BARRÉ
PROPERTIES

INVESTOR'S GUIDE · 2026

Where Arizona's returns are, *and what they actually cost to earn.*

Prepared by	Barré Properties · Scottsdale, Arizona
Coverage	Thirty-six Arizona markets
Edition	2026

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THIRD GENERATION
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THE OPPORTUNITY

Growth, affordability *and a tax structure that compounds.*

Arizona combines population growth, relative affordability, durable rental demand and a tax structure that lets returns compound rather than leak. The Phoenix metro continues to draw major employers, and a flat 2.5% income tax with no estate tax keeps more of the return with the owner.

That is the case for the state. The case for a specific property is a different exercise, and it is the one that decides whether you make money.

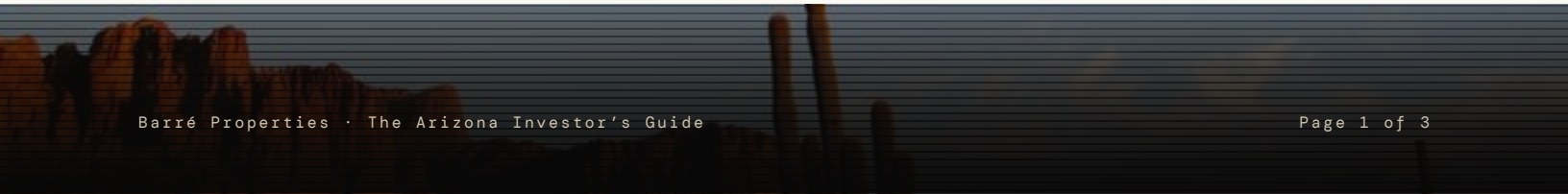
What we run before you buy

- Cap rate and cash-on-cash return computed on real operating numbers, not gross rent.
- Comparable rents and a realistic occupancy assumption for that street, not that city.
- Operating costs, taxes, insurance, HOA and management, at the numbers you will actually pay.
- Local short-term rental regulation, and how stable it looks.
- Appreciation outlook and a plausible exit.

THE NUMBER MOST PRO-FORMAS GET WRONG

Vacancy and turnover, not the purchase price.

A property bought 3% too expensively is recoverable. A property that turns over every eleven months, at three weeks of vacancy plus a make-ready each time, is not. Screening and tenant retention are the returns lever most spreadsheets never model.



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01 — Strategy

Short-term or long-term: *the first real decision.*

FACTOR	HOW THE TWO COMPARE
Typical cap rate	Long-term 4–5%. Short-term 6–8% in genuine tourism markets, materially lower elsewhere.
Income stability	Long-term is steady and predictable. Short-term is seasonal, and the season is shorter than most projections assume.
Management effort	Long-term is low touch. Short-term is a hospitality business with turnover, linens, guest communication and reviews.
Regulation risk	Long-term is stable. Short-term carries licensing, tax and, in some municipalities, permitting regimes that change.
Best suited to	Long-term for hands-off owners and portfolio building. Short-term for owners who want yield and will accept the operating burden.

Sedona and the Verde Valley favor short-term demand driven by tourism. Scottsdale and Phoenix offer deep long-term demand at scale. The West Valley is where new construction and population growth meet. We will tell you honestly when a nightly program would earn less than an annual lease on your specific property — which is more often than the internet suggests.

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THE MARKETS

Where the returns are, *market by market.*

MARKET	INVESTMENT CHARACTER
Phoenix metro	Value and growth, with the deepest long-term rental demand in the state.
Buckeye & West Valley	New-build appreciation, accessible entry prices, the fastest population growth.
Sedona	Short-term yield and a genuine view premium, against the state's tightest regulatory attention.
Verde Valley	The best cap rates we see, on acreage and small-town long-term rentals.
Scottsdale	Luxury and lock-and-leave, lower cap rates bought for stability and resale depth.
Paradise Valley	Estate holdings. Bought for the asset, not the yield.

WE MANAGE WHAT WE SELL

The advisory and the management are the same firm.

One all-inclusive management rate, quoted in writing before you commit: no setup fee, no vacancy fee, and no markup on routine maintenance. The vendor's invoice reaches you with the original attached.

For informational purposes only. Not legal, tax or financial advice. Market conditions and statutes change; consult qualified professionals for your situation.