

Buena Vista Avenue

Investment Property - BRRRR

2659 Buena Vista Ave, Lemon Grove, CA 91945

Multi-Family · 2 Units · 2,000 Sq.Ft.

Great opportunity for investors - minimal rehab needed to get \$280/mo cash flow and 12% COC!

\$ 450,000 Purchase Price · \$ 750,000 ARV

\$ 69,900 Cash Needed · \$ 282/mo Cash Flow · 7.9% Cap Rate · 12.2% COC

Prepared by:



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Property Description

ADDRESS

2659 Buena Vista Ave
Lemon Grove, CA 91945

DESCRIPTION

Property Type:	Multi-Family
Year Built:	1979
Parking:	Private Lot
Lot Size:	8,672 sq.ft.
Zoning:	Multi-Family
MLS Number:	44896320

UNIT INFORMATION

Total Units/Spaces:	2
Total Square Footage:	2,000

UNITS & RENT ROLL

1 Unit - Residential (Top Unit)

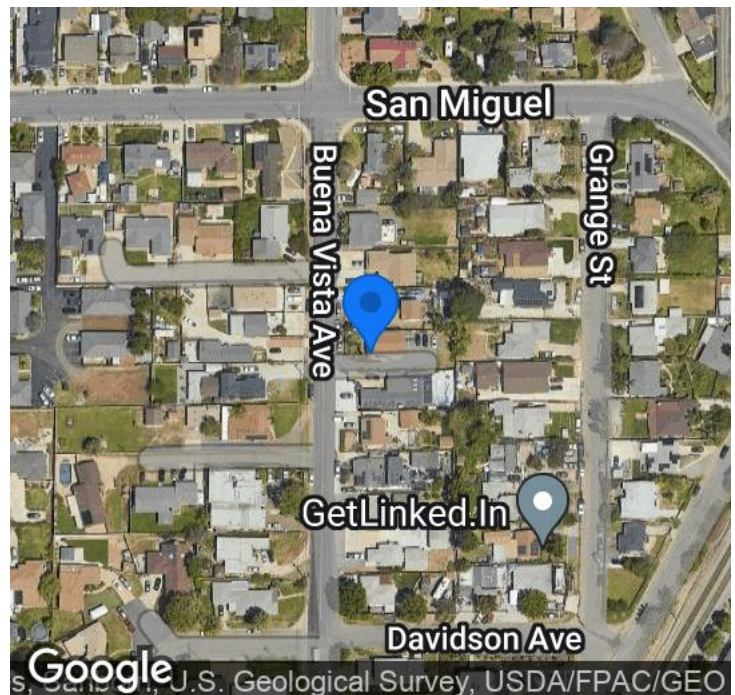
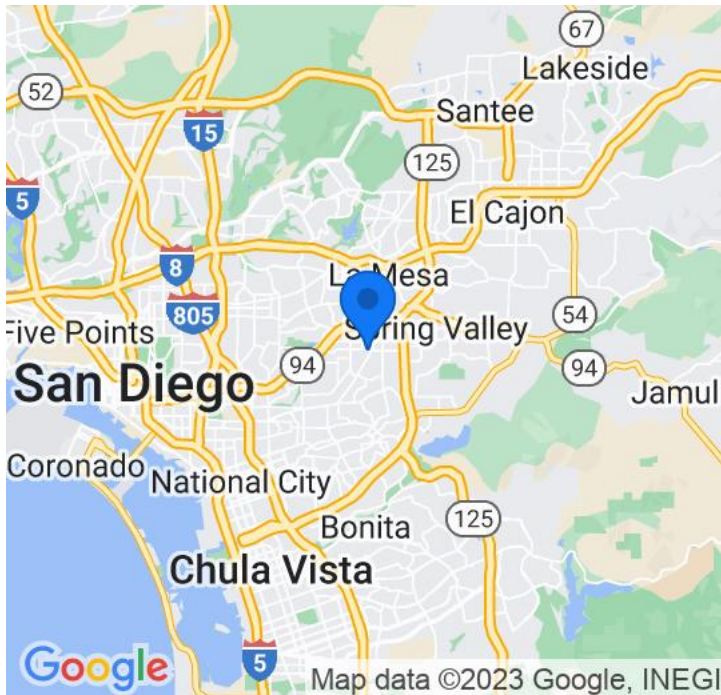
3 Beds / 2 Baths / 1,000 Sq.Ft.

Gross Rent: \$ 2,250 Per Month

1 Unit - Residential (Bottom Unit)

3 Beds / 2 Baths / 1,000 Sq.Ft.

Gross Rent: \$ 2,300 Per Month



Purchase & Rehab Analysis

PURCHASE

Purchase Price:		\$ 450,000
Rehab Costs:	+	\$ 32,725
Amount Financed:	-	\$ 415,225

Down Payment: = \$ 67,500

Purchase Costs: + \$ 2,400

Total Cash Needed: = \$ 69,900

After Repair Value: \$ 750,000

ARV Per Square Foot: \$ 375

Price Per Square Foot: \$ 225

Price Per Unit: \$ 225,000

PURCHASE COSTS

Home Inspection: \$ 400

Loan Points: \$ 8,305 (Financed)

Closing Costs: \$ 2,000

Total: \$ 10,705

FINANCING (PURCHASE)

Loan Type: Interest-Only

Interest Rate: 9.5%

Financing Of: Price (85%), Rehab (100%)

Loan Amount: \$ 423,530

LTC / LTV: 86% / 55.4%

Loan Payment: \$ 3,353 Per Month

ASSUMPTIONS & PROJECTIONS

Holding Period: 5 Months

Rehab Cost Overrun: 10%

Vacancy Rate: 5%

Appreciation: 3% Per Year

Income Increase: 2% Per Year

Expense Increase: 2% Per Year

Selling Costs: 3% of Sales Price

Depreciation Period: 27.5 Years

Land Value: \$ 150,000

HOLDING COSTS

Loan Payments: \$ 16,765

Property Taxes: \$ 1,771

Insurance: \$ 313

Common Utilities: \$ 375

Landscaping: \$ 250

Total: \$ 19,474

Total Per Month: \$ 3,895

Rehab Costs

Exterior Stucco Repair:	\$ 1,750
New North/East Side Fence:	\$ 2,800
Unit 1 - New Windows:	\$ 1,800
Unit 1 - Master Bath Shower:	\$ 2,500
Unit 2 - Stairwell Repair:	\$ 2,200
Unit 1/2 - Full Interior Paint:	\$ 3,500
Unit 1/2 - New Carpet:	\$ 5,000
Unit 1/2 - New Fixtures:	\$ 1,500
Unit 1/2 - New Appliances:	\$ 3,600
Unit 1/2 - New Water Heaters:	\$ 4,000
Landscaping:	\$ 350
Trash Removal:	\$ 750
Cost Overrun (10%):	\$ 2,975
Total:	\$ 32,725
Total Per Square Foot:	\$ 16.4

Refinance Analysis & Returns

REFINANCE

Refinance Loan Amount:		\$ 487,500
Refinance Costs:	-	\$ 2,250
Purchase Loan Repayment:	-	\$ 423,530
Holding Costs:	-	\$ 19,474

Refinance Cash Out: = **\$ 42,247**

Invested Cash:		\$ 69,900
Refinance Cash Out:	-	\$ 42,247

Total Cash Invested: = **\$ 27,653**

FINANCING (REFINANCE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	5.25%
Financing Of:	ARV (65%)
Loan Amount:	\$ 488,500
LTV:	65%

Loan Payment:	\$ 2,698 Per Month
	\$ 32,370 Per Year

RETURNS & RATIOS (Year 1, After Refinance)

Cap Rate (Purchase/Market):	7.9% / 4.8%
Cash on Cash Return:	12.2%
Return on Equity:	1.2%
Return on Investment:	880.3%
Internal Rate of Return:	880.3%

Rent to Value:	1%
Gross Rent Multiplier:	8.24
Equity Multiple:	9.8
Break Even Ratio:	88.8%
Debt Coverage Ratio:	1.1
Debt Yield:	7.3%

REFINANCE COSTS

Appraisal:	\$ 750
Lender Fees:	\$ 1,000 (Financed)
Closing Costs:	\$ 1,500
Total:	\$ 3,250

Cash Flow (Year 1, After Refinance)

		Monthly	Yearly
CASH FLOW			
Gross Rent:		\$ 4,550	\$ 54,600
Vacancy (5%):	-	\$ 228	\$ 2,730
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 4,322	\$ 51,870
Operating Expenses (31.1%):	-	\$ 1,342	\$ 16,110
Net Operating Income:	=	\$ 2,980	\$ 35,760
Loan Payments:	-	\$ 2,698	\$ 32,370
Cash Flow:	=	\$ 282	\$ 3,390
Cash Flow Per Unit:		\$ 141	\$ 1,695

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

	Monthly	Yearly
EXPENSES		
Property Taxes:	\$ 354	\$ 4,250
Insurance:	\$ 63	\$ 750
Property Management:	\$ 346	\$ 4,150
Maintenance:	\$ 364	\$ 4,368
Capital Reserves:	\$ 91	\$ 1,092
Common Utilities:	\$ 75	\$ 900
Landscaping:	\$ 50	\$ 600
Total:	\$ 1,342	\$ 16,110

Buy & Hold Projections

	APPRECIATION 3% Per Year	INCOME INCREASE 2% Per Year	EXPENSE INCREASES 2% Per Year	SELLING COSTS 3% of Price		
	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
INCOME						
Gross Rent:	\$ 54,600	\$ 56,806	\$ 59,101	\$ 65,252	\$ 79,542	\$ 96,961
Vacancy:	- \$ 2,730	- \$ 2,840	- \$ 2,955	- \$ 3,263	- \$ 3,977	- \$ 4,848
Vacancy Rate:	5%	5%	5%	5%	5%	5%
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 51,870	= \$ 53,966	= \$ 56,146	= \$ 61,989	= \$ 75,565	= \$ 92,113
Income Increase:	2%	2%	2%	2%	2%	2%
EXPENSES						
Property Taxes:	\$ 4,250	\$ 4,422	\$ 4,600	\$ 5,079	\$ 6,191	\$ 7,547
Insurance:	+ \$ 750	+ \$ 780	+ \$ 812	+ \$ 896	+ \$ 1,093	+ \$ 1,332
Property Management:	+ \$ 4,150	+ \$ 4,317	+ \$ 4,492	+ \$ 4,959	+ \$ 6,045	+ \$ 7,369
Maintenance:	+ \$ 4,368	+ \$ 4,544	+ \$ 4,728	+ \$ 5,220	+ \$ 6,363	+ \$ 7,757
Capital Reserves:	+ \$ 1,092	+ \$ 1,136	+ \$ 1,182	+ \$ 1,305	+ \$ 1,591	+ \$ 1,939
Common Utilities:	+ \$ 900	+ \$ 936	+ \$ 974	+ \$ 1,076	+ \$ 1,311	+ \$ 1,598
Landscaping:	+ \$ 600	+ \$ 624	+ \$ 649	+ \$ 717	+ \$ 874	+ \$ 1,066
Operating Expenses:	= \$ 16,110	= \$ 16,759	= \$ 17,437	= \$ 19,252	= \$ 23,468	= \$ 28,608
Expense Increase:	2%	2%	2%	2%	2%	2%
CASH FLOW						
Operating Income:	\$ 51,870	\$ 53,966	\$ 56,146	\$ 61,989	\$ 75,565	\$ 92,113
Operating Expenses:	- \$ 16,110	- \$ 16,759	- \$ 17,437	- \$ 19,252	- \$ 23,468	- \$ 28,608
Expense Ratio:	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
Net Operating Income:	= \$ 35,760	= \$ 37,207	= \$ 38,709	= \$ 42,737	= \$ 52,097	= \$ 63,505
Loan Payments:	- \$ 32,370	- \$ 32,370	- \$ 32,370	- \$ 32,370	- \$ 32,370	- \$ 32,370
Cash Flow:	= \$ 3,390	= \$ 4,837	= \$ 6,339	= \$ 10,367	= \$ 19,727	= \$ 31,135
Cash Flow Per Unit:	\$ 1,695	\$ 2,419	\$ 3,170	\$ 5,184	\$ 9,864	\$ 15,568
TAX BENEFITS & DEDUCTIONS						
Operating Expenses:	\$ 16,110	\$ 16,759	\$ 17,437	\$ 19,252	\$ 23,468	\$ 28,608
Loan Interest:	+ \$ 25,482	+ \$ 24,721	+ \$ 23,876	+ \$ 21,333	+ \$ 13,734	+ \$ 902
Depreciation:	+ \$ 12,186	+ \$ 12,186	+ \$ 12,186	+ \$ 12,186	+ \$ 12,186	+ \$ 0
Total Deductions:	= \$ 53,778	= \$ 53,667	= \$ 53,500	= \$ 52,771	= \$ 49,388	= \$ 29,510
EQUITY ACCUMULATION						
Property Value:	\$ 772,500	\$ 819,545	\$ 869,456	\$ 1,007,937	\$ 1,354,583	\$ 1,820,447

	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
Appreciation:	3%	3%	3%	3%	3%	3%
Loan Balance:	- \$ 481,612	- \$ 466,704	- \$ 450,150	- \$ 400,317	- \$ 251,419	- \$ 0
LTV Ratio:	62.3%	56.9%	51.8%	39.7%	18.6%	-
Total Equity:	= \$ 290,888	= \$ 352,841	= \$ 419,306	= \$ 607,620	= \$ 1,103,164	= \$ 1,820,447

SALE ANALYSIS

Equity:	\$ 290,888	\$ 352,841	\$ 419,306	\$ 607,620	\$ 1,103,164	\$ 1,820,447
Selling Costs (3%):	- \$ 23,175	- \$ 24,586	- \$ 26,084	- \$ 30,238	- \$ 40,637	- \$ 54,613
Sale Proceeds:	= \$ 267,713	= \$ 328,254	= \$ 393,222	= \$ 577,382	= \$ 1,062,527	= \$ 1,765,834
Cumulative Cash Flow:	+ \$ 3,390	+ \$ 12,332	+ \$ 24,250	+ \$ 67,867	+ \$ 221,483	+ \$ 479,631
Total Cash Invested:	- \$ 27,653	- \$ 27,653	- \$ 27,653	- \$ 27,653	- \$ 27,653	- \$ 27,653
Total Profit:	= \$ 243,450	= \$ 312,933	= \$ 389,819	= \$ 617,596	= \$ 1,256,357	= \$ 2,217,812

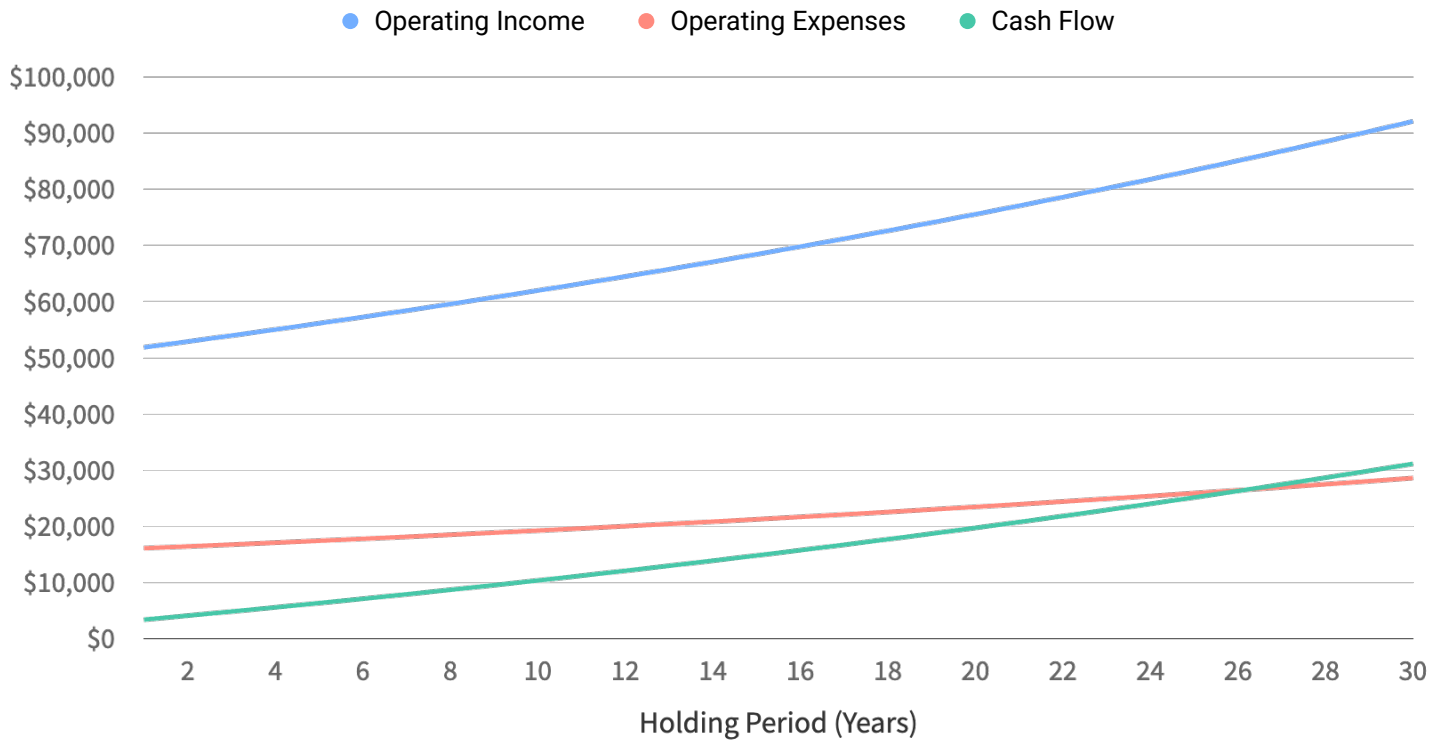
INVESTMENT RETURNS

Cap Rate (Purchase Price):	7.9%	8.3%	8.6%	9.5%	11.6%	14.1%
Cap Rate (Market Value):	4.6%	4.5%	4.5%	4.2%	3.8%	3.5%
Cash on Cash Return:	12.3%	17.5%	22.9%	37.5%	71.3%	112.6%
Return on Equity:	1.2%	1.4%	1.5%	1.7%	1.8%	1.7%
Return on Investment:	880.4%	1,131.6%	1,409.7%	2,233.4%	4,543.3%	8,020.1%
Internal Rate of Return:	880.4%	135.6%	77%	42.7%	28.6%	25.2%

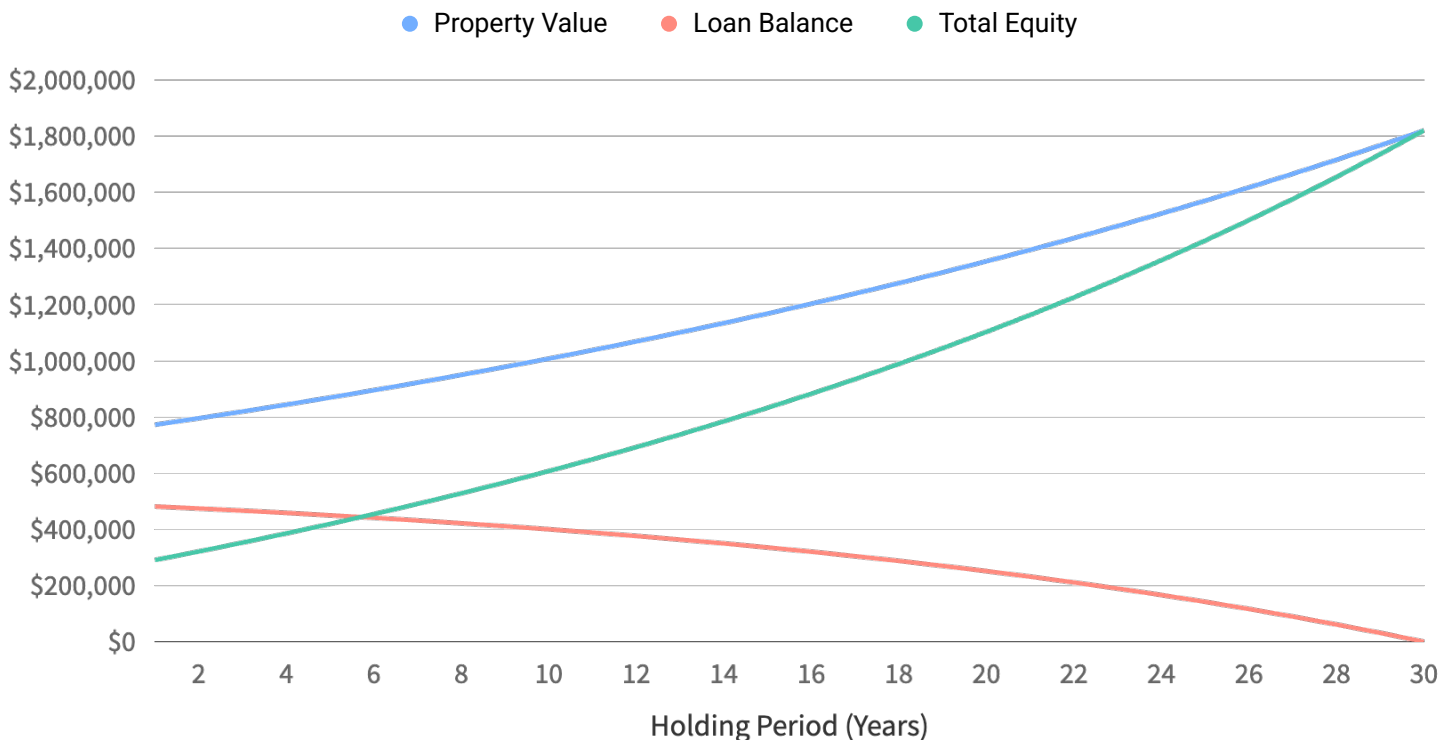
FINANCIAL RATIOS

Rent to Value:	0.6%	0.6%	0.6%	0.5%	0.5%	0.4%
Gross Rent Multiplier:	14.15	14.43	14.71	15.45	17.03	18.78
Equity Multiple:	9.8	12.32	15.1	23.33	46.43	81.2
Break Even Ratio:	88.8%	86.5%	84.3%	79.1%	70.2%	62.9%
Debt Coverage Ratio:	1.1	1.15	1.2	1.32	1.61	1.96
Debt Yield:	7.4%	8%	8.6%	10.7%	20.7%	-

Cash Flow Over Time



Equity Over Time



Recent Comparable Sales

Average Sale Price

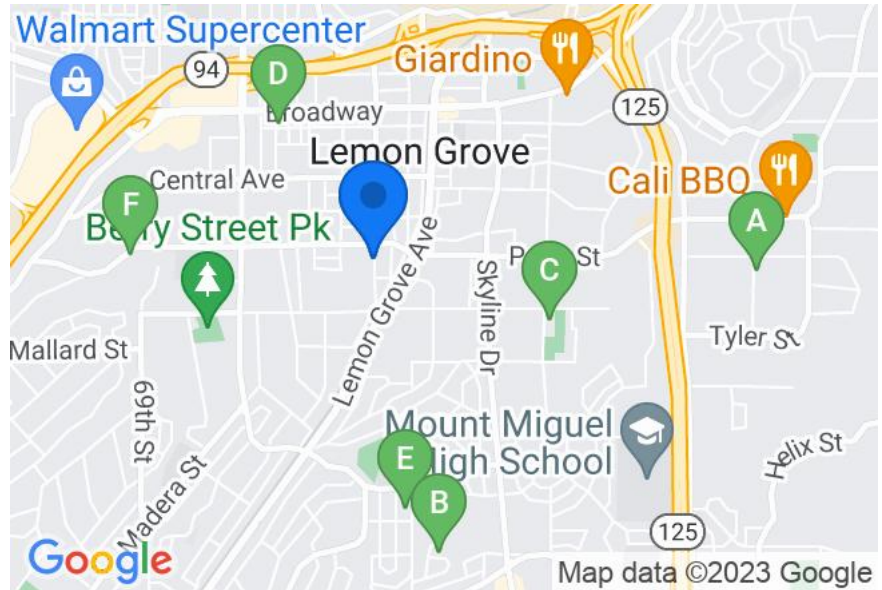
\$ 902,400 (\$ 472/sq.ft.)

\$ 809,000 - \$ 999,000

\$ 397/sq.ft. - \$ 521/sq.ft.

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

\$ 944,500



Property	Distance	Type	Beds	Baths	Sq.Ft.	Sale Price	Sale Date
2659 Buena Vista Ave Lemon Grove, CA 91945	0 mi	Multi-Family Built 1979	-	-	2,000	-	-
2609 Central Ave Spring Valley, CA 91977	1.44 mi	Multi-Family Built 1945	6	4	2,136	\$ 849,000 \$ 397.47/sq.ft.	05/11/2023
8136-40 Dodie St San Diego, CA 92114	1.13 mi	Multi-Family Built 1953	6	3	1,748	\$ 899,500 \$ 514.59/sq.ft.	05/11/2023
2355-57 Washington St Lemon Grove, CA 91945	0.7 mi	Multi-Family Built 1958	6	2	1,800	\$ 929,000 \$ 516.11/sq.ft.	04/30/2023
7316-18 Pacific Ave Lemon Grove, CA 91945	0.61 mi	Multi-Family Built 1950	5	3	1,963	\$ 929,000 \$ 473.26/sq.ft.	06/30/2023
1634-36 Glencoe Dr Lemon Grove, CA 91945	0.95 mi	Multi-Family Built 1947	5	3	1,968	\$ 809,000 \$ 411.08/sq.ft.	05/02/2023
6887-89 San Miguel Ave Lemon Grove, CA 91945	0.9 mi	Multi-Family Built 1955	5	3	1,917	\$ 999,000 \$ 521.13/sq.ft.	06/26/2023

Recent Comparable Rental Listings

Average Listed Rent

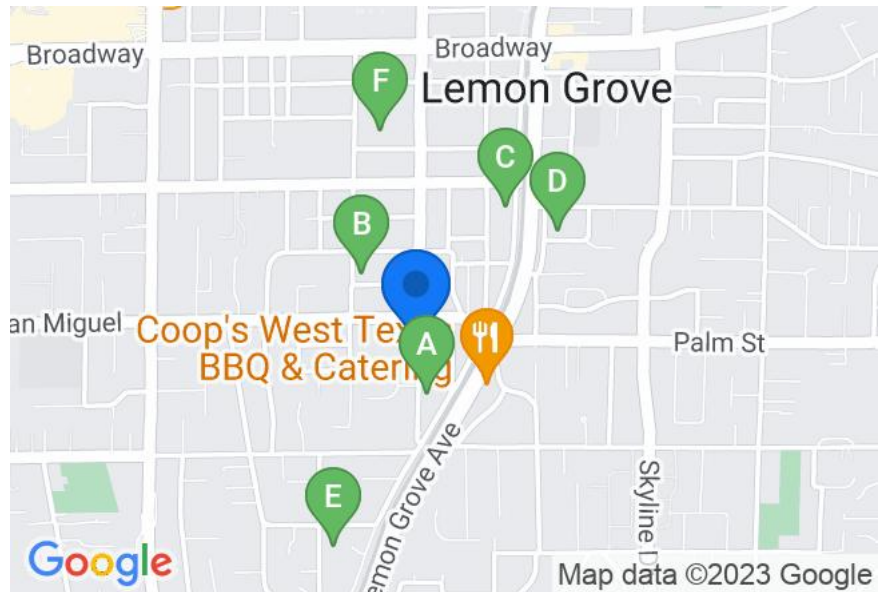
\$ 2,120 (\$ 2.39/sq.ft.)








\$ 1,600 - \$ 3,150

\$ 1.52/sq.ft. - \$ 3.41/sq.ft.

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

\$ 4,780



Property	Distance	Type	Beds	Baths	Sq.Ft.	Listed Rent	Listing Date
 2659 Buena Vista Ave Lemon Grove, CA 91945	0 mi	Multi-Family Built 1979	-	-	2,000	-	-
 2577 Buena Vista Ave Lemon Grove, CA 91945	0.09 mi	Condo Built 1979	3	2	1,300	\$ 3,150 \$ 2.42/sq.ft.	07/11/2023
 7514 Cuyamaca Ave Lemon Grove, CA 91945	0.17 mi	House Built 1946	3	1	950	\$ 1,995 \$ 2.10/sq.ft.	08/31/2023
 3012-3018 Main St Lemon Grove, CA 91945	0.31 mi	Multi-Family	2	1	1,050	\$ 1,600 \$ 1.52/sq.ft.	07/18/2023
 7858 Bryan Ct Lemon Grove, CA 91945	0.34 mi	Multi-Family Built 1952	3	1	800	\$ 2,500 \$ 3.13/sq.ft.	06/13/2023
 2235 El Prado Ave Lemon Grove, CA 91945	0.4 mi	House	2	1	528	\$ 1,799 \$ 3.41/sq.ft.	05/30/2023
 7542 Church St Lemon Grove, CA 91945	0.41 mi	Multi-Family	2	2	950	\$ 1,675 \$ 1.76/sq.ft.	08/31/2022

Property Photos



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