



Phoenix, Arizona

Market Report



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About Real Consultants Mortgage and Real Estate

Real Consultants Mortgage and Real Estate Services was founded in 2005 by Devlin Duarte. We have grown from two desks in a bedroom with only one other agent, to four offices with over 65 Loan and Real Estate professionals throughout California. We put our Agents and Loan Officers first by helping them with resources and training that will help grow their book of business. With that same mentality, we believe clients should be educated on the Real Estate they purchase or the loan they end up getting. The reason behind creating this Real Estate market report is to give the client a snapshot of the area they are looking to purchase in before they make that decision.



Sam has nearly 20 years of experience in the financial, mortgage and real estate industries. A 2001 graduate from the United States Military Academy, West Point with a BS in Economics and Systems Engineering, Sam served as a Field Artillery Officer in the Army before beginning his career in financial services and real estate. He holds Series 7 and 66 securities licenses as well as California Real Estate Broker license.

Sam Escobar
CTO
Real Consultants
Mortgage and Real Estate
Services Inc.



President and Founder of Real Consultants Mortgage and Real Estate Services, Inc. brings over two decades of experience to the Mortgage and Real Estate industry. Established in 2005, his company has become a trusted name in the field under his leadership. Devlin graduated with a B.S. in Business Administration with a focus in Marketing from California State University Los Angeles in 2002. His dedication to excellence and deep understanding of the industry have been instrumental in shaping Real Consultants. Devin Duarte continues to lead the company with a commitment to innovation and client satisfaction.

Devlin Duarte
President
Real Consultants
Mortgage and Real Estate
Services Inc.

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How We Select Investment Markets

Ask a real estate agent in any city in the U.S. where the best place to buy investment property is, and the answer is the city they sell in. A bit biased no? Obviously not every property, in every city, in every state in the country actually makes sense to buy as an investment property. So what criteria makes a particular town ideal for real estate investing?

We Select Markets Based on Statistics, Data and Financial Calculations:

Job Market

Must have a trend of continued job growth and a business friendly environment with nationally recognized employers regularly adding jobs

Vacancy Rate

The lower the unemployment rate, the lower the vacancy rate

Economic Diversity

We only select Metropolitan Statistical Areas (MSA's) that are robust with many different industries creating economic stability

Housing Affordability

With high affordability comes higher Cash-on-Cash Returns, increased demand, and more bang for your buck

Landlord Friendly State Laws

The state in which the city lies must have landlord friendly eviction and rent laws

Strong Education

There must be a wide array of prestigious colleges and universities which attract employers and help stimulate job and population growth

Reliable Property Management

Without this nothing else matters. We screen our property managers heavily and only work with ones that we use on our own personal investments

We DON'T Select Markets Based on Emotion such as:

- Weather
- Where we live
- Where we work
- Where we travel
- Where our family and friends are located
- Where we want to retire

4 | Attractions, Culture, and Recreation

Built for eating, hiking, golfing, and shopping, Phoenix offers the quietness of Wyoming, business savviness of New York, cleanliness of Singapore, and the desert paradise of Las Vegas.

Designed with tourists in mind, Phoenix is known as one of the cleanest cities in the country. Drive for a quarter of a day or less and enjoy a weekend getaway in Las Vegas, Northern Arizona, California, or Mexico.



Phoenix Zoo

Enjoy 125 acres of numerous habitats. The zoo houses a variety of animals, including baboons, Sumatran tigers, Asian elephants, Galapagos tortoises and Komodo dragons. Take younger tots to the Big Red Barn petting zoo or to the giraffe encounter where they can get some face time with the animals. When their little legs start to tire, consider the 30-minute narrated safari train tour, which only costs a few dollars and provides an insightful tour of the zoo.

Phoenix Art Museum

Housed within a prime example of contemporary architecture is one of the largest art museums in the Southwest (with more than 17,000 works of art, some of them dating as far back as the Renaissance). From Diego Rivera to Frederic Remington, Henry Moore to Frida Kahlo, the Museum's permanent collection caters to a wide variety of tastes & often welcomes top-notch traveling exhibits. Be sure to check out the popular Thorne Miniature Collection and if you're traveling with kids, take advantage of the museum's youth-oriented activities.

Desert Botanical Gardens

Sprawling across 50 acres in Papago Park, the desert may seem like the last place you'd expect to find flowers, yet the garden is home to thousands of species of cacti, trees and flowers from all around the world. The garden's brightly colored plants sharply contrast the Sonoran Desert's cinnamon-red buttes, and numerous hiking trails allow you to experience the region's natural wonders the way early settlers once did. The garden also hosts numerous events, including bird-watching expeditions and outdoor concerts.

5 | Attractions, Culture, and Recreation

Soak up the sun at one of many championship designed golf courses or by the pool with a cool drink in hand. Feeling a little adventurous? Give in to your wild side and go on a desert jeep tour, or spread your wings and go hot-air ballooning.

Don't be fooled with Phoenix's desert landscape. Although you can witness the breath-taking views that Phoenix offers while hiking on popular trails, you can also spot a little bit of color in the beautiful flowers blooming in the various gardens.



Camelback Mountains

As the highest peak in Phoenix, Camelback Mountain is probably the most scenic hiking spot in the city. Soaring 2,704 feet high, Camelback's summit offers spectacular views of Phoenix and Scottsdale and can be reached from the 1.2 mile (incredibly steep) Summit Trail. If you're looking for a more low-key hike, the 1.5 mile Cholla Trail on the east side of the mountain offers a more gradual incline, at least until you near the summit. You can also try one of the several beginner-friendly trails that circle Camelback's base.

Pueblo Grande Museum and Cultural Park

History and archaeology buffs should put Pueblo Grande at the top of their list of places to visit. This site features the ruins of an ancient Hohokam village — which approximately 1,000 people once called home — that mysteriously disappeared around 1450 AD. Walk among what's left of houses, storage facilities, play areas and cemeteries. You can also view artifacts found during the site's excavation at the small museum.

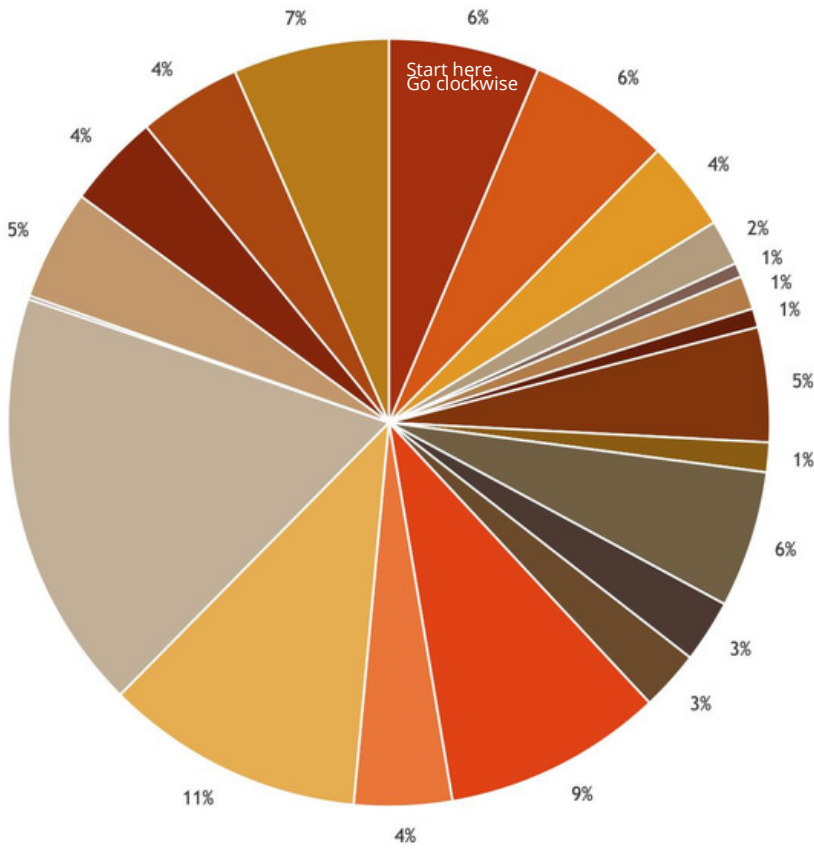
Chase Field

Watching the Arizona Diamondbacks play at Chase Field is a worthwhile experience, even if you aren't a die hard baseball fan. According to one TripAdvisor user, "It is one of the greatest experiences a baseball fan can have... On a cool night the roof will be open and fans are able to watch the game under the stars." Grab a bite to eat or a cold one at Chase Field's beer garden while the kids cool down at the field's swimming pool.

- **Ranked #2 in Employment Growth in 2018 (CBRE Research)**
- **#1 Largest Numeric Population increase 2017-2018**
- **Ranked #26 out of 125 for Best Places to Live 2018 (US.News)**
- **#17 in Best Places to Retire 2018 (US.News)**
- **Ranked #2 Best City in the U.S. for Summer Jobs 2018 (AZ Central)**
- **#19 for Best Places to Live in the United States 2018 (AZ Central) • Arizona Ranked #1 State for Future Job Growth 2018 (Forbes)**
- **#8th Most Tax-Friendly States**
- **Ranked #9 for Best Airport 2019 (Skyscanner)**
- **No. 11 for Best Cities for Small Business 2018 (CNBC)**
- **#5 Most Populous Cities 2018 (Census.gov)**
- **Ranked #5 of Best Cities for Young Professional 2018 (TripSavvy) • #7 for Best State Well-Being 2017 (TripSavvy)**
- **#9 of Best Cities for Building Wealth 2017 (TripSavvy)**
- **No. 8 State adding the most jobs 2017 (24/7 Wall Street)**
- **Fastest Growing Cities #4 2017 (Forbes)**
- **Ranked #5 for Best Air Quality, By County 2017 (American Lung Association)**

7 | Economic and Business Environment

Industry Diversity



- Management Occupations
- Business and Financial Operations Occupations
- Computer and Mathematical Occupations
- Architecture and Engineering Occupations
- Life, Physical, and Social Science Occupations
- Community and Social Service Occupations
- Legal Occupations
- Education, Training, and Library Occupations
- Arts, Design, Entertainment, Sports, and Media Occupations
- Healthcare Practitioners and Technical Occupations
- Healthcare Support Occupations
- Protective Service Occupations
- Food Preparation and Serving Related Occupations
- Personal Care and Service Occupations
- Sales and Related Occupations
- Office and Administrative Support Occupations
- Farming, Fishing, and Forestry Occupations
- Construction and Extraction Occupations
- Installation, Maintenance, and Repair Occupations
- Production Occupations
- Transportation and Material Moving Occupations

Source: Bureau of Labor Statistics



8 | Economic and Business Environment



Top 5 Employers

1. **PetSmart:**
53,000 employees
2. **Republic Services:**
33,000 employees
3. **ON Semiconductor:**
32,000 employees
4. **Freeport-McMoRan:**
30,000 employees
5. **Apollo Education Group:**
28,000 employees

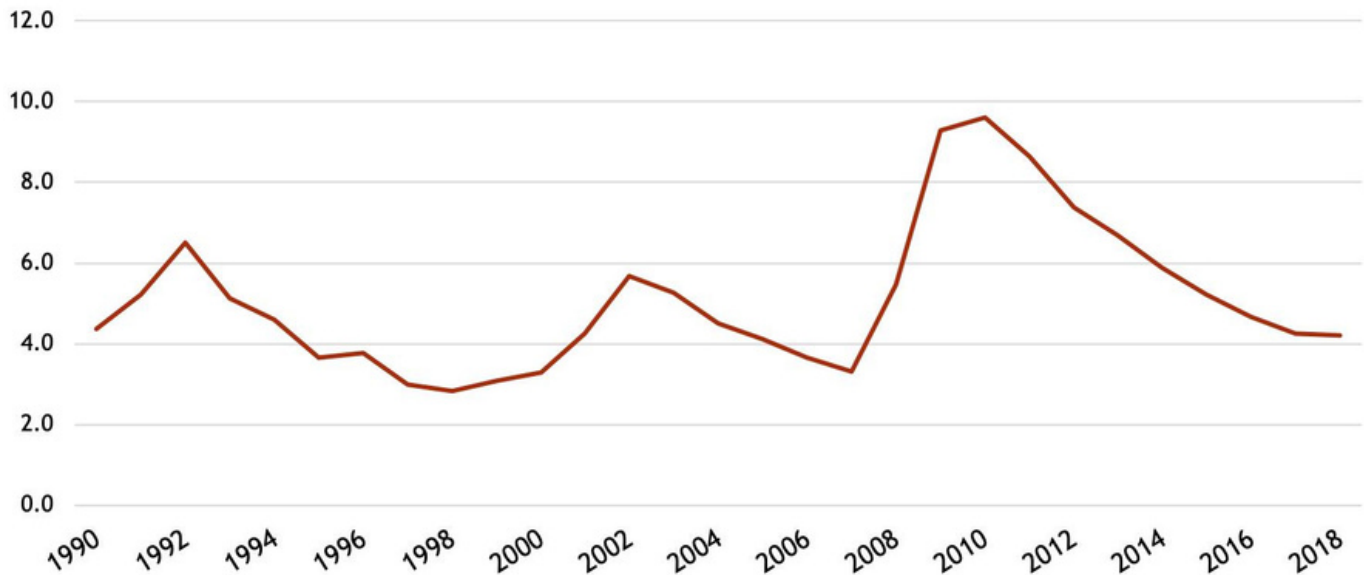
Source: Zippia

Forbes recently named Phoenix as one of the country's next big boomtowns. As one of the fastest-growing regions in the country, it has a population that's expected to nearly double over the next 20 years.

Phoenix has some of the best business schools and programs in the country, as well as one of the largest community college networks in the nation. It's positioned between two of the country's biggest economies, California and Texas, yet operating costs are about 40% less than California.

Paired with Phoenix's low business and living costs, minimal regulation, business tax credits, and other economic development programs, life in the Greater Phoenix area is one of the most exciting in North America. It's also one of the best places to relocate – you can quickly become ingrained in the community, climb the ranks, and achieve career goals you'd never expect in other markets. Greater Phoenix is already home to dozens of notable corporate and regional headquarters.

Unemployment Rate



Source: Bureau of Labor Statistics

Corporate & Regional Headquarters:

- Avnet
- Best Western
- Coldstone Creamery
- Fender
- Freeport McMoRan
- Go Daddy
- Hensley & Co.
- Honeywell Aerospace
- LifeLock
- Microchip Technology
- PetSmart
- Poore Brothers
- Shamrock Farms
- Stat Farm
- U-Haul
- Viad Corporation

The BLS reported that the unemployment rate for Phoenix fell 0.1 percentage points in May 2019 to 4.2%. For the same month, the metro unemployment rate was 0.7 percentage points lower than the Arizona rate. The unemployment rate in Phoenix peaked in November 2009 at 10.3% and is now 6.1 percentage points lower. From a post peak low of 4.1% in August 2017, the unemployment rate has now grown by 0.1 percentage points.

Source: Department of Numbers



10 | Economic and Business Environment



In 2018, Greater Phoenix welcomed 42 businesses and three corporate headquarters, which represented \$1.18 billion in capital investment and created 8,606 total jobs. Much of the credit for those jaw-dropping economic development numbers can be attributed to the Greater Phoenix Economic Council (GPEC).

“Arizona continues to foster a welcoming pro-business environment for new and existing companies,” says Goodyear Mayor Georgia Lord. “We focus on areas that are important to businesses — such as reducing regulatory burdens, creating a competitive tax environment and growing a talented workforce, particularly in high-demand industries. The excellent connectivity to major markets along with a low-cost operating environment makes Arizona a competitive place to grow a business.”

Experts say Greater Phoenix has built a skilled, diverse workforce that is prepared for in-demand disciplines in emerging industries. Graduates from the state’s forward-thinking universities and community colleges are being prepared to excel in the jobs of today and jobs that don’t even exist yet.

Source: AZ Big Media



Business Facts

- Greater Phoenix represents 73% of the state's economy.
- The Greater Phoenix region offers operational costs of up to 42% less than California.
- Cities in Greater Phoenix offer expedited permitting 100% of the time.
- More than 40 universities and other institutions prepare the market's workforce across a variety of industries.
- The population is expected to grow to 5.56 million in the next nine years.
- Shipping costs from Greater Phoenix to California are up to 75% lower than other Mountain West markets.
- Third largest labor pool in the west, producing talent in high-demand industries.

Sources: Greater Phoenix Economic Council

Phoenix, Arizona, boasts a range of educational opportunities. Notable institutions include Arizona State University, Grand Canyon University, and Phoenix College. The city's K-12 education is served by several school districts, including Phoenix Union High School District. Efforts are made to address educational needs and promote access to quality schooling in the Phoenix metropolitan area.

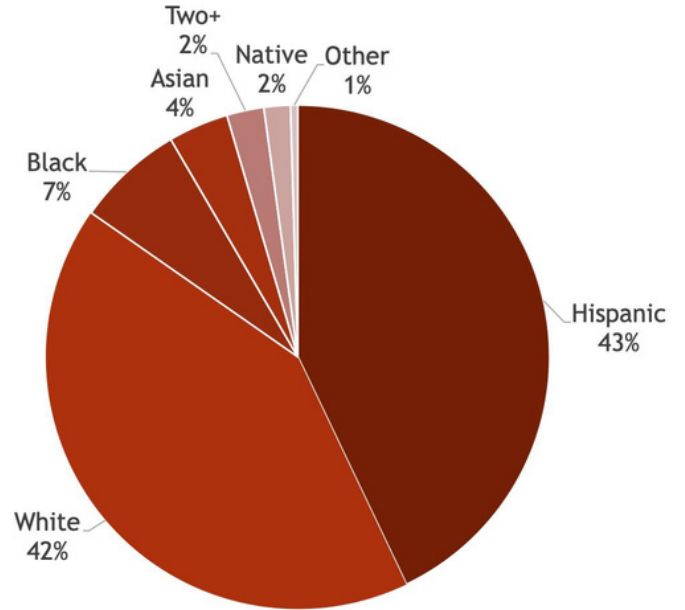


ARIZONA DEPARTMENT OF
EDUCATION

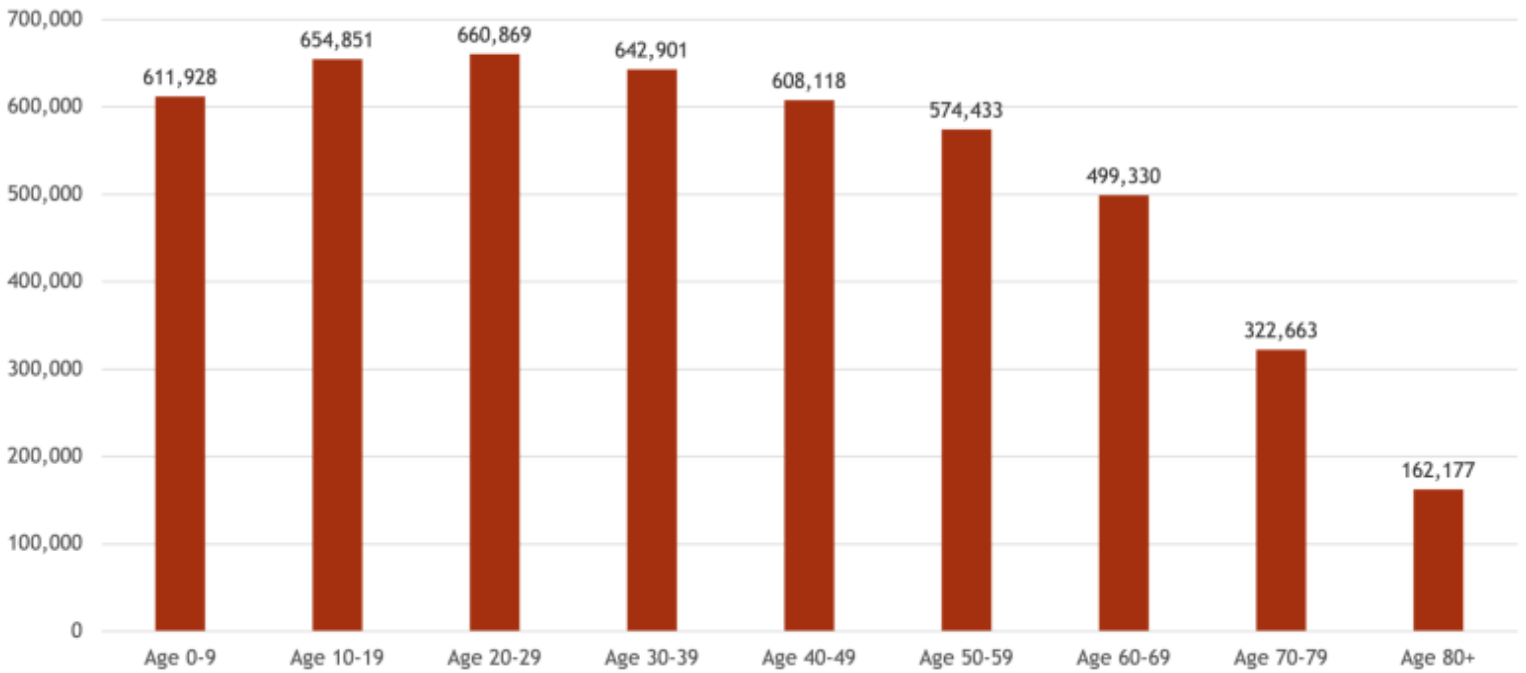
- Population: 1,660,272
- Median Age: 33.8
- Median Household Income: \$47,866
- Unemployment Rate: 4.2%

Source: Census Reporter

Race & Ethnicity

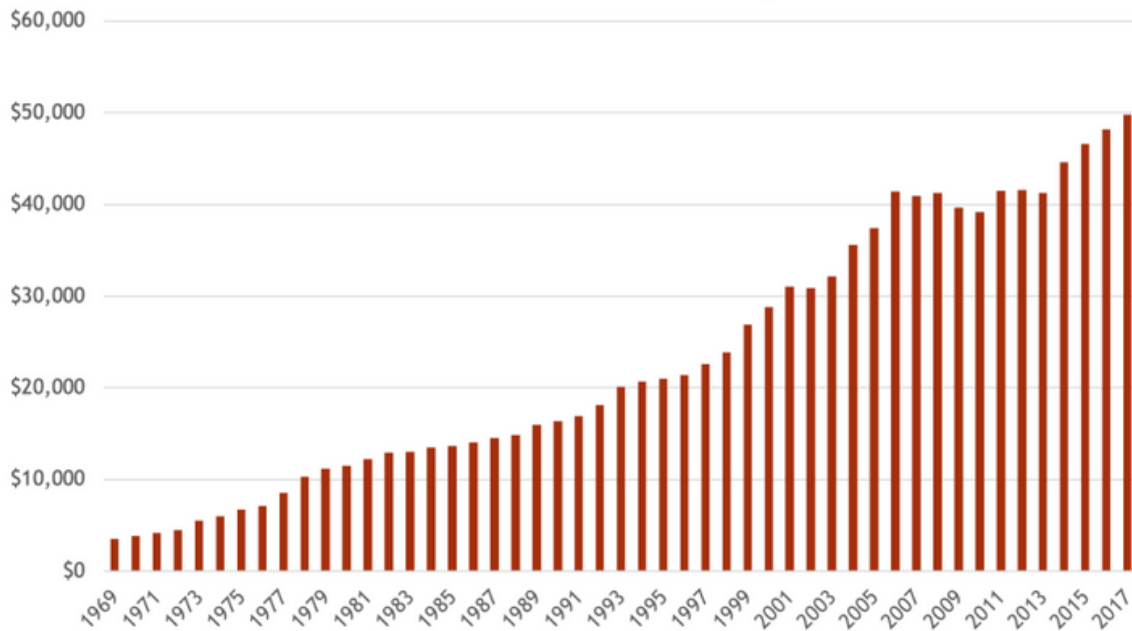


Population By Age



Source: Census Reporter

Per Capita Personal Income in Phoenix-Mesa- Glendale, AZ



Source: FRED Economic Data

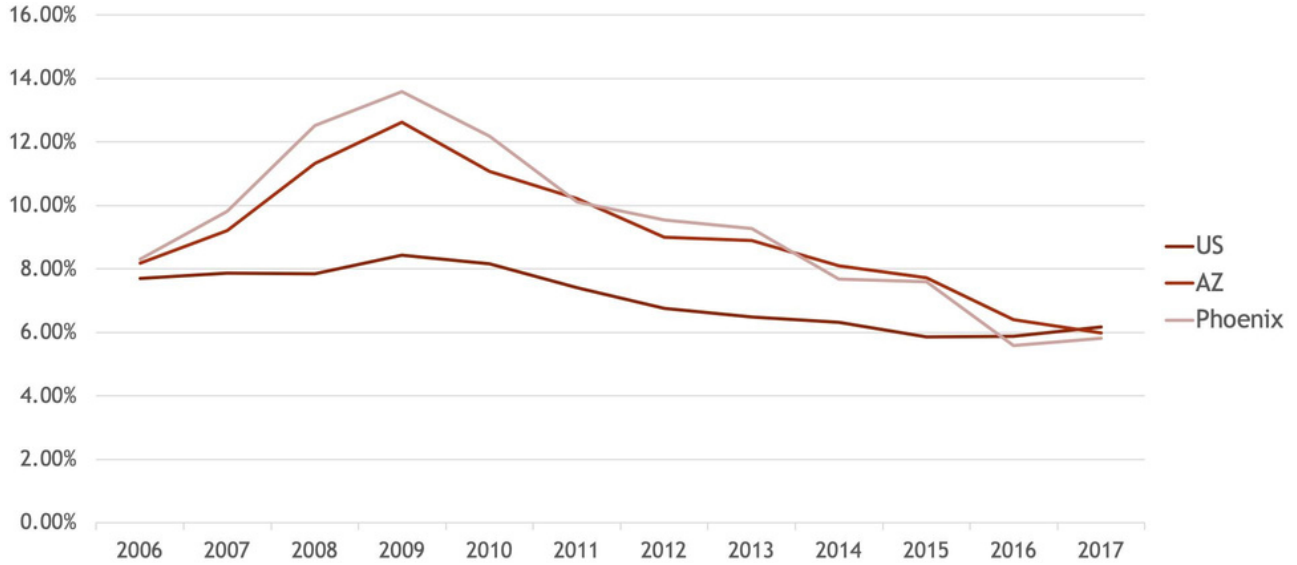
Cost of living indices are based on a US average of 100. An amount below 100 means Phoenix is cheaper than the US average. A cost of living index above 100 means Phoenix, Arizona is more expensive. Overall, Phoenix's cost of living is 113.4.

Source: Sperling's Best Places

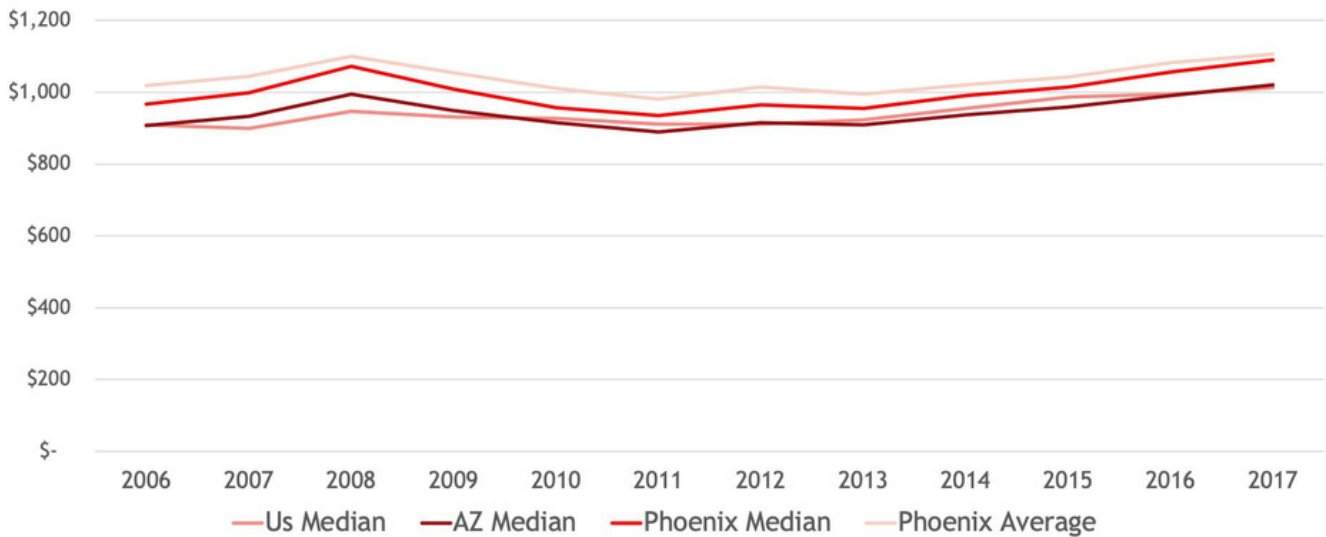
Cost of Living	Phoenix	Arizona	USA
Overall	113.4	112.4	100
Grocery	95.5	104.3	100
Health	101.6	100.6	100
Housing	122.6	128.1	100
Median Home Cost	\$248,600	\$248,300	\$219,700
Utilities	101.8	102.7	100
Transportaion	133.7	121	100
Miscellaneous	100.1	95.8	100



Historical Rental Vacancy Rate

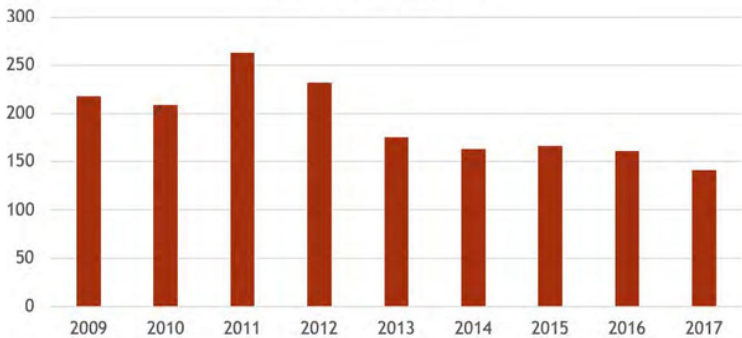


Gross Rent History



Source: Department of Numbers

Phoenix, AZ MSA Housing Affordability Index



To interpret the indices, a value of 100 means that a family with the median income qualifies for a mortgage on a median-priced home. An index above 100 signifies that families earning the median income have more than enough income to qualify for a mortgage loan on a median-priced home, assuming a 20% down payment.

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