

# 185 E Naples St

Investment Property - Buy & Hold

185 E Naples St  
Chula Vista, CA 91911

**\$ 500,000 Price** · **\$ 500,000 ARV**  
**-\$ 803/mo Cash Flow** · **2.9% Cap Rate** · **-7.9% COC**



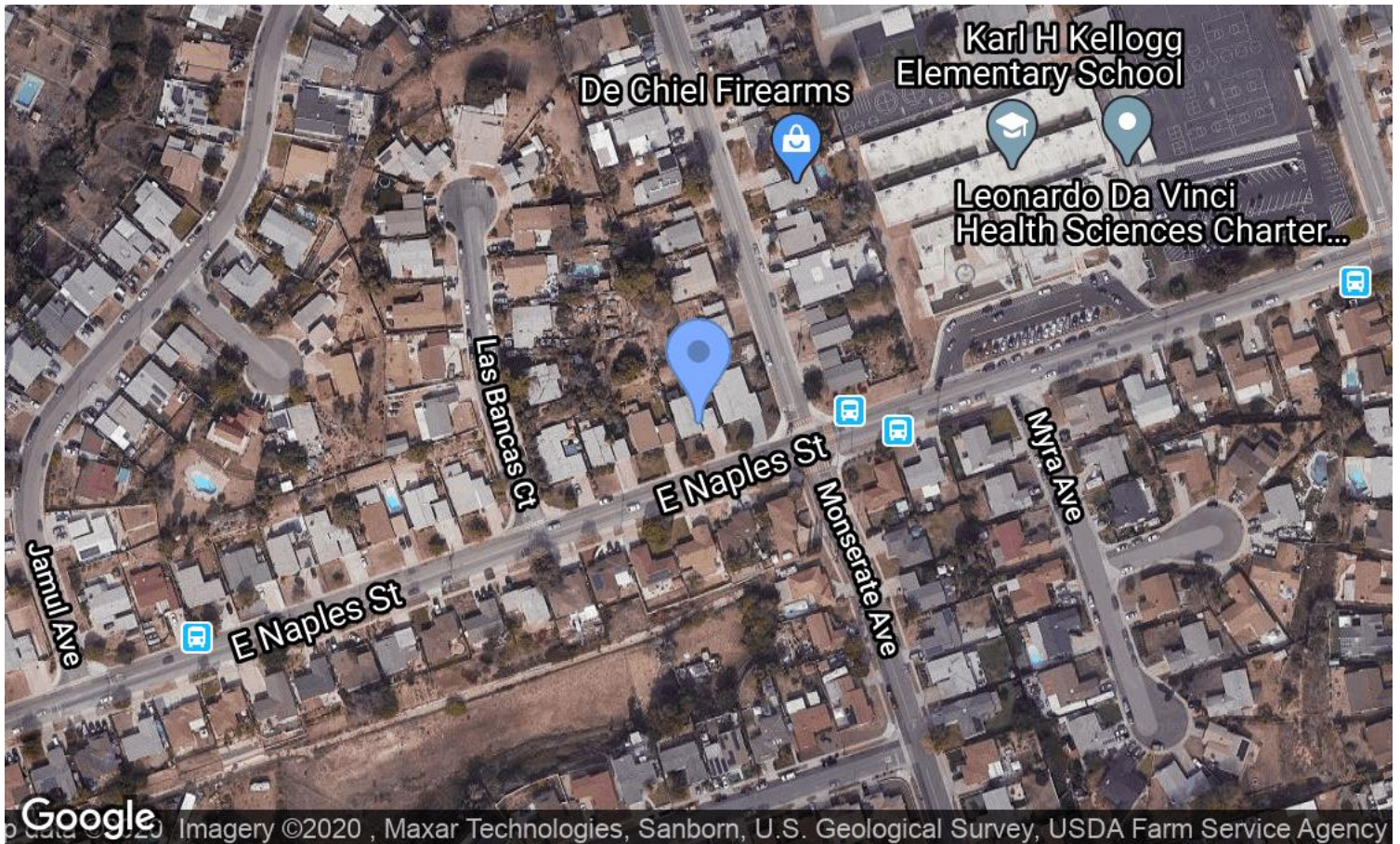
## Property Description

### ADDRESS

185 E Naples St  
Chula Vista, CA 91911

### DETAILS

Property Type:	House
Beds / Baths:	4 BR / 2.0 BA
Square Footage:	1,275
Year Built:	1956
Parking:	
Lot Size:	7,200 sq.ft.
Zoning:	
MLS Number:	



## Purchase Analysis & Returns

### PURCHASE

Purchase Price:		\$ 500,000
Amount Financed:	-	\$ 400,000
<b>Down Payment:</b>	<b>=</b>	<b>\$ 100,000</b>
Purchase Costs:	+	\$ 10,000
Rehab Costs:	+	\$ 12,500
<b>Total Cash Needed:</b>	<b>=</b>	<b>\$ 122,500</b>
After Repair Value:		\$ 500,000
Price Per Square Foot:		\$ 392.2

### RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	2.9% / 2.9%
Cash on Cash Return:	-7.9%
Return on Equity:	-7.9%
Return on Investment:	-33.9%
Internal Rate of Return:	-33.9%
Rent to Value:	0.5%
Gross Rent Multiplier:	16.67
Equity Multiple:	0.66
Break Even Ratio:	127.1%
Debt Coverage Ratio:	0.6
Debt Yield:	3.7%

### PURCHASE COSTS

<b>Total (2% of Price):</b>	<b>\$ 10,000</b>
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### FINANCING (PURCHASE)

Loan Type:	Amortizing
Loan Amount:	\$ 400,000
Loan to Cost (LTC):	80%
Loan to Value (LTV):	80%
Loan Term:	30 Years
Interest Rate:	4.5%
Finance Rehab Costs:	No
Loan Payments:	\$ 2,027 Per Month \$ 24,321 Per Year

### 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

### REHAB COSTS

Rehab Costs:	\$ 12,500
Cost Overrun:	\$ 0 (0%)
<b>Total:</b>	<b>\$ 12,500</b>

## Cash Flow (Year 1)

	Monthly	Yearly
<b>CASH FLOW</b>		
Gross Rent:	\$ 2,500	\$ 30,000
Vacancy (5%):	- \$ 125	\$ 1,500
Other Income:	+ \$ 0	\$ 0
<b>Operating Income:</b>	<b>= \$ 2,375</b>	<b>\$ 28,500</b>
Operating Expenses (48.5%):	- \$ 1,151	\$ 13,810
<b>Net Operating Income:</b>	<b>= \$ 1,224</b>	<b>\$ 14,690</b>
Loan Payments:	- \$ 2,027	\$ 24,321
<b>Cash Flow:</b>	<b>= -\$ 803</b>	<b>-\$ 9,631</b>

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

	Monthly	Yearly
<b>EXPENSES</b>		
Property Taxes:	\$ 521	\$ 6,250
Insurance:	\$ 90	\$ 1,080
Property Management:	\$ 190	\$ 2,280
Maintenance:	\$ 125	\$ 1,500
Capital Expenditures:	\$ 125	\$ 1,500
HOA Fees:	\$ 0	\$ 0
Utilities:	\$ 0	\$ 0
Landscaping:	\$ 100	\$ 1,200
<b>Total:</b>	<b>\$ 1,151</b>	<b>\$ 13,810</b>

## 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
<b>INCOME</b>						
Gross Rent:	\$ 30,000	\$ 31,212	\$ 32,473	\$ 35,853	\$ 43,704	\$ 53,275
Vacancy (5%):	- \$ 1,500	- \$ 1,561	- \$ 1,624	- \$ 1,793	- \$ 2,185	- \$ 2,664
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
<b>Operating Income:</b>	<b>= \$ 28,500</b>	<b>= \$ 29,651</b>	<b>= \$ 30,849</b>	<b>= \$ 34,060</b>	<b>= \$ 41,519</b>	<b>= \$ 50,611</b>
<b>EXPENSES</b>						
Property Taxes:	\$ 6,250	\$ 6,503	\$ 6,765	\$ 7,469	\$ 9,105	\$ 11,099
Insurance:	+ \$ 1,080	+ \$ 1,124	+ \$ 1,169	+ \$ 1,291	+ \$ 1,573	+ \$ 1,918
Property Management:	+ \$ 2,280	+ \$ 2,372	+ \$ 2,468	+ \$ 2,725	+ \$ 3,322	+ \$ 4,049
Maintenance:	+ \$ 1,500	+ \$ 1,561	+ \$ 1,624	+ \$ 1,793	+ \$ 2,185	+ \$ 2,664
Capital Expenditures:	+ \$ 1,500	+ \$ 1,561	+ \$ 1,624	+ \$ 1,793	+ \$ 2,185	+ \$ 2,664
HOA Fees:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Utilities:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Landscaping:	+ \$ 1,200	+ \$ 1,248	+ \$ 1,299	+ \$ 1,434	+ \$ 1,748	+ \$ 2,131
<b>Operating Expenses:</b>	<b>= \$ 13,810</b>	<b>= \$ 14,369</b>	<b>= \$ 14,949</b>	<b>= \$ 16,505</b>	<b>= \$ 20,118</b>	<b>= \$ 24,525</b>
<b>CASH FLOW</b>						
Operating Income:	\$ 28,500	\$ 29,651	\$ 30,849	\$ 34,060	\$ 41,519	\$ 50,611
Operating Expenses:	- \$ 13,810	- \$ 14,369	- \$ 14,949	- \$ 16,505	- \$ 20,118	- \$ 24,525
<b>Net Operating Income:</b>	<b>= \$ 14,690</b>	<b>= \$ 15,282</b>	<b>= \$ 15,900</b>	<b>= \$ 17,555</b>	<b>= \$ 21,401</b>	<b>= \$ 26,086</b>
Loan Payments:	- \$ 24,321	- \$ 24,321	- \$ 24,321	- \$ 24,321	- \$ 24,321	- \$ 24,321
<b>Cash Flow:</b>	<b>= -\$ 9,631</b>	<b>= -\$ 9,039</b>	<b>= -\$ 8,421</b>	<b>= -\$ 6,766</b>	<b>= -\$ 2,920</b>	<b>= \$ 1,765</b>
<b>TAX BENEFITS &amp; DEDUCTIONS</b>						
Operating Expenses:	\$ 13,810	\$ 14,369	\$ 14,949	\$ 16,505	\$ 20,118	\$ 24,525
Loan Interest:	+ \$ 17,868	+ \$ 17,261	+ \$ 16,598	+ \$ 14,653	+ \$ 9,172	+ \$ 583
Depreciation:	+ \$ 18,545	+ \$ 18,545	+ \$ 18,545	+ \$ 18,545	+ \$ 18,545	+ \$ 0
<b>Total Deductions:</b>	<b>= \$ 50,223</b>	<b>= \$ 50,176</b>	<b>= \$ 50,092</b>	<b>= \$ 49,704</b>	<b>= \$ 47,835</b>	<b>= \$ 25,108</b>
<b>EQUITY ACCUMULATION</b>						
Property Value:	\$ 515,000	\$ 546,364	\$ 579,637	\$ 671,958	\$ 903,056	\$ 1,213,631
Loan Balance:	- \$ 393,547	- \$ 379,738	- \$ 364,632	- \$ 320,358	- \$ 195,559	- \$ 0
<b>Total Equity:</b>	<b>= \$ 121,453</b>	<b>= \$ 166,626</b>	<b>= \$ 215,005</b>	<b>= \$ 351,600</b>	<b>= \$ 707,497</b>	<b>= \$ 1,213,631</b>

	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
<b>SALE ANALYSIS</b>						
Equity:	\$ 121,453	\$ 166,626	\$ 215,005	\$ 351,600	\$ 707,497	\$ 1,213,631
Selling Costs (6%):	- \$ 30,900	- \$ 32,782	- \$ 34,778	- \$ 40,317	- \$ 54,183	- \$ 72,818
<b>Sale Proceeds:</b>	<b>= \$ 90,553</b>	<b>= \$ 133,844</b>	<b>= \$ 180,227</b>	<b>= \$ 311,283</b>	<b>= \$ 653,314</b>	<b>= \$ 1,140,813</b>
Cumulative Cash Flow:	+ -\$ 9,631	+ -\$ 28,008	+ -\$ 45,162	+ -\$ 82,361	+ -\$ 129,492	+ -\$ 133,686
Total Cash Invested:	- \$ 122,500	- \$ 122,500	- \$ 122,500	- \$ 122,500	- \$ 122,500	- \$ 122,500
<b>Total Profit:</b>	<b>= -\$ 41,578</b>	<b>= -\$ 16,664</b>	<b>= \$ 12,565</b>	<b>= \$ 106,422</b>	<b>= \$ 401,322</b>	<b>= \$ 884,627</b>

**INVESTMENT RETURNS**

Cap Rate (Purchase Price):	2.9%	3.1%	3.2%	3.5%	4.3%	5.2%
Cap Rate (Market Value):	2.9%	2.8%	2.7%	2.6%	2.4%	2.1%
Cash on Cash Return:	-7.9%	-7.4%	-6.9%	-5.5%	-2.4%	1.4%
Return on Equity:	-7.9%	-5.4%	-3.9%	-1.9%	-0.4%	0.1%
Return on Investment:	-33.9%	-13.6%	10.3%	86.9%	327.6%	722.1%
Internal Rate of Return:	-33.9%	-4.8%	2%	6.5%	7.5%	7.3%

**FINANCIAL RATIOS**

Rent to Value:	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%
Gross Rent Multiplier:	17.17	17.5	17.85	18.74	20.66	22.78
Equity Multiple:	0.66	0.86	1.1	1.87	4.28	8.22
Break Even Ratio:	127.1%	124%	120.9%	113.9%	101.7%	91.7%
Debt Coverage Ratio:	0.6	0.63	0.65	0.72	0.88	1.07
Debt Yield:	3.7%	4%	4.4%	5.5%	10.9%	-

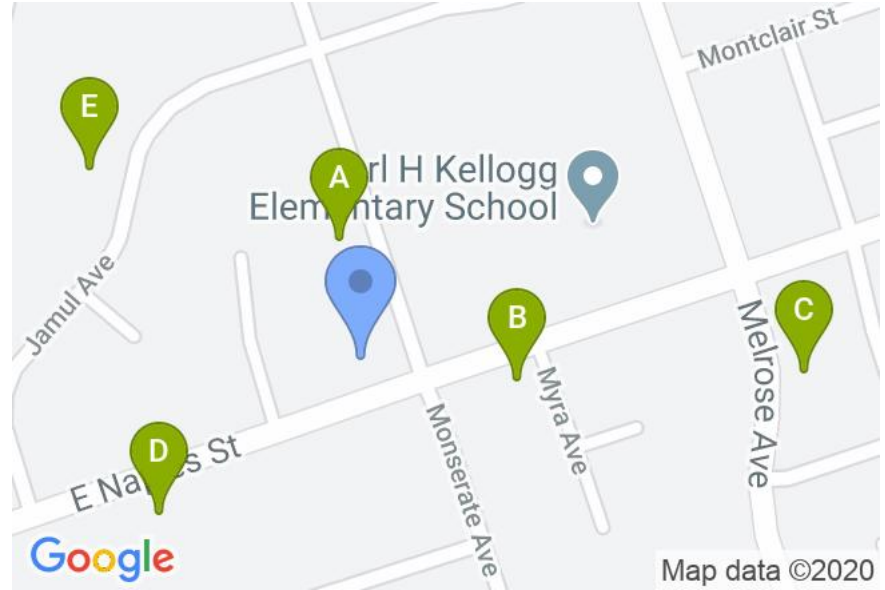
## Recent Comparable Sales

Average Sale Price

**\$ 528,200 (\$ 382/sq.ft.)**

\$ 475,000 - \$ 561,000

\$ 338/sq.ft. - \$ 417/sq.ft.



Estimated ARV Based on Average Price/  
Sq.Ft.

**\$ 486,795**

Property	Distance	Type	Beds	Baths	Sq.Ft.	Sale Price	Sale Date
<span style="color: blue;">●</span> 185 E Naples St Chula Vista, CA 91911	0 mi	House Built 1956	4	2.0	1,275	-	-
<span style="color: green;">A</span> 1064 Monserate Ave Chula Vista, CA 91911	0.06 mi	House Built 1956	4	2.0	1,275	\$ 530,000 \$ 416/sq.ft.	01/14/2020
<span style="color: green;">B</span> 1100 Myra Ave Chula Vista, CA 91911	0.07 mi	House Built 1969	4	2.0	1,450	\$ 550,000 \$ 379/sq.ft.	01/06/2020
<span style="color: green;">C</span> 1117 Melrose Ave Chula Vista, CA 91911	0.21 mi	House Built 1969	3	2.0	1,461	\$ 525,000 \$ 359/sq.ft.	01/15/2020
<span style="color: green;">D</span> 126 E Naples St Chula Vista, CA 91911	0.12 mi	House Built 1959	3	2.0	1,140	\$ 475,000 \$ 417/sq.ft.	08/09/2019
<span style="color: green;">E</span> 161 Jamul Ave Chula Vista, CA 91911	0.15 mi	House Built 1956	3	2.0	1,659	\$ 561,000 \$ 338/sq.ft.	12/27/2019

## Recent Comparable Rental Listings

Average Listed Rent

**\$ 2,536 (\$ 1.83/sq.ft.)**

\$ 1,995 - \$ 2,795

\$ 1.43/sq.ft. - \$ 2.16/sq.ft.

Estimated Rent Based on Average Rent/  
Sq.Ft.

**\$ 2,336**



Property	Distance	Type	Beds	Baths	Sq.Ft.	Listed Rent	Listing Date
<span style="color: blue;">●</span> 185 E Naples St Chula Vista, CA 91911	0 mi	House Built 1956	4	2.0	1,275	-	-
<span style="color: green;">A</span> 172 Jamul Ave Chula Vista, CA 91911	0.13 mi	House	4	2	1,400	\$ 1,995 \$ 1.43/sq.ft.	02/19/2020
<span style="color: green;">B</span> 354 Roman Way Chula Vista, CA 91911	0.52 mi	House	4	2	1,508	\$ 2,600 \$ 1.72/sq.ft.	08/09/2019
<span style="color: green;">C</span> 1321 First Ave Chula Vista, CA 91911	0.87 mi	House	4	2	1,458	\$ 2,795 \$ 1.92/sq.ft.	02/19/2020
<span style="color: green;">D</span> 1103 Hilltop Dr Chula Vista, CA undefined	0.43 mi	House	4	2.5	1,200	\$ 2,595 \$ 2.16/sq.ft.	11/01/2019
<span style="color: green;">E</span> 1576 Larkhaven Dr Chula Vista, CA 91911	1.37 mi	House	4	2	1,395	\$ 2,695 \$ 1.93/sq.ft.	11/11/2019



## Property Photos



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