

335 W Renette Ave

Investment Property - Buy & Hold

335 W Renette Ave, El Cajon, CA 92020
House · 4 Beds · 2.5 Baths · 1,683 Sq.Ft.

\$ 650,000 Purchase Price · \$ 650,000 ARV

\$ 208,000 Cash Needed · -\$ 963/mo Cash Flow · 2% Cap Rate · -5.6% COC



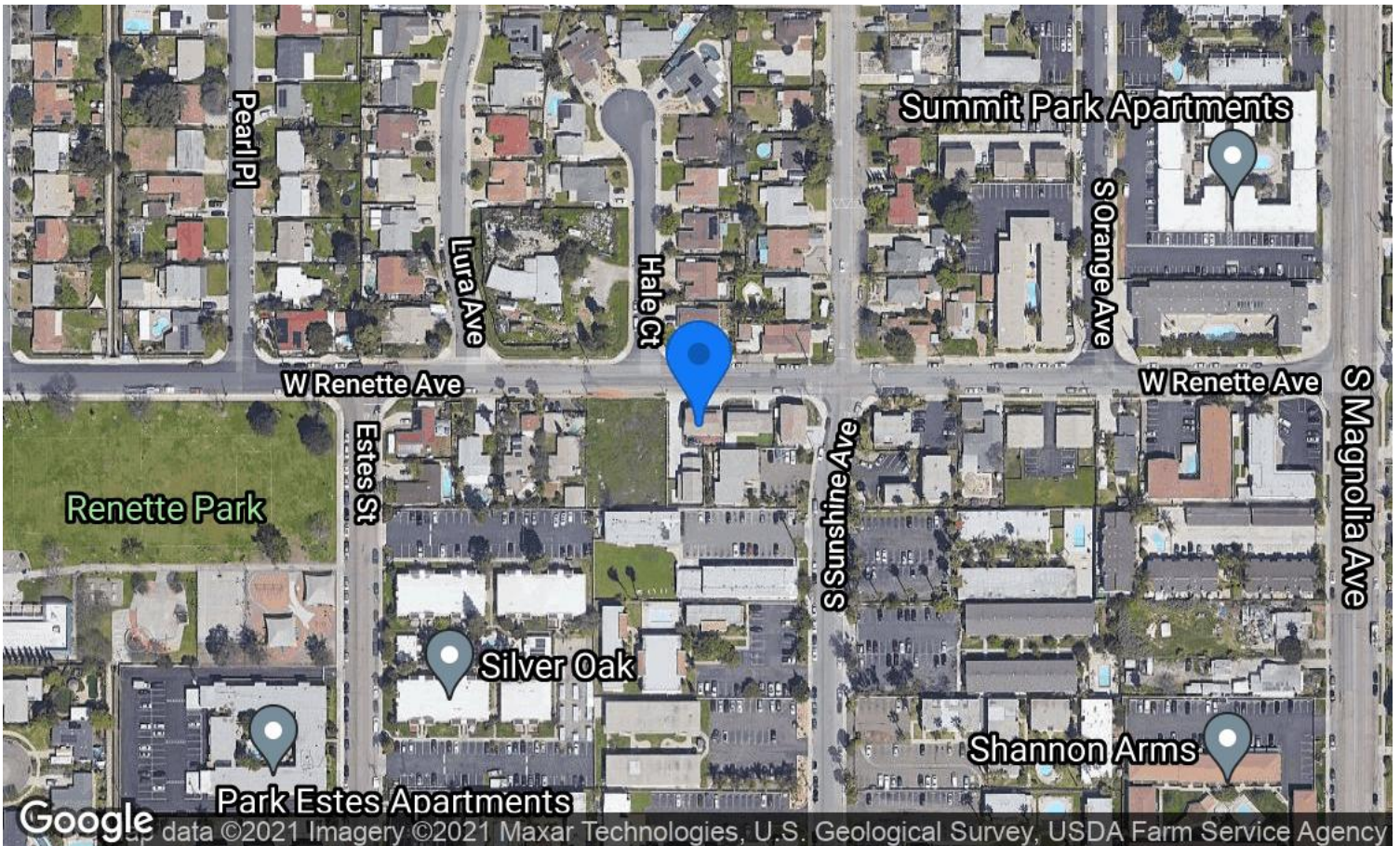
Property Description

ADDRESS

335 W Renette Ave
El Cajon, CA 92020

DESCRIPTION

Property Type:	House
Beds / Baths:	4 BR / 2.5 BA
Square Footage:	1,683
Year Built:	2016
Parking:	Garage
Lot Size:	2,771 sq.ft.
Zoning:	1 - SINGLE FAMILY RESIDENTIAL
MLS Number:	PTP2100925



Purchase Analysis & Returns

PURCHASE

Purchase Price:		\$ 650,000
Amount Financed:	-	\$ 455,000
Down Payment:	=	\$ 195,000
Purchase Costs:	+	\$ 13,000
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 208,000
After Repair Value:		\$ 650,000
Price Per Square Foot:		\$ 386.2

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):		2% / 2%
Cash on Cash Return:		-5.6%
Return on Equity:		-5%
Return on Investment:		-14.6%
Internal Rate of Return:		-14.6%
Rent to Value:		0.4%
Gross Rent Multiplier:		22.57
Equity Multiple:		0.85
Break Even Ratio:		135.1%
Debt Coverage Ratio:		0.53
Debt Yield:		2.8%

PURCHASE COSTS

Total (2% of Price):	\$ 13,000
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FINANCING (PURCHASE)

Loan Type:	Amortizing
Loan Amount:	\$ 455,000
Loan to Cost (LTC):	70%
Loan to Value (LTV):	70%
Loan Term:	30 Years
Interest Rate:	3.5%
Finance Rehab Costs:	No
Loan Payments:	\$ 2,043 Per Month \$ 24,518 Per Year

ASSUMPTIONS & PROJECTIONS

Rehab Cost Overrun:	0%
Vacancy:	5%
Appreciation:	4% 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:	\$ 159,801

REHAB COSTS

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

Cash Flow (Year 1)

		Monthly	Yearly
CASH FLOW			
Gross Rent:		\$ 2,400	\$ 28,800
Vacancy (5%):	-	\$ 120	\$ 1,440
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 2,280	\$ 27,360
Operating Expenses (52.6%):	-	\$ 1,200	\$ 14,400
Net Operating Income:	=	\$ 1,080	\$ 12,960
Loan Payments:	-	\$ 2,043	\$ 24,518
Cash Flow:	=	-\$ 963	-\$ 11,558

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

		Monthly	Yearly
EXPENSES			
Total (50% of Rent):		\$ 1,200	\$ 14,400

Buy & Hold Projections

	APPRECIATION 4% 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
INCOME						
Gross Rent:	\$ 28,800	\$ 30,554	\$ 32,415	\$ 37,577	\$ 50,501	\$ 67,869
Vacancy (5%):	- \$ 1,440	- \$ 1,528	- \$ 1,621	- \$ 1,879	- \$ 2,525	- \$ 3,393
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 27,360	= \$ 29,026	= \$ 30,794	= \$ 35,698	= \$ 47,976	= \$ 64,476
EXPENSES						
Total Expenses:	\$ 14,400	\$ 15,277	\$ 16,208	\$ 18,789	\$ 25,251	\$ 33,935
Operating Expenses:	= \$ 14,400	= \$ 15,277	= \$ 16,208	= \$ 18,789	= \$ 25,251	= \$ 33,935
CASH FLOW						
Operating Income:	\$ 27,360	\$ 29,026	\$ 30,794	\$ 35,698	\$ 47,976	\$ 64,476
Operating Expenses:	- \$ 14,400	- \$ 15,277	- \$ 16,208	- \$ 18,789	- \$ 25,251	- \$ 33,935
Net Operating Income:	= \$ 12,960	= \$ 13,749	= \$ 14,586	= \$ 16,909	= \$ 22,725	= \$ 30,541
Loan Payments:	- \$ 24,518	- \$ 24,518	- \$ 24,518	- \$ 24,518	- \$ 24,518	- \$ 24,518
Cash Flow:	= -\$ 11,558	= -\$ 10,769	= -\$ 9,932	= -\$ 7,609	= -\$ 1,793	= \$ 6,023
TAX BENEFITS & DEDUCTIONS						
Operating Expenses:	\$ 14,400	\$ 15,277	\$ 16,208	\$ 18,789	\$ 25,251	\$ 33,935
Loan Interest:	+ \$ 15,786	+ \$ 15,154	+ \$ 14,476	+ \$ 12,558	+ \$ 7,555	+ \$ 459
Depreciation:	+ \$ 18,298	+ \$ 18,298	+ \$ 18,298	+ \$ 18,298	+ \$ 18,298	+ \$ 0
Total Deductions:	= \$ 48,484	= \$ 48,729	= \$ 48,982	= \$ 49,645	= \$ 51,104	= \$ 34,394
EQUITY ACCUMULATION						
Property Value:	\$ 676,000	\$ 731,162	\$ 790,824	\$ 962,159	\$ 1,424,230	\$ 2,108,208
Loan Balance:	- \$ 446,268	- \$ 427,861	- \$ 408,122	- \$ 352,292	- \$ 206,617	- \$ 0
Total Equity:	= \$ 229,732	= \$ 303,301	= \$ 382,702	= \$ 609,867	= \$ 1,217,613	= \$ 2,108,208
SALE ANALYSIS						
Equity:	\$ 229,732	\$ 303,301	\$ 382,702	\$ 609,867	\$ 1,217,613	\$ 2,108,208
Selling Costs (6%):	- \$ 40,560	- \$ 43,870	- \$ 47,449	- \$ 57,730	- \$ 85,454	- \$ 126,492
Sale Proceeds:	= \$ 189,172	= \$ 259,431	= \$ 335,253	= \$ 552,137	= \$ 1,132,159	= \$ 1,981,716
Cumulative Cash Flow:	+ -\$ 11,558	+ -\$ 33,496	+ -\$ 53,785	+ -\$ 96,611	+ -\$ 142,124	+ -\$ 118,970
Total Cash Invested:	- \$ 208,000	- \$ 208,000	- \$ 208,000	- \$ 208,000	- \$ 208,000	- \$ 208,000

	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
Total Profit:	= -\$ 30,386	= \$ 17,935	= \$ 73,468	= \$ 247,526	= \$ 782,035	= \$ 1,654,746

INVESTMENT RETURNS

Cap Rate (Purchase Price):	2%	2.1%	2.2%	2.6%	3.5%	4.7%
Cap Rate (Market Value):	1.9%	1.9%	1.8%	1.8%	1.6%	1.4%
Cash on Cash Return:	-5.6%	-5.2%	-4.8%	-3.7%	-0.9%	2.9%
Return on Equity:	-5%	-3.6%	-2.6%	-1.2%	-0.1%	0.3%
Return on Investment:	-14.6%	8.6%	35.3%	119%	376%	795.6%
Internal Rate of Return:	-14.6%	2.7%	5.7%	7.1%	7%	6.6%

FINANCIAL RATIOS

Rent to Value:	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%
Gross Rent Multiplier:	23.47	23.93	24.4	25.6	28.2	31.06
Equity Multiple:	0.85	1.09	1.35	2.19	4.76	8.96
Break Even Ratio:	135.1%	130.2%	125.6%	115.2%	98.6%	86.1%
Debt Coverage Ratio:	0.53	0.56	0.59	0.69	0.93	1.25
Debt Yield:	2.9%	3.2%	3.6%	4.8%	11%	-

Recent Comparable Sales

Average Sale Price

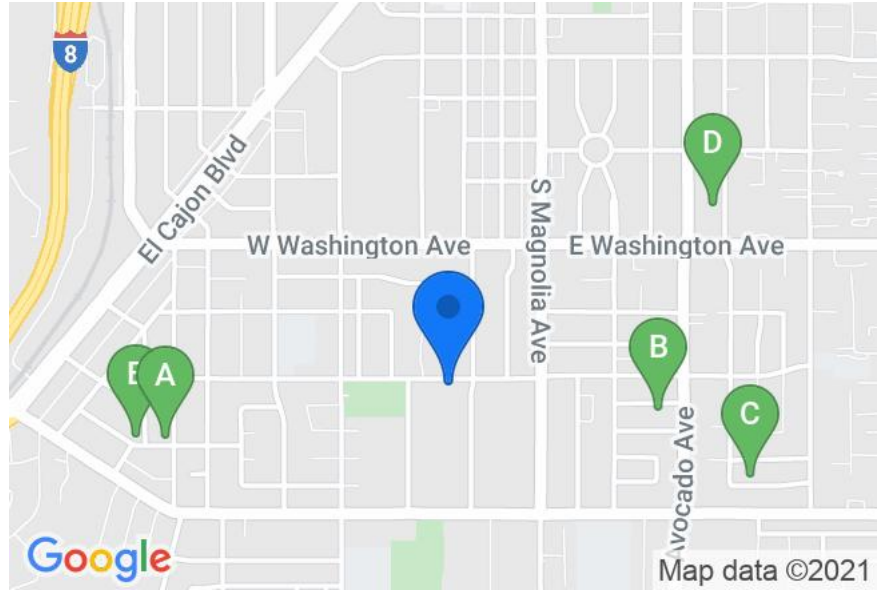
\$ 625,600 (\$ 383/sq.ft.)

\$ 569,000 - \$ 749,000

\$ 345/sq.ft. - \$ 459/sq.ft.

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

\$ 645,037



Property	Distance	Type	Beds	Baths	Sq.Ft.	Sale Price	Sale Date
● 335 W Renette Ave El Cajon, CA 92020	0 mi	House Built 2016	4	2.5	1,683	-	-
● A 1010 Eucalyptus Dr El Cajon, CA 92020	0.87 mi	House	4	2	1,694	\$ 585,000 \$ 345.34/sq.ft.	10/22/2020
● B 341 Joyce St El Cajon, CA 92020	0.63 mi	House	4	2	1,570	\$ 595,000 \$ 378.98/sq.ft.	03/06/2021
● C 576 Herbert St El Cajon, CA 92020	0.94 mi	House	4	2	1,633	\$ 569,000 \$ 348.44/sq.ft.	04/20/2021
● D 640 Taft Ave El Cajon, CA 92020	0.95 mi	House	4	2	1,632	\$ 749,000 \$ 458.95/sq.ft.	04/20/2021
● E 1102 Eucalyptus Dr El Cajon, CA 92020	0.96 mi	House	4	2	1,638	\$ 630,000 \$ 384.62/sq.ft.	11/16/2020

Recent Comparable Rental Listings

Average Listed Rent

\$ 2,520 (\$ 1.36/sq.ft.)

\$ 1,600 - \$ 3,000

\$ 1.15/sq.ft. - \$ 1.56/sq.ft.

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

\$ 2,293



Property	Distance	Type	Beds	Baths	Sq.Ft.	Listed Rent	Listing Date
● 335 W Renette Ave El Cajon, CA 92020	0 mi	House Built 2016	4	2.5	1,683	-	-
A 1116 White Oak Ct El Cajon, CA 92020	0.54 mi	House	4	2.5	2,607	\$ 3,000 \$ 1.15/sq.ft.	11/20/2020
B 112 W Douglas Ave El Cajon, CA 92020	1.17 mi	House	3	2.5	1,876	\$ 2,500 \$ 1.33/sq.ft.	12/18/2020
C 170 Chambers St El Cajon, CA 92020	1.35 mi	House	-	-	-	\$ 1,600	03/17/2021
D 209 Indiana Ave El Cajon, CA 92020	1.62 mi	Condo	3	2.5	1,825	\$ 2,850 \$ 1.56/sq.ft.	02/24/2021
E 116 W Douglas Ave, Unit 116 El Cajon, CA 92020	1.17 mi	Condo	3	3	1,875	\$ 2,650 \$ 1.41/sq.ft.	12/24/2020

Property Photos



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