


7405 Charmant Dr

Investment Property - Buy & Hold

7405 Charmant Dr
La Jolla, CA 92122

\$ 483,000 Purchase Price · **\$ 483,000 ARV**

\$ 111,090 Cash Needed · **-\$ 810/mo Cash Flow** · **2.6% Cap Rate** · **-8.7% COC**



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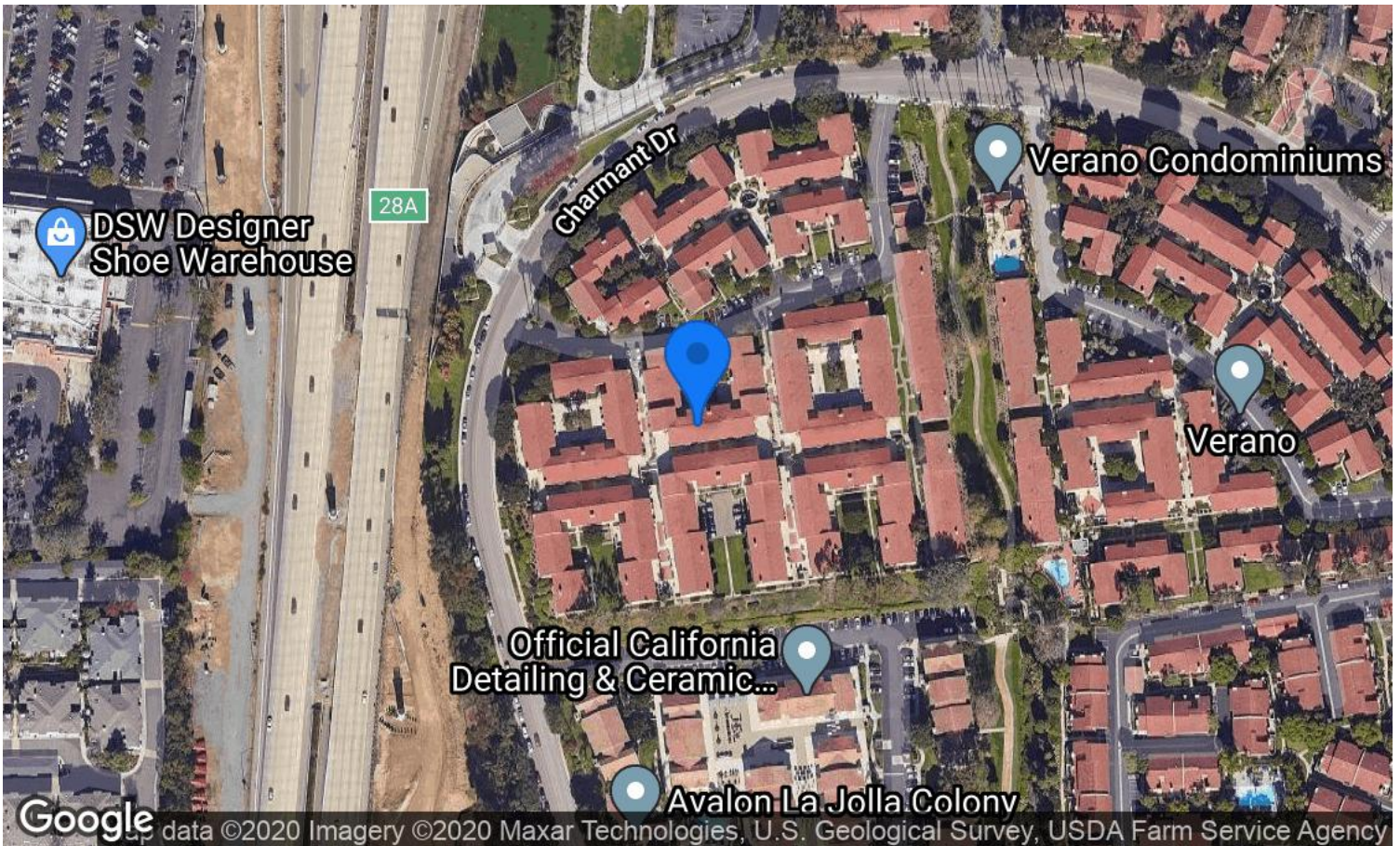
Property Description

ADDRESS

7405 Charmant Dr
La Jolla, CA 92122

DESCRIPTION

Property Type:	Condo
Beds / Baths:	2 BR / 2.0 BA
Square Footage:	934
Year Built:	1987
Parking:	Car Port
Zoning:	
MLS Number:	



Purchase Analysis & Returns

PURCHASE

Purchase Price:		\$ 483,000
Amount Financed:	-	\$ 386,400
Down Payment:	=	\$ 96,600
Purchase Costs:	+	\$ 14,490
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 111,090
After Repair Value:		\$ 483,000
Price Per Square Foot:		\$ 517.1

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	2.6% / 2.6%
Cash on Cash Return:	-8.7%
Return on Equity:	-7.6%
Return on Investment:	-21.3%
Internal Rate of Return:	-21.3%
Rent to Value:	0.5%
Gross Rent Multiplier:	17.5
Equity Multiple:	0.79
Break Even Ratio:	130.2%
Debt Coverage Ratio:	0.56
Debt Yield:	3.2%

PURCHASE COSTS

Total (3% of Price):	\$ 14,490
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FINANCING (PURCHASE)

Loan Type:	Amortizing
Loan Amount:	\$ 386,400
Loan to Cost (LTC):	80%
Loan to Value (LTV):	80%
Loan Term:	30 Years
Interest Rate:	4%
Finance Rehab Costs:	No
Loan Payments:	\$ 1,845 Per Month \$ 22,137 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
Land Value:	\$ 0

REHAB COSTS

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

Cash Flow (Year 1)

		Monthly	Yearly
CASH FLOW			
Gross Rent:		\$ 2,300	\$ 27,600
Vacancy (5%):	-	\$ 115	\$ 1,380
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 2,185	\$ 26,220
Operating Expenses (52.6%):	-	\$ 1,150	\$ 13,800
Net Operating Income:	=	\$ 1,035	\$ 12,420
Loan Payments:	-	\$ 1,845	\$ 22,137
Cash Flow:	=	-\$ 810	-\$ 9,717

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

		Monthly	Yearly
EXPENSES			
Total (50% of Rent):		\$ 1,150	\$ 13,800

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
INCOME						
Gross Rent:	\$ 27,600	\$ 29,281	\$ 31,064	\$ 36,012	\$ 48,397	\$ 65,041
Vacancy (5%):	- \$ 1,380	- \$ 1,464	- \$ 1,553	- \$ 1,801	- \$ 2,420	- \$ 3,252
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 26,220	= \$ 27,817	= \$ 29,511	= \$ 34,211	= \$ 45,977	= \$ 61,789
EXPENSES						
Total Expenses:	\$ 13,800	\$ 14,641	\$ 15,532	\$ 18,006	\$ 24,199	\$ 32,521
Operating Expenses:	= \$ 13,800	= \$ 14,641	= \$ 15,532	= \$ 18,006	= \$ 24,199	= \$ 32,521
CASH FLOW						
Operating Income:	\$ 26,220	\$ 27,817	\$ 29,511	\$ 34,211	\$ 45,977	\$ 61,789
Operating Expenses:	- \$ 13,800	- \$ 14,641	- \$ 15,532	- \$ 18,006	- \$ 24,199	- \$ 32,521
Net Operating Income:	= \$ 12,420	= \$ 13,176	= \$ 13,979	= \$ 16,205	= \$ 21,778	= \$ 29,268
Loan Payments:	- \$ 22,137	- \$ 22,137	- \$ 22,137	- \$ 22,137	- \$ 22,137	- \$ 22,137
Cash Flow:	= -\$ 9,717	= -\$ 8,961	= -\$ 8,158	= -\$ 5,932	= -\$ 359	= \$ 7,131
TAX BENEFITS & DEDUCTIONS						
Operating Expenses:	\$ 13,800	\$ 14,641	\$ 15,532	\$ 18,006	\$ 24,199	\$ 32,521
Loan Interest:	+ \$ 15,332	+ \$ 14,766	+ \$ 14,154	+ \$ 12,389	+ \$ 7,605	+ \$ 472
Depreciation:	+ \$ 18,091	+ \$ 18,091	+ \$ 18,091	+ \$ 18,091	+ \$ 18,091	+ \$ 0
Total Deductions:	= \$ 47,223	= \$ 47,498	= \$ 47,776	= \$ 48,486	= \$ 49,895	= \$ 32,993
EQUITY ACCUMULATION						
Property Value:	\$ 507,150	\$ 559,133	\$ 616,444	\$ 786,756	\$ 1,281,543	\$ 2,087,498
Loan Balance:	- \$ 379,595	- \$ 365,143	- \$ 349,489	- \$ 304,421	- \$ 182,205	- \$ 0
Total Equity:	= \$ 127,555	= \$ 193,990	= \$ 266,955	= \$ 482,335	= \$ 1,099,338	= \$ 2,087,498
SALE ANALYSIS						
Equity:	\$ 127,555	\$ 193,990	\$ 266,955	\$ 482,335	\$ 1,099,338	\$ 2,087,498
Selling Costs (6%):	- \$ 30,429	- \$ 33,548	- \$ 36,987	- \$ 47,205	- \$ 76,893	- \$ 125,250
Sale Proceeds:	= \$ 97,126	= \$ 160,442	= \$ 229,968	= \$ 435,129	= \$ 1,022,446	= \$ 1,962,248
Cumulative Cash Flow:	+ -\$ 9,717	+ -\$ 28,022	+ -\$ 44,746	+ -\$ 78,990	+ -\$ 109,015	+ -\$ 73,229
Total Cash Invested:	- \$ 111,090	- \$ 111,090	- \$ 111,090	- \$ 111,090	- \$ 111,090	- \$ 111,090

	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
Total Profit:	= -\$ 23,681	= \$ 21,330	= \$ 74,132	= \$ 245,049	= \$ 802,341	= \$ 1,777,929

INVESTMENT RETURNS

Cap Rate (Purchase Price):	2.6%	2.7%	2.9%	3.4%	4.5%	6.1%
Cap Rate (Market Value):	2.4%	2.4%	2.3%	2.1%	1.7%	1.4%
Cash on Cash Return:	-8.7%	-8.1%	-7.3%	-5.3%	-0.3%	6.4%
Return on Equity:	-7.6%	-4.6%	-3.1%	-1.2%	0%	0.3%
Return on Investment:	-21.3%	19.2%	66.7%	220.6%	722.2%	1,600.4%
Internal Rate of Return:	-21.3%	5.6%	9.6%	10.5%	9.3%	8.5%

FINANCIAL RATIOS

Rent to Value:	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%
Gross Rent Multiplier:	18.38	19.1	19.84	21.85	26.48	32.1
Equity Multiple:	0.79	1.19	1.67	3.21	8.22	17
Break Even Ratio:	130.2%	125.6%	121.3%	111.5%	95.7%	84%
Debt Coverage Ratio:	0.56	0.6	0.63	0.73	0.98	1.32
Debt Yield:	3.3%	3.6%	4%	5.3%	12%	-

Recent Comparable Rental Listings

Average Listed Rent

\$ 2,306 (\$ 2.40/sq.ft.)

\$ 2,190 - \$ 2,500

\$ 2.29/sq.ft. - \$ 2.49/sq.ft.



Estimated Rent Based on Average Rent/
Sq.Ft.

\$ 2,240

Property	Distance	Type	Beds	Baths	Sq.Ft.	Listed Rent	Listing Date
● 7405 Charmant Dr La Jolla, CA 92122	0 mi	Condo Built 1987	2	2.0	934	-	-
A 7405 Charmant Dr, Unit 2227 San Diego, CA 92122	0.02 mi	Condo	2	2	934	\$ 2,295 \$ 2.46/sq.ft.	04/18/2020
B 7405 Charmant Dr, Unit 2105 San Diego, CA 92122	0.02 mi	Condo	2	2	956	\$ 2,190 \$ 2.29/sq.ft.	06/01/2020
C 3440 Lebon Dr, Apt 4321 San Diego, CA 92122	0.31 mi	Condo	2	2	956	\$ 2,195 \$ 2.30/sq.ft.	04/26/2020
D 3440 Lebon Dr, Apt 4118 San Diego, CA 92122	0.31 mi	Condo	2	2	960	\$ 2,350 \$ 2.45/sq.ft.	06/16/2020
E 7614 Palmilla Dr, Unit 59 San Diego, CA 92122	0.21 mi	Condo	2	2	1,004	\$ 2,500 \$ 2.49/sq.ft.	06/16/2020

Property Photos



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