

101 S Spruce St Unit 206

Investment Property - Buy & Hold

101 S Spruce St Unit 206
Escondido, CA 92025

\$ 249,000 Purchase Price · \$ 249,000 ARV

\$ 57,270 Cash Needed · -\$ 33/mo Cash Flow · 3.9% Cap Rate · -0.7% COC



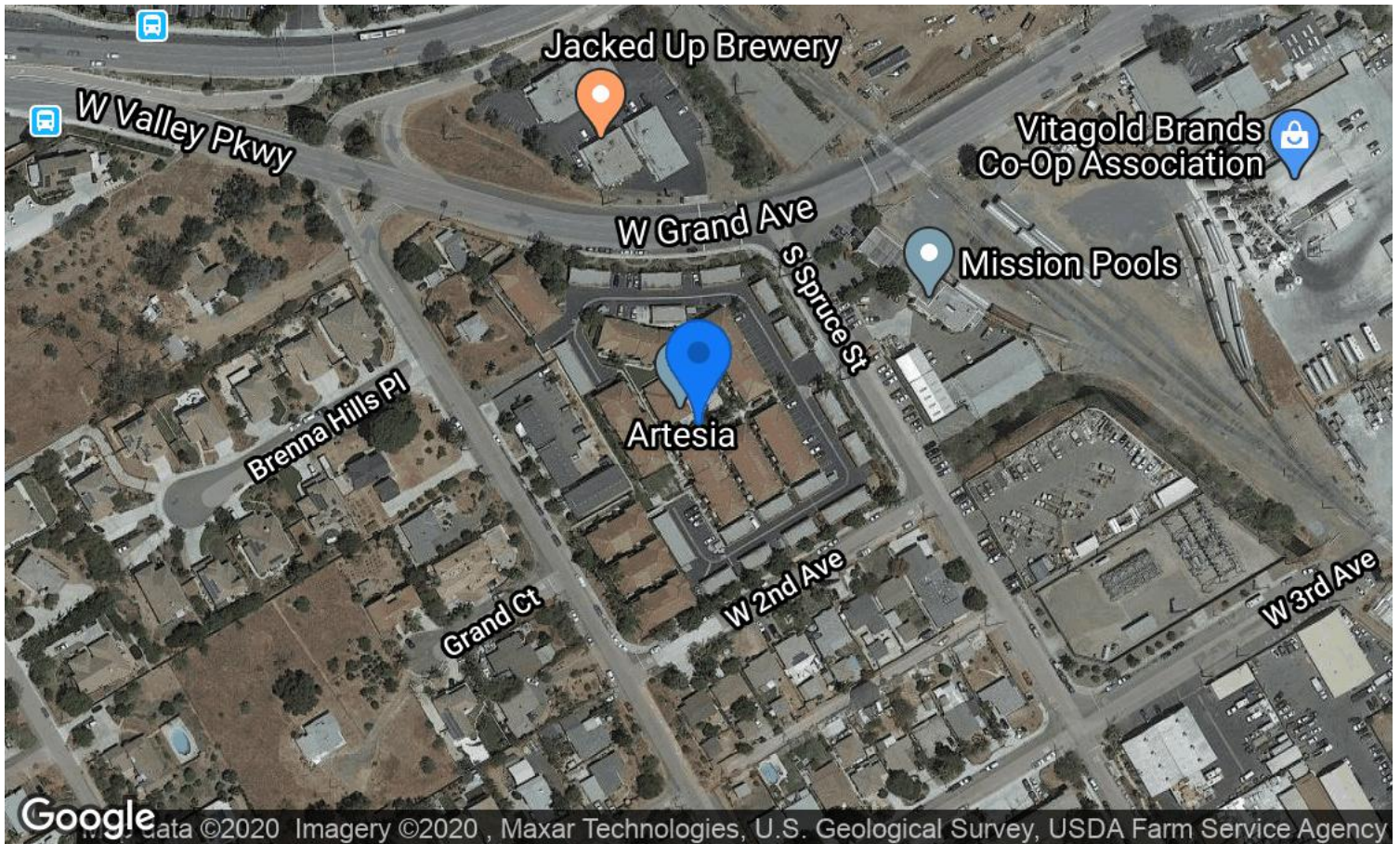
Property Description

ADDRESS

101 S Spruce St Unit 206
Escondido, CA 92025

DESCRIPTION

Property Type:	Condo
Beds / Baths:	2 BR / 2.0 BA
Square Footage:	857
Year Built:	1990
Parking:	
Zoning:	
MLS Number:	



Purchase Analysis & Returns

PURCHASE

Purchase Price:		\$ 249,000
Amount Financed:	-	\$ 199,200
Down Payment:	=	\$ 49,800
Purchase Costs:	+	\$ 7,470
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 57,270
After Repair Value:		\$ 249,000
Price Per Square Foot:		\$ 290.5

FINANCING (PURCHASE)

Loan Type:	Amortizing
Loan Amount:	\$ 199,200
Loan to Cost (LTC):	80%
Loan to Value (LTV):	80%
Loan Term:	30 Years
Interest Rate:	3%
Finance Rehab Costs:	No
Loan Payments:	\$ 840 Per Month \$ 10,078 Per Year

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	3.9% / 3.9%
Cash on Cash Return:	-0.7%
Return on Equity:	-0.6%
Return on Investment:	-20.3%
Internal Rate of Return:	-20.3%
Rent to Value:	0.7%
Gross Rent Multiplier:	11.56
Equity Multiple:	0.8
Break Even Ratio:	96.8%
Debt Coverage Ratio:	0.96
Debt Yield:	4.9%

ASSUMPTIONS & PROJECTIONS

Rehab Cost Overrun:	0%
Vacancy:	5%
Appreciation:	3% Per Year
Income Increase:	2% Per Year
Expenses Increase:	2% Per Year
Selling Costs:	6% of Sales Price
Land Value:	\$ 0

PURCHASE COSTS

Total (3% of Price):	\$ 7,470
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REHAB COSTS

Rehab Costs:	\$ 0
Cost Overrun:	\$ 0 (0%)
Total:	\$ 0

Cash Flow (Year 1)

		Monthly	Yearly
CASH FLOW			
Gross Rent:		\$ 1,795	\$ 21,540
Vacancy (5%):	-	\$ 90	\$ 1,077
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 1,705	\$ 20,463
Operating Expenses (52.7%):	-	\$ 898	\$ 10,770
Net Operating Income:	=	\$ 807	\$ 9,693
Loan Payments:	-	\$ 840	\$ 10,078
Cash Flow:	=	-\$ 33	-\$ 385

		Monthly	Yearly
OTHER INCOME			
Total:		\$ 0	\$ 0

		Monthly	Yearly
EXPENSES			
Total (50% of Rent):		\$ 898	\$ 10,770

Buy & Hold Projections

	APPRECIATION 3% Per Year		INCOME INCREASE 2% Per Year		EXPENSES INCREASES 2% Per Year		SELLING COSTS 6% of Price	
	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30	
INCOME								
Gross Rent:	\$ 21,540	\$ 21,971	\$ 22,410	\$ 23,316	\$ 25,742	\$ 31,380	\$ 38,252	
Vacancy (5%):	- \$ 1,077	- \$ 1,099	- \$ 1,121	- \$ 1,166	- \$ 1,287	- \$ 1,569	- \$ 1,913	
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	
Operating Income:	= \$ 20,463	= \$ 20,872	= \$ 21,289	= \$ 22,150	= \$ 24,455	= \$ 29,811	= \$ 36,339	
EXPENSES								
Total Expenses:	\$ 10,770	\$ 10,986	\$ 11,205	\$ 11,658	\$ 12,871	\$ 15,690	\$ 19,126	
Operating Expenses:	= \$ 10,770	= \$ 10,986	= \$ 11,205	= \$ 11,658	= \$ 12,871	= \$ 15,690	= \$ 19,126	
CASH FLOW								
Operating Income:	\$ 20,463	\$ 20,872	\$ 21,289	\$ 22,150	\$ 24,455	\$ 29,811	\$ 36,339	
Operating Expenses:	- \$ 10,770	- \$ 10,986	- \$ 11,205	- \$ 11,658	- \$ 12,871	- \$ 15,690	- \$ 19,126	
Net Operating Income:	= \$ 9,693	= \$ 9,886	= \$ 10,084	= \$ 10,492	= \$ 11,584	= \$ 14,121	= \$ 17,213	
Loan Payments:	- \$ 10,078	- \$ 10,078	- \$ 10,078	- \$ 10,078	- \$ 10,078	- \$ 10,078	- \$ 10,078	
Cash Flow:	= -\$ 385	= -\$ 192	= \$ 6	= \$ 414	= \$ 1,506	= \$ 4,043	= \$ 7,135	
TAX BENEFITS & DEDUCTIONS								
Operating Expenses:	\$ 10,770	\$ 10,986	\$ 11,205	\$ 11,658	\$ 12,871	\$ 15,690	\$ 19,126	
Loan Interest:	+ \$ 5,919	+ \$ 5,793	+ \$ 5,662	+ \$ 5,390	+ \$ 4,632	+ \$ 2,729	+ \$ 162	
Depreciation:	+ \$ 9,326	+ \$ 9,326	+ \$ 9,326	+ \$ 9,326	+ \$ 9,326	+ \$ 9,326	+ \$ 0	
Total Deductions:	= \$ 26,015	= \$ 26,105	= \$ 26,193	= \$ 26,374	= \$ 26,829	= \$ 27,745	= \$ 19,288	
EQUITY ACCUMULATION								
Property Value:	\$ 256,470	\$ 264,164	\$ 272,089	\$ 288,659	\$ 334,635	\$ 449,722	\$ 604,388	
Loan Balance:	- \$ 195,041	- \$ 190,756	- \$ 186,340	- \$ 177,101	- \$ 151,431	- \$ 86,975	- \$ 0	
Total Equity:	= \$ 61,429	= \$ 73,408	= \$ 85,749	= \$ 111,558	= \$ 183,204	= \$ 362,747	= \$ 604,388	
SALE ANALYSIS								
Equity:	\$ 61,429	\$ 73,408	\$ 85,749	\$ 111,558	\$ 183,204	\$ 362,747	\$ 604,388	
Selling Costs (6%):	- \$ 15,388	- \$ 15,850	- \$ 16,325	- \$ 17,320	- \$ 20,078	- \$ 26,983	- \$ 36,263	
Sale Proceeds:	= \$ 46,041	= \$ 57,558	= \$ 69,424	= \$ 94,238	= \$ 163,125	= \$ 335,764	= \$ 568,125	
Cumulative Cash Flow:	+ -\$ 385	+ -\$ 577	+ -\$ 571	+ \$ 51	+ \$ 5,354	+ \$ 33,951	+ \$ 90,882	
Total Cash Invested:	- \$ 57,270	- \$ 57,270	- \$ 57,270	- \$ 57,270	- \$ 57,270	- \$ 57,270	- \$ 57,270	

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Total Profit:	= -\$ 11,614	= -\$ 289	= \$ 11,583	= \$ 37,019	= \$ 111,209	= \$ 312,445	= \$ 601,737

INVESTMENT RETURNS

Cap Rate (Purchase Price):	3.9%	4%	4%	4.2%	4.7%	5.7%	6.9%
Cap Rate (Market Value):	3.8%	3.7%	3.7%	3.6%	3.5%	3.1%	2.8%
Cash on Cash Return:	-0.7%	-0.3%	0%	0.7%	2.6%	7.1%	12.5%
Return on Equity:	-0.6%	-0.3%	0%	0.4%	0.8%	1.1%	1.2%
Return on Investment:	-20.3%	-0.5%	20.2%	64.6%	194.2%	545.6%	1,050.7%
Internal Rate of Return:	-20.3%	-0.3%	6.3%	10.4%	11.4%	10.1%	9.1%

FINANCIAL RATIOS

Rent to Value:	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%	0.5%
Gross Rent Multiplier:	11.91	12.02	12.14	12.38	13	14.33	15.8
Equity Multiple:	0.8	0.99	1.2	1.65	2.94	6.46	11.51
Break Even Ratio:	96.8%	95.9%	95%	93.2%	89.2%	82.1%	76.3%
Debt Coverage Ratio:	0.96	0.98	1	1.04	1.15	1.4	1.71
Debt Yield:	5%	5.2%	5.4%	5.9%	7.6%	16.2%	-

Recent Comparable Sales

Average Sale Price

\$ 247,180 (\$ 250/sq.ft.)

\$ 235,000 - \$ 266,000

\$ 216/sq.ft. - \$ 299/sq.ft.



Estimated ARV Based on Average Price/
Sq.Ft.

\$ 214,079

Property	Distance	Type	Beds	Baths	Sq.Ft.	Sale Price	Sale Date
● 101 S Spruce St Unit 206 Escondido, CA 92025	0 mi	Condo Built 1990	2	2.0	857	\$ 249,000 \$ 291/sq.ft.	10/16/2019
A 725 E 4th Ave Unit C Escondido, CA 92025	1.24 mi	House Built 1969	2	2.0	1,089	\$ 249,000 \$ 229/sq.ft.	10/18/2019
B 830 W Lincoln Ave Unit 268 Escondido, CA 92026	1.15 mi	House Built 1979	2	1.0	787	\$ 235,000 \$ 299/sq.ft.	02/25/2020
C 725 E 4th Ave Unit D Escondido, CA 92025	1.24 mi	House Built 1969	2	2.0	1,089	\$ 235,000 \$ 216/sq.ft.	08/13/2019
D 1050 E Washington Ave Unit 47 Escondido, CA 92025	1.6 mi	House Built 1980	2	2.0	1,178	\$ 266,000 \$ 226/sq.ft.	10/25/2019
E 1350 N Escondido Blvd Apt 15 Escondido, CA 92026	1.77 mi	House	2	2.0	900	\$ 250,900 \$ 279/sq.ft.	11/26/2019

Recent Comparable Rental Listings

Average Listed Rent

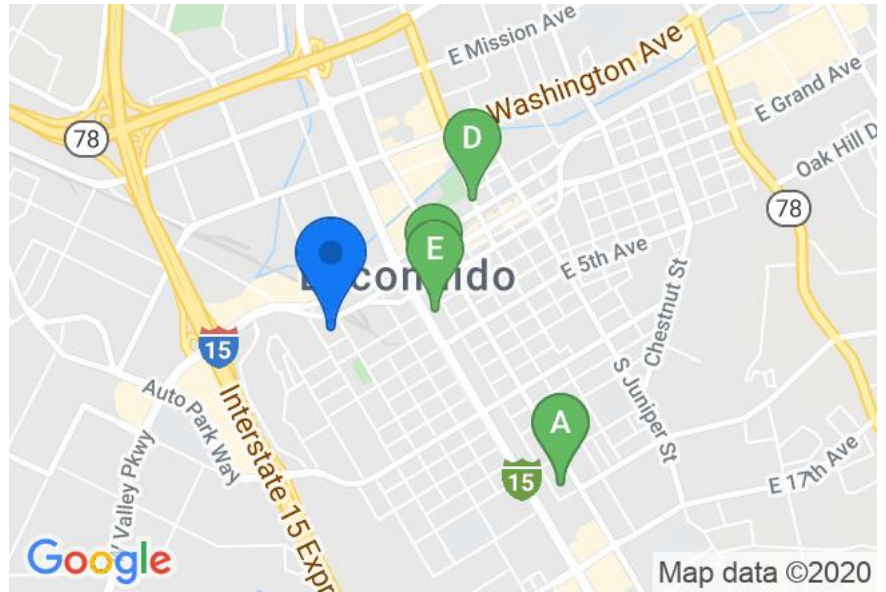
\$ 1,858 (\$ 1.66/sq.ft.)

\$ 1,500 - \$ 2,150

\$ 1.53/sq.ft. - \$ 1.84/sq.ft.

Estimated Rent Based on Average Rent/
Sq.Ft.

\$ 1,418



Property	Distance	Type	Beds	Baths	Sq.Ft.	Listed Rent	Listing Date
● 101 S Spruce St Unit 206 Escondido, CA 92025	0 mi	Condo Built 1990	2	2.0	857	-	-
A 340 W 15th Ave, Unit 8 Escondido, CA 92025	1.03 mi	Condo	2	2	948	\$ 1,500 \$ 1.58/sq.ft.	12/10/2019
B 211 S Orange St, Unit 122 Escondido, CA 92025	0.4 mi	Condo	2	2	-	\$ 2,150	02/25/2020
C 342 W 15th Ave, Unit 17 Escondido, CA 92025	1.03 mi	Condo	2	2	976	\$ 1,800 \$ 1.84/sq.ft.	06/12/2020
D 433 W 2nd Ave, Unit 2108 Escondido, CA 92025	0.71 mi	Condo	2	2	1,240	\$ 1,900 \$ 1.53/sq.ft.	04/29/2019
E 316 Antoni Gln, Unit 904 Escondido, CA 92025	0.4 mi	Condo	2	2.5	1,164	\$ 1,940 \$ 1.67/sq.ft.	05/23/2020

Property Photos



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