

## 6767 Neptune PI Unit 105

Investment Property - Buy & Hold

6767 Neptune PI Unit 105  
La Jolla, CA 92037

**\$ 1,950,000 Purchase Price · \$ 1,950,000 ARV**

**\$ 448,500 Cash Needed · -\$ 3,821/mo Cash Flow · 2.2% Cap Rate · -10.2% COC**



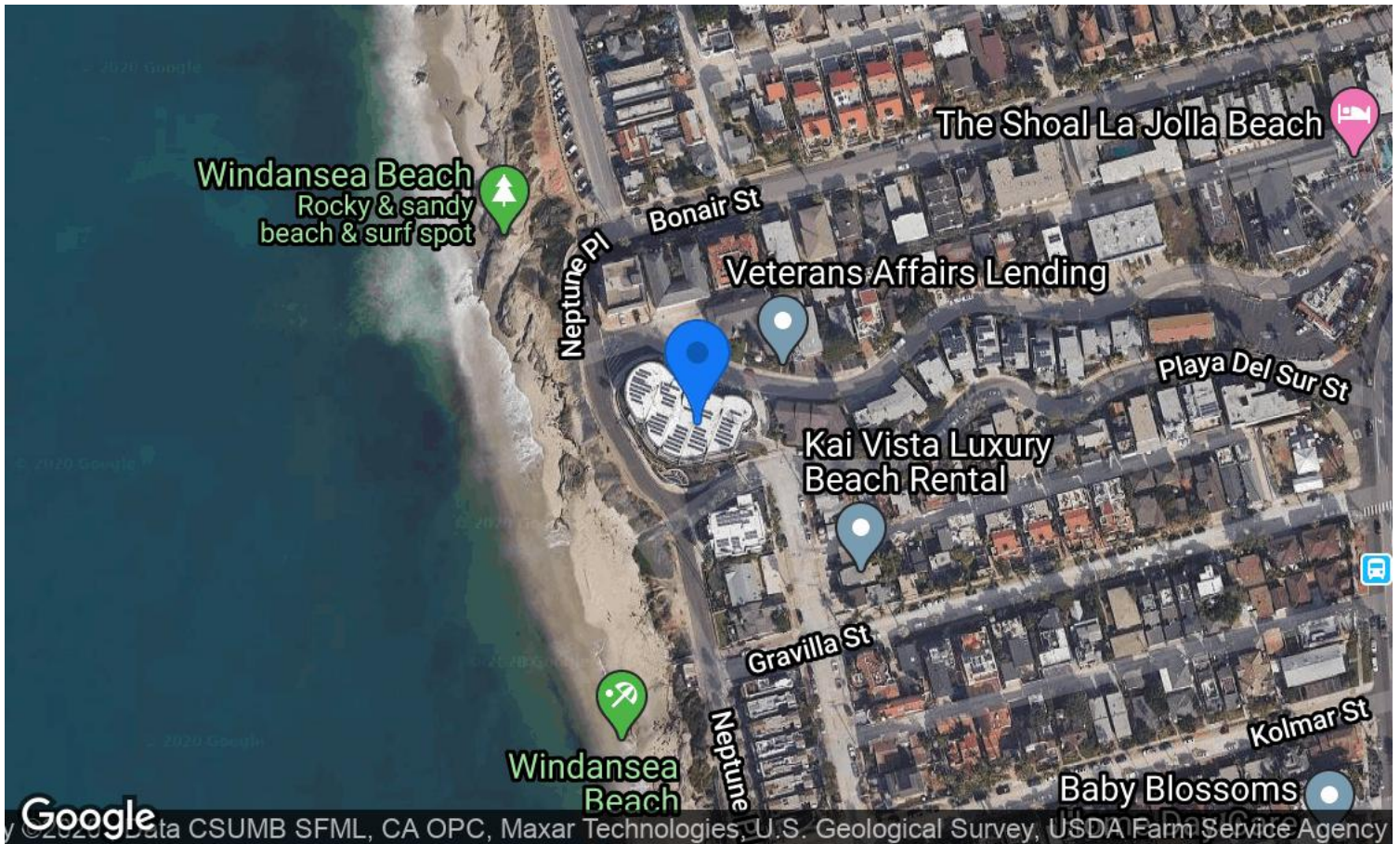
## Property Description

### ADDRESS

6767 Neptune Pl Unit 105  
La Jolla, CA 92037

### DESCRIPTION

|                 |               |
|-----------------|---------------|
| Property Type:  | Condo         |
| Beds / Baths:   | 2 BR / 2.0 BA |
| Square Footage: | 1,550         |
| Year Built:     | 2015          |
| Parking:        |               |
| Zoning:         |               |
| MLS Number:     |               |



## Purchase Analysis & Returns

### PURCHASE

|                           |          |                   |
|---------------------------|----------|-------------------|
| Purchase Price:           |          | \$ 1,950,000      |
| Amount Financed:          | -        | \$ 1,560,000      |
| Down Payment:             | =        | \$ 390,000        |
| Purchase Costs:           | +        | \$ 58,500         |
| Rehab Costs:              | +        | \$ 0              |
| <b>Total Cash Needed:</b> | <b>=</b> | <b>\$ 448,500</b> |
| After Repair Value:       |          | \$ 1,950,000      |
| Price Per Square Foot:    |          | \$ 1,258.1        |

### FINANCING (PURCHASE)

|                      |  |
|----------------------|--|
| Loan Type:           | Amortizing                               |
| Loan Amount:         | \$ 1,560,000                             |
| Loan to Cost (LTC):  | 80%                                      |
| Loan to Value (LTV): | 80%                                      |
| Loan Term:           | 30 Years                                 |
| Interest Rate:       | 4%                                       |
| Finance Rehab Costs: | No                                       |
| Loan Payments:       | \$ 7,448 Per Month<br>\$ 89,372 Per Year |

### RETURNS & RATIOS (Year 1)

|                             |             |
|-----------------------------|-------------|
| Cap Rate (Purchase/Market): | 2.2% / 2.2% |
| Cash on Cash Return:        | -10.2%      |
| Return on Equity:           | -9.6%       |
| Return on Investment:       | -31%        |
| Internal Rate of Return:    | -31%        |
| Rent to Value:              | 0.5%        |
| Gross Rent Multiplier:      | 18.06       |
| Equity Multiple:            | 0.69        |
| Break Even Ratio:           | 132.5%      |
| Debt Coverage Ratio:        | 0.49        |
| Debt Yield:                 | 2.8%        |

### ASSUMPTIONS & PROJECTIONS

|                     |                   |
|---------------------|-------------------|
| Rehab Cost Overrun: | 0%                |
| Vacancy:            | 10%               |
| Appreciation:       | 3% Per Year       |
| Income Increase:    | 3% Per Year       |
| Expenses Increase:  | 3% Per Year       |
| Selling Costs:      | 6% of Sales Price |
| Land Value:         | \$ 0              |

### PURCHASE COSTS

|                             |                  |
|-----------------------------|------------------|
| <b>Total (3% of Price):</b> | <b>\$ 58,500</b> |
|-----------------------------|------------------|

### REHAB COSTS

|               |             |
|---------------|-------------|
| Rehab Costs:  | \$ 0        |
| Cost Overrun: | \$ 0 (0%)   |
| <b>Total:</b> | <b>\$ 0</b> |

## Cash Flow (Year 1)

|                              |          | Monthly          | Yearly            |
|------------------------------|----------|------------------|-------------------|
| <b>CASH FLOW</b>             |          |                  |                   |
| Gross Rent:                  |          | \$ 9,000         | \$ 108,000        |
| Vacancy (10%):               | -        | \$ 900           | \$ 10,800         |
| Other Income:                | +        | \$ 0             | \$ 0              |
| <b>Operating Income:</b>     | <b>=</b> | <b>\$ 8,100</b>  | <b>\$ 97,200</b>  |
| Operating Expenses (55.2%):  | -        | \$ 4,473         | \$ 53,676         |
| <b>Net Operating Income:</b> | <b>=</b> | <b>\$ 3,627</b>  | <b>\$ 43,524</b>  |
| Loan Payments:               | -        | \$ 7,448         | \$ 89,372         |
| <b>Cash Flow:</b>            | <b>=</b> | <b>-\$ 3,821</b> | <b>-\$ 45,848</b> |

|                     |  | Monthly     | Yearly      |
|---------------------|--|-------------|-------------|
| <b>OTHER INCOME</b> |  |             |             |
| <b>Total:</b>       |  | <b>\$ 0</b> | <b>\$ 0</b> |

|                       |  | Monthly         | Yearly           |
|-----------------------|--|-----------------|------------------|
| <b>EXPENSES</b>       |  |                 |                  |
| Property Taxes:       |  | \$ 2,000        | \$ 24,000        |
| Insurance:            |  | \$ 75           | \$ 900           |
| Property Management:  |  | \$ 648          | \$ 7,776         |
| Maintenance:          |  | \$ 450          | \$ 5,400         |
| Capital Expenditures: |  | \$ 450          | \$ 5,400         |
| HOA Fees:             |  | \$ 800          | \$ 9,600         |
| Utilities:            |  | \$ 50           | \$ 600           |
| Landscaping:          |  | \$ 0            | \$ 0             |
| <b>Total:</b>         |  | <b>\$ 4,473</b> | <b>\$ 53,676</b> |

## Buy & Hold Projections

|                                      | APPRECIATION<br>3% Per Year | INCOME INCREASE<br>3% Per Year | EXPENSES INCREASES<br>3% Per Year | SELLING COSTS<br>6% of Price |                       |                       |
|--------------------------------------|-----------------------------|--------------------------------|-----------------------------------|------------------------------|-----------------------|-----------------------|
|                                      | Year 1                      | Year 3                         | Year 5                            | Year 10                      | Year 20               | Year 30               |
| <b>INCOME</b>                        |                             |                                |                                   |                              |                       |                       |
| Gross Rent:                          | \$ 108,000                  | \$ 114,577                     | \$ 121,555                        | \$ 140,916                   | \$ 189,379            | \$ 254,509            |
| Vacancy (10%):                       | - \$ 10,800                 | - \$ 11,458                    | - \$ 12,156                       | - \$ 14,092                  | - \$ 18,938           | - \$ 25,451           |
| Other Income:                        | + \$ 0                      | + \$ 0                         | + \$ 0                            | + \$ 0                       | + \$ 0                | + \$ 0                |
| <b>Operating Income:</b>             | <b>= \$ 97,200</b>          | <b>= \$ 103,119</b>            | <b>= \$ 109,399</b>               | <b>= \$ 126,824</b>          | <b>= \$ 170,441</b>   | <b>= \$ 229,058</b>   |
| <b>EXPENSES</b>                      |                             |                                |                                   |                              |                       |                       |
| Property Taxes:                      | \$ 24,000                   | \$ 25,462                      | \$ 27,012                         | \$ 31,315                    | \$ 42,084             | \$ 56,558             |
| Insurance:                           | + \$ 900                    | + \$ 955                       | + \$ 1,013                        | + \$ 1,174                   | + \$ 1,578            | + \$ 2,121            |
| Property Management:                 | + \$ 7,776                  | + \$ 8,250                     | + \$ 8,752                        | + \$ 10,146                  | + \$ 13,635           | + \$ 18,325           |
| Maintenance:                         | + \$ 5,400                  | + \$ 5,729                     | + \$ 6,078                        | + \$ 7,046                   | + \$ 9,469            | + \$ 12,725           |
| Capital Expenditures:                | + \$ 5,400                  | + \$ 5,729                     | + \$ 6,078                        | + \$ 7,046                   | + \$ 9,469            | + \$ 12,725           |
| HOA Fees:                            | + \$ 9,600                  | + \$ 10,185                    | + \$ 10,805                       | + \$ 12,526                  | + \$ 16,834           | + \$ 22,623           |
| Utilities:                           | + \$ 600                    | + \$ 637                       | + \$ 675                          | + \$ 783                     | + \$ 1,052            | + \$ 1,414            |
| Landscaping:                         | + \$ 0                      | + \$ 0                         | + \$ 0                            | + \$ 0                       | + \$ 0                | + \$ 0                |
| <b>Operating Expenses:</b>           | <b>= \$ 53,676</b>          | <b>= \$ 56,947</b>             | <b>= \$ 60,413</b>                | <b>= \$ 70,036</b>           | <b>= \$ 94,121</b>    | <b>= \$ 126,491</b>   |
| <b>CASH FLOW</b>                     |                             |                                |                                   |                              |                       |                       |
| Operating Income:                    | \$ 97,200                   | \$ 103,119                     | \$ 109,399                        | \$ 126,824                   | \$ 170,441            | \$ 229,058            |
| Operating Expenses:                  | - \$ 53,676                 | - \$ 56,947                    | - \$ 60,413                       | - \$ 70,036                  | - \$ 94,121           | - \$ 126,491          |
| <b>Net Operating Income:</b>         | <b>= \$ 43,524</b>          | <b>= \$ 46,172</b>             | <b>= \$ 48,986</b>                | <b>= \$ 56,788</b>           | <b>= \$ 76,320</b>    | <b>= \$ 102,567</b>   |
| Loan Payments:                       | - \$ 89,372                 | - \$ 89,372                    | - \$ 89,372                       | - \$ 89,372                  | - \$ 89,372           | - \$ 89,372           |
| <b>Cash Flow:</b>                    | <b>= -\$ 45,848</b>         | <b>= -\$ 43,200</b>            | <b>= -\$ 40,386</b>               | <b>= -\$ 32,584</b>          | <b>= -\$ 13,052</b>   | <b>= \$ 13,195</b>    |
| <b>TAX BENEFITS &amp; DEDUCTIONS</b> |                             |                                |                                   |                              |                       |                       |
| Operating Expenses:                  | \$ 53,676                   | \$ 56,947                      | \$ 60,413                         | \$ 70,036                    | \$ 94,121             | \$ 126,491            |
| Loan Interest:                       | + \$ 61,900                 | + \$ 59,616                    | + \$ 57,142                       | + \$ 50,019                  | + \$ 30,703           | + \$ 1,907            |
| Depreciation:                        | + \$ 73,036                 | + \$ 73,036                    | + \$ 73,036                       | + \$ 73,036                  | + \$ 73,036           | + \$ 0                |
| <b>Total Deductions:</b>             | <b>= \$ 188,612</b>         | <b>= \$ 189,599</b>            | <b>= \$ 190,591</b>               | <b>= \$ 193,091</b>          | <b>= \$ 197,861</b>   | <b>= \$ 128,398</b>   |
| <b>EQUITY ACCUMULATION</b>           |                             |                                |                                   |                              |                       |                       |
| Property Value:                      | \$ 2,008,500                | \$ 2,130,818                   | \$ 2,260,584                      | \$ 2,620,637                 | \$ 3,521,917          | \$ 4,733,162          |
| Loan Balance:                        | - \$ 1,532,528              | - \$ 1,474,180                 | - \$ 1,410,981                    | - \$ 1,229,030               | - \$ 735,609          | - \$ 0                |
| <b>Total Equity:</b>                 | <b>= \$ 475,972</b>         | <b>= \$ 656,638</b>            | <b>= \$ 849,603</b>               | <b>= \$ 1,391,607</b>        | <b>= \$ 2,786,308</b> | <b>= \$ 4,733,162</b> |

|                       | Year 1               | Year 3              | Year 5              | Year 10               | Year 20               | Year 30               |
|-----------------------|----------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|
| <b>SALE ANALYSIS</b>  |                      |                     |                     |                       |                       |                       |
| Equity:               | \$ 475,972           | \$ 656,638          | \$ 849,603          | \$ 1,391,607          | \$ 2,786,308          | \$ 4,733,162          |
| Selling Costs (6%):   | - \$ 120,510         | - \$ 127,849        | - \$ 135,635        | - \$ 157,238          | - \$ 211,315          | - \$ 283,990          |
| <b>Sale Proceeds:</b> | <b>= \$ 355,462</b>  | <b>= \$ 528,789</b> | <b>= \$ 713,968</b> | <b>= \$ 1,234,369</b> | <b>= \$ 2,574,993</b> | <b>= \$ 4,449,172</b> |
| Cumulative Cash Flow: | + -\$ 45,848         | + -\$ 133,590       | + -\$ 215,788       | + -\$ 394,770         | + -\$ 617,934         | + -\$ 610,490         |
| Total Cash Invested:  | - \$ 448,500         | - \$ 448,500        | - \$ 448,500        | - \$ 448,500          | - \$ 448,500          | - \$ 448,500          |
| <b>Total Profit:</b>  | <b>= -\$ 138,886</b> | <b>= -\$ 53,301</b> | <b>= \$ 49,680</b>  | <b>= \$ 391,099</b>   | <b>= \$ 1,508,559</b> | <b>= \$ 3,390,182</b> |

**INVESTMENT RETURNS**

|                            |        |        |       |       |        |        |
|----------------------------|--------|--------|-------|-------|--------|--------|
| Cap Rate (Purchase Price): | 2.2%   | 2.4%   | 2.5%  | 2.9%  | 3.9%   | 5.3%   |
| Cap Rate (Market Value):   | 2.2%   | 2.2%   | 2.2%  | 2.2%  | 2.2%   | 2.2%   |
| Cash on Cash Return:       | -10.2% | -9.6%  | -9%   | -7.3% | -2.9%  | 2.9%   |
| Return on Equity:          | -9.6%  | -6.6%  | -4.8% | -2.3% | -0.5%  | 0.3%   |
| Return on Investment:      | -31%   | -11.9% | 11.1% | 87.2% | 336.4% | 755.9% |
| Internal Rate of Return:   | -31%   | -3.7%  | 1.8%  | 5%    | 5.7%   | 5.7%   |

**FINANCIAL RATIOS**

|                        |        |        |        |        |       |       |
|------------------------|--------|--------|--------|--------|-------|-------|
| Rent to Value:         | 0.4%   | 0.4%   | 0.4%   | 0.4%   | 0.4%  | 0.4%  |
| Gross Rent Multiplier: | 18.6   | 18.6   | 18.6   | 18.6   | 18.6  | 18.6  |
| Equity Multiple:       | 0.69   | 0.88   | 1.11   | 1.87   | 4.36  | 8.56  |
| Break Even Ratio:      | 132.5% | 127.7% | 123.2% | 113.1% | 96.9% | 84.8% |
| Debt Coverage Ratio:   | 0.49   | 0.52   | 0.55   | 0.64   | 0.85  | 1.15  |
| Debt Yield:            | 2.8%   | 3.1%   | 3.5%   | 4.6%   | 10.4% | -     |

## Recent Comparable Sales

Average Sale Price

**\$ 1,965,000 (\$ 936/sq.ft.)**

\$ 1,800,000 - \$ 2,225,000

\$ 696/sq.ft. - \$ 1,058/sq.ft.



Estimated ARV Based on Average Price/  
Sq.Ft.

**\$ 1,450,800**

| Property  | Distance | Type                | Beds | Baths | Sq.Ft. | Sale Price                      | Sale Date  |
|---|----------|---------------------|------|-------|--------|---------------------------------|------------|
| <span style="color: blue;">●</span> 6767 Neptune PI Unit 105<br>La Jolla, CA 92037  | 0 mi     | Condo<br>Built 2015 | 2    | 2.0   | 1,550  | \$ 1,950,000<br>\$ 1,258/sq.ft. | 04/02/2020 |
| <span style="color: green;">A</span> 202 Coast Blvd Unit 8<br>La Jolla, CA 92037    | 0.7 mi   | House<br>Built 2004 | 3    | 2.5   | 2,131  | \$ 1,950,000<br>\$ 915/sq.ft.   | 09/27/2019 |
| <span style="color: green;">B</span> 202 Coast Blvd Unit 11<br>La Jolla, CA 92037   | 0.7 mi   | House<br>Built 2004 | 2    | 3.0   | 1,879  | \$ 1,800,000<br>\$ 958/sq.ft.   | 03/06/2020 |
| <span style="color: green;">C</span> 464 Prospect St Unit 402<br>La Jolla, CA 92037 | 0.92 mi  | House<br>Built 2003 | 2    | 2.0   | 2,585  | \$ 1,800,000<br>\$ 696/sq.ft.   | 03/09/2020 |
| <span style="color: green;">D</span> 939 Coast Blvd Unit 12b<br>La Jolla, CA 92037  | 1.31 mi  | House<br>Built 1966 | 2    | 2.0   | 1,937  | \$ 2,050,000<br>\$ 1,058/sq.ft. | 12/09/2019 |
| <span style="color: green;">E</span> 302 Prospect St Unit 2<br>La Jolla, CA 92037   | 0.78 mi  | House<br>Built 2000 | 3    | 3.0   | 2,114  | \$ 2,225,000<br>\$ 1,053/sq.ft. | 11/26/2019 |

## Recent Comparable Rental Listings

Average Listed Rent

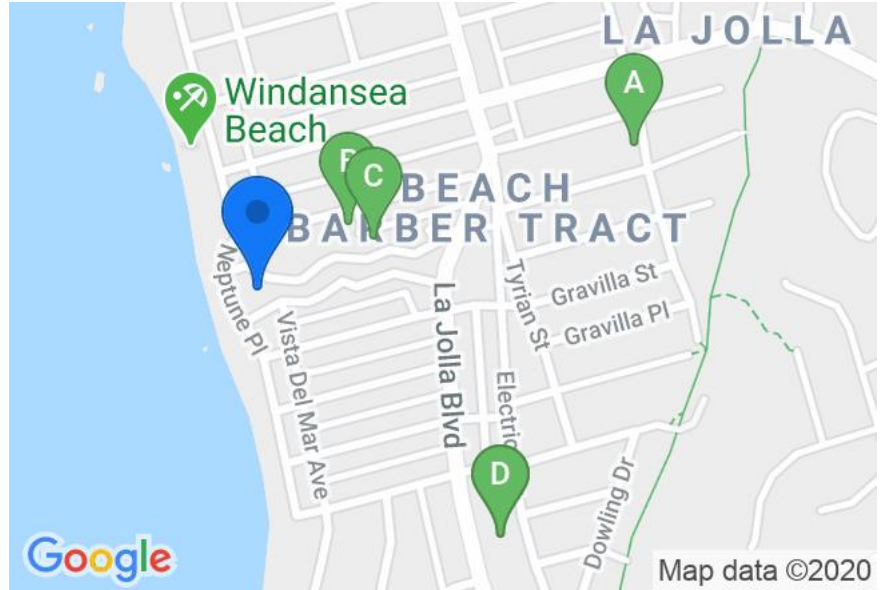
**\$ 3,396 (\$ 2.96/sq.ft.)**

\$ 2,650 - \$ 5,995

\$ 2.68/sq.ft. - \$ 3.33/sq.ft.

Estimated Rent Based on Average Rent/  
Sq.Ft.

**\$ 4,580**



| Property  | Distance | Type                | Beds | Baths | Sq.Ft. | Listed Rent                | Listing Date |
|---|----------|---------------------|------|-------|--------|----------------------------|--------------|
| <b>●</b> 6767 Neptune PI Unit 105<br>La Jolla, CA 92037     | 0 mi     | Condo<br>Built 2015 | 2    | 2.0   | 1,550  | -                          | -            |
| <b>A</b> 6820 Draper Ave<br>La Jolla, CA 92037              | 0.38 mi  | Condo               | 2    | 2     | 1,800  | \$ 5,995<br>\$ 3.33/sq.ft. | 06/16/2020   |
| <b>B</b> 329 Bonair St, Unit 1<br>La Jolla, CA 92037        | 0.1 mi   | Condo               | 2    | 2     | -      | \$ 2,688                   | 04/23/2020   |
| <b>C</b> 356 Playa Del Norte, Apt 3<br>La Jolla, CA 92037   | 0.12 mi  | Condo               | 2    | 2     | 955    | \$ 2,795<br>\$ 2.93/sq.ft. | 03/12/2020   |
| <b>D</b> 6455 La Jolla Blvd, Unit 317<br>La Jolla, CA 92037 | 0.32 mi  | Condo               | 2    | 2     | 989    | \$ 2,850<br>\$ 2.88/sq.ft. | 03/20/2020   |
| <b>E</b> 6455 La Jolla Blvd, Unit 244<br>La Jolla, CA 92037 | 0.32 mi  | Condo               | 2    | 2     | 989    | \$ 2,650<br>\$ 2.68/sq.ft. | 03/27/2020   |



## 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.