

1563 La Fiesta Dr

Investment Property - Buy & Hold

1563 La Fiesta Dr
San Marcos, CA 92078

\$ 245,000 Purchase Price · **\$ 245,000 ARV**

\$ 56,350 Cash Needed · **-\$ 59/mo Cash Flow** · **4.3% Cap Rate** · **-1.3% COC**



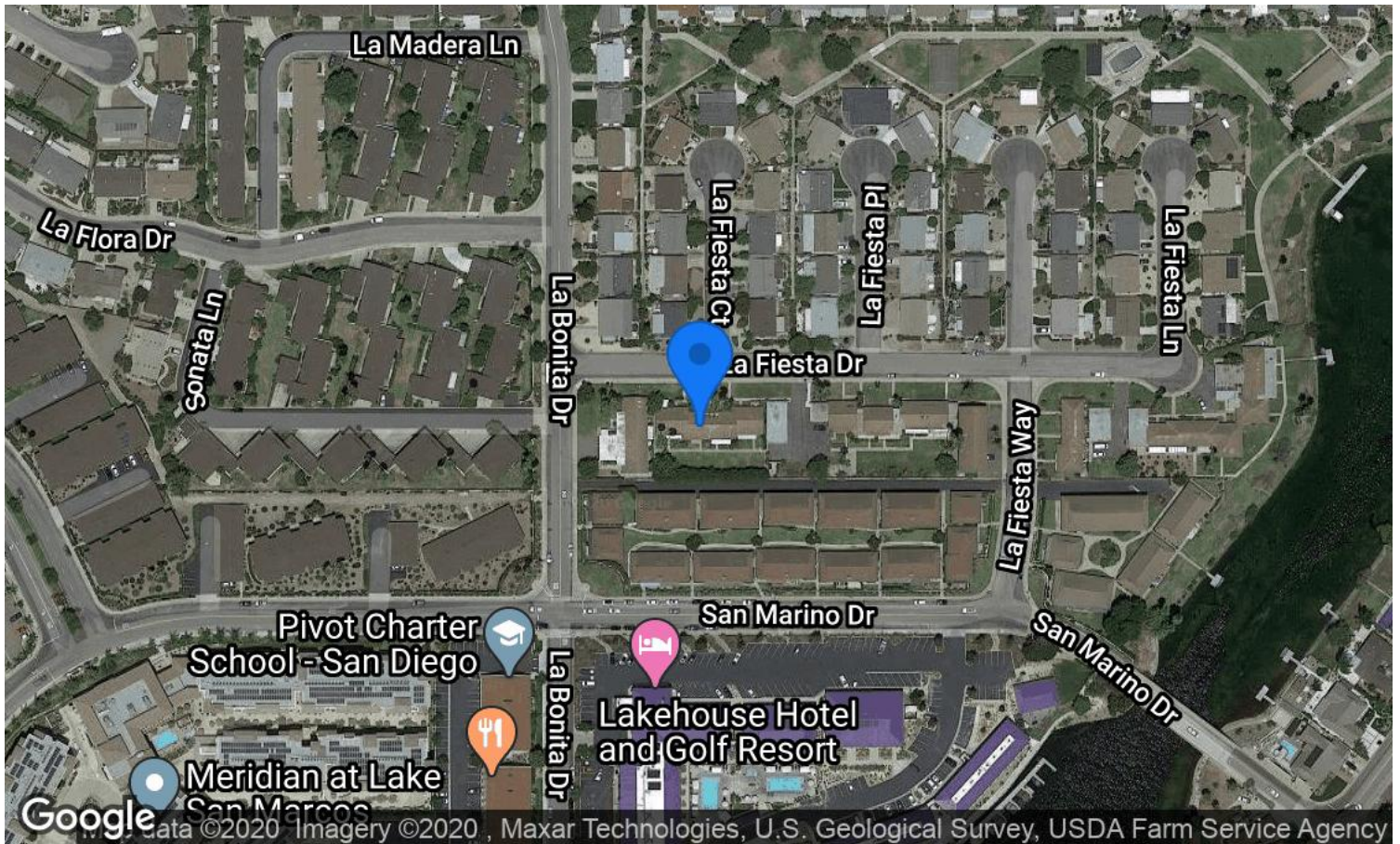
Property Description

ADDRESS

1563 La Fiesta Dr
San Marcos, CA 92078

DESCRIPTION

Property Type:	Condo
Beds / Baths:	1 BR / 1.0 BA
Square Footage:	840
Year Built:	1965
Parking:	Carport
Zoning:	
MLS Number:	



Purchase Analysis & Returns

PURCHASE

Purchase Price:		\$ 245,000
Amount Financed:	-	\$ 196,000
Down Payment:	=	\$ 49,000
Purchase Costs:	+	\$ 7,350
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 56,350
After Repair Value:		\$ 245,000
Price Per Square Foot:		\$ 291.7

FINANCING (PURCHASE)

Loan Type:	Amortizing
Loan Amount:	\$ 196,000
Loan to Cost (LTC):	80%
Loan to Value (LTV):	80%
Loan Term:	30 Years
Interest Rate:	4%
Finance Rehab Costs:	No
Loan Payments:	\$ 936 Per Month \$ 11,229 Per Year

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	4.3% / 4.3%
Cash on Cash Return:	-1.3%
Return on Equity:	-1.2%
Return on Investment:	-22%
Internal Rate of Return:	-22%
Rent to Value:	0.8%
Gross Rent Multiplier:	10.47
Equity Multiple:	0.78
Break Even Ratio:	98%
Debt Coverage Ratio:	0.94
Debt Yield:	5.4%

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):	\$ 7,350
-----------------------------	-----------------

REHAB COSTS

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

Cash Flow (Year 1)

		Monthly	Yearly
CASH FLOW			
Gross Rent:		\$ 1,950	\$ 23,400
Vacancy (5%):	-	\$ 98	\$ 1,170
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 1,852	\$ 22,230
Operating Expenses (52.6%):	-	\$ 975	\$ 11,700
Net Operating Income:	=	\$ 877	\$ 10,530
Loan Payments:	-	\$ 936	\$ 11,229
Cash Flow:	=	-\$ 59	-\$ 699

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

		Monthly	Yearly
EXPENSES			
Total (50% of Rent):		\$ 975	\$ 11,700

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:	\$ 23,400	\$ 23,868	\$ 24,345	\$ 25,329	\$ 27,965	\$ 34,089	\$ 41,555	
Vacancy (5%):	- \$ 1,170	- \$ 1,193	- \$ 1,217	- \$ 1,266	- \$ 1,398	- \$ 1,704	- \$ 2,078	
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	
Operating Income:	= \$ 22,230	= \$ 22,675	= \$ 23,128	= \$ 24,063	= \$ 26,567	= \$ 32,385	= \$ 39,477	
EXPENSES								
Total Expenses:	\$ 11,700	\$ 11,934	\$ 12,173	\$ 12,665	\$ 13,983	\$ 17,045	\$ 20,778	
Operating Expenses:	= \$ 11,700	= \$ 11,934	= \$ 12,173	= \$ 12,665	= \$ 13,983	= \$ 17,045	= \$ 20,778	
CASH FLOW								
Operating Income:	\$ 22,230	\$ 22,675	\$ 23,128	\$ 24,063	\$ 26,567	\$ 32,385	\$ 39,477	
Operating Expenses:	- \$ 11,700	- \$ 11,934	- \$ 12,173	- \$ 12,665	- \$ 13,983	- \$ 17,045	- \$ 20,778	
Net Operating Income:	= \$ 10,530	= \$ 10,741	= \$ 10,955	= \$ 11,398	= \$ 12,584	= \$ 15,340	= \$ 18,699	
Loan Payments:	- \$ 11,229	- \$ 11,229	- \$ 11,229	- \$ 11,229	- \$ 11,229	- \$ 11,229	- \$ 11,229	
Cash Flow:	= -\$ 699	= -\$ 488	= -\$ 274	= \$ 169	= \$ 1,355	= \$ 4,111	= \$ 7,470	
TAX BENEFITS & DEDUCTIONS								
Operating Expenses:	\$ 11,700	\$ 11,934	\$ 12,173	\$ 12,665	\$ 13,983	\$ 17,045	\$ 20,778	
Loan Interest:	+ \$ 7,777	+ \$ 7,637	+ \$ 7,490	+ \$ 7,179	+ \$ 6,284	+ \$ 3,858	+ \$ 240	
Depreciation:	+ \$ 9,176	+ \$ 9,176	+ \$ 9,176	+ \$ 9,176	+ \$ 9,176	+ \$ 9,176	+ \$ 0	
Total Deductions:	= \$ 28,654	= \$ 28,747	= \$ 28,840	= \$ 29,021	= \$ 29,444	= \$ 30,079	= \$ 21,018	
EQUITY ACCUMULATION								
Property Value:	\$ 252,350	\$ 259,921	\$ 267,718	\$ 284,022	\$ 329,260	\$ 442,497	\$ 594,679	
Loan Balance:	- \$ 192,548	- \$ 188,956	- \$ 185,218	- \$ 177,277	- \$ 154,417	- \$ 92,423	- \$ 0	
Total Equity:	= \$ 59,802	= \$ 70,965	= \$ 82,500	= \$ 106,745	= \$ 174,843	= \$ 350,074	= \$ 594,679	
SALE ANALYSIS								
Equity:	\$ 59,802	\$ 70,965	\$ 82,500	\$ 106,745	\$ 174,843	\$ 350,074	\$ 594,679	
Selling Costs (6%):	- \$ 15,141	- \$ 15,595	- \$ 16,063	- \$ 17,041	- \$ 19,756	- \$ 26,550	- \$ 35,681	
Sale Proceeds:	= \$ 44,661	= \$ 55,370	= \$ 66,437	= \$ 89,704	= \$ 155,088	= \$ 323,525	= \$ 558,998	
Cumulative Cash Flow:	+ -\$ 699	+ -\$ 1,187	+ -\$ 1,461	+ -\$ 1,347	+ \$ 3,007	+ \$ 31,264	+ \$ 90,300	
Total Cash Invested:	- \$ 56,350	- \$ 56,350	- \$ 56,350	- \$ 56,350	- \$ 56,350	- \$ 56,350	- \$ 56,350	

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Total Profit:	= -\$ 12,388	= -\$ 2,167	= \$ 8,626	= \$ 32,007	= \$ 101,745	= \$ 298,439	= \$ 592,948

INVESTMENT RETURNS

Cap Rate (Purchase Price):	4.3%	4.4%	4.5%	4.7%	5.1%	6.3%	7.6%
Cap Rate (Market Value):	4.2%	4.1%	4.1%	4%	3.8%	3.5%	3.1%
Cash on Cash Return:	-1.2%	-0.9%	-0.5%	0.3%	2.4%	7.3%	13.3%
Return on Equity:	-1.2%	-0.7%	-0.3%	0.2%	0.8%	1.2%	1.3%
Return on Investment:	-22%	-3.8%	15.3%	56.8%	180.6%	529.6%	1,052.3%
Internal Rate of Return:	-22%	-1.9%	4.8%	9.3%	10.8%	9.9%	9%

FINANCIAL RATIOS

Rent to Value:	0.8%	0.8%	0.8%	0.7%	0.7%	0.6%	0.6%
Gross Rent Multiplier:	10.78	10.89	11	11.21	11.77	12.98	14.31
Equity Multiple:	0.78	0.96	1.15	1.57	2.81	6.3	11.52
Break Even Ratio:	98%	97%	96.1%	94.3%	90.2%	82.9%	77%
Debt Coverage Ratio:	0.94	0.96	0.98	1.02	1.12	1.37	1.67
Debt Yield:	5.5%	5.7%	5.9%	6.4%	8.1%	16.6%	-

Recent Comparable Sales

Average Sale Price

\$ 333,800 (\$ 340/sq.ft.)

\$ 285,000 - \$ 390,000

\$ 294/sq.ft. - \$ 376/sq.ft.



Estimated ARV Based on Average Price/
Sq.Ft.

\$ 285,936

Property	Distance	Type	Beds	Baths	Sq.Ft.	Sale Price	Sale Date
● 1563 La Fiesta Dr San Marcos, CA 92078	0 mi	Condo Built 1965	1	1.0	840	\$ 245,000 \$ 292/sq.ft.	02/25/2020
A 1508 Circa Del Lago Unit B311 San Marcos, CA 92078	0.27 mi	House Built 1987	2	2.0	1,030	\$ 302,500 \$ 294/sq.ft.	12/19/2019
B 1616 Circa Del Lago Unit C307 San Marcos, CA 92078	0.27 mi	House Built 1986	2	2.0	962	\$ 285,000 \$ 296/sq.ft.	11/08/2019
C 902 S Rancho Santa Fe Rd Apt A San Marcos, CA 92078	0.41 mi	House Built 1986	2	2.0	948	\$ 356,500 \$ 376/sq.ft.	04/03/2020
D 1630 Grandon Ave San Marcos, CA 92078	0.67 mi	House Built 1985	2	2.0	921	\$ 335,000 \$ 364/sq.ft.	12/19/2019
E 1656 La Madera Ln San Marcos, CA 92078	0.15 mi	House Built 1966	2	2.0	1,048	\$ 390,000 \$ 372/sq.ft.	01/03/2020

Recent Comparable Rental Listings

Average Listed Rent

\$ 2,334 (\$ 3.62/sq.ft.)

\$ 1,725 - \$ 2,800

\$ 2.60/sq.ft. - \$ 4.24/sq.ft.



Estimated Rent Based on Average Rent/
Sq.Ft.

\$ 3,041

Property	Distance	Type	Beds	Baths	Sq.Ft.	Listed Rent	Listing Date
● 1563 La Fiesta Dr San Marcos, CA 92078	0 mi	Condo Built 1965	1	1.0	840	-	-
A 1508 Circa Del Lago, Unit B303 San Marcos, CA 92078	0.22 mi	Condo	1	1	660	\$ 2,650 \$ 4.02/sq.ft.	06/17/2020
B 1616 Circa Del Lago, Unit C305 San Marcos, CA 92078	0.24 mi	Condo	1	1	660	\$ 2,800 \$ 4.24/sq.ft.	06/17/2020
C 3535 Linda Vista Dr San Marcos, CA 92078	1.02 mi	House	1	1	-	\$ 1,725	06/05/2020
D 608 Beverly Pl San Marcos, CA 92078	0.64 mi	Condo	2	1	-	\$ 1,995	06/17/2020
E 1682 Circa Del Lago, Unit A303 San Marcos, CA 92078	0.27 mi	Condo	2	2	962	\$ 2,500 \$ 2.60/sq.ft.	06/04/2020

Property Photos



Disclaimer

This Report is provided solely for general business information purposes. No advisory, fiduciary or other relationship is created by any acceptance or use of this Report.

The inclusion of this Report with any other materials does not constitute an endorsement by DealCheck of any third party or any third party's products or services. The projected valuation, financial and investment return information, conclusions and other information contained in this Report are based upon tested methodologies for accuracy. However, such information and conclusions are not definitive forecasts, appraisals or opinions of valuations. All such information and conclusions are stated in terms of probability of likelihood based on market factors and information submitted to DealCheck, and such information and conclusions are not guaranteed by DealCheck and should not be construed as a certified appraisal or valuation, or investment advice.

DealCheck uses or has used public and/or confidential data and assumptions provided to DealCheck by third parties, and DealCheck has not independently verified the data and assumptions used in these analyses or data sets. Attributes for properties may be inaccurate because county assessor and property data does not always include recent additions and/or modifications to property structures. Changes in the underlying data or operating assumptions, or any loss of access to any one or more sources will clearly impact the analyses, information and conclusions set forth in this Report.

DATA SOURCES

Comparable sale information and some property photos are provided by © Zillow, Inc., 2006-2020. Use is subject to Zillow's [Terms of Use](#).

Comparable rental listing information is provided by third-party vendors, and is compiled from public rental listings.