

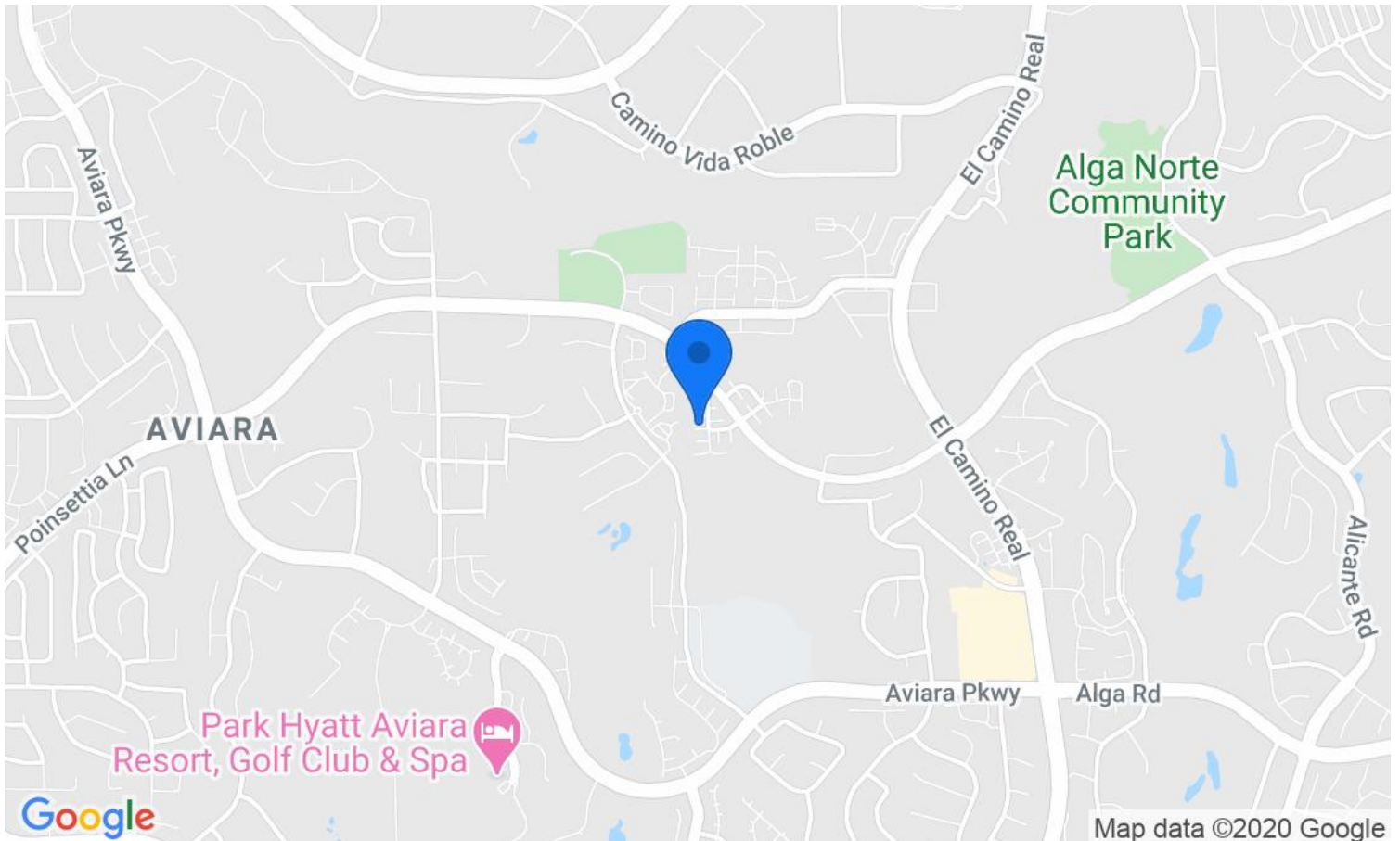
Encelia

Investment Property - Buy & Hold

6683 Encelia Place
Carlsbad, CA 92011

\$ 839,000 Purchase Price · **\$ 839,000 ARV**

\$ 192,970 Cash Needed · **-\$ 1,404/mo Cash Flow** · **2.6% Cap Rate** · **-8.7% COC**



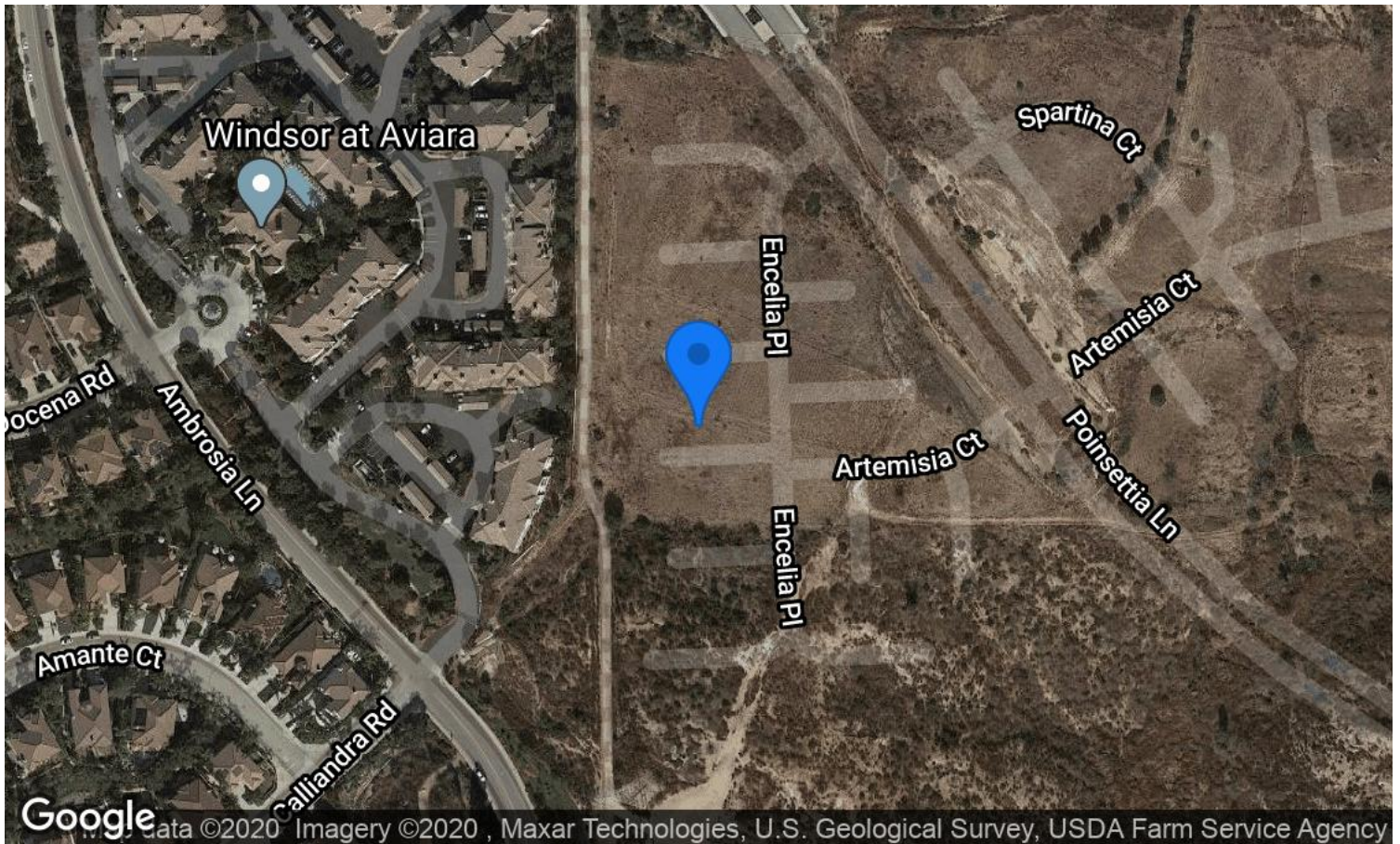
Property Description

ADDRESS

6683 Encelia Place
Carlsbad, CA 92011

DESCRIPTION

Property Type:	House
Beds / Baths:	4 BR / 3.5 BA
Square Footage:	2,011
Year Built:	2019
Parking:	Garage
Lot Size:	
Zoning:	
MLS Number:	



Purchase Analysis & Returns

PURCHASE

Purchase Price:		\$ 839,000
Amount Financed:	-	\$ 671,200
Down Payment:	=	\$ 167,800
Purchase Costs:	+	\$ 25,170
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 192,970
After Repair Value:		\$ 839,000
Price Per Square Foot:		\$ 417.2

FINANCING (PURCHASE)

Loan Type:	Amortizing
Loan Amount:	\$ 671,200
Loan to Cost (LTC):	80%
Loan to Value (LTV):	80%
Loan Term:	30 Years
Interest Rate:	4%
Finance Rehab Costs:	No
Loan Payments:	\$ 3,204 Per Month \$ 38,453 Per Year

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	2.6% / 2.6%
Cash on Cash Return:	-8.7%
Return on Equity:	-8.2%
Return on Investment:	-29.5%
Internal Rate of Return:	-29.5%
Rent to Value:	0.5%
Gross Rent Multiplier:	17.48
Equity Multiple:	0.71
Break Even Ratio:	130.1%
Debt Coverage Ratio:	0.56
Debt Yield:	3.2%

ASSUMPTIONS & PROJECTIONS

Rehab Cost Overrun:	0%
Vacancy:	5%
Appreciation:	3% Per Year
Income Increase:	2% Per Year
Expenses Increase:	2% Per Year
Selling Costs:	6% of Sales Price
Land Value:	\$ 0

PURCHASE COSTS

Total (3% of Price):	\$ 25,170
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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:	\$ 4,000	\$ 48,000
Vacancy (5%):	- \$ 200	\$ 2,400
Other Income:	+ \$ 0	\$ 0
Operating Income:	= \$ 3,800	\$ 45,600
Operating Expenses (52.6%):	- \$ 2,000	\$ 24,000
Net Operating Income:	= \$ 1,800	\$ 21,600
Loan Payments:	- \$ 3,204	\$ 38,453
Cash Flow:	= -\$ 1,404	-\$ 16,853

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

	Monthly	Yearly
EXPENSES		
Total (50% of Rent):	\$ 2,000	\$ 24,000

Buy & Hold Projections

	APPRECIATION 3% Per Year	INCOME INCREASE 2% 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:	\$ 48,000	\$ 49,939	\$ 51,957	\$ 57,364	\$ 69,927	\$ 85,241
Vacancy (5%):	- \$ 2,400	- \$ 2,497	- \$ 2,598	- \$ 2,868	- \$ 3,496	- \$ 4,262
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 45,600	= \$ 47,442	= \$ 49,359	= \$ 54,496	= \$ 66,431	= \$ 80,979
EXPENSES						
Total Expenses:	\$ 24,000	\$ 24,970	\$ 25,979	\$ 28,682	\$ 34,964	\$ 42,621
Operating Expenses:	= \$ 24,000	= \$ 24,970	= \$ 25,979	= \$ 28,682	= \$ 34,964	= \$ 42,621
CASH FLOW						
Operating Income:	\$ 45,600	\$ 47,442	\$ 49,359	\$ 54,496	\$ 66,431	\$ 80,979
Operating Expenses:	- \$ 24,000	- \$ 24,970	- \$ 25,979	- \$ 28,682	- \$ 34,964	- \$ 42,621
Net Operating Income:	= \$ 21,600	= \$ 22,472	= \$ 23,380	= \$ 25,814	= \$ 31,467	= \$ 38,358
Loan Payments:	- \$ 38,453	- \$ 38,453	- \$ 38,453	- \$ 38,453	- \$ 38,453	- \$ 38,453
Cash Flow:	= -\$ 16,853	= -\$ 15,981	= -\$ 15,073	= -\$ 12,639	= -\$ 6,986	= -\$ 95
TAX BENEFITS & DEDUCTIONS						
Operating Expenses:	\$ 24,000	\$ 24,970	\$ 25,979	\$ 28,682	\$ 34,964	\$ 42,621
Loan Interest:	+ \$ 26,633	+ \$ 25,650	+ \$ 24,586	+ \$ 21,521	+ \$ 13,210	+ \$ 820
Depreciation:	+ \$ 31,424	+ \$ 31,424	+ \$ 31,424	+ \$ 31,424	+ \$ 31,424	+ \$ 0
Total Deductions:	= \$ 82,057	= \$ 82,044	= \$ 81,989	= \$ 81,627	= \$ 79,599	= \$ 43,441
EQUITY ACCUMULATION						
Property Value:	\$ 864,170	\$ 916,798	\$ 972,631	\$ 1,127,546	\$ 1,515,327	\$ 2,036,473
Loan Balance:	- \$ 659,380	- \$ 634,275	- \$ 607,084	- \$ 528,798	- \$ 316,500	- \$ 0
Total Equity:	= \$ 204,790	= \$ 282,523	= \$ 365,547	= \$ 598,748	= \$ 1,198,827	= \$ 2,036,473
SALE ANALYSIS						
Equity:	\$ 204,790	\$ 282,523	\$ 365,547	\$ 598,748	\$ 1,198,827	\$ 2,036,473
Selling Costs (6%):	- \$ 51,850	- \$ 55,008	- \$ 58,358	- \$ 67,653	- \$ 90,920	- \$ 122,188
Sale Proceeds:	= \$ 152,940	= \$ 227,515	= \$ 307,189	= \$ 531,095	= \$ 1,107,907	= \$ 1,914,285
Cumulative Cash Flow:	+ -\$ 16,853	+ -\$ 49,255	+ -\$ 79,859	+ -\$ 148,018	+ -\$ 244,241	+ -\$ 277,327
Total Cash Invested:	- \$ 192,970	- \$ 192,970	- \$ 192,970	- \$ 192,970	- \$ 192,970	- \$ 192,970

	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
Total Profit:	= -\$ 56,883	= -\$ 14,710	= \$ 34,360	= \$ 190,107	= \$ 670,696	= \$ 1,443,988

INVESTMENT RETURNS

Cap Rate (Purchase Price):	2.6%	2.7%	2.8%	3.1%	3.8%	4.6%
Cap Rate (Market Value):	2.5%	2.5%	2.4%	2.3%	2.1%	1.9%
Cash on Cash Return:	-8.7%	-8.3%	-7.8%	-6.5%	-3.6%	0%
Return on Equity:	-8.2%	-5.7%	-4.1%	-2.1%	-0.6%	0%
Return on Investment:	-29.5%	-7.6%	17.8%	98.5%	347.6%	748.3%
Internal Rate of Return:	-29.5%	-2.4%	2.9%	5.7%	6%	5.8%

FINANCIAL RATIOS

Rent to Value:	0.5%	0.5%	0.4%	0.4%	0.4%	0.3%
Gross Rent Multiplier:	18	18.36	18.72	19.66	21.67	23.89
Equity Multiple:	0.71	0.92	1.18	1.99	4.48	8.48
Break Even Ratio:	130.1%	127%	124%	117%	105%	95.1%
Debt Coverage Ratio:	0.56	0.58	0.61	0.67	0.82	1
Debt Yield:	3.3%	3.5%	3.9%	4.9%	9.9%	-

Recent Comparable Sales

Average Sale Price

\$ 887,685 (\$ 427/sq.ft.)

\$ 857,000 - \$ 935,000

\$ 313/sq.ft. - \$ 503/sq.ft.



Estimated ARV Based on Average Price/
Sq.Ft.

\$ 858,697

Property	Distance	Type	Beds	Baths	Sq.Ft.	Sale Price	Sale Date
A 6683 Encelia Place Carlsbad, CA 92011	0 mi	House Built 2019	4	3.5	2,011	\$ 839,312 \$ 417/sq.ft.	12/17/2019
B 6769 Encelia Carlsbad, CA 92011	0 mi	House Built 2019	4	3.0	2,011	\$ 864,900 \$ 430/sq.ft.	01/28/2020
C 6655 Sweetclover Ln Carlsbad, CA 92011	0.39 mi	House Built 2012	3	3.0	2,046	\$ 910,000 \$ 445/sq.ft.	12/03/2019
D 6789 Encelia Carlsbad, CA 92011	0 mi	House Built 2019	5	5.0	2,785	\$ 871,523 \$ 313/sq.ft.	02/27/2020
E 7030 Ivy St Carlsbad, CA 92011	0.44 mi	House Built 1987	4	2.5	2,104	\$ 935,000 \$ 444/sq.ft.	04/03/2020
F 7089 Surfbird Cir Carlsbad, CA 92011	0.54 mi	House Built 1999	3	3.0	1,705	\$ 857,000 \$ 503/sq.ft.	02/28/2020

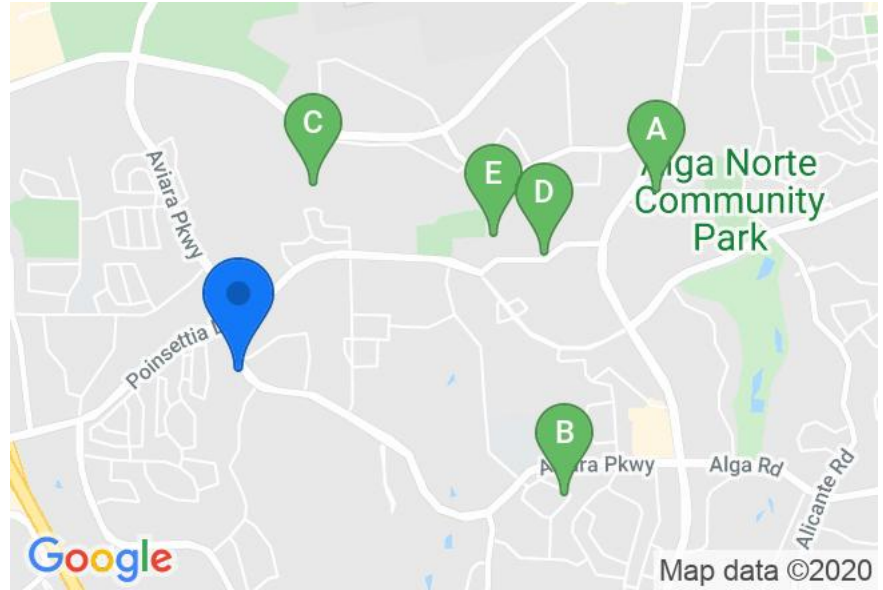
Recent Comparable Rental Listings

Average Listed Rent

\$ 3,908 (\$ 1.76/sq.ft.)







\$ 3,500 - \$ 4,495

\$ 1.61/sq.ft. - \$ 2.04/sq.ft.



Estimated Rent Based on Average Rent/
Sq.Ft.

\$ 3,547

Property	Distance	Type	Beds	Baths	Sq.Ft.	Listed Rent	Listing Date
 6683 Encelia Place Carlsbad, CA 92011	0 mi	House Built 2019	4	3.5	2,011	-	-
 2414 Copper Way Carlsbad, CA 92009	0.77 mi	House	4	3	2,200	\$ 4,495 \$ 2.04/sq.ft.	07/26/2019
 1763 Blackbird Cir Carlsbad, CA 92011	0.71 mi	House	4	3	2,244	\$ 3,750 \$ 1.67/sq.ft.	12/27/2019
 1600 Turquoise Dr Carlsbad, CA 92011	0.83 mi	House	4	3	2,275	\$ 4,195 \$ 1.84/sq.ft.	04/20/2020
 1769 Callisia Ct Carlsbad, CA 92011	0.31 mi	House	4	2.5	2,169	\$ 3,500 \$ 1.61/sq.ft.	06/17/2020
 1701 Carissa Way Carlsbad, CA 92011	0.31 mi	House	4	2.5	2,169	\$ 3,600 \$ 1.66/sq.ft.	06/17/2020

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