

# 1626 La Mesa Ave

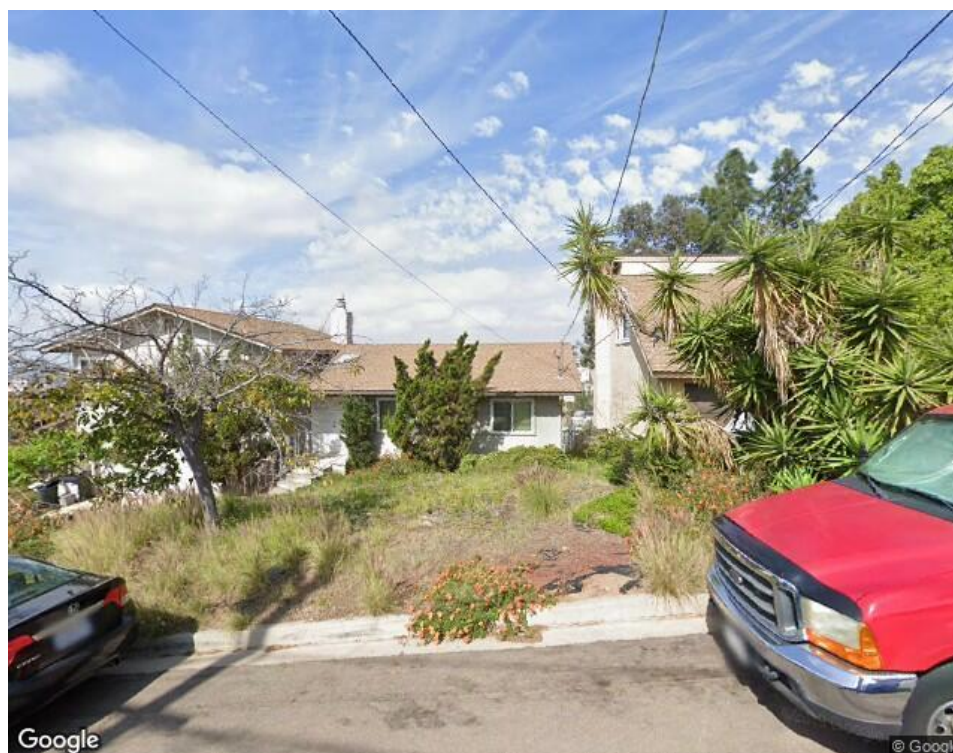
## Investment Property - Buy & Hold

1626 La Mesa Ave, Spring Valley, CA 91977

House · 3 Beds · 2 Baths · 1,616 Sq.Ft.

**\$ 585,000 Purchase Price · \$ 585,000 ARV**

**\$ 227,200 Cash Needed · -\$ 579/mo Cash Flow · 2.6% Cap Rate · -3.1% COC**





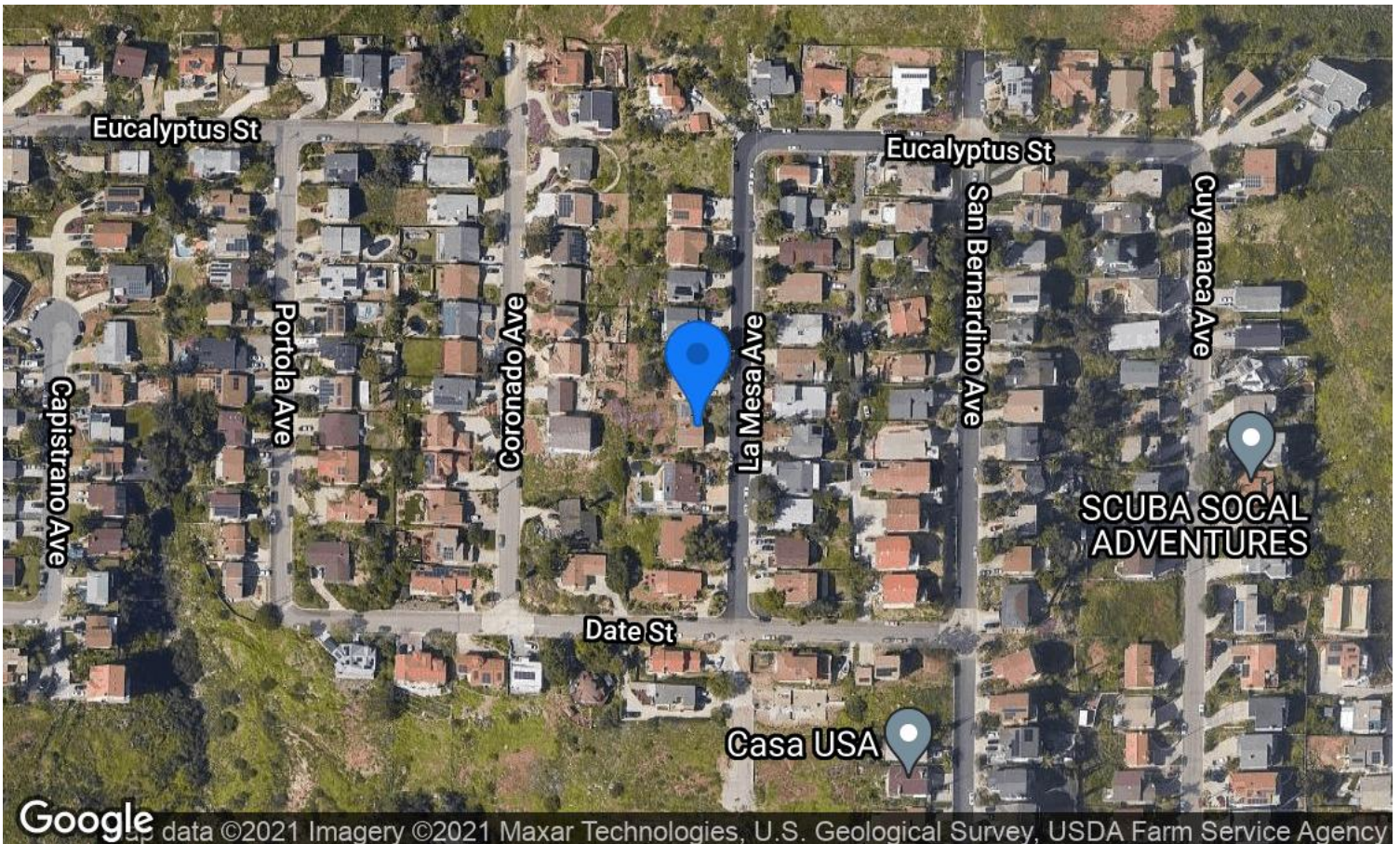
## Property Description

### ADDRESS

1626 La Mesa Ave  
Spring Valley, CA 91977

### DESCRIPTION

Property Type:	House
Beds / Baths:	3 BR / 2 BA
Square Footage:	1,616
Year Built:	1978
Parking:	Garage
Lot Size:	9,552 sq.ft.
Zoning:	1 - SINGLE FAMILY RESIDENTIAL
MLS Number:	210001256



## Purchase Analysis & Returns

### PURCHASE

Purchase Price:		\$ 585,000
Amount Financed:	-	\$ 409,500
<b>Down Payment:</b>	<b>=</b>	<b>\$ 175,500</b>
Purchase Costs:	+	\$ 11,700
Rehab Costs:	+	\$ 40,000
<b>Total Cash Needed:</b>	<b>=</b>	<b>\$ 227,200</b>
After Repair Value:		\$ 585,000
Price Per Square Foot:		\$ 362

### RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	2.6% / 2.6%
Cash on Cash Return:	-3.1%
Return on Equity:	-3.3%
Return on Investment:	-25.7%
Internal Rate of Return:	-25.7%
Rent to Value:	0.5%
Gross Rent Multiplier:	17.41
Equity Multiple:	0.74
Break Even Ratio:	115.7%
Debt Coverage Ratio:	0.69
Debt Yield:	3.7%

### PURCHASE COSTS

<b>Total (2% of Price):</b>	<b>\$ 11,700</b>
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### FINANCING (PURCHASE)

Loan Type:	Amortizing
Loan Amount:	\$ 409,500
Loan to Cost (LTC):	70%
Loan to Value (LTV):	70%
Loan Term:	30 Years
Interest Rate:	3.5%
Finance Rehab Costs:	No
Loan Payments:	\$ 1,839 Per Month \$ 22,066 Per Year

### ASSUMPTIONS & PROJECTIONS

Rehab Cost Overrun:	0%
Vacancy:	5%
Appreciation:	5% 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:	\$ 40,329

### REHAB COSTS

Rehab Costs:	\$ 40,000
Cost Overrun:	\$ 0 (0%)
<b>Total:</b>	<b>\$ 40,000</b>
Total Per Square Foot:	\$ 24.8

## Cash Flow (Year 1)

		Monthly	Yearly
<b>CASH FLOW</b>			
Gross Rent:		\$ 2,800	\$ 33,600
Vacancy (5%):	-	\$ 140	\$ 1,680
Other Income:	+	\$ 0	\$ 0
<b>Operating Income:</b>	<b>=</b>	<b>\$ 2,660</b>	<b>\$ 31,920</b>
Operating Expenses (52.6%):	-	\$ 1,400	\$ 16,800
<b>Net Operating Income:</b>	<b>=</b>	<b>\$ 1,260</b>	<b>\$ 15,120</b>
Loan Payments:	-	\$ 1,839	\$ 22,066
<b>Cash Flow:</b>	<b>=</b>	<b>-\$ 579</b>	<b>-\$ 6,946</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>\$ 1,400</b>	<b>\$ 16,800</b>



## Buy & Hold Projections

	APPRECIATION 5% Per Year	INCOME INCREASE 3% Per Year	EXPENSES INCREASES 2% Per Year	SELLING COSTS 6% of Price		
	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
<b>INCOME</b>						
Gross Rent:	\$ 33,600	\$ 35,646	\$ 37,817	\$ 43,840	\$ 58,918	\$ 79,181
Vacancy (5%):	- \$ 1,680	- \$ 1,782	- \$ 1,891	- \$ 2,192	- \$ 2,946	- \$ 3,959
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
<b>Operating Income:</b>	<b>= \$ 31,920</b>	<b>= \$ 33,864</b>	<b>= \$ 35,926</b>	<b>= \$ 41,648</b>	<b>= \$ 55,972</b>	<b>= \$ 75,222</b>
<b>EXPENSES</b>						
Total Expenses:	\$ 16,800	\$ 17,823	\$ 18,909	\$ 21,920	\$ 29,459	\$ 39,591
<b>Operating Expenses:</b>	<b>= \$ 16,800</b>	<b>= \$ 17,823</b>	<b>= \$ 18,909</b>	<b>= \$ 21,920</b>	<b>= \$ 29,459</b>	<b>= \$ 39,591</b>
<b>CASH FLOW</b>						
Operating Income:	\$ 31,920	\$ 33,864	\$ 35,926	\$ 41,648	\$ 55,972	\$ 75,222
Operating Expenses:	- \$ 16,800	- \$ 17,823	- \$ 18,909	- \$ 21,920	- \$ 29,459	- \$ 39,591
<b>Net Operating Income:</b>	<b>= \$ 15,120</b>	<b>= \$ 16,041</b>	<b>= \$ 17,017</b>	<b>= \$ 19,728</b>	<b>= \$ 26,513</b>	<b>= \$ 35,631</b>
Loan Payments:	- \$ 22,066	- \$ 22,066	- \$ 22,066	- \$ 22,066	- \$ 22,066	- \$ 22,066
<b>Cash Flow:</b>	<b>= -\$ 6,946</b>	<b>= -\$ 6,025</b>	<b>= -\$ 5,049</b>	<b>= -\$ 2,338</b>	<b>= \$ 4,447</b>	<b>= \$ 13,565</b>
<b>TAX BENEFITS &amp; DEDUCTIONS</b>						
Operating Expenses:	\$ 16,800	\$ 17,823	\$ 18,909	\$ 21,920	\$ 29,459	\$ 39,591
Loan Interest:	+ \$ 14,207	+ \$ 13,638	+ \$ 13,028	+ \$ 11,302	+ \$ 6,799	+ \$ 413
Depreciation:	+ \$ 21,686	+ \$ 21,686	+ \$ 21,686	+ \$ 21,686	+ \$ 21,686	+ \$ 0
<b>Total Deductions:</b>	<b>= \$ 52,693</b>	<b>= \$ 53,147</b>	<b>= \$ 53,623</b>	<b>= \$ 54,909</b>	<b>= \$ 57,945</b>	<b>= \$ 40,004</b>
<b>EQUITY ACCUMULATION</b>						
Property Value:	\$ 614,250	\$ 677,211	\$ 746,625	\$ 952,903	\$ 1,552,179	\$ 2,528,336
Loan Balance:	- \$ 401,641	- \$ 385,075	- \$ 367,310	- \$ 317,063	- \$ 185,956	- \$ 0
<b>Total Equity:</b>	<b>= \$ 212,609</b>	<b>= \$ 292,136</b>	<b>= \$ 379,315</b>	<b>= \$ 635,840</b>	<b>= \$ 1,366,223</b>	<b>= \$ 2,528,336</b>
<b>SALE ANALYSIS</b>						
Equity:	\$ 212,609	\$ 292,136	\$ 379,315	\$ 635,840	\$ 1,366,223	\$ 2,528,336
Selling Costs (6%):	- \$ 36,855	- \$ 40,633	- \$ 44,798	- \$ 57,174	- \$ 93,131	- \$ 151,700
<b>Sale Proceeds:</b>	<b>= \$ 175,754</b>	<b>= \$ 251,503</b>	<b>= \$ 334,518</b>	<b>= \$ 578,666</b>	<b>= \$ 1,273,093</b>	<b>= \$ 2,376,636</b>
Cumulative Cash Flow:	+ -\$ 6,946	+ -\$ 19,463	+ -\$ 30,056	+ -\$ 47,327	+ -\$ 35,041	+ \$ 57,355
Total Cash Invested:	- \$ 227,200	- \$ 227,200	- \$ 227,200	- \$ 227,200	- \$ 227,200	- \$ 227,200

	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
<b>Total Profit:</b>	<b>= -\$ 58,392</b>	<b>= \$ 4,840</b>	<b>= \$ 77,262</b>	<b>= \$ 304,139</b>	<b>= \$ 1,010,852</b>	<b>= \$ 2,206,791</b>

**INVESTMENT RETURNS**

Cap Rate (Purchase Price):	2.6%	2.7%	2.9%	3.4%	4.5%	6.1%
Cap Rate (Market Value):	2.5%	2.4%	2.3%	2.1%	1.7%	1.4%
Cash on Cash Return:	-3.1%	-2.7%	-2.2%	-1%	2%	6%
Return on Equity:	-3.3%	-2.1%	-1.3%	-0.4%	0.3%	0.5%
Return on Investment:	-25.7%	2.1%	34%	133.9%	444.9%	971.3%
Internal Rate of Return:	-25.7%	0.7%	5.8%	8.3%	8.3%	7.9%

**FINANCIAL RATIOS**

Rent to Value:	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%
Gross Rent Multiplier:	18.28	19	19.74	21.74	26.34	31.93
Equity Multiple:	0.74	1.02	1.34	2.34	5.45	10.71
Break Even Ratio:	115.7%	111.9%	108.4%	100.3%	87.5%	77.9%
Debt Coverage Ratio:	0.69	0.73	0.77	0.89	1.2	1.61
Debt Yield:	3.8%	4.2%	4.6%	6.2%	14.3%	-

## Recent Comparable Sales

Average Sale Price

**\$ 599,780 (\$ 385/sq.ft.)**

\$ 559,999 - \$ 675,000

\$ 353/sq.ft. - \$ 405/sq.ft.

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

**\$ 622,945**



Property	Distance	Type	Beds	Baths	Sq.Ft.	Sale Price	Sale Date
<span style="color: blue;">●</span> 1626 La Mesa Ave Spring Valley, CA 91977	0 mi	House Built 1978	3	2	1,616	-	-
<span style="color: green;">A</span> 1105 Portola Ave Spring Valley, CA 91977	0.57 mi	House	3	2	1,572	\$ 624,000 \$ 396.95/sq.ft.	04/20/2021
<span style="color: green;">B</span> 1118 Portola Ave Spring Valley, CA 91977	0.56 mi	House	3	2	1,666	\$ 675,000 \$ 405.16/sq.ft.	04/20/2021
<span style="color: green;">C</span> 1129 San Bernardino Ave Spring Valley, CA 91977	0.51 mi	House	3	2	1,515	\$ 565,000 \$ 372.94/sq.ft.	12/28/2020
<span style="color: green;">D</span> 1318 La Mesa Ave Spring Valley, CA 91977	0.33 mi	House	3	2	1,439	\$ 574,900 \$ 399.51/sq.ft.	04/20/2021
<span style="color: green;">E</span> 10416 Fairhill Dr Spring Valley, CA 91977	1.15 mi	House	3	2	1,587	\$ 559,999 \$ 352.87/sq.ft.	03/04/2021

## Recent Comparable Rental Listings

Average Listed Rent

**\$ 2,807 (\$ 1.71/sq.ft.)**







\$ 2,495 - \$ 3,350

\$ 1.39/sq.ft. - \$ 2.18/sq.ft.

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

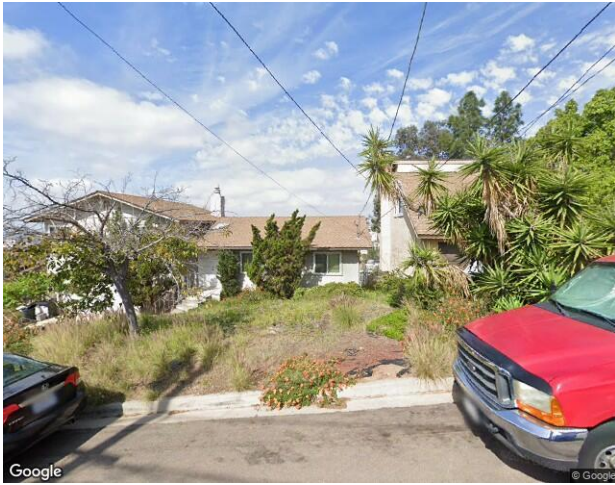
**\$ 2,767**



Property	Distance	Type	Beds	Baths	Sq.Ft.	Listed Rent	Listing Date
 1626 La Mesa Ave Spring Valley, CA 91977	0 mi	House Built 1978	3	2	1,616	-	-
 9467 Piedmont St Spring Valley, CA 91977	1.11 mi	House	3	2	1,450	\$ 2,500 \$ 1.72/sq.ft.	11/20/2020
 9239 Francis Dr Spring Valley, CA 91977	2.52 mi	House	3	2	1,536	\$ 3,350 \$ 2.18/sq.ft.	11/06/2020
 3902 Stevemark Ln Spring Valley, CA 91977	3.42 mi	House	3	2	1,700	\$ 2,895 \$ 1.70/sq.ft.	11/19/2020
 3078 Gayla Ct Spring Valley, CA 91978	2.83 mi	House	3	2	1,800	\$ 2,495 \$ 1.39/sq.ft.	10/21/2020
 3525 Calavo Dr Spring Valley, CA 91978	3.28 mi	House	3	2	1,785	\$ 2,795 \$ 1.57/sq.ft.	11/19/2020



## Property Photos



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