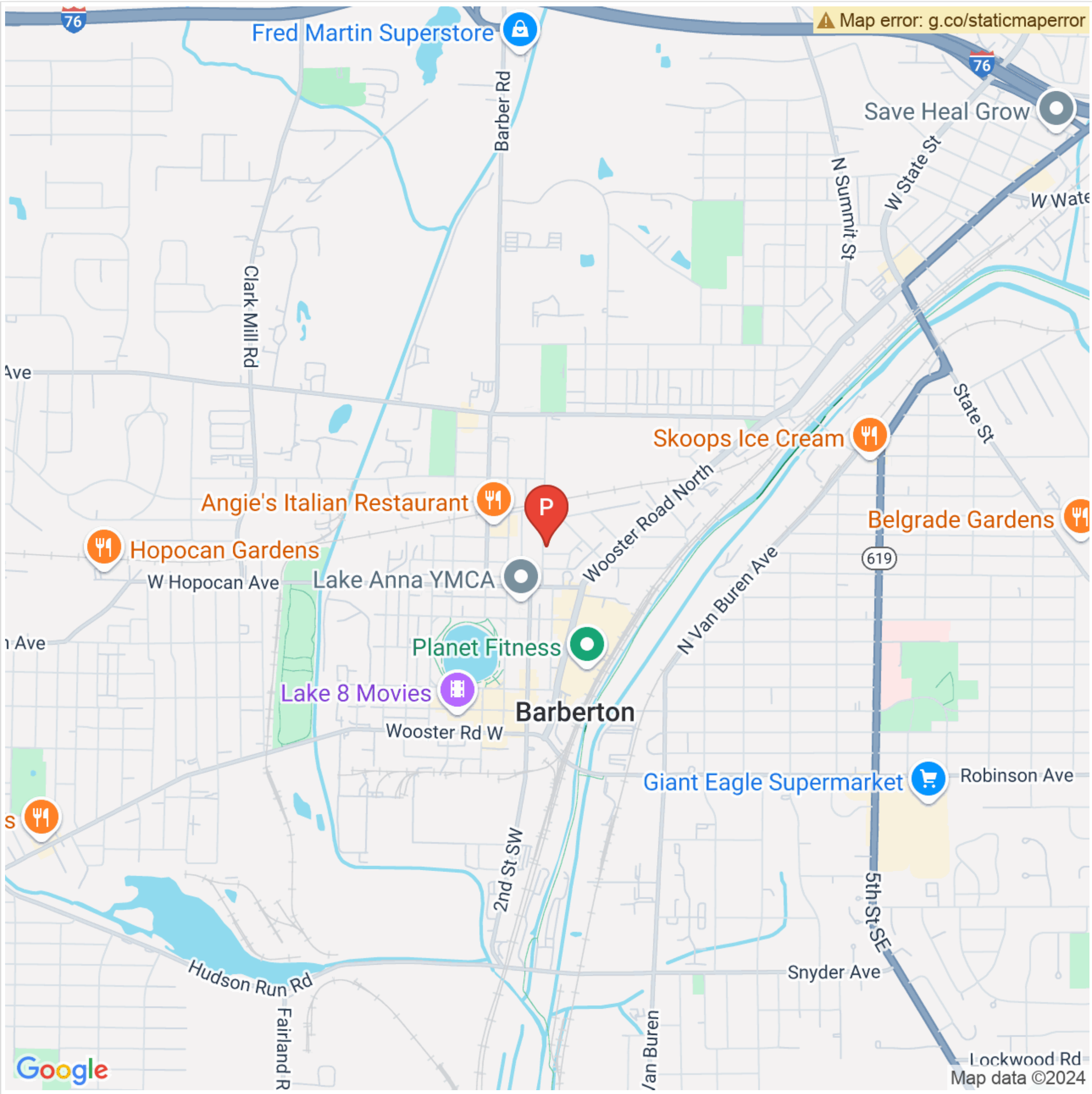
Summary and Risks

- **Trend Indications:** The relatively close proximity between the median and the 75th percentile ($1283.33 and $1282.50, respectively) implies that a significant portion of the market operates near the higher quartile range of rent prices.
- **Risk Identification:** The average rent ($1279.00) being slightly less than the 75th percentile indicates potential outliers or a slight clustering just below the upper quartile, which may point to risk in situations where market shifts or additional data points push the balance further upwards or downwards. Should rents increase significantly, any shock could push more units into a higher pricing tier than presently cushioned by the data's quartile spread.

This assessment suggests that the rent prices in the area are generally stable but businesses or investments relying on lower quintile estimations should be cautious of market trends that could compress these margins further into the profit-critical quartiles. It's crucial for stakeholders to remain vigilant and observe any emerging patterns or deviations that may affect future estimated rents.

Appendix

Additional Images:



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