

2450 Azure Coast Dr

Investment Property - Buy & Hold

2450 Azure Coast Dr
La Jolla, CA 92037

\$ 960,000 Purchase Price · \$ 960,000 ARV

\$ 220,800 Cash Needed · -\$ 1,980/mo Cash Flow · 2.1% Cap Rate · -10.8% COC



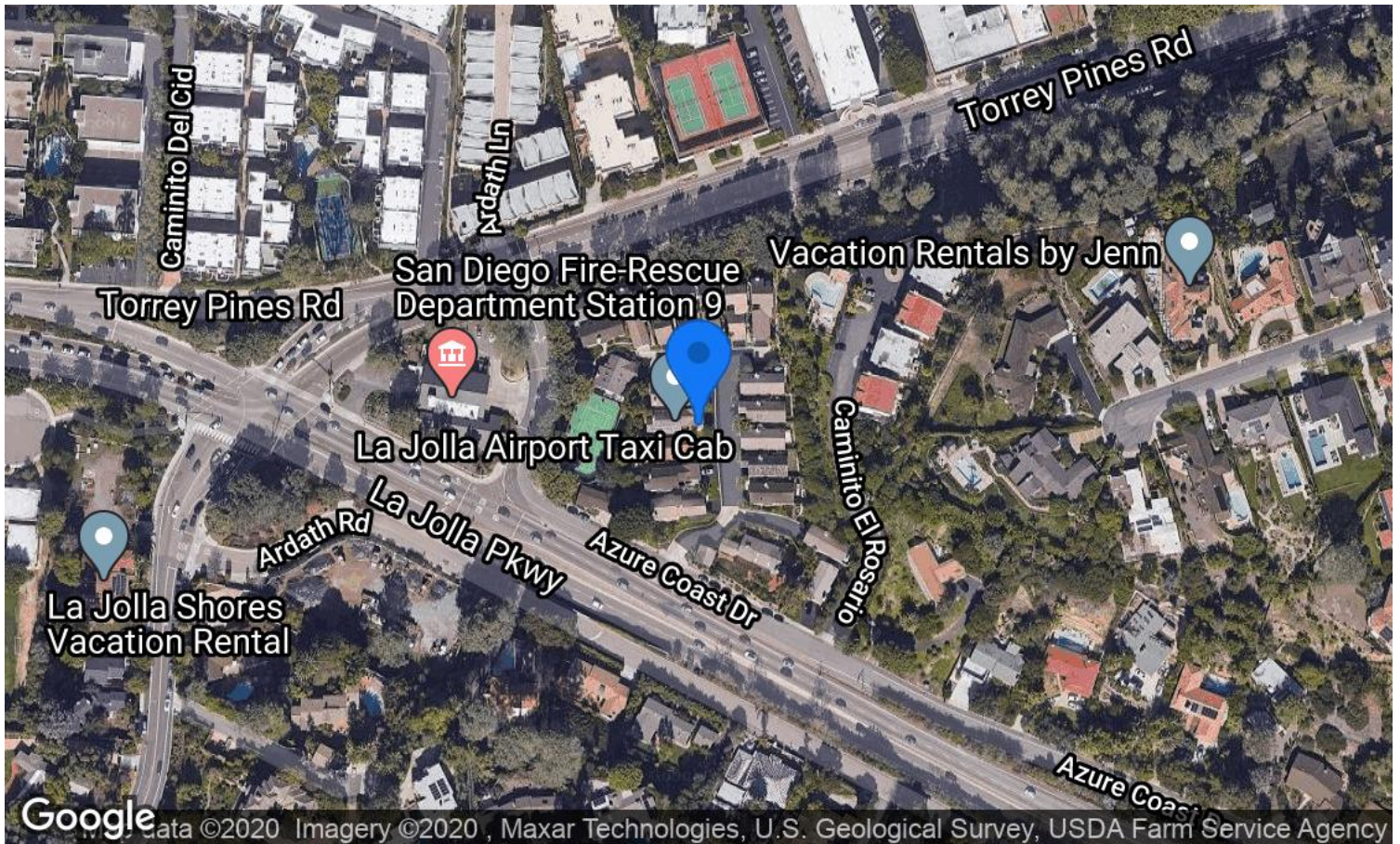
Property Description

ADDRESS

2450 Azure Coast Dr
La Jolla, CA 92037

DESCRIPTION

Property Type:	House
Beds / Baths:	3 BR / 3.0 BA
Square Footage:	1,857
Year Built:	1977
Parking:	Garage - Attached
Lot Size:	
Zoning:	
MLS Number:	



Purchase Analysis & Returns

PURCHASE

Purchase Price:		\$ 960,000
Amount Financed:	-	\$ 768,000
Down Payment:	=	\$ 192,000
Purchase Costs:	+	\$ 28,800
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 220,800
After Repair Value:		\$ 960,000
Price Per Square Foot:		\$ 517

FINANCING (PURCHASE)

Loan Type:	Amortizing
Loan Amount:	\$ 768,000
Loan to Cost (LTC):	80%
Loan to Value (LTV):	80%
Loan Term:	30 Years
Interest Rate:	4%
Finance Rehab Costs:	No
Loan Payments:	\$ 3,667 Per Month \$ 43,999 Per Year

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	2.1% / 2.1%
Cash on Cash Return:	-10.8%
Return on Equity:	-9%
Return on Investment:	-19.2%
Internal Rate of Return:	-19.2%
Rent to Value:	0.4%
Gross Rent Multiplier:	21.33
Equity Multiple:	0.81
Break Even Ratio:	147.8%
Debt Coverage Ratio:	0.46
Debt Yield:	2.6%

ASSUMPTIONS & PROJECTIONS

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

PURCHASE COSTS

Total (3% of Price):	\$ 28,800
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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:		\$ 3,750	\$ 45,000
Vacancy (5%):	-	\$ 188	\$ 2,250
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 3,562	\$ 42,750
Operating Expenses (52.6%):	-	\$ 1,875	\$ 22,500
Net Operating Income:	=	\$ 1,687	\$ 20,250
Loan Payments:	-	\$ 3,667	\$ 43,999
Cash Flow:	=	-\$ 1,980	-\$ 23,749

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

		Monthly	Yearly
EXPENSES			
Total (50% of Rent):		\$ 1,875	\$ 22,500

Buy & Hold Projections

	APPRECIATION 6% 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:	\$ 45,000	\$ 47,741	\$ 50,648	\$ 58,715	\$ 78,908	\$ 106,045
Vacancy (5%):	- \$ 2,250	- \$ 2,387	- \$ 2,532	- \$ 2,936	- \$ 3,945	- \$ 5,302
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 42,750	= \$ 45,354	= \$ 48,116	= \$ 55,779	= \$ 74,963	= \$ 100,743
EXPENSES						
Total Expenses:	\$ 22,500	\$ 23,871	\$ 25,324	\$ 29,358	\$ 39,454	\$ 53,023
Operating Expenses:	= \$ 22,500	= \$ 23,871	= \$ 25,324	= \$ 29,358	= \$ 39,454	= \$ 53,023
CASH FLOW						
Operating Income:	\$ 42,750	\$ 45,354	\$ 48,116	\$ 55,779	\$ 74,963	\$ 100,743
Operating Expenses:	- \$ 22,500	- \$ 23,871	- \$ 25,324	- \$ 29,358	- \$ 39,454	- \$ 53,023
Net Operating Income:	= \$ 20,250	= \$ 21,483	= \$ 22,792	= \$ 26,421	= \$ 35,509	= \$ 47,720
Loan Payments:	- \$ 43,999	- \$ 43,999	- \$ 43,999	- \$ 43,999	- \$ 43,999	- \$ 43,999
Cash Flow:	= -\$ 23,749	= -\$ 22,516	= -\$ 21,207	= -\$ 17,578	= -\$ 8,490	= \$ 3,721
TAX BENEFITS & DEDUCTIONS						
Operating Expenses:	\$ 22,500	\$ 23,871	\$ 25,324	\$ 29,358	\$ 39,454	\$ 53,023
Loan Interest:	+ \$ 30,474	+ \$ 29,349	+ \$ 28,131	+ \$ 24,625	+ \$ 15,115	+ \$ 939
Depreciation:	+ \$ 35,956	+ \$ 35,956	+ \$ 35,956	+ \$ 35,956	+ \$ 35,956	+ \$ 0
Total Deductions:	= \$ 88,930	= \$ 89,177	= \$ 89,412	= \$ 89,939	= \$ 90,526	= \$ 53,962
EQUITY ACCUMULATION						
Property Value:	\$ 1,017,600	\$ 1,143,375	\$ 1,284,697	\$ 1,719,214	\$ 3,078,850	\$ 5,513,752
Loan Balance:	- \$ 754,475	- \$ 725,750	- \$ 694,637	- \$ 605,061	- \$ 362,146	- \$ 0
Total Equity:	= \$ 263,125	= \$ 417,625	= \$ 590,060	= \$ 1,114,153	= \$ 2,716,704	= \$ 5,513,752
SALE ANALYSIS						
Equity:	\$ 263,125	\$ 417,625	\$ 590,060	\$ 1,114,153	\$ 2,716,704	\$ 5,513,752
Selling Costs (6%):	- \$ 61,056	- \$ 68,603	- \$ 77,082	- \$ 103,153	- \$ 184,731	- \$ 330,825
Sale Proceeds:	= \$ 202,069	= \$ 349,022	= \$ 512,978	= \$ 1,011,000	= \$ 2,531,973	= \$ 5,182,927
Cumulative Cash Flow:	+ -\$ 23,749	+ -\$ 69,407	+ -\$ 112,486	+ -\$ 207,849	+ -\$ 335,859	+ -\$ 356,576
Total Cash Invested:	- \$ 220,800	- \$ 220,800	- \$ 220,800	- \$ 220,800	- \$ 220,800	- \$ 220,800

	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
Total Profit:	= -\$ 42,480	= \$ 58,815	= \$ 179,692	= \$ 582,351	= \$ 1,975,314	= \$ 4,605,551

INVESTMENT RETURNS

Cap Rate (Purchase Price):	2.1%	2.2%	2.4%	2.8%	3.7%	5%
Cap Rate (Market Value):	2%	1.9%	1.8%	1.5%	1.2%	0.9%
Cash on Cash Return:	-10.8%	-10.2%	-9.6%	-8%	-3.8%	1.7%
Return on Equity:	-9%	-5.4%	-3.6%	-1.6%	-0.3%	0.1%
Return on Investment:	-19.2%	26.6%	81.4%	263.7%	894.6%	2,085.8%
Internal Rate of Return:	-19.2%	7.5%	11%	11.4%	9.9%	8.9%

FINANCIAL RATIOS

Rent to Value:	0.4%	0.3%	0.3%	0.3%	0.2%	0.2%
Gross Rent Multiplier:	22.61	23.95	25.37	29.28	39.02	51.99
Equity Multiple:	0.81	1.27	1.81	3.64	9.95	21.86
Break Even Ratio:	147.8%	142.2%	136.9%	124.9%	105.8%	91.5%
Debt Coverage Ratio:	0.46	0.49	0.52	0.6	0.81	1.08
Debt Yield:	2.7%	3%	3.3%	4.4%	9.8%	-

Recent Comparable Sales

Average Sale Price

\$ 965,000 (\$ 464/sq.ft.)

\$ 855,000 - \$ 1,250,000

\$ 402/sq.ft. - \$ 555/sq.ft.



Estimated ARV Based on Average Price/
Sq.Ft.

\$ 861,648

Property	Distance	Type	Beds	Baths	Sq.Ft.	Sale Price	Sale Date
● 2450 Azure Coast Dr La Jolla, CA 92037	0 mi	House Built 1977	3	3.0	1,857	\$ 960,000 \$ 517/sq.ft.	11/06/2019
A 6483 Caminito Formby La Jolla, CA 92037	1.17 mi	House Built 1979	3	3.0	2,033	\$ 885,000 \$ 435/sq.ft.	10/28/2019
B 2289 Via Munera La Jolla, CA 92037	1.27 mi	House Built 1989	3	2.0	1,861	\$ 965,000 \$ 519/sq.ft.	10/28/2019
C 2530 Caminito Muirfield La Jolla, CA 92037	1.25 mi	House Built 1979	3	3.0	2,128	\$ 855,000 \$ 402/sq.ft.	01/09/2020
D 6419 Caminito Blythefield La Jolla, CA 92037	1.3 mi	House Built 1982	3	3.0	2,128	\$ 870,000 \$ 409/sq.ft.	12/06/2019
E 5555 Bloch St San Diego, CA 92122	1.08 mi	House Built 1973	5	3.0	2,254	\$ 1,250,000 \$ 555/sq.ft.	11/20/2019

Recent Comparable Rental Listings

Average Listed Rent

\$ 6,349 (\$ 3.50/sq.ft.)

\$ 3,999 - \$ 7,950

\$ 2.33/sq.ft. - \$ 4.83/sq.ft.

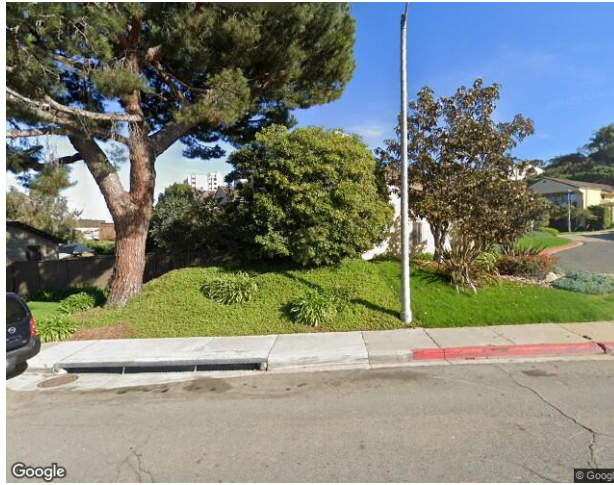


Estimated Rent Based on Average Rent/
Sq.Ft.

\$ 6,490

Property	Distance	Type	Beds	Baths	Sq.Ft.	Listed Rent	Listing Date
A 2450 Azure Coast Dr La Jolla, CA 92037	0 mi	House Built 1977	3	3.0	1,857	-	-
B 7933 Caminito Del Cid La Jolla, CA 92037	0.13 mi	House	3	3	1,987	\$ 4,795 \$ 2.41/sq.ft.	08/09/2019
C 7889 Ardath Ln La Jolla, CA 92037	0 mi	House	3	3	1,716	\$ 3,999 \$ 2.33/sq.ft.	08/09/2019
D 4 E Roseland Dr La Jolla, CA 92037	0.3 mi	House	3	3	1,700	\$ 7,500 \$ 4.41/sq.ft.	06/16/2020
E 2049 Paseo Dorado La Jolla, CA 92037	0.43 mi	House	3	3	1,645	\$ 7,950 \$ 4.83/sq.ft.	06/16/2020
F 4 E Roseland Dr San Diego, CA 92037	0.3 mi	House	3	3	-	\$ 7,500	06/09/2020

Property Photos



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