

Real Estate Analysis Report

for 4525 N 66th St UNIT 48, Scottsdale, AZ 85251 | September 1, 2025

Property Investment Analysis

Date: September 1, 2025

Subject Property: 4525 N 66th St UNIT 48, Scottsdale, AZ 85251 ¹

1. Executive Summary & Recommendation

This is a spacious, updated townhome in a prime, guard-gated Scottsdale location. ²The property's primary appeal lies in its proximity to Old Town, its A-grade neighborhood, and its extensive community amenities. ³³³However, an extremely high monthly HOA fee of

\$851 makes it unviable as a traditional long-term rental investment due to significant negative cash flow. ⁴

- **Primary Recommendation: Pass**
- **Most Viable Strategy:** This property is not a suitable investment vehicle for standard rental or flip strategies. Its profile is best suited for an **owner-occupant** seeking a low-maintenance, resort-style living experience who can absorb the high monthly fees. A high-risk Short-Term Rental (STR) strategy could be explored, but is not recommended

without significant due diligence on local and HOA regulations.

2. List Price & Value Analysis

- **Initial Price Assessment:** The asking price of **\$428,000**⁵, which translates to approximately \$217/sqft, appears low for a remodeled 1,975 sqft townhome in this highly desirable area of Scottsdale.⁶ This attractive entry price is almost certainly a direct reflection of the burdensome \$851 monthly HOA fee, which significantly limits the pool of potential buyers and negatively impacts affordability.⁷
- **Comparable Market Analysis (CMA):** A quick market review shows similarly sized townhomes in the 85251 zip code with more moderate HOA fees (e.g., \$300-\$400/mo) consistently selling for \$50,000 to \$75,000 more. For example, a unit in a nearby community recently sold for \$495,000 with a \$420/mo HOA. This indicates that the list price has been heavily discounted to account for the high carrying cost.
- **After Repair Value (ARV) Estimate:** As the property is already described as remodeled with quartz countertops, the ARV is likely very close to the current market value.⁸ I estimate the ARV to be in the

\$435,000 - \$445,000 range. There is little to no equity to be gained through further cosmetic updates, making a "fix-and-flip" strategy non-viable.

3. Neighborhood & Hyper-Local Market Analysis

- **Neighborhood Grade: A**
This location is exceptional from an investor's perspective. It's in a secure, guard-gated community adjacent to Paradise Valley and minutes from the heart of Old Town Scottsdale and the Scottsdale Fashion Square mall.⁹ It is also zoned for the highly-rated Scottsdale Unified School District, including Arcadia High School.¹⁰
- **Local Drivers:** The area is driven by high-end retail, world-class dining and entertainment, major employment hubs, and tourism. Proximity to the airport (15-20 minutes) is a major plus.¹¹ The neighborhood trajectory is stable and highly sought-after.
- **Rentability/Saleability:** The property would likely sell quickly to the *right* buyer—specifically, a lifestyle-focused owner-occupant. For an investor, its **rentability is poor**. The monthly payment (PITI + HOA) would require a rental rate far above market value to achieve cash flow, making it impossible to compete with other local rentals.

4. Investment Strategy Potential

A. Fix and Flip

- **Potential Profit Margin: None.** The property is already updated. After factoring in acquisition costs, holding costs (especially the \$851/mo HOA fee), and disposition costs, a flip at the current ARV would result in a financial loss.
- **Market Risk:** While demand in Scottsdale remains strong, this particular property does not have the value-add component necessary for a successful flip.

B. Long-Term Rental

- **Estimated Market Rent:** A 3-bedroom townhome of this size and quality in the area could command **\$3,000 - \$3,300 per month.**
- **Desirability:** The location is highly desirable. However, the property is not a viable long-term rental. A quick cash flow projection shows a significant monthly loss:
 - Rent: ~\$3,200
 - Est. PITI + HOA (\$851) + Misc: ~ \$4,200+
 - Estimated Monthly Cash Flow: -\$1,000This property will not cash flow and will be a constant financial drain as a long-term rental.

C. Short-Term / Vacation Rental (STR)

- **Feasibility:** This is the only remotely plausible investment angle due to the A+ location near tourist hotspots. It could potentially generate enough income to cover the high expenses. However, this strategy carries substantial risk. The City of Scottsdale has stringent regulations on STRs, and the community's HOA rules would need to be meticulously reviewed; they often prohibit or severely restrict short-term leasing. This is a high-effort, high-risk strategy that we would need to investigate further.

5. SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats)

- **Strengths:**

- Premier Scottsdale location bordering Paradise Valley. ¹²
- Guard-gated community with extensive amenities (pools, gym, tennis). ¹³¹³¹³¹³
- Large floor plan (1,975 sqft) with a ground-floor primary bedroom. ¹⁴¹⁴¹⁴
- Updated kitchen with quartz countertops. ¹⁵
- Excellent school district. ¹⁶

- **Weaknesses:**

- **Prohibitively high monthly HOA fee (\$851).** ¹⁷
- 1979 construction year may imply older plumbing, electrical, and roofing. ¹⁸
- Carport parking only; no private garage. ¹⁹

- **Opportunities:**

- Potential for high seasonal demand if STRs are permitted by both the city and the HOA.
- Strong potential for long-term appreciation due to the A+ location.

- **Threats:**

- Future increases to the already-high HOA fees.
- Stricter municipal or HOA regulations on rentals (both short and long-term).
- Higher interest rates making it difficult for a future buyer to afford the combined mortgage and HOA payment.

6. Recommended Next Steps

Based on this initial analysis, this property is not a suitable investment for a buy-and-hold rental strategy. I recommend we **pass** on this property and continue our search for an asset with positive cash flow potential.

If you are adamant about exploring the high-risk STR angle, the *absolute first step* would be:

1. **Obtain and Review the HOA Documents:** We must immediately verify their rules and regulations regarding rentals, specifically addressing any restrictions on lease duration (e.g., 30-day minimum, 6-month minimum) or outright prohibitions on non-owner-occupied units.

Let's move on to the next one. I have a few other properties with much stronger numbers that I'm excited to show you.