

1748 Hill Top Ln

Investment Property - Buy & Hold

1748 Hill Top Ln
Encinitas, CA 92024

\$ 796,000 Purchase Price · \$ 796,000 ARV

\$ 183,080 Cash Needed · -\$ 1,558/mo Cash Flow · 2.2% Cap Rate · -10.2% COC



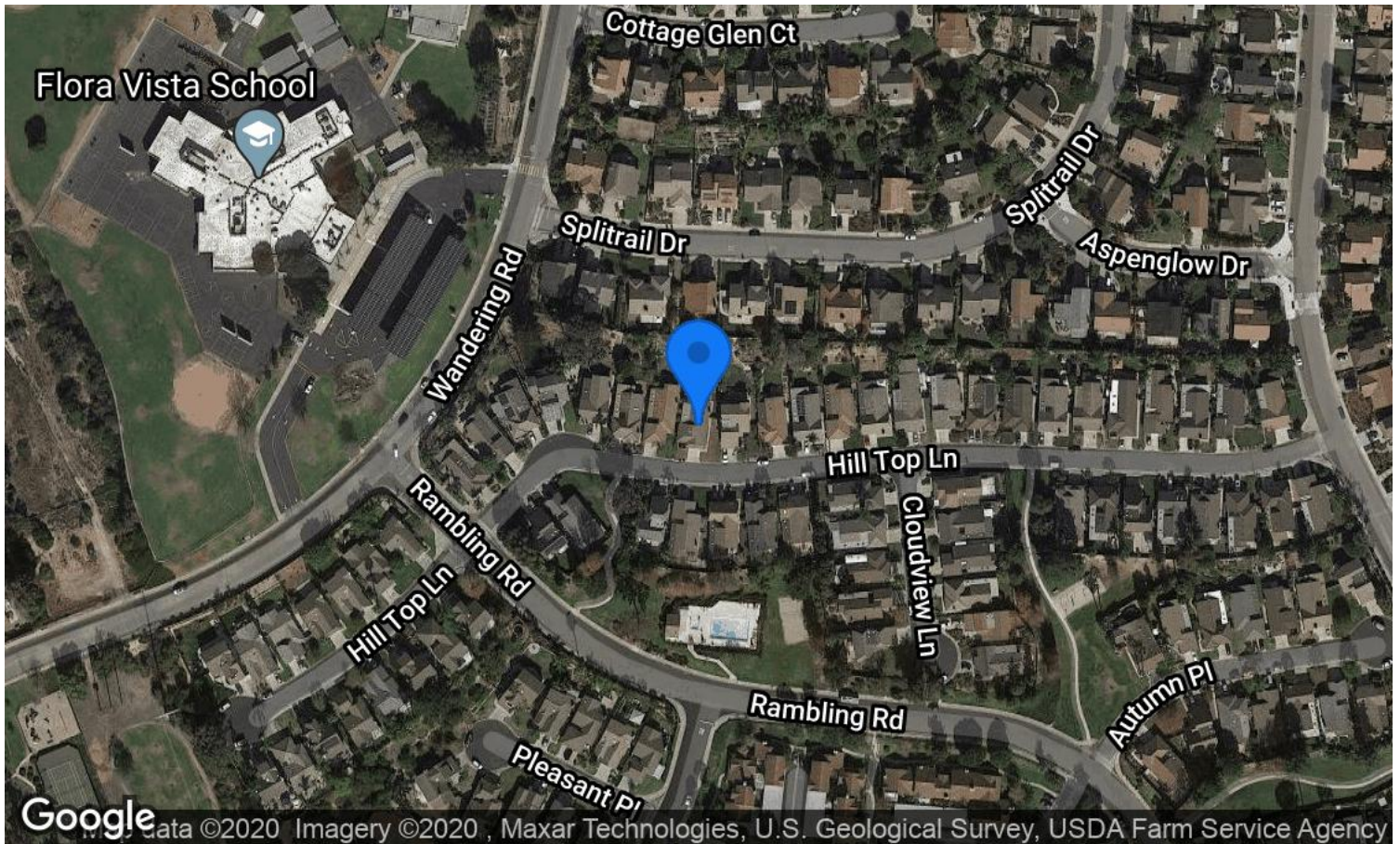
Property Description

ADDRESS

1748 Hill Top Ln
Encinitas, CA 92024

DESCRIPTION

Property Type:	House
Beds / Baths:	3 BR / 2.0 BA
Square Footage:	1,368
Year Built:	1984
Parking:	Garage - Attached
Lot Size:	8,344 sq.ft.
Zoning:	
MLS Number:	



Purchase Analysis & Returns

PURCHASE

Purchase Price:		\$ 796,000
Amount Financed:	-	\$ 636,800
Down Payment:	=	\$ 159,200
Purchase Costs:	+	\$ 23,880
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 183,080
After Repair Value:		\$ 796,000
Price Per Square Foot:		\$ 581.9

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	2.2% / 2.2%
Cash on Cash Return:	-10.2%
Return on Equity:	-8.9%
Return on Investment:	-22.8%
Internal Rate of Return:	-22.8%
Rent to Value:	0.4%
Gross Rent Multiplier:	20.13
Equity Multiple:	0.77
Break Even Ratio:	142.3%
Debt Coverage Ratio:	0.49
Debt Yield:	2.8%

PURCHASE COSTS

Total (3% of Price):	\$ 23,880
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FINANCING (PURCHASE)

Loan Type:	Amortizing
Loan Amount:	\$ 636,800
Loan to Cost (LTC):	80%
Loan to Value (LTV):	80%
Loan Term:	30 Years
Interest Rate:	4%
Finance Rehab Costs:	No
Loan Payments:	\$ 3,040 Per Month \$ 36,482 Per Year

ASSUMPTIONS & PROJECTIONS

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

REHAB COSTS

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

Cash Flow (Year 1)

		Monthly	Yearly
CASH FLOW			
Gross Rent:		\$ 3,295	\$ 39,540
Vacancy (5%):	-	\$ 165	\$ 1,977
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 3,130	\$ 37,563
Operating Expenses (52.7%):	-	\$ 1,648	\$ 19,770
Net Operating Income:	=	\$ 1,482	\$ 17,793
Loan Payments:	-	\$ 3,040	\$ 36,482
Cash Flow:	=	-\$ 1,558	-\$ 18,689

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

		Monthly	Yearly
EXPENSES			
Total (50% of Rent):		\$ 1,648	\$ 19,770

Buy & Hold Projections

	APPRECIATION 5% Per Year	INCOME INCREASE 3% Per Year	EXPENSES INCREASES 3% Per Year		SELLING COSTS 6% of Price	
	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
INCOME						
Gross Rent:	\$ 39,540	\$ 41,948	\$ 44,503	\$ 51,591	\$ 69,334	\$ 93,179
Vacancy (5%):	- \$ 1,977	- \$ 2,097	- \$ 2,225	- \$ 2,580	- \$ 3,467	- \$ 4,659
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 37,563	= \$ 39,851	= \$ 42,278	= \$ 49,011	= \$ 65,867	= \$ 88,520
EXPENSES						
Total Expenses:	\$ 19,770	\$ 20,974	\$ 22,252	\$ 25,796	\$ 34,667	\$ 46,590
Operating Expenses:	= \$ 19,770	= \$ 20,974	= \$ 22,252	= \$ 25,796	= \$ 34,667	= \$ 46,590
CASH FLOW						
Operating Income:	\$ 37,563	\$ 39,851	\$ 42,278	\$ 49,011	\$ 65,867	\$ 88,520
Operating Expenses:	- \$ 19,770	- \$ 20,974	- \$ 22,252	- \$ 25,796	- \$ 34,667	- \$ 46,590
Net Operating Income:	= \$ 17,793	= \$ 18,877	= \$ 20,026	= \$ 23,215	= \$ 31,200	= \$ 41,930
Loan Payments:	- \$ 36,482	- \$ 36,482	- \$ 36,482	- \$ 36,482	- \$ 36,482	- \$ 36,482
Cash Flow:	= -\$ 18,689	= -\$ 17,605	= -\$ 16,456	= -\$ 13,267	= -\$ 5,282	= \$ 5,448
TAX BENEFITS & DEDUCTIONS						
Operating Expenses:	\$ 19,770	\$ 20,974	\$ 22,252	\$ 25,796	\$ 34,667	\$ 46,590
Loan Interest:	+ \$ 25,268	+ \$ 24,335	+ \$ 23,326	+ \$ 20,418	+ \$ 12,533	+ \$ 778
Depreciation:	+ \$ 29,814	+ \$ 29,814	+ \$ 29,814	+ \$ 29,814	+ \$ 29,814	+ \$ 0
Total Deductions:	= \$ 74,852	= \$ 75,123	= \$ 75,391	= \$ 76,028	= \$ 77,014	= \$ 47,368
EQUITY ACCUMULATION						
Property Value:	\$ 835,800	\$ 921,470	\$ 1,015,920	\$ 1,296,600	\$ 2,112,025	\$ 3,440,266
Loan Balance:	- \$ 625,586	- \$ 601,768	- \$ 575,970	- \$ 501,696	- \$ 300,279	- \$ 0
Total Equity:	= \$ 210,214	= \$ 319,702	= \$ 439,950	= \$ 794,904	= \$ 1,811,746	= \$ 3,440,266
SALE ANALYSIS						
Equity:	\$ 210,214	\$ 319,702	\$ 439,950	\$ 794,904	\$ 1,811,746	\$ 3,440,266
Selling Costs (6%):	- \$ 50,148	- \$ 55,288	- \$ 60,955	- \$ 77,796	- \$ 126,722	- \$ 206,416
Sale Proceeds:	= \$ 160,066	= \$ 264,414	= \$ 378,995	= \$ 717,108	= \$ 1,685,024	= \$ 3,233,850
Cumulative Cash Flow:	+ -\$ 18,689	+ -\$ 54,449	+ -\$ 87,944	+ -\$ 160,844	+ -\$ 251,538	+ -\$ 247,955
Total Cash Invested:	- \$ 183,080	- \$ 183,080	- \$ 183,080	- \$ 183,080	- \$ 183,080	- \$ 183,080

	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
Total Profit:	= -\$ 41,703	= \$ 26,885	= \$ 107,971	= \$ 373,184	= \$ 1,250,406	= \$ 2,802,815

INVESTMENT RETURNS

Cap Rate (Purchase Price):	2.2%	2.4%	2.5%	2.9%	3.9%	5.3%
Cap Rate (Market Value):	2.1%	2%	2%	1.8%	1.5%	1.2%
Cash on Cash Return:	-10.2%	-9.6%	-9%	-7.2%	-2.9%	3%
Return on Equity:	-8.9%	-5.5%	-3.7%	-1.7%	-0.3%	0.2%
Return on Investment:	-22.8%	14.7%	59%	203.8%	683%	1,530.9%
Internal Rate of Return:	-22.8%	4.3%	8.4%	9.6%	8.7%	8%

FINANCIAL RATIOS

Rent to Value:	0.4%	0.4%	0.4%	0.3%	0.3%	0.2%
Gross Rent Multiplier:	21.14	21.97	22.83	25.13	30.46	36.92
Equity Multiple:	0.77	1.15	1.59	3.04	7.83	16.31
Break Even Ratio:	142.3%	137%	132%	120.7%	102.6%	89.2%
Debt Coverage Ratio:	0.49	0.52	0.55	0.64	0.86	1.15
Debt Yield:	2.8%	3.1%	3.5%	4.6%	10.4%	-

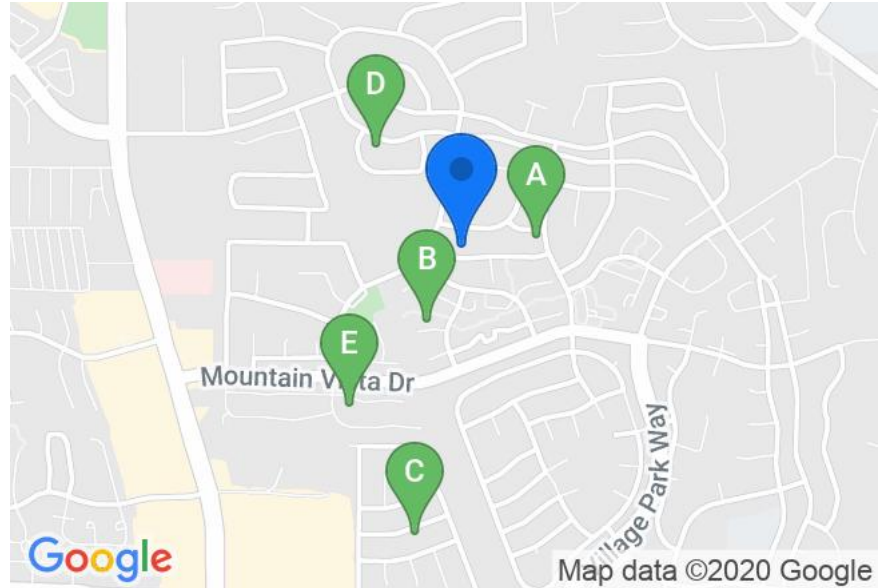
Recent Comparable Sales

Average Sale Price

\$ 832,200 (\$ 525/sq.ft.)

\$ 770,000 - \$ 877,000

\$ 427/sq.ft. - \$ 640/sq.ft.



Estimated ARV Based on Average Price/
Sq.Ft.

\$ 717,926

Property	Distance	Type	Beds	Baths	Sq.Ft.	Sale Price	Sale Date
● 1748 Hill Top Ln Encinitas, CA 92024	0 mi	House Built 1984	3	2.0	1,368	\$ 796,000 \$ 582/sq.ft.	08/29/2019
● A 1742 Aspenglow Ln Encinitas, CA 92024	0.14 mi	House	3	2.0	1,485	\$ 810,000 \$ 545/sq.ft.	11/27/2019
● B 1640 Clearwater Pl Encinitas, CA 92024	0.16 mi	House Built 1985	3	2.0	1,511	\$ 877,000 \$ 580/sq.ft.	02/06/2020
● C 1609 Tucker Ln Encinitas, CA 92024	0.54 mi	House Built 1973	3	2.0	1,327	\$ 849,000 \$ 640/sq.ft.	11/14/2019
● D 1038 Glen Arbor Dr Encinitas, CA 92024	0.25 mi	House Built 1984	3	3.0	2,001	\$ 855,000 \$ 427/sq.ft.	05/20/2020
● E 1623 Tennis Match Way Encinitas, CA 92024	0.36 mi	House Built 1985	3	2.0	1,783	\$ 770,000 \$ 432/sq.ft.	11/22/2019

Recent Comparable Rental Listings

Average Listed Rent

\$ 3,310 (\$ 2.35/sq.ft.)

\$ 2,850 - \$ 3,950

\$ 2.19/sq.ft. - \$ 2.55/sq.ft.



Estimated Rent Based on Average Rent/
Sq.Ft.

\$ 3,215

Property	Distance	Type	Beds	Baths	Sq.Ft.	Listed Rent	Listing Date
● 1748 Hill Top Ln Encinitas, CA 92024	0 mi	House Built 1984	3	2.0	1,368	-	-
● A 565 Cloudview Ln Encinitas, CA 92024	0.07 mi	House	3	2	1,368	\$ 3,000 \$ 2.19/sq.ft.	12/11/2019
● B 311 Countrywood Ln Encinitas, CA 92024	0.53 mi	House	3	2	1,394	\$ 3,100 \$ 2.22/sq.ft.	07/26/2019
● C 1762 Cottage Grove Dr Encinitas, CA 92024	0.33 mi	House	3	2	1,514	\$ 3,650 \$ 2.41/sq.ft.	07/26/2019
● D 261 Aspenwood Ln Encinitas, CA 92024	0.47 mi	House	3	2	1,200	\$ 2,850 \$ 2.38/sq.ft.	09/26/2019
● E 1644 Traveld Way Encinitas, CA 92024	0.53 mi	House	3	2	1,551	\$ 3,950 \$ 2.55/sq.ft.	12/27/2019

Property Photos



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