



BATTLE OF NEIGHBORHOODS - AUBERGE BEAU SEJOUR



BY YVES BOURGEOIS





BACKGROUND



Over the last few years there has been an explosion of AIR-BnB properties popping up across the state of California with no signs of abating. However, there remains a niche market that AirBnB does not compete with directly, namely Bed & Breakfasts. Some travelers prefer the rustic charm of a smaller place to stay and have the opportunity to chat with the owner and locals. They are looking to absorb the local culture and enjoy the outdoors free from unfettered commercialism like Disneyland or SeaWorld. 

HELPING A FRIEND

My friend is an architect and has travelled the world throughout his career and is soon to retire in southern California. He is looking to focus on this niche market and open a luxury Bed & Breakfast and run it as a family business. This will allow him to meet lots of interesting people without having to travel himself. His vision is to open a retreat that focuses on nature and tranquility. The B&B will offer yoga classes, massage therapies, and organic cuisine. He plans on calling it *Auberge Beau Sejour*





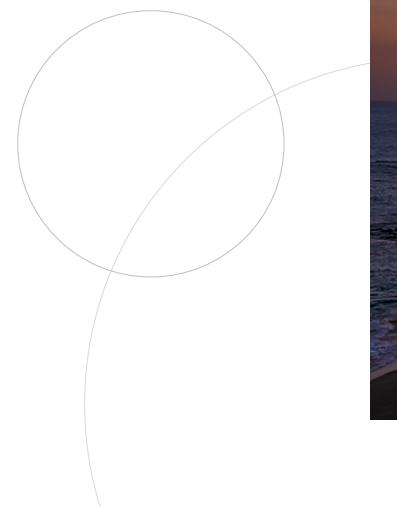
SELECTION CRITERIA

- Preferred venues = **beaches, parks, wine tasting rooms & wineries.**
- County w/ crime rate < state average
- City w/ per capita income > \$30,000.
- Total cost < \$4 million.
- Location < 2-hour drive to LAX airport.
- Close to highway 101, w/ access to beach a higher priority.
- Minimum accommodation 6 guests or 4 guest bedrooms. (*5th bedroom for owner*) 



DEFINING THE BUSINESS PROBLEM

The business problem is centered around finding a piece of real estate that fits all of these criteria.





PROJECT COMPONENTS

Data Sources

- The key data sources are:
- Redfin, Trulia & Zillow: MLS, market analysis & forecasting.
- Wikipedia: demographics
- Foursquare: venues by city & competitive intelligence
- Google maps: driving distances

Methodology

- Chapter 11 covers historical data for median sale price trending.
- Chapter 12 cover various forecasting models such as AR, MA and ARIMA.
- Chapter 13 will cover the SARIMAX forecasting model.



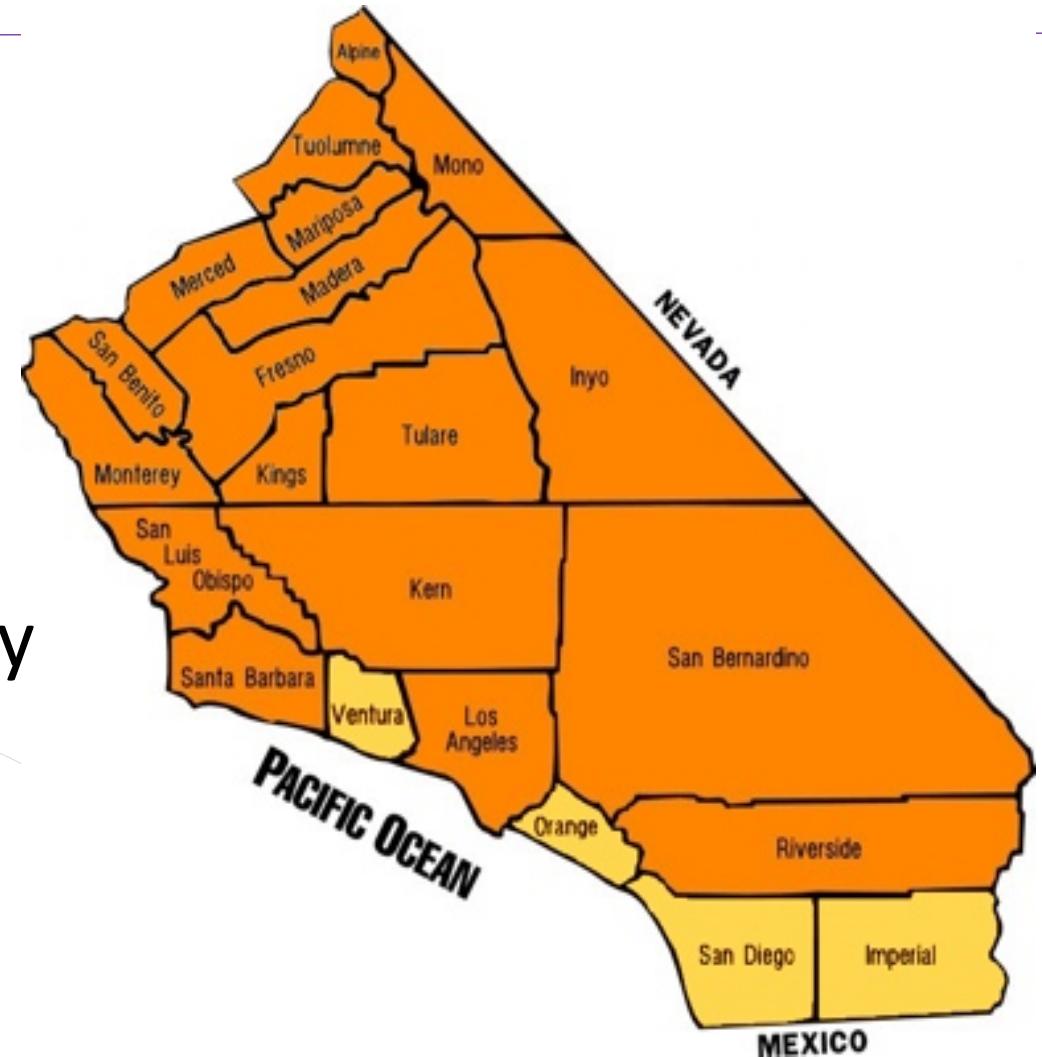
4 COUNTIES WITH THE LOWEST CRIME RATE IN CALIFORNIA

Based on crime rates in California,
4 counties are now shortlisted

1- Imperial, 2- San Diego, 3- Ventura
& 4- Orange (shown in yellow)

These counties are close to
LAX airport, & most are in close proximity
to the ocean.

Imperial County is **eliminated** based on
poor proximity to the ocean and LAX.

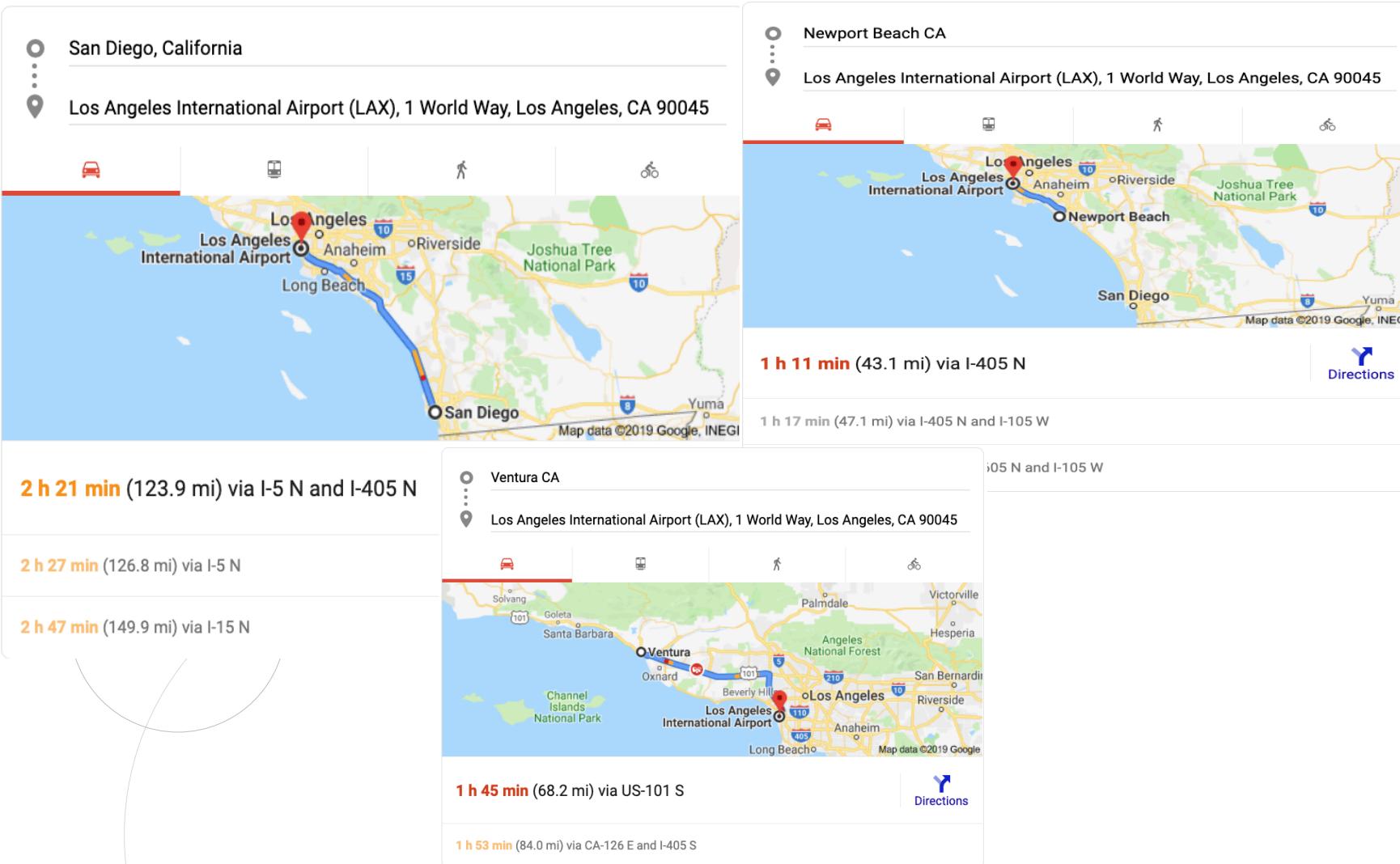




DRIVING DISTANCE TO LAX AIRPORT

San Diego County
drive time to LAX
> 2 hours
-> **eliminated.**

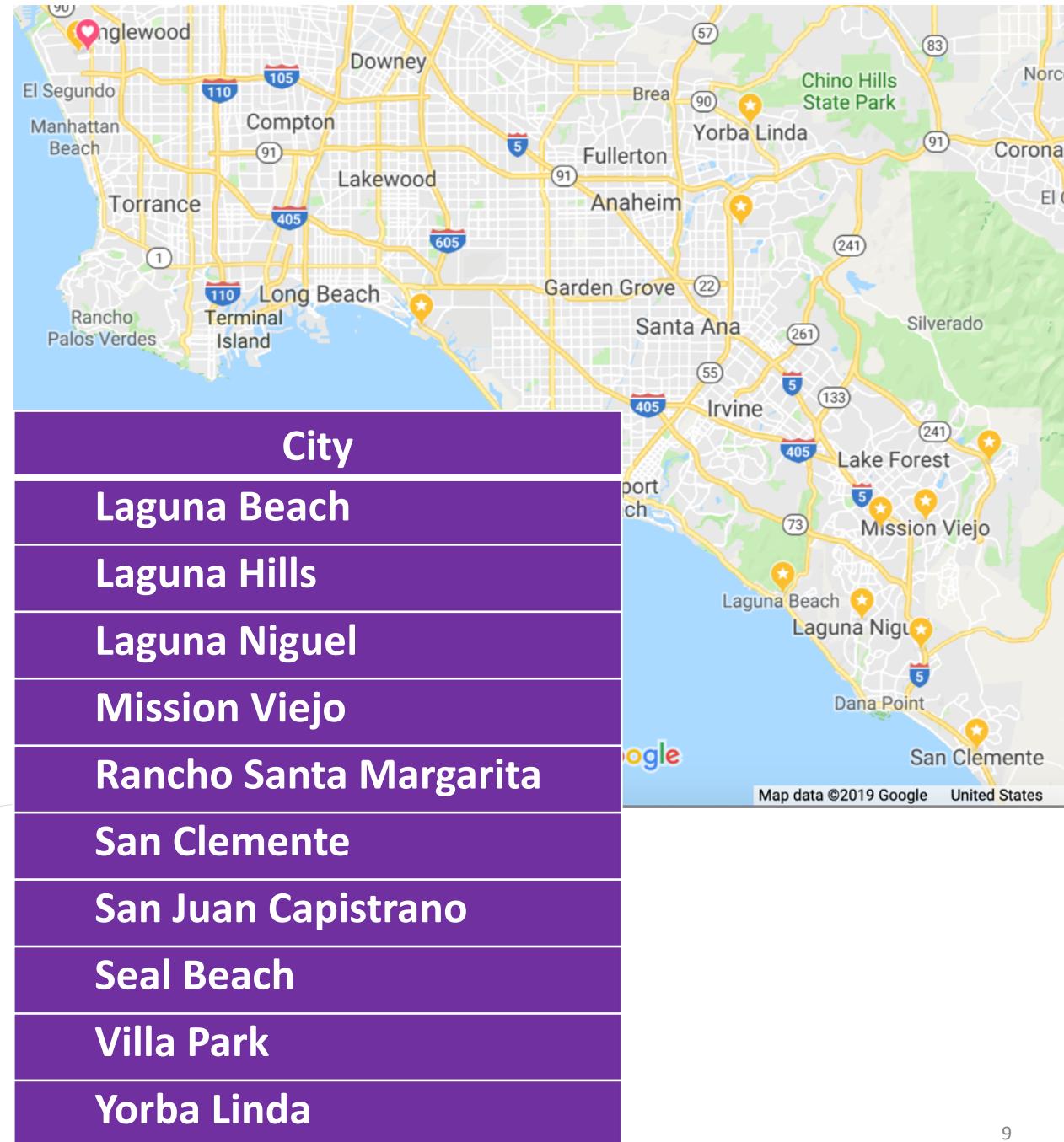
Ventura &
Orange counties
drive time to LAX
< 2 hours
-> **remain.**





EVALUATE THE CRIME RATE & PER CAPITA INCOME OF CITIES IN EACH COUNTY

- Wikipedia: # of cities by county:
Ventura: 20 & **Orange** 34.
- Shorten list by using crime rates and per capita income (PCI).
- Combining PCI & crime rates, the top 10 cities in Orange county. Heart icon is Los Angeles Int'l Airport (LAX).





FOURSQUARE ANALYSIS OF CITY VENUES

City	# Venues
Laguna Beach	24
Laguna Hills	6
Laguna Niguel	5
Mission Viejo	1
Rancho Santa Margarita	11
San Clemente	38
San Juan Capistrano	60
Seal Beach	17
Villa Park	6
Yorba Linda	4

- **Top 5 finalists w/ most venues**
San Juan Capistrano, San Clemente, Laguna Beach, Seal Beach, Rancho Santa Margarita
- **Top cities**
 - 1- **Laguna Beach** has a park & beach venues & is close to a wilderness coastal park.
 - 2- **San Juan Capistrano** has a historic site & winery. It is further from beach, but near wilderness areas

Cities dropped from the list (fewer venues, poor access to beaches & parks) are Rancho San Margarita, Seal Beach, San Clemente

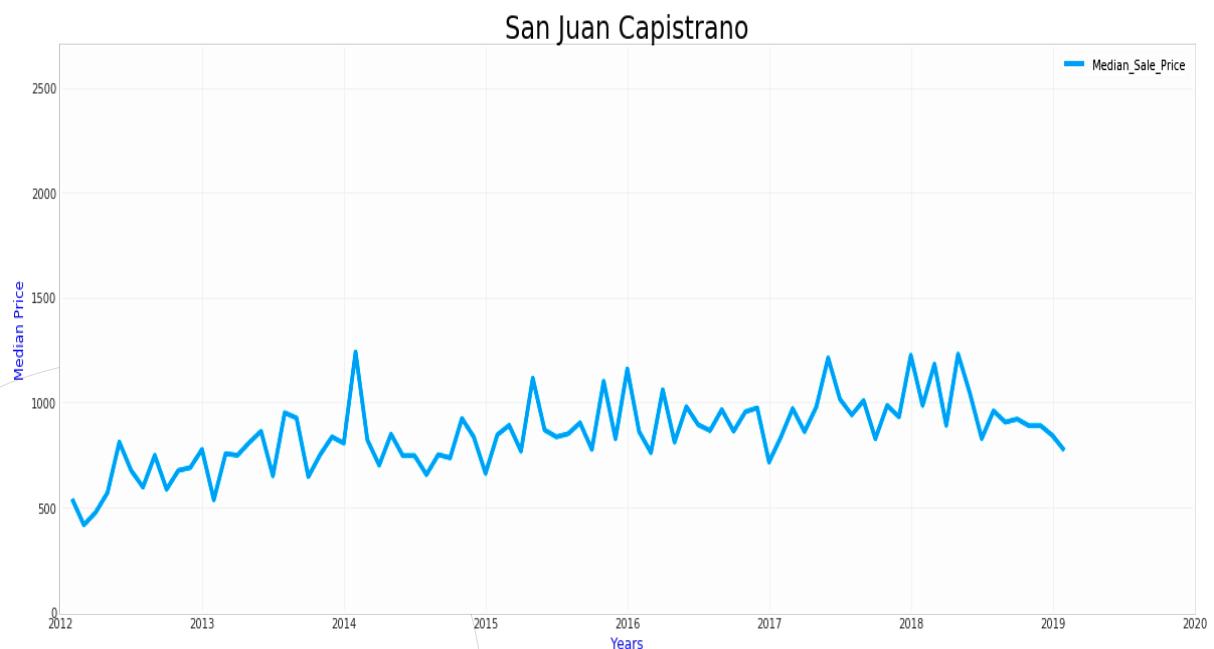
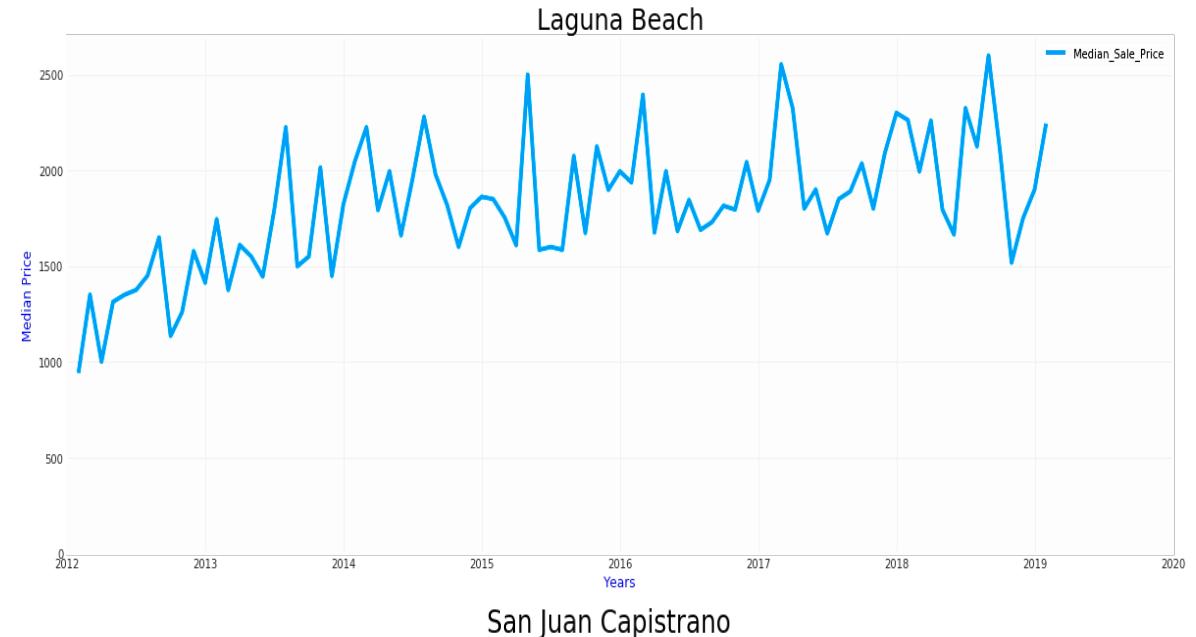


TIME SERIES ANALYSIS

Laguna Beach median prices > San Juan Capistrano.

Laguna Beach Prices variance > San Juan Capistrano.

San Juan Capistrano's median prices declined vs. Laguna Beach median prices increased.



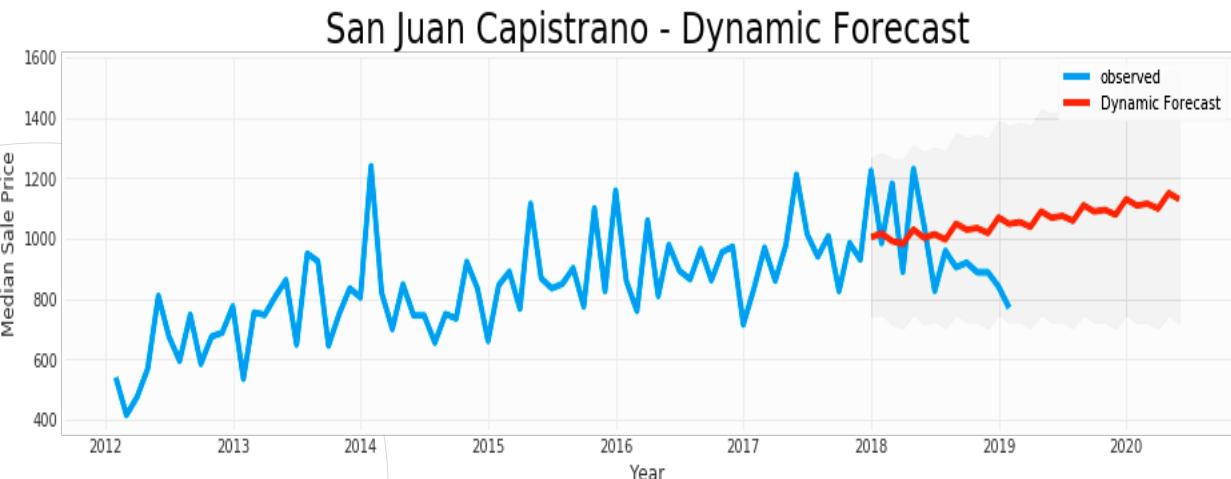
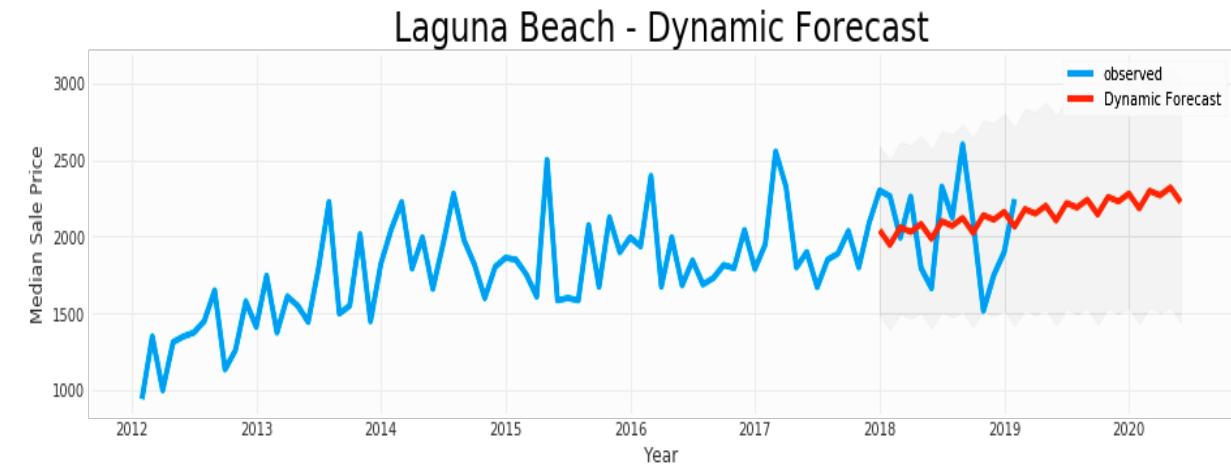
San Juan Capistrano = opportunity.



FORECAST FOR SAN JUAN CAPISTRANO & LAGUNA BEACH

Laguna Beach: healthy real estate market w/ prices rising in 2019 & 2020. Close proximity to ocean = expensive. Median sale price is estimated reaching approx. \$2.3M in 2020.

Juan Capistrano: healthy real estate market w/ prices climbing in 2020. Recent decline, but median sale prices expected faster rise. Currently a buying opportunity. Median sale price est. approx. \$1.1M in 2020. Cheaper than property in Laguna Beach. **In short, market favors San Juan Capistrano.**



COMPETITIVE ANALYSIS

Searching Hotel categories,
only one competitor, Best
Western Capistrano Inn.

Foursquare ratings are

5.7 / 10

from 6 responses

Rating is far from stellar.

FOURSQUARE CITY GUIDE I'm looking for... San Juan Capistrano, CA Log In Sign Up

Top Picks Trending Food Coffee Nightlife Fun Shopping

Best Western Capistrano Inn Hotel San Juan Capistrano

Save Share

5.7 / 10 20 ratings

Tips 6 Photos 36

"Free breakfast and dog-friendly." (2 Tips)

See what your friends are saying about Best Western Capistrano Inn. By creating an account you are able to follow friends and experts you trust and see the places they've recommended.

Sign up with Facebook or Sign up with email

6 Tips and reviews Search tips...

FILTER: quiet

Log in to leave a tip here. Post

SORT: POPULAR RECENT

Island Bruin October 27, 2015

Location can't be beat. And the shuttle to downtown is really handy. But the room was built around the time that Serra was at the mission. Time for some renovation.

Upvote Downvote

Mapbox OpenStreetMap

Best Western Capistrano Inn 27174 Ortega Hwy (at I-5) San Juan Capistrano, CA 92675 United States Get directions

Located in San Juan Capistrano, CA, the Best Western Capistrano... (Show more)

Open (Show more)

(949) 493-5661

bestwestern.com/en_US/book/hotel-...

BWCapistranoInnSanJuanCapistrano

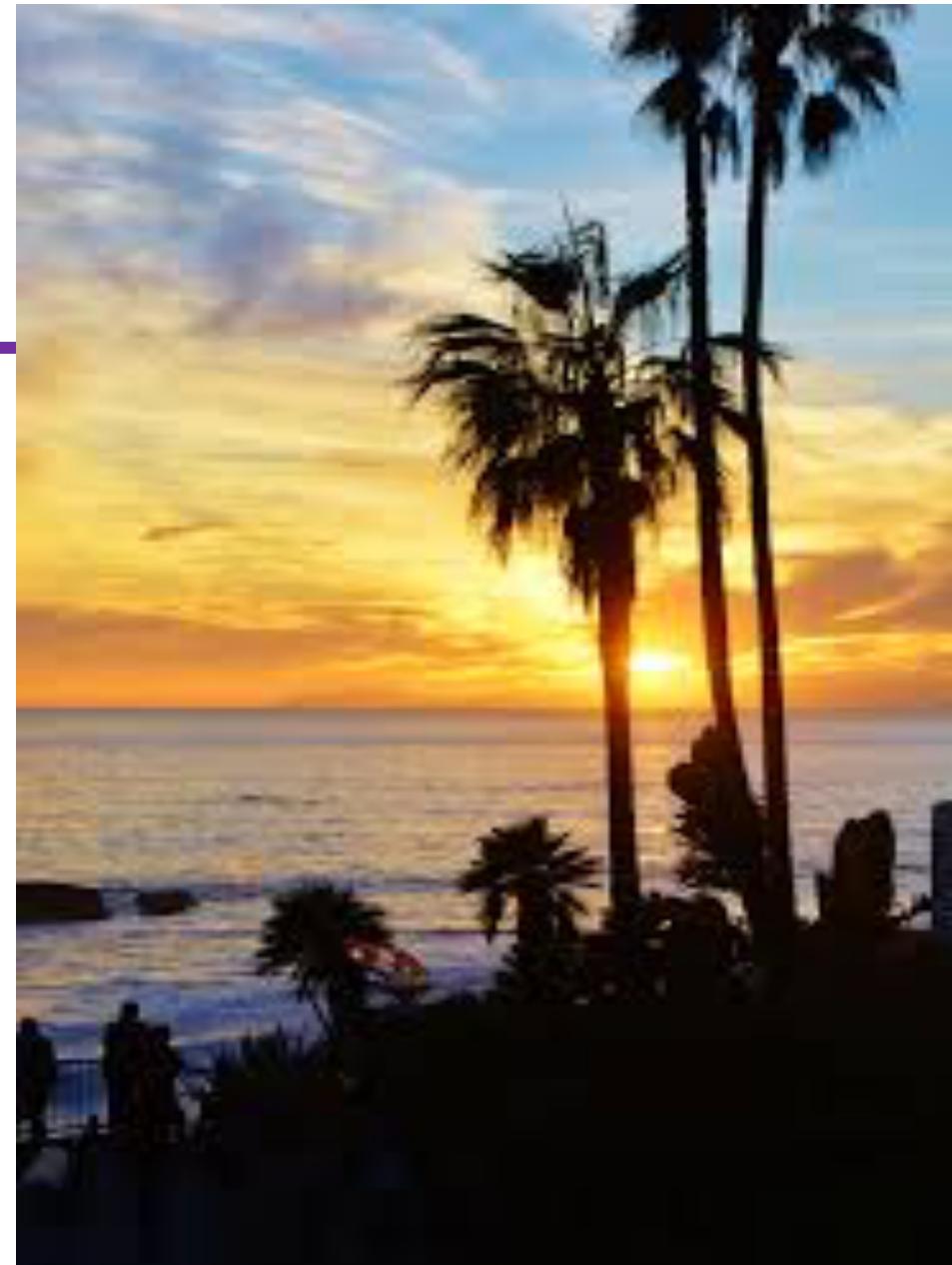
@bestwestern

Features

Credit Cards Yes

EVALUATE MLS LISTINGS

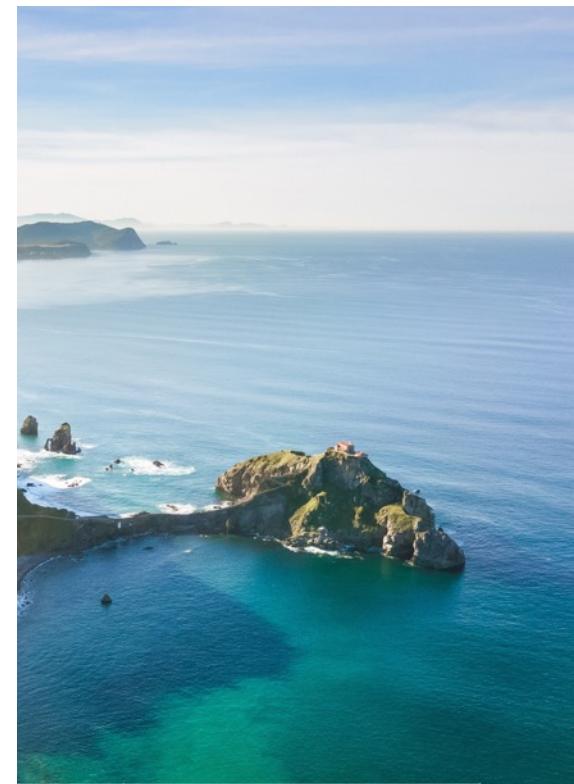
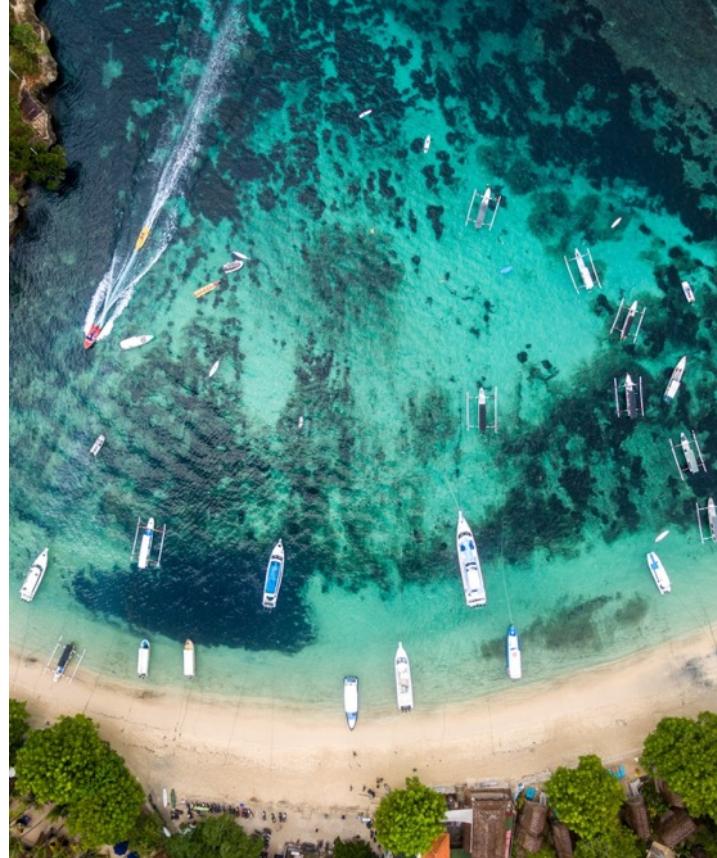
- Two properties based on the property criteria:
- property-type=house; max-price=4M; min-
beds=5; min-baths=5; min;; sqft=5k-sqft; min-
parking=5; min-lot-size=1-acre; has-pool
- The median prices of home listings < \$4M.
- San Juan Capistrano median price: declining trend
- Laguna Beach is trending upwards.
- Median prices:
- San Juan Capistrano < Laguna Beach
- **San Juan Capistrano = winner.**





COMPARE PROPERTY SPECS OF CHOSEN PROPERTIES

Comparing 2 properties: Cook Ln. is the best choice. Property specs are insufficient for final decision. Review pictures & visit properties.



Property	address	zip	price	beds	baths	lot_size	SQFT	MLS #
Single Family	27902 Via Madrina	92675	3498000	5	6.00	64791	417	OC18268633
Single Family	32061 Cook Lane Ln S	92667	3250000	6	6.25	43560	487	PW18235467

SUMMARY OF REAL ESTATE MARKET ANALYSIS AND FINALISTS TO ESTABLISH A B&B



Demographics & Geography

Methodology

-- Web scraping Wikipedia,
Google Maps

Competitors & Venues

--Venue mapping of cities

Real Estate

--Statistical models,
Comparison of MLS listings

In the final analysis, the house on **Cook Lane** offers the **best value** investment overall.



DISCUSSION ON FURTHER RESEARCH

- Analyze risks with city planning, zoning laws & property taxes. Apply predictive analytics to them.
- California always requires earthquake assessments. Use Folium & geospatial earthquake data to review risk levels by location.
- Working with real estate agent to access MLS real estate data & perform MLS data clustering analysis.

27902 Via Madrina
San Juan Capistrano, CA 92675
Status: Active

\$3,498,000 | 5 Beds | 6 Baths | 8,380 Sq. Ft.
Price | Redfin Estimate: \$3,258,009 | On Redfin: 159 days

Overview Property Details Property History Schools Tour Insights Public Facts Redfin Esti



\$3,250,000 | 6 Beds | 6.25 Baths | 6,680 Sq. Ft.
Price | Redfin Estimate: \$3,057,339 | On Redfin: 199 days

Overview Property Details Property History Schools Tour Insights Public Facts Redfin Esti



It's As I'm Saving

Street View





THANK YOU



bringideas2market@gmail.com



[Github](#)

<https://github.com/ybourgeo64/YB-Portfolio>