



U.S. Real Estate Investment Opportunities

ZED² Solutions

Spring 2018



Agenda

- Assumptions / Headlines
- Methods
- Findings
- Recommendations / Future Work

Assumptions

- Properties are purchased outright
- Annual return is 10% of the property value
 - Monthly rent is set at 1%, raised annually
 - Annual maintenance costs average 1%
 - Other costs of additional 1% per year
- Properties will be rented for a period of 5 years

Headlines

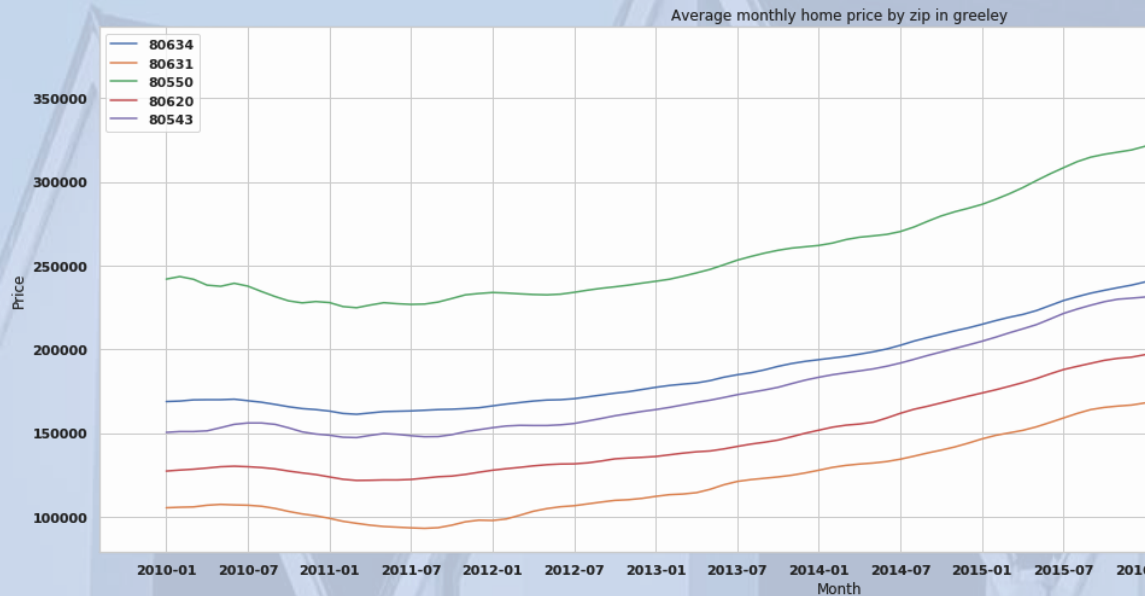
- Research provided information on US cities with upward trending population growth

City	Pop. Growth 2017 → 2018
Provo-Orem, UT	2.6%
Bend-Redmond, OR	2.8%
Boise City, Idaho	2.9%
Greeley, CO	3.0%
The Villages, FL	3.1%
Odessa, TX	3.2%
Midland, TX	4.3%

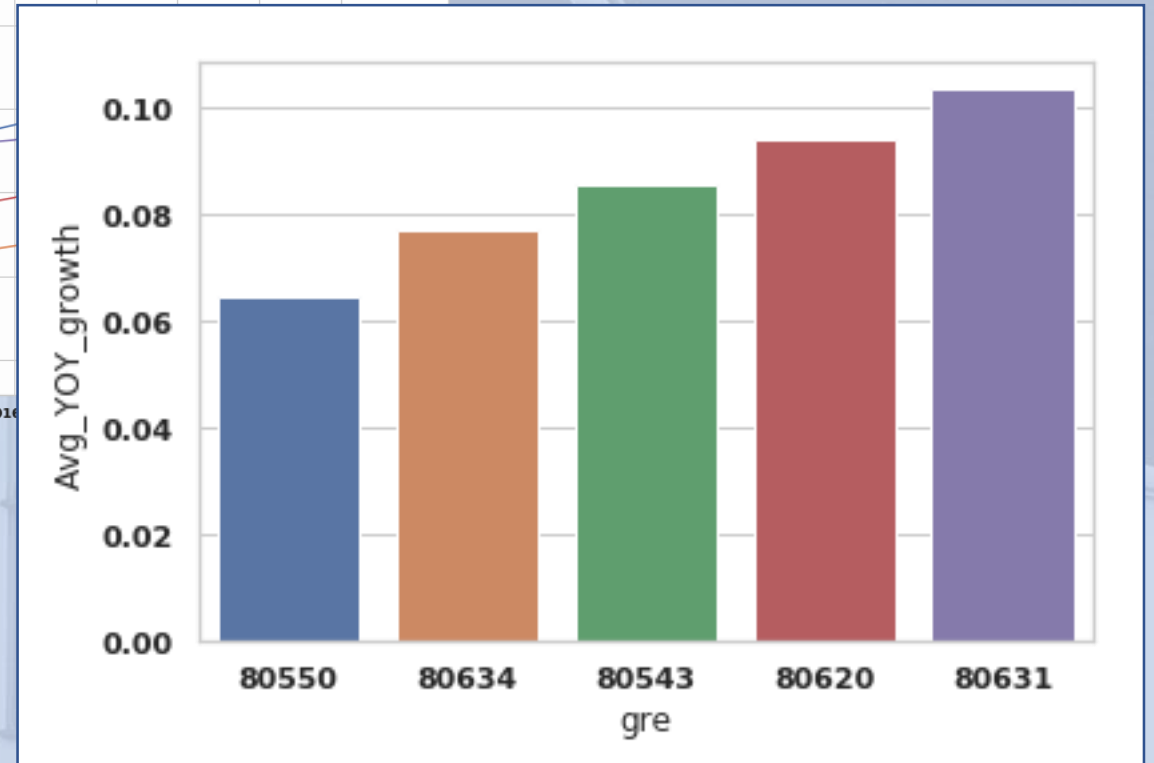
38
Unique
Zip Codes

Methods

- Began by inspecting the general shape of the data

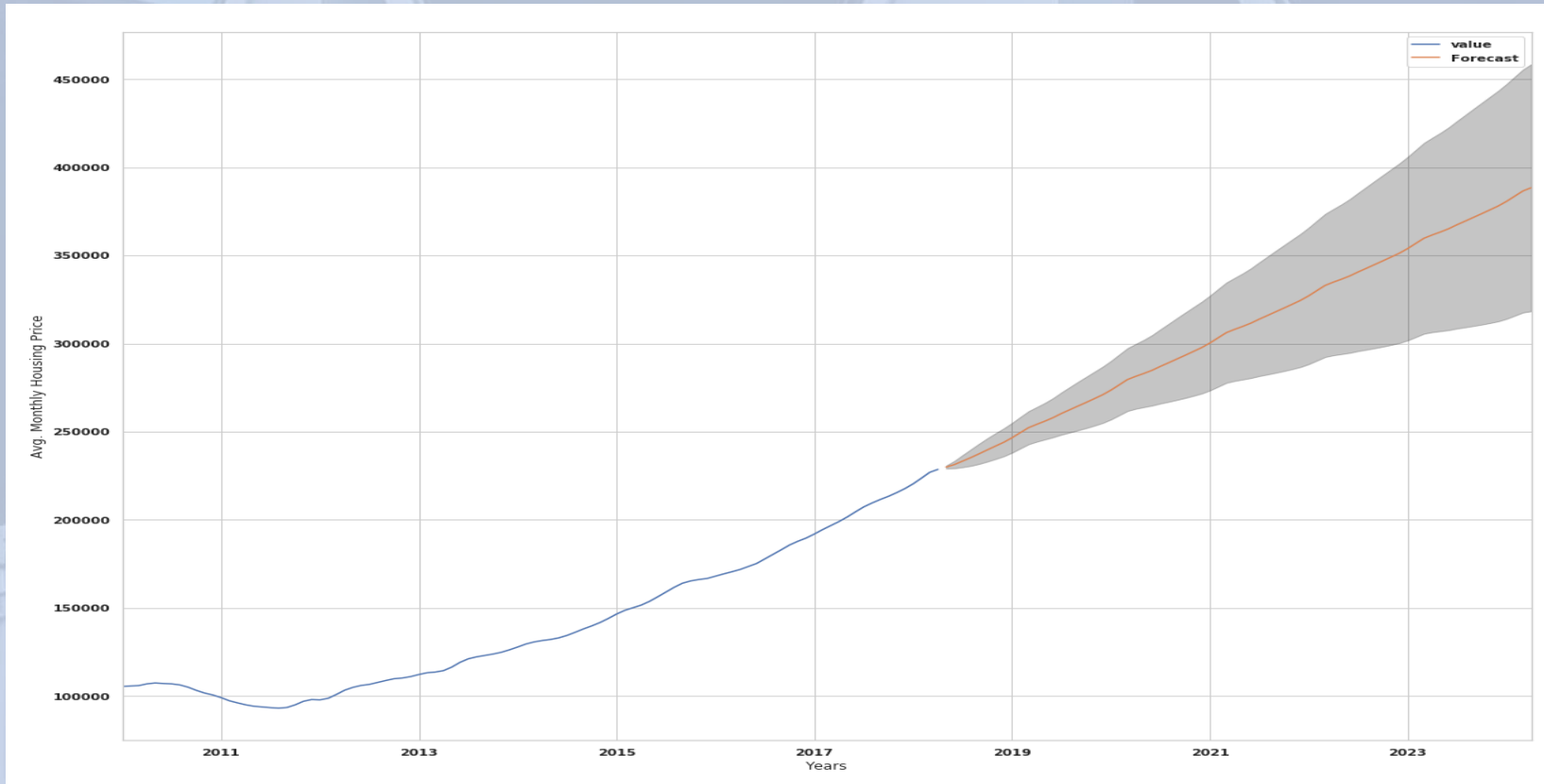


- Calculated the average YOY growth by zip code



Methods

- Use Autoregressive Integrated Moving Average models to predict growth over the next 5 years with confidence intervals

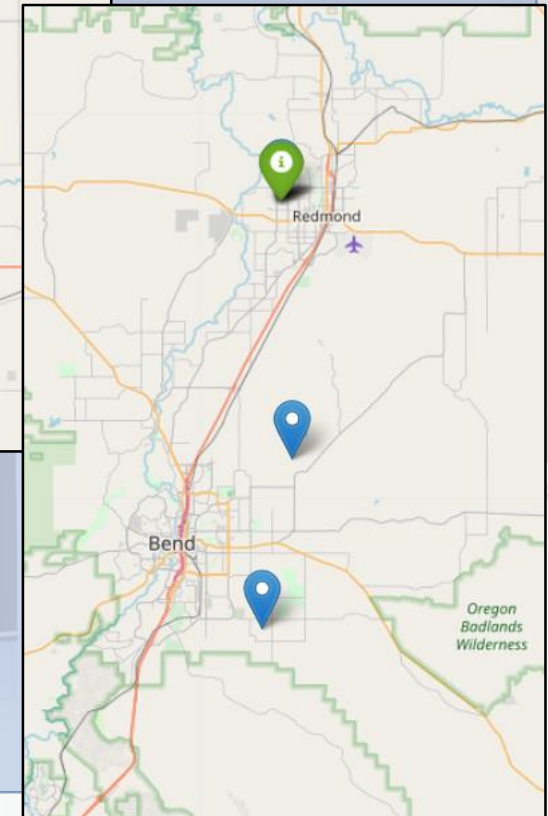
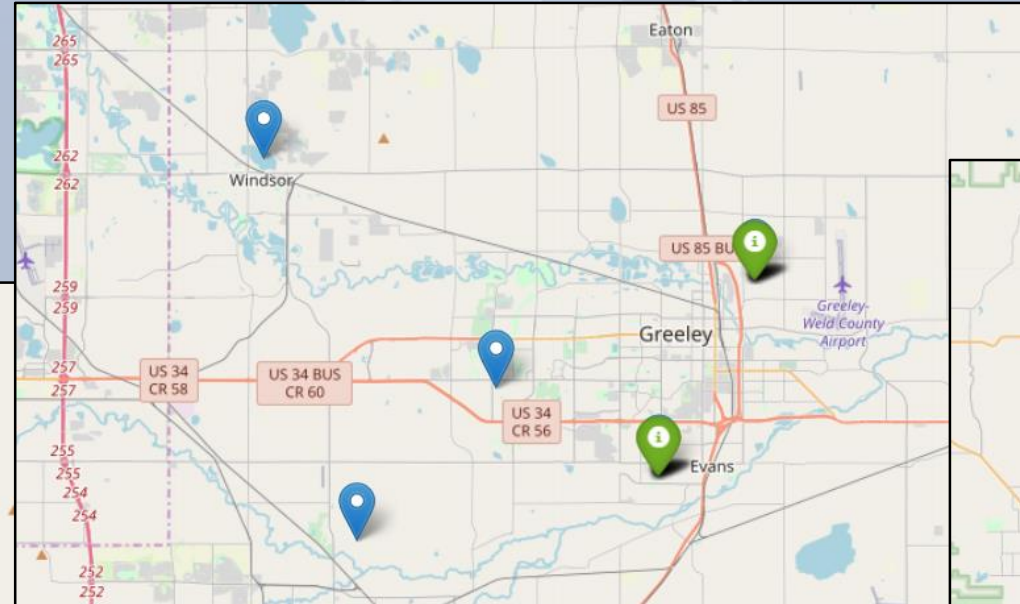
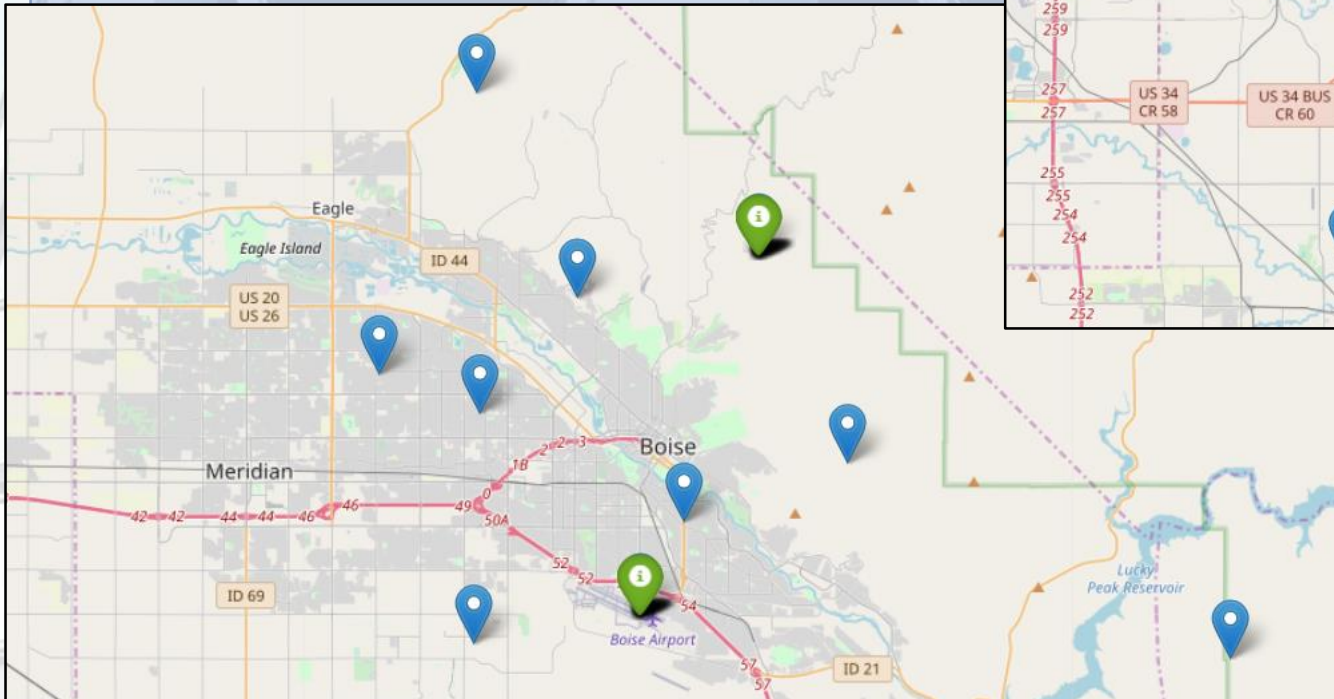


Findings

- Of the 10 zips chosen to model, 5 were final selections

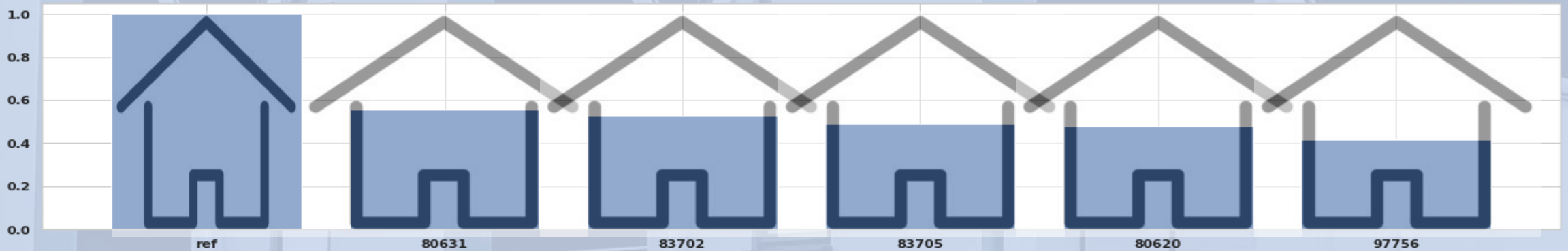
Proj. Avg. Annual ROI

12.4-13.1%



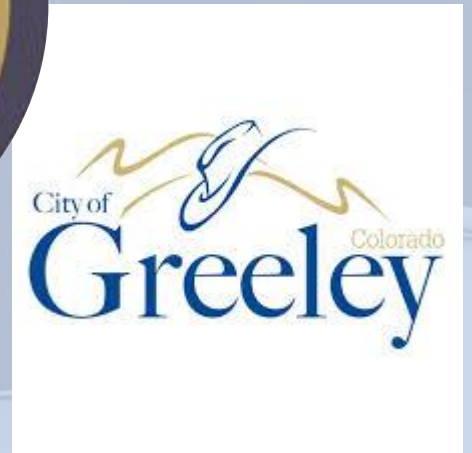
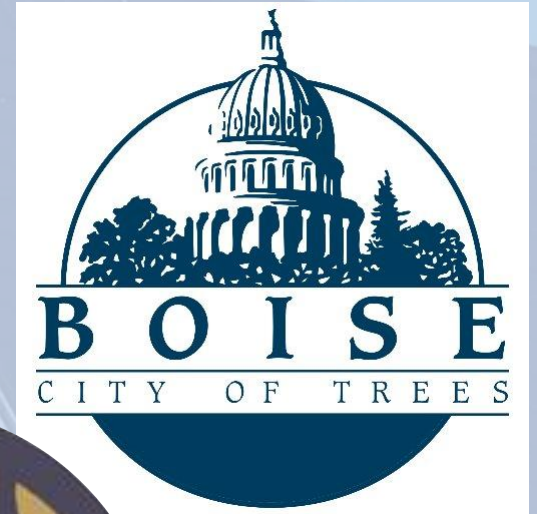
Findings

Zip	City	Projected Property Value Growth (%)
80631	Greeley	55.6
83702	Boise City	52.7
83705	Boise City	49.1
80620	Greeley	48.0
97756	Bend-Redmond	41.5



Recommendations

- Purchase properties in Greeley, Boise City, and Bend-Redmond in the areas of town specified
- Hold the properties for a minimum of 5 years to maximize ROI
- Increase rent annually to match the market





Future work

- Additional research on other factors impacting growth of property values
- Expand the search
- Further exploring the viability of actualizing the projected rates



Thank you!