



Memphis, Tennessee

Market Report



2 | 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.

3 | 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

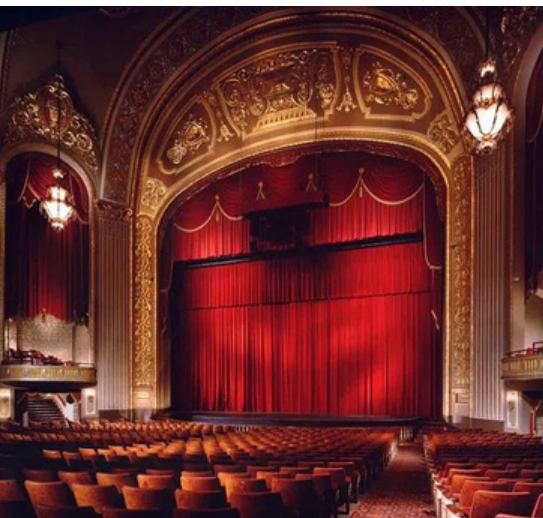
We DON'T Select Markets Based on Emotion such as:

- 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

Memphis is an urban playground of music, history and world-class attractions. It is a cultural hotspot and a pivotal intersection of American music history. Home of the blues and the birthplace of rock and roll, it's a city of music, food, history, and heritage all moving to the rhythm of the mighty Mississippi River.

Eating in Memphis is an experience for the soul, not just the stomach. Grab mouthwatering Memphis barbecue for lunch. There is something tasty on just about every corner. Memphis is home to more than 100 barbecue restaurants, but make no bones about it, dining out here doesn't stop there.



Orpheum Theatre

Built in 1928, the Orpheum Theatre is one of the few remaining “movie palaces” of the 1920s. The theatre presents a variety of events, from Broadway shows and concerts, to films. A \$4.7 million renovation in the 1980s included refurbishing of ornamental plasterwork, crystal chandeliers, and original furnishings plus remodeling of the backstage and technical areas. This renovation signaled the rebirth of entertainment in downtown Memphis.

Stax Museum of American Soul Music

The Stax Museum is the world's only museum dedicated to preserving and promoting the legacy of American soul music. Located on the original site of the Stax Records studio in Memphis, TN, the Stax Museum pays special tribute to the artists who recorded there, as well as other American soul legends. Contains a rare and amazing collection of more than 2,000 artifacts, interactive exhibits, films and galleries.

Graceland

Graceland is a mansion on a 13.8-acre estate in Memphis, TN that was home to Elvis Presley. It currently serves as a museum and was opened to the public on June 7, 1982. The site was listed in the National Register of Historic Places on November 7, 1991, and declared a National Historic Landmark on March 27, 2006. Graceland has become one of the most visited private homes in America with over 650,000 visitors a year.

5 | Attractions, Culture, and Recreation

Memphis is the youngest of Tennessee’s major cities, founded in 1819 as a planned city by a group of wealthy Americans including judge John Overton and future president Andrew Jackson.

Located on the Mississippi River, Memphis has historically been one of the largest shipping hubs in the Mid-South, dating back to the Civil War when the port was one of the largest on the Mississippi River and served as a shipping hub for the Confederacy.



Historic Beale Street

Beale Street’s heyday was in the roaring 20’s, when it took on a carnival atmosphere. The booming nightclubs, theaters, restaurants, stores, pawnshops and hot music thrived alongside gambling, drinking, and other debauchery.

Today, the blues clubs and restaurants that line Beale Street are major tourist attractions in Memphis. Festivals and outdoor concerts periodically bring large crowds to the street and its surrounding areas.

Memphis Pyramid

Initially known as the Great American Pyramid, it was originally built as a 20,142-seat arena located in downtown Memphis and Shelby County.

In 2015, the Pyramid re-opened as a Bass Pro Shops “megastore”, which includes shopping, a hotel, restaurants, a bowling alley, and an archery range with an outdoor observation deck at its apex.

Three million people visited the Bass Pro Pyramid since the grand opening in April 2015.

National Civil Rights Museum

Noted as one of the nation’s premier heritage and cultural museums, the National Civil Rights Museum in Memphis, TN, is steadfast in its mission to share the culture and lessons from the American Civil Rights movement and explore how this significant era continues to share equality and freedom globally.

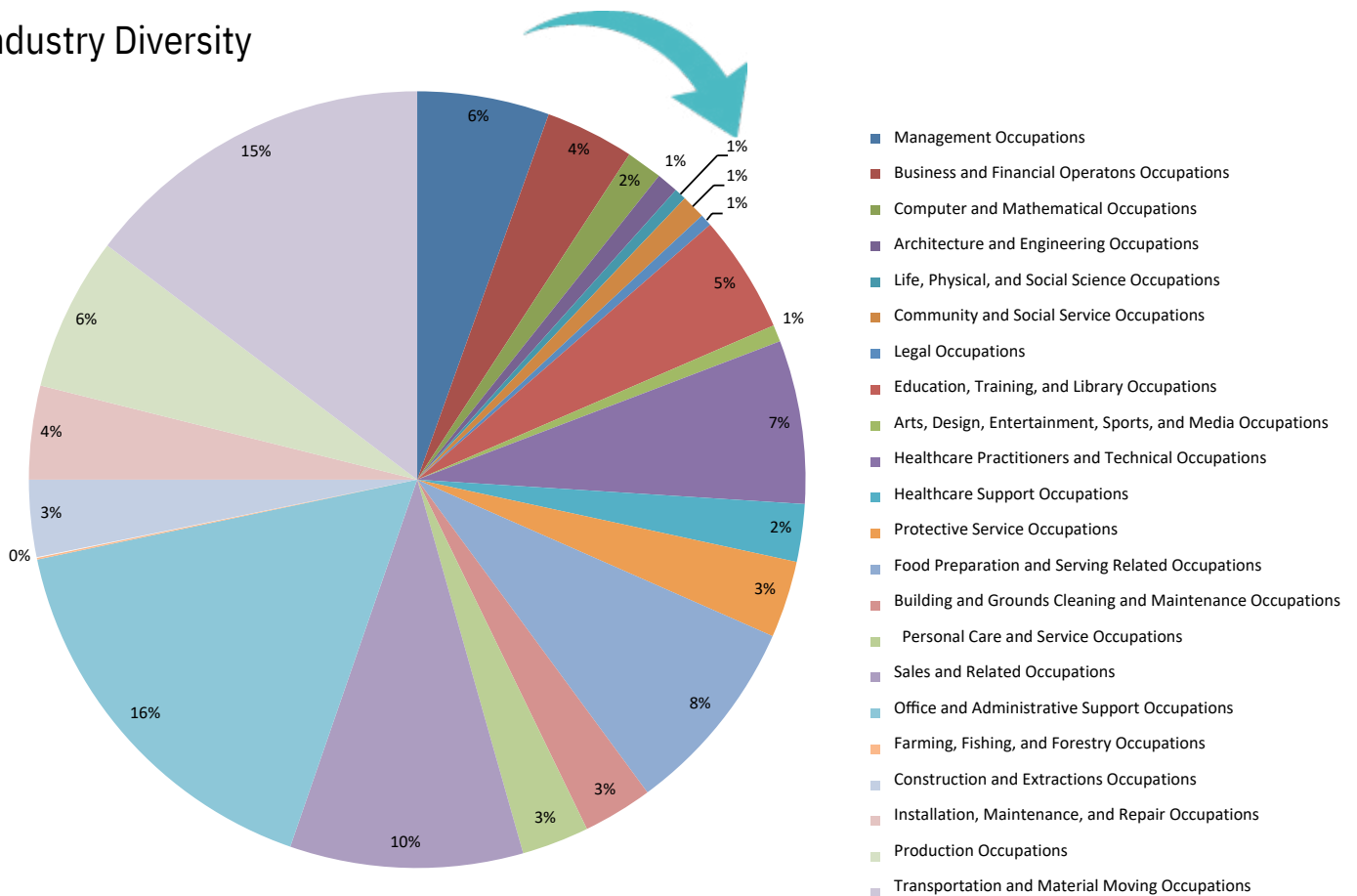
The museum has been featured on the History Channel, CNN and USA Today.

6

Economic and Business Climate



Industry Diversity



Source: U.S. Bureau of Labor Statistics, 2016



Memphis has one of the lowest urban cost-of-living expenses in the nation. A rich tradition of entrepreneurship combined with Memphis' business climate produce a long and diverse list of companies calling Memphis home. "Home-grown" companies like FedEx and AutoZone started small and discovered that Memphis is a nurturing place for talent and business growth.

FedEx, Memphis' largest private employer, employing 30,000 people and ranked 58th on the 2016 Fortune 500, moved its corporate headquarters to Memphis from Little Rock, AR in 1973. Memphis was selected for its geographical center to the original target market cities for small packages. In addition, the Memphis weather was excellent and rarely caused closures at Memphis International Airport.

In 2005, **International Paper** decided to relocate its global headquarters to Memphis. International Paper has significant global businesses in paper and paper distribution, packaging, and forest products, including building materials. This Fortune 500 company has operations in more than 24 countries, employs approximately 56,000 people worldwide, and exports its products to more than 130 nations.

AutoZone is a Fortune 500 retailer and distributor of automotive replacement parts and accessories. AutoZone had sales of over \$10 billion in the 2015 fiscal year, and has about 5,000 stores in 48 U.S. states, Puerto Rico, Mexico, and Brazil. AutoZone employs over 81,000 people globally including nearly 2,300 employees in the Memphis metro area.

8 | Economic and Business Climate

ServiceMaster Consumer Services has their operational headquarters and headquarters for ten of their corporate divisions in Memphis. In 2016, they announced that they were moving their headquarters to Downtown Memphis. ServiceMaster provides a wide range of services from lawn care, pest control, home cleaning, inspections, and warranties to disaster recovery, furniture repair, and plumbing services. ServiceMaster employs over 2,000 people in Memphis and produces an annual gross revenue of approximately \$2.5 billion.

St. Jude Children's Research Hospital is internationally recognized for its pioneering research and treatment of children with cancer and other life-threatening diseases. The hospital has played a pivotal role in pushing overall U.S. pediatric cancer survival rates from 20 to 80 percent. Founded by the late entertainer Danny Thomas, St. Jude is the first and only National Cancer Institute-designated Comprehensive Cancer Center devoted solely to children. St. Jude is also a leader in research and treatment of life-threatening blood disorders and infectious diseases in children. St. Jude currently has 3,700 employees.

Source: Greater Memphis Chamber, 2016



9 | Employment Data

Historical Unemployment Rate of Memphis, TN MSA



Memphis offers a diverse, metropolitan workforce at a lower cost of business than most other parts of the country. The region is home to a host of world-class higher education institutions, including the largest community college in Tennessee; a number of vocational and technical training facilities and nationally ranked public and private school systems. Over the past three decades, the presence of companies like FedEx and the region’s superior distribution infrastructure have earned Memphis the title, “America’s Distribution Center.” During the same period, the region’s workforce has had a higher percentage of logistics workers than any other metropolitan area in the country.

Not only does Memphis draw from a three-state labor pool (Memphis Metropolitan Statistical Area), employment ranges across the spectrum of industries. Employment is relatively balanced among industries giving the Memphis workforce breadth in both skills and experience.

Did you know?

- Median Age of the Memphis workforce is 35 years old
- Tennessee is a right to work state
- Memphis has a large concentration of corporate offices, logistics, and life science employees
- Over 30% of the Memphis workforce are college graduates
- Leading fields of interest among the Memphis workforce are Nursing and other medical-related fields
- Memphis has a higher number of post-secondary institutions than comparable Southeastern states

Source: Greater Memphis Chamber

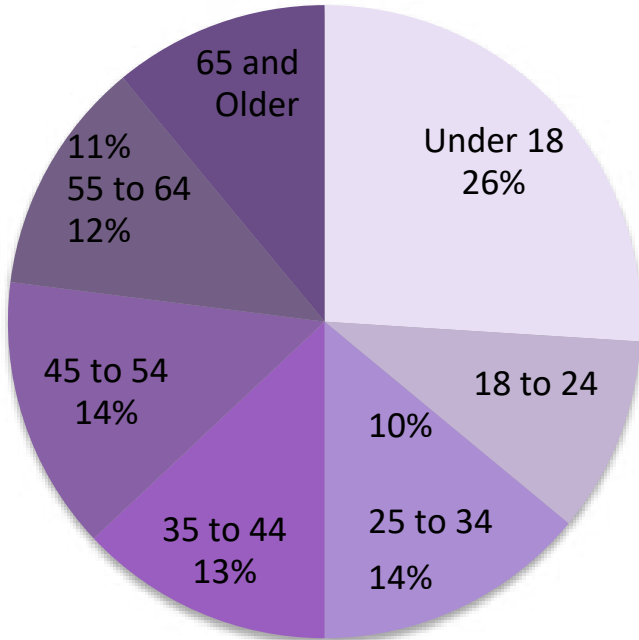
10 | Education

Memphis, Tennessee, offers a diverse educational landscape with public and private schools, as well as higher education institutions. The city is home to the University of Memphis, Rhodes College, and Christian Brothers University. The Shelby County School District serves the majority of public K-12 students. Education initiatives aim to address challenges and enhance opportunities for students in the region.



11 | Demographics

Memphis, TN MSA: Percentage of Population by Age



Source: Sperling's Best Places

Cost of Living in Memphis, TN Compared to the U.S.

Cost of Living	Memphis, TN	United States
Overall	81	100
Grocery	90.9	100
Health	96	100
Housing	60	100
Utilities	83	100
Transportation	91	100
Miscellaneous	90	100

Memphis, TN - Metro

- Population: 1,344,130 (2016)
- Median Age: 35.4 years (2016)
- Median Household Income: \$47,647 (2016)
- Households: 489,161 (2016)
- Married Population: 45.95%

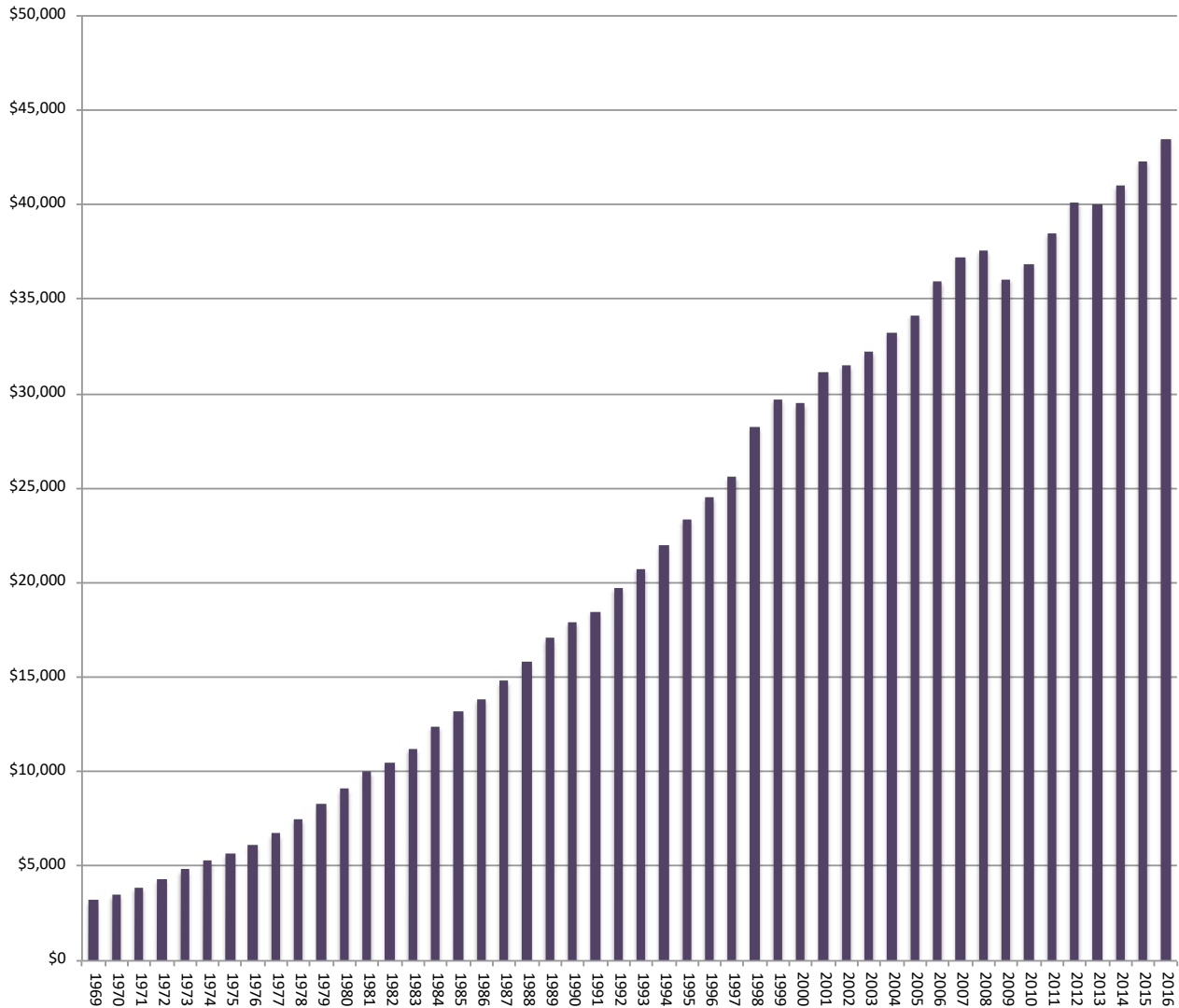
Memphis, TN MSA Population Trend



Source: FRED Economic Data

12 | Demographics

Memphis, TN MSA Per Capita Personal Income Trend in Past 50 Years



Source: FRED Economic Data

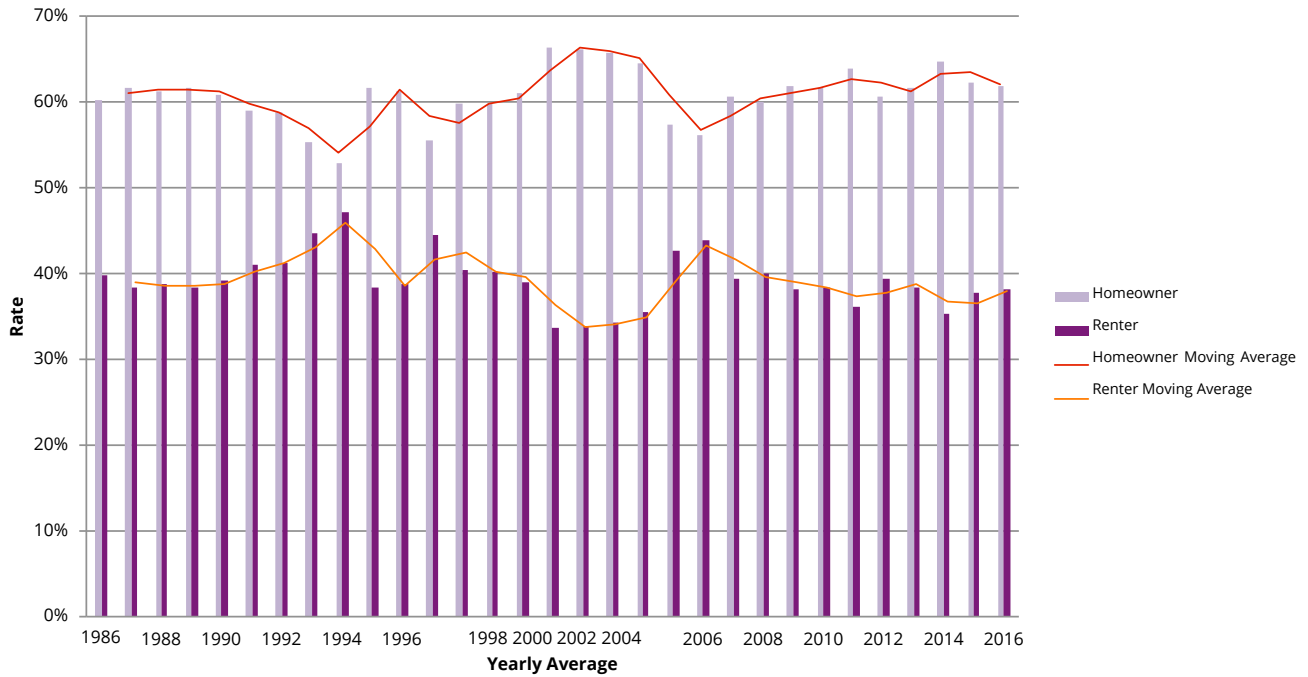


13 | National Rankings and Accolades



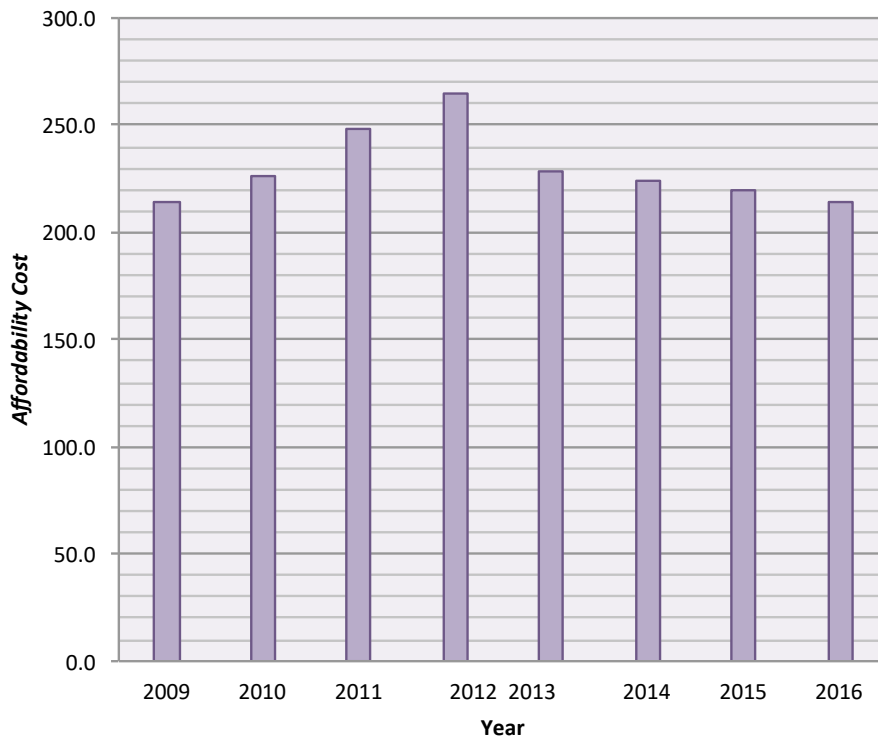
- #3 Largest City in Tennessee
- #3 Largest City in the Southeast
- #23 Largest City in the U.S.
- Top 25 for Best City to Start a Business by 'Business Costs' by WalletHub in 2017
- #66 Cities with the Lowest Cost of Living in America by Niche in 2017
- #4 Best Places for Women Owned Businesses by Wallethub in 2016
- Top 100 Best cities for Jobs by NerdWallet in 2016
- #7 for Healthcare Practitioners and Technical Occupations in 2016 by Adobo
- #3 City that Millenials are Most Likely to Buy in 2016 by Realtor.com
- #3 Best Market for First Time Home Buyers in 2016 by Zillow
- FedEx Ranked #8 on Fortune's World's Most Admired Companies in 2016
- #3 Best Domestic Destinations in 2016
- #6 for Best Business Climate by Business Facilities magazine in 2016
- #4 for Happiest City for Job-Seeking College Grads by Forbes and CareerBliss.com in 2015
- #1 for Education:Tech Skills Leaders for Investments and Improvements in Education by Business Facilities magazine in 2015
- #93 in Best Places to Live in the USA in 2017 by U.S. News and World Report
- #94 in Best Places to Retire in the USA in 2017 by U.S. News and World Report

Memphis, TN MSA Homeownership and Renter Percentages



Source: U.S. Census Bureau

Memphis, TN MSA Housing Affordability Index



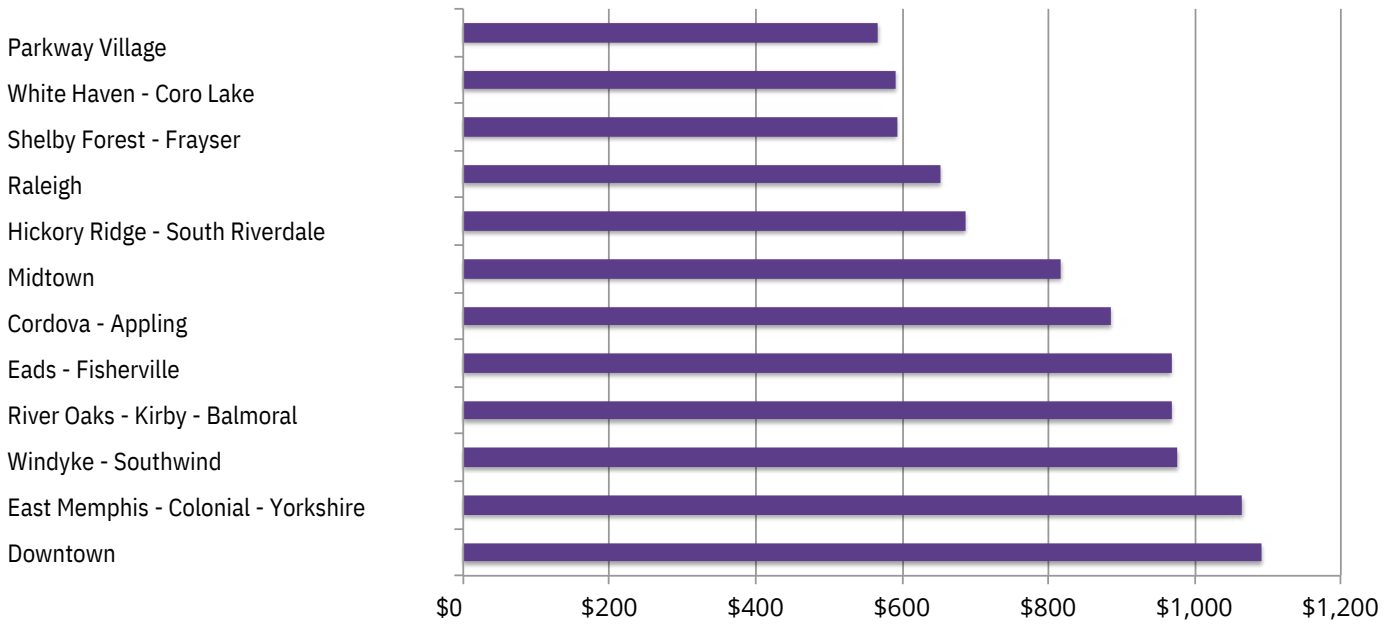
Source: NAR

Housing Affordability Index

To interpret the indices, a value of 100 means that a family with the median income has exactly enough income to qualify 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 percent down payment.

15 | Housing Market

Memphis, TN Average Rent by Neighborhood

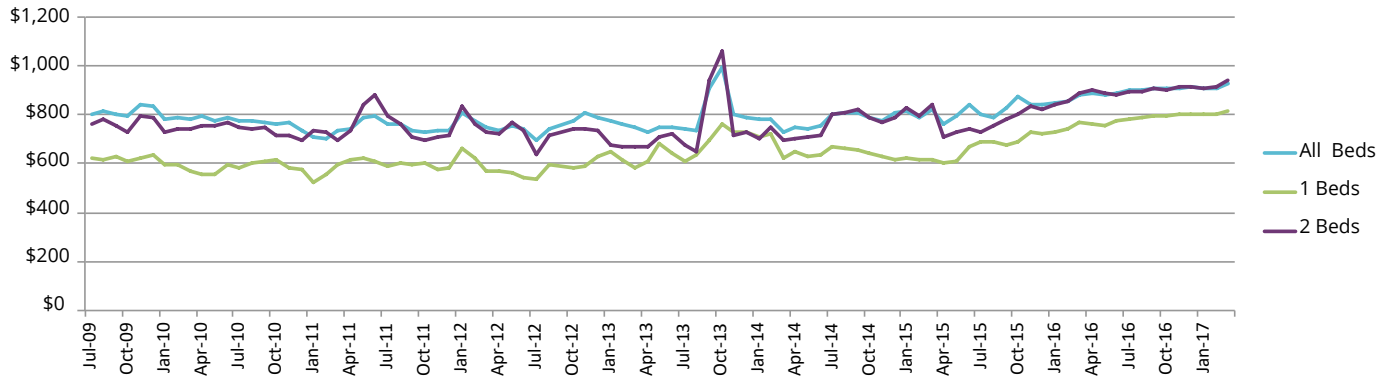


Source: Rent Jungle



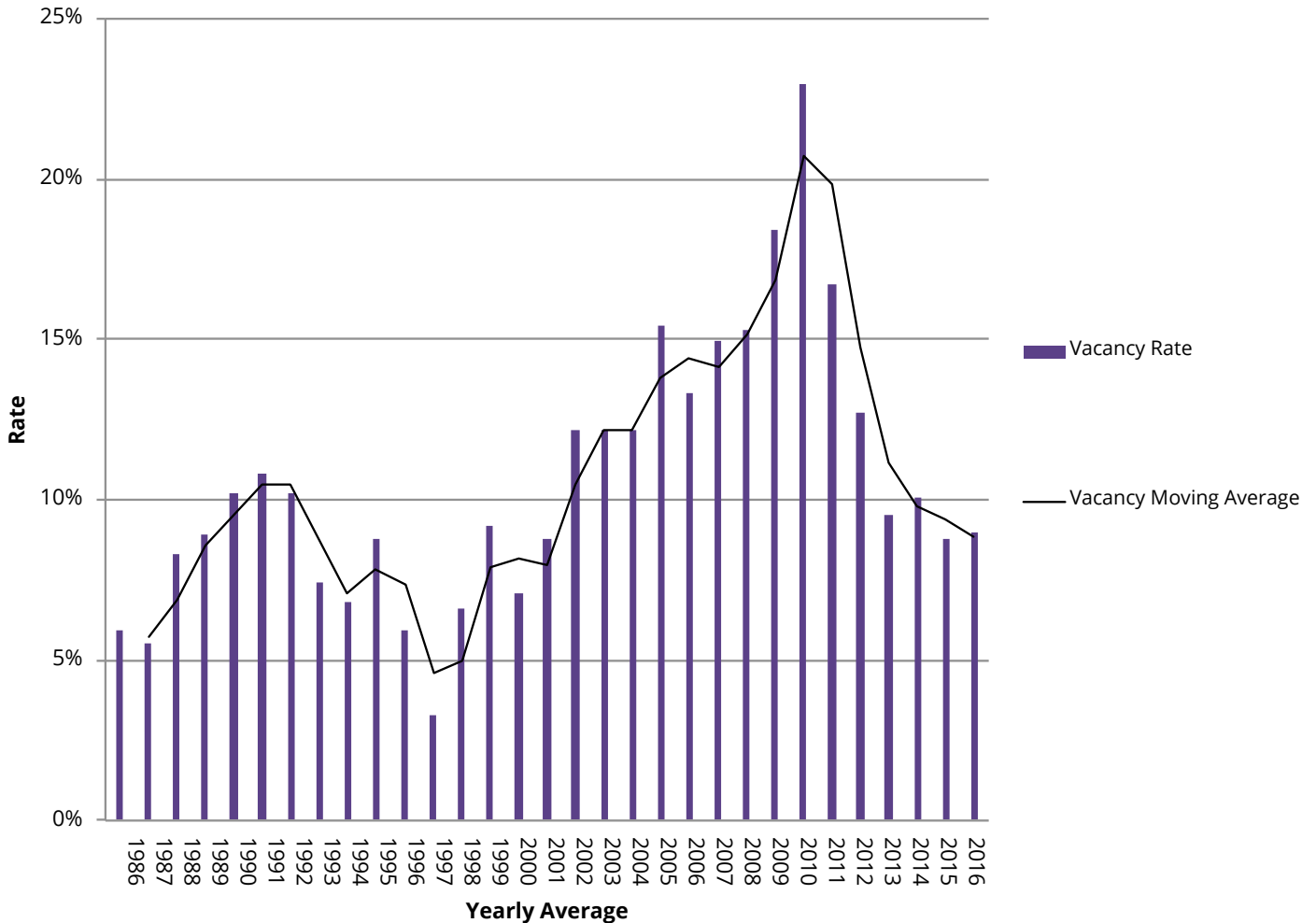
16 | Housing Market

Memphis, TN MSA Rent Trends



Source: Rent Jungle

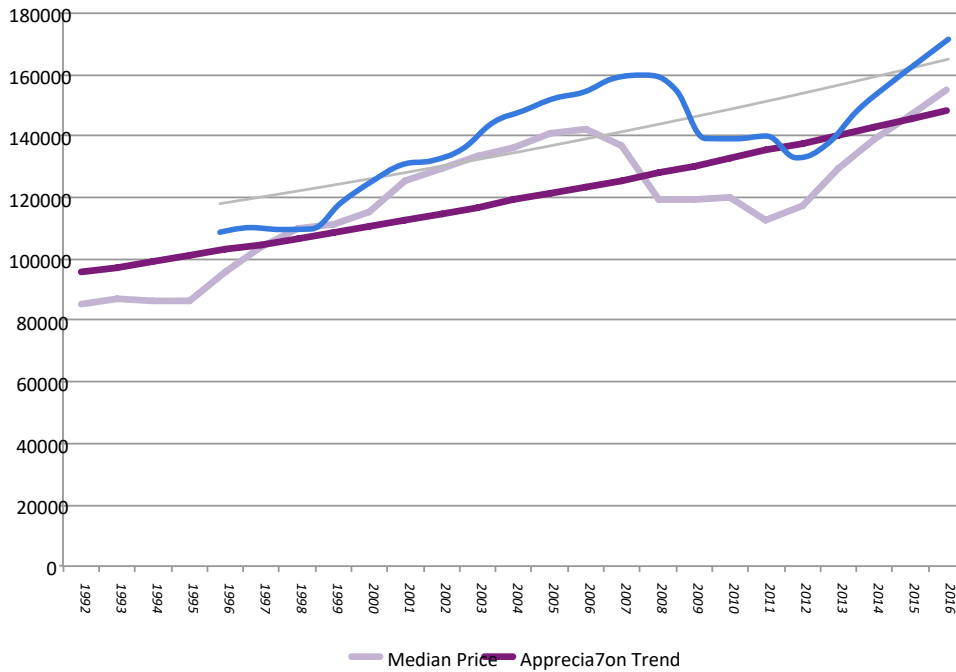
Memphis, TN MSA Historical Vacancy Rate



Source: U.S. Census Bureau

17 | Housing Market

Memphis, TN MSA Historical Appreciation Trend



Year	Price	Appreciation
1992	\$85,300	-
1993	\$87,000	1.99%
1994	\$86,300	-0.80%
1995	\$86,500	0.23%
1996	\$96,100	11.10%
1997	\$103,700	7.91%
1998	\$109,800	5.88%
1999	\$111,300	1.37%
2000	\$115,600	3.86%
2001	\$125,100	8.22%
2002	\$129,400	3.44%
2003	\$133,800	3.40%
2004	\$136,200	1.79%
2005	\$141,200	3.67%
2006	\$142,300	0.78%
2007	\$137,200	-3.58%
2008	\$119,300	-13.05%
2009	\$119,200	-0.08%
2010	\$120,200	0.84%
2011	\$112,300	-6.57%
2012	\$117,200	4.36%
2013	\$129,400	10.41%
2014	\$138,600	7.11%
2015	\$147,000	6.06%
2016	\$155,300	5.65%



Contact us through Phone (850)-523-4897 or
Email at info@realconsultantsonline.com



REAL
CONSULTANTS

EST 2005

MORTGAGE AND REAL ESTATE SERVICES INC.