

## 1450 Iris Ave Unit 9

### Investment Property - Buy & Hold

1450 Iris Ave Unit 9, Imperial Beach, CA 91932  
Condo · 1 Beds · 1 Baths · 610 Sq.Ft.

**\$ 275,000 Purchase Price · \$ 275,000 ARV**

**\$ 88,000 Cash Needed · -\$ 167/mo Cash Flow · 3% Cap Rate · -2.3% COC**



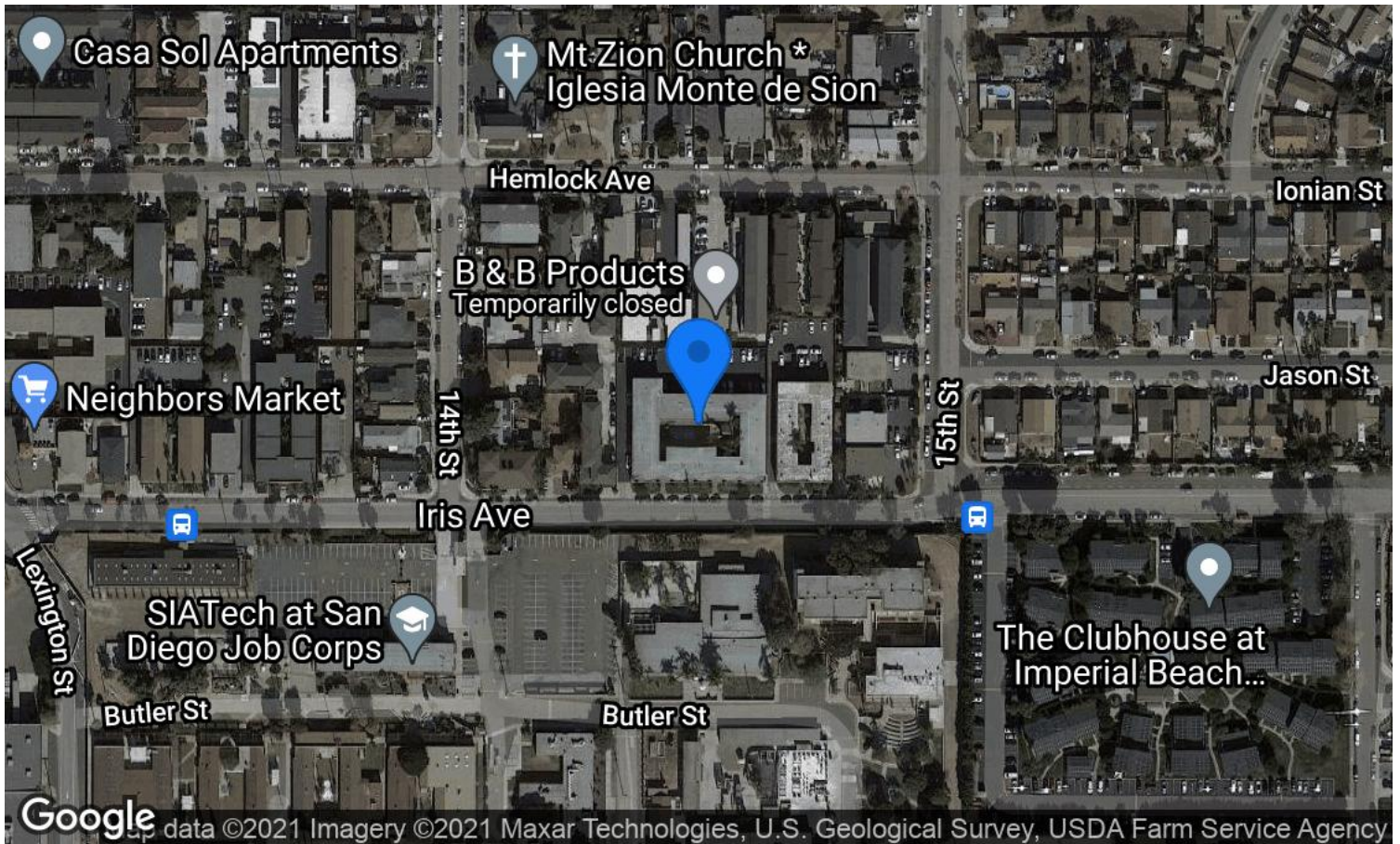
## Property Description

### ADDRESS

1450 Iris Ave Unit 9  
Imperial Beach, CA 91932

### DESCRIPTION

Property Type: Condo  
Beds / Baths: 1 BR / 1 BA  
Square Footage: 610  
Year Built: 1969  
Parking:  
Zoning:  
MLS Number: PTP2101068



## Purchase Analysis & Returns

### PURCHASE

Purchase Price:		\$ 275,000
Amount Financed:	-	\$ 192,500
Down Payment:	=	\$ 82,500
Purchase Costs:	+	\$ 5,500
Rehab Costs:	+	\$ 0
<b>Total Cash Needed:</b>	<b>=</b>	<b>\$ 88,000</b>
After Repair Value:		\$ 275,000
Price Per Square Foot:		\$ 450.8

### FINANCING (PURCHASE)

Loan Type:	Amortizing
Loan Amount:	\$ 192,500
Loan to Cost (LTC):	70%
Loan to Value (LTV):	70%
Loan Term:	30 Years
Interest Rate:	3.5%
Finance Rehab Costs:	No
Loan Payments:	\$ 864 Per Month \$ 10,373 Per Year

### RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	3% / 3%
Cash on Cash Return:	-2.3%
Return on Equity:	-2.1%
Return on Investment:	-14.3%
Internal Rate of Return:	-14.3%
Rent to Value:	0.6%
Gross Rent Multiplier:	14.78
Equity Multiple:	0.86
Break Even Ratio:	105.8%
Debt Coverage Ratio:	0.81
Debt Yield:	4.3%

### ASSUMPTIONS & PROJECTIONS

Rehab Cost Overrun:	0%
Vacancy:	5%
Appreciation:	3% Per Year
Income Increase:	3% Per Year
Expenses Increase:	2% Per Year
Selling Costs:	6% of Sales Price
Depreciation Period:	27.5 Years
Land Value:	\$ 103,000

### PURCHASE COSTS

<b>Total (2% of Price):</b>	<b>\$ 5,500</b>
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### REHAB COSTS

Rehab Costs:	\$ 0
Cost Overrun:	\$ 0 (0%)
<b>Total:</b>	<b>\$ 0</b>
Total Per Square Foot:	\$ 0

## Cash Flow (Year 1)

		Monthly	Yearly
<b>CASH FLOW</b>			
Gross Rent:		\$ 1,550	\$ 18,600
Vacancy (5%):	-	\$ 78	\$ 930
Other Income:	+	\$ 0	\$ 0
<b>Operating Income:</b>	<b>=</b>	<b>\$ 1,472</b>	<b>\$ 17,670</b>
Operating Expenses (52.6%):	-	\$ 775	\$ 9,300
<b>Net Operating Income:</b>	<b>=</b>	<b>\$ 697</b>	<b>\$ 8,370</b>
Loan Payments:	-	\$ 864	\$ 10,373
<b>Cash Flow:</b>	<b>=</b>	<b>-\$ 167</b>	<b>-\$ 2,003</b>

		Monthly	Yearly
<b>OTHER INCOME</b>			
<b>Total:</b>		<b>\$ 0</b>	<b>\$ 0</b>

		Monthly	Yearly
<b>EXPENSES</b>			
<b>Total (50% of Rent):</b>		<b>\$ 775</b>	<b>\$ 9,300</b>

## Buy & Hold Projections

	APPRECIATION 3% Per Year		INCOME INCREASE 3% 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		
<b>INCOME</b>									
Gross Rent:	\$ 18,600	\$ 19,158	\$ 19,733	\$ 20,934	\$ 24,269	\$ 32,615	\$ 43,832		
Vacancy (5%):	- \$ 930	- \$ 958	- \$ 987	- \$ 1,047	- \$ 1,213	- \$ 1,631	- \$ 2,192		
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0		
<b>Operating Income:</b>	<b>= \$ 17,670</b>	<b>= \$ 18,200</b>	<b>= \$ 18,746</b>	<b>= \$ 19,887</b>	<b>= \$ 23,056</b>	<b>= \$ 30,984</b>	<b>= \$ 41,640</b>		
<b>EXPENSES</b>									
Total Expenses:	\$ 9,300	\$ 9,579	\$ 9,867	\$ 10,467	\$ 12,135	\$ 16,308	\$ 21,916		
<b>Operating Expenses:</b>	<b>= \$ 9,300</b>	<b>= \$ 9,579</b>	<b>= \$ 9,867</b>	<b>= \$ 10,467</b>	<b>= \$ 12,135</b>	<b>= \$ 16,308</b>	<b>= \$ 21,916</b>		
<b>CASH FLOW</b>									
Operating Income:	\$ 17,670	\$ 18,200	\$ 18,746	\$ 19,887	\$ 23,056	\$ 30,984	\$ 41,640		
Operating Expenses:	- \$ 9,300	- \$ 9,579	- \$ 9,867	- \$ 10,467	- \$ 12,135	- \$ 16,308	- \$ 21,916		
<b>Net Operating Income:</b>	<b>= \$ 8,370</b>	<b>= \$ 8,621</b>	<b>= \$ 8,879</b>	<b>= \$ 9,420</b>	<b>= \$ 10,921</b>	<b>= \$ 14,676</b>	<b>= \$ 19,724</b>		
Loan Payments:	- \$ 10,373	- \$ 10,373	- \$ 10,373	- \$ 10,373	- \$ 10,373	- \$ 10,373	- \$ 10,373		
<b>Cash Flow:</b>	<b>= -\$ 2,003</b>	<b>= -\$ 1,752</b>	<b>= -\$ 1,494</b>	<b>= -\$ 953</b>	<b>= \$ 548</b>	<b>= \$ 4,303</b>	<b>= \$ 9,351</b>		
<b>TAX BENEFITS &amp; DEDUCTIONS</b>									
Operating Expenses:	\$ 9,300	\$ 9,579	\$ 9,867	\$ 10,467	\$ 12,135	\$ 16,308	\$ 21,916		
Loan Interest:	+ \$ 6,679	+ \$ 6,547	+ \$ 6,411	+ \$ 6,124	+ \$ 5,313	+ \$ 3,196	+ \$ 194		
Depreciation:	+ \$ 6,455	+ \$ 6,455	+ \$ 6,455	+ \$ 6,455	+ \$ 6,455	+ \$ 6,455	+ \$ 0		
<b>Total Deductions:</b>	<b>= \$ 22,433</b>	<b>= \$ 22,581</b>	<b>= \$ 22,733</b>	<b>= \$ 23,046</b>	<b>= \$ 23,903</b>	<b>= \$ 25,959</b>	<b>= \$ 22,110</b>		
<b>EQUITY ACCUMULATION</b>									
Property Value:	\$ 283,250	\$ 291,748	\$ 300,500	\$ 318,800	\$ 369,577	\$ 496,681	\$ 667,497		
Loan Balance:	- \$ 188,806	- \$ 184,980	- \$ 181,018	- \$ 172,667	- \$ 149,047	- \$ 87,415	- \$ 0		
<b>Total Equity:</b>	<b>= \$ 94,444</b>	<b>= \$ 106,768</b>	<b>= \$ 119,482</b>	<b>= \$ 146,133</b>	<b>= \$ 220,530</b>	<b>= \$ 409,266</b>	<b>= \$ 667,497</b>		
<b>SALE ANALYSIS</b>									
Equity:	\$ 94,444	\$ 106,768	\$ 119,482	\$ 146,133	\$ 220,530	\$ 409,266	\$ 667,497		
Selling Costs (6%):	- \$ 16,995	- \$ 17,505	- \$ 18,030	- \$ 19,128	- \$ 22,175	- \$ 29,801	- \$ 40,050		
<b>Sale Proceeds:</b>	<b>= \$ 77,449</b>	<b>= \$ 89,263</b>	<b>= \$ 101,452</b>	<b>= \$ 127,005</b>	<b>= \$ 198,356</b>	<b>= \$ 379,465</b>	<b>= \$ 627,447</b>		
Cumulative Cash Flow:	+ -\$ 2,003	+ -\$ 3,755	+ -\$ 5,249	+ -\$ 7,429	+ -\$ 7,779	+ \$ 17,440	+ \$ 87,008		
Total Cash Invested:	- \$ 88,000	- \$ 88,000	- \$ 88,000	- \$ 88,000	- \$ 88,000	- \$ 88,000	- \$ 88,000		

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
<b>Total Profit:</b>	= -\$ 12,554	= -\$ 2,492	= \$ 8,203	= \$ 31,576	= \$ 102,577	= \$ 308,905	= \$ 626,455

**INVESTMENT RETURNS**

Cap Rate (Purchase Price):	3%	3.1%	3.2%	3.4%	4%	5.3%	7.2%
Cap Rate (Market Value):	3%	3%	3%	3%	3%	3%	3%
Cash on Cash Return:	-2.3%	-2%	-1.7%	-1.1%	0.6%	4.9%	10.6%
Return on Equity:	-2.1%	-1.6%	-1.3%	-0.7%	0.2%	1.1%	1.4%
Return on Investment:	-14.3%	-2.8%	9.3%	35.9%	116.6%	351%	711.9%
Internal Rate of Return:	-14.3%	-1.4%	3%	6.1%	7.7%	7.6%	7.3%

**FINANCIAL RATIOS**

Rent to Value:	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Gross Rent Multiplier:	15.23	15.23	15.23	15.23	15.23	15.23	15.23
Equity Multiple:	0.86	0.97	1.09	1.36	2.17	4.51	8.12
Break Even Ratio:	105.8%	104.1%	102.6%	99.6%	92.7%	81.8%	73.7%
Debt Coverage Ratio:	0.81	0.83	0.86	0.91	1.05	1.41	1.9
Debt Yield:	4.4%	4.7%	4.9%	5.5%	7.3%	16.8%	-

## Recent Comparable Sales

Average Sale Price

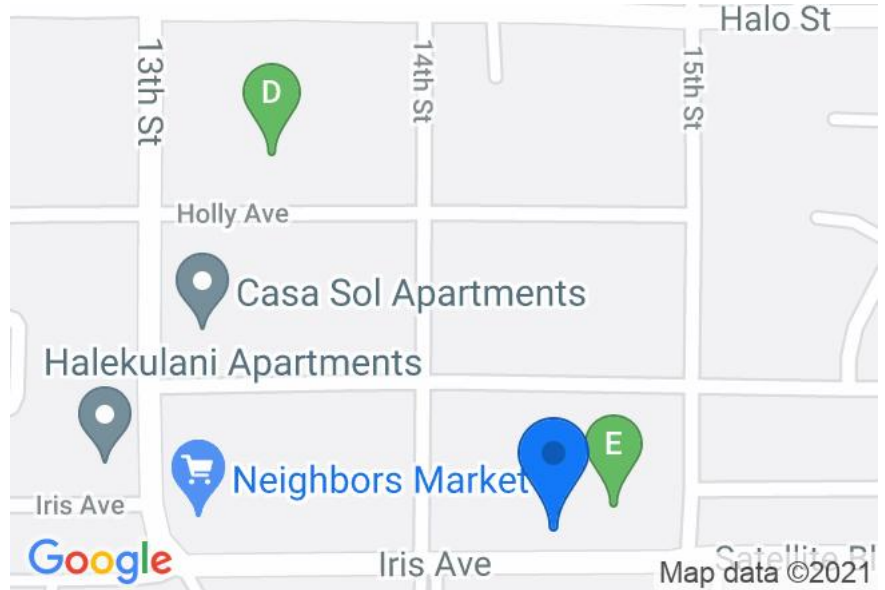
**\$ 263,270 (\$ 442/sq.ft.)**

\$ 252,500 - \$ 269,950

\$ 421/sq.ft. - \$ 478/sq.ft.

Estimated Property ARV Based on  
Average Price/Sq.Ft.

**\$ 269,469**



Property	Distance	Type	Beds	Baths	Sq.Ft.	Sale Price	Sale Date
<b>●</b> 1450 Iris Ave Unit 9 Imperial Beach, CA 91932	0 mi	Condo Built 1969	1	1	610	-	-
<b>A</b> 1450 Iris Ave, Unit 29 Imperial Beach, CA 91932	0.01 mi	Condo	1	1	610	\$ 269,900 \$ 442.46/sq.ft.	01/15/2021
<b>B</b> 1450 Iris Ave, Unit 18 Imperial Beach, CA 91932	0.01 mi	Condo	1	1	610	\$ 269,950 \$ 442.54/sq.ft.	12/20/2020
<b>C</b> 1450 Iris Ave, Unit 28 Imperial Beach, CA 91932	0.01 mi	Condo	1	1	610	\$ 259,000 \$ 424.59/sq.ft.	11/27/2020
<b>D</b> 1340 Holly Ave, Unit 7 Imperial Beach, CA 91932	0.35 mi	Condo	1	1	600	\$ 252,500 \$ 420.83/sq.ft.	01/15/2021
<b>E</b> 1472 Iris Ave, Unit 3 Imperial Beach, CA 91932	0.05 mi	Condo	1	1	554	\$ 265,000 \$ 478.34/sq.ft.	04/20/2021

## Recent Comparable Rental Listings

Average Listed Rent

**\$ 1,670 (\$ 2.33/sq.ft.)**

\$ 1,500 - \$ 1,850

\$ 2.06/sq.ft. - \$ 2.79/sq.ft.

Estimated Property Rent Based on  
Average Rent/Sq.Ft.

**\$ 1,421**



Property	Distance	Type	Beds	Baths	Sq.Ft.	Listed Rent	Listing Date
<b>●</b> 1450 Iris Ave Unit 9 Imperial Beach, CA 91932	0 mi	Condo Built 1969	1	1	610	-	-
<b>A</b> 1472 Iris Ave, Unit 1 Imperial Beach, CA 91932	0.05 mi	Commercial	1	1	591	\$ 1,650 \$ 2.79/sq.ft.	12/24/2020
<b>B</b> 1331 East Ln, Unit 2 Imperial Beach, CA 91932	1.62 mi	Condo	1	1	-	\$ 1,500	12/08/2020
<b>C</b> 1324 Iris Ave, Unit 3 Imperial Beach, CA 91932	0.21 mi	Condo	2	1	790	\$ 1,850 \$ 2.34/sq.ft.	10/15/2020
<b>D</b> 1340 Holly Ave, Unit 2 Imperial Beach, CA 91932	0.35 mi	Condo	2	1	800	\$ 1,700 \$ 2.13/sq.ft.	12/18/2020
<b>E</b> 1340 Holly Ave, Unit 12 Imperial Beach, CA 91932	0.35 mi	Condo	2	1	800	\$ 1,650 \$ 2.06/sq.ft.	11/19/2020



## Property Photos



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