Roofstock’s neighborhood ratings measure real estate investment risk

Neighborhood ratings can be tricky. Can you reduce a neighborhood to a number? To what extent is quality of life subjective? Roofstock, a website that lets investors find and purchase tenant-occupied single-family rental homes online, has taken a focused approach to the undertaking: It's scoring neighborhoods based on their estimated risk level for real estate investors. The Roofstock Neighborhood Rating assigns a score ranging from one through five to neighborhoods based criteria such as home values and educational attainment. Five denotes the lowest level of risk for single-family rental investors, while one denotes the highest. The scores are designed to allow investors to make side-by-side comparisons between single-family rentals to identify opportunities that align with their risk tolerance. Investors who visit Roofstock to shop for single-family rentals can view the scores on listings, along with information including current rent, estimated gross yield, estimated ap...

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