

# ADU

## Financial Analysis

1234 Grand Ave  
San Diego, CA 92139



# Property Details



## Location



County SAN DIEGO  
APN 219-410-29-00

## Site

Property Type Single Family Residence  
Lot Size (SqFt) 13,939  
Lot Size (Acres) 0.3

## Value

### Summary

Est. Value (AVM) \$	\$598,100
Assessed Value \$	\$458,999
Est. Total Loan Bal. \$	\$455,478
Est. Equity \$	\$142,622

## Structure

Year Built	1977
Square Footage	1,848
Beds	5
Baths	3
Units	1
Stories	1
Rooms	7
Garage	Yes / 2
Pool	No
Fireplace	No
Air Conditioning	No
Heating	Yes
Improvement Condition	Good
Building Quality	Average
Construction Type	Frame
Exterior Wall Type	Wood Siding
Roof Type	Composition Shingle

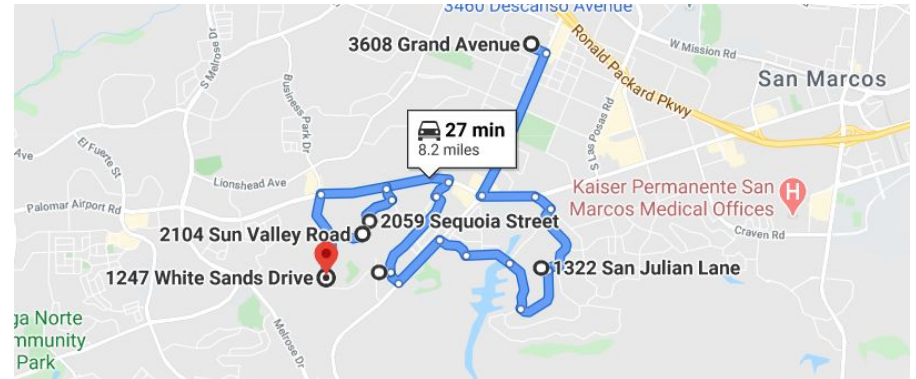
# Valuation Analysis | “As is” + ADU



Subject Property	Year	Bed	Bath	Sqft	Lot Sqft	Est Value	Per Sqft	ADU Sqft Ft	Est Value with ADU	
	1977	5	3	1848		\$600,000.00	\$324.68	400	<b>\$729,870.13</b>	
Address	Year	Bed	Bath	Sqft	Lot Sqft	SOLD Price	Per Sqft	SOLD Date	Pool	Condition
1322 San Julian Ln	1977	4	3	2814	9000	\$850,000.00	\$302.06	March 2020	Y	Upgraded
1279 South Hampton	1988	4	2.5	1871	5193	\$670,000.00	\$358.10	June 2020	N	Good Condition
2059 Sequoia St	1991	4	3	2350	6279	\$845,500.00	\$359.79	April 2020	N	Good Condition
2104 Sun Valley	2002	5	4	3184	-	\$770,000.00	\$241.83	May 2020	N	Newer Construction
1247 White Sands	2001	5	3.5	3393	-	\$985,000.00	\$290.30	July 2019	N	Newer Construction
<b>Average</b>						<b>\$824,100.00</b>	<b>\$310.42</b>			

**Estimated Value:** \$575,000 - \$625,000

**Est. Value + ADU:** \$700,000 - \$750,000



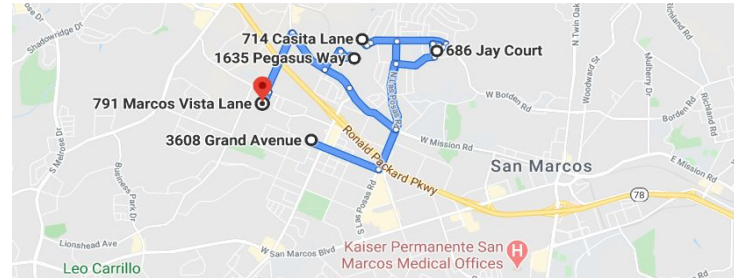
# Rent Comparables | Existing Home



## Rent Survey

	Year Built	( Existing Home )					Details		
		Rent	Bed	Bath	Sqft	\$/ Sq Ft	Type	Condition	
714 Casita Ln	2003	\$ 3,900.00	5.0	3.0	3,035	\$ 1.29	Single Family Home	Newer Construction	
686 Jay Ct	2001	\$ 3,400.00	5.0	3.0	2,897	\$ 1.17	Single Family Home	Newer Construction	
1635 Pegasus Way	2008	\$ 3,395.00	4.0	2.5	2,863	\$ 1.19	Single Family Home	Upgraded	
686 Poppy Rd	1993	\$ 3,100.00	4.0	3.0	2,118	\$ 1.46	Single Family Home	Newer Construction	
791 Marcos Vista Ln	1988	\$ 2,900.00	4.0	2.0	1,703	\$ 1.70	Single Family Home	Original Condition	
<b>Averages</b>		<b>\$3,339</b>			<b>2,523</b>	<b>\$ 1.36</b>			
	1977	\$2,875	5.0	3.0	1,848	\$ 1.56	SFR +ADU	-	

**Projected Rent for Existing Home: \$2,875 - \$3,300/mo**



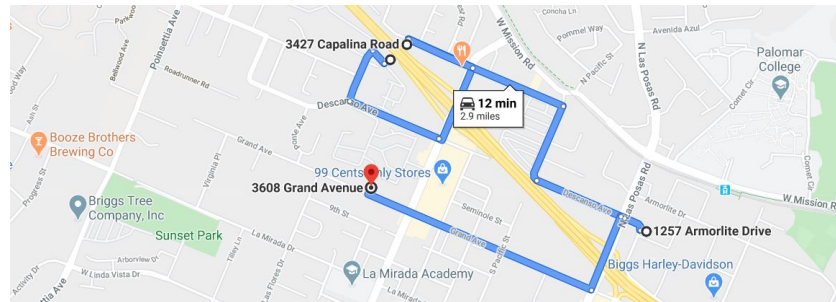
# Rent Comparables | ADU



## Rent Survey

Year Built	ADU 1 bed					Details		
	Rent	Bed	Bath	Sq Ft	\$/ Sq Ft	Type	Condition	
3427 Capalina Rd	1980	\$ 1,550	1	1	589	\$ 2.63	Condo	Upgraded
1257 Armorlite Dr	-	\$ 1,835	1	1	675	\$ 2.72	Apartment	New Construction
3460 Descanso Ave #3	-	\$ 1,540	1	1	645	\$ 2.39	Sublet	Original Condition
266 S Carmel Rd	-	\$ 1,550	1	1	640	\$ 2.42	Guest Suite	Original Condition
Averages		\$1,619	1	1	637	\$ 2.54		
	1977	\$1,450	1	1	400	\$3.63	SFR +ADU	-

**Projected Rent for New ADU: \$1,350 - \$1,550/mo**





# Income Analysis | Side by Side



Income Analysis   Home Rental	
Market Value w/ADU	
Yearly	
INCOME	
Existing Home Rental Income	\$ 34,500.00
ADU	\$ -
Total Net Income	\$ 34,500.00
EXPENSES	
Real Estate Taxes	\$ 5,200.00
Insurance	\$ 1,200.00
*Water and Sewer (Tenant)	\$ 1,200.00
*SDGE	\$ -
Trash Removal	\$ -
*Prop Management Fees	\$ -
Landscaping	\$ 1,200.00
Repairs and Maintenance	\$ 1,200.00
Total Expenses	\$ 10,000.00
Net Income	\$ 24,500.00
ADU Total Project Costs	\$ 65,200.00
Yr 1 ROI	<b>37.58%</b>

Income Analysis   ADU	
Market Value w/ADU	
Yearly	
INCOME	
Existing Home Rental Income	\$ 17,400.00
ADU	\$ -
Total Net Income	\$ 17,400.00
EXPENSES	
Real Estate Taxes	\$ 5,200.00
Insurance	\$ 1,200.00
*Water and Sewer (Tenant)	\$ 1,200.00
*SDGE	\$ -
Trash Removal	\$ -
*Prop Management Fees	\$ -
Landscaping	\$ 1,200.00
Repairs and Maintenance	\$ 1,200.00
Total Expenses	\$ 10,000.00
Net Income	\$ 7,400.00
ADU Total Project Costs	\$ 65,200.00
Yr 1 ROI	<b>11.35%</b>

Income Analysis   Home + ADU	
Market Value w/ADU	
Yearly	
INCOME	
Existing Home Rental Income	\$ 34,500.00
ADU	\$ 17,400.00
Total Net Income	\$ 51,900.00
EXPENSES	
Real Estate Taxes	\$ 5,200.00
Insurance	\$ 1,200.00
*Water and Sewer (Tenant)	\$ 1,200.00
*SDGE	\$ -
Trash Removal	\$ -
*Prop Management Fees	\$ -
Landscaping	\$ 1,200.00
Repairs and Maintenance	\$ 1,200.00
Total Expenses	\$ 10,000.00
Net Income	\$ 41,900.00
ADU Total Project Costs	\$ 65,200.00
Yr 1 ROI	<b>64.26%</b>

# Cash Flow Analysis | Home Rental



Property Address

		EOY - 1	EOY - 2	EOY - 3	EOY - 4	EOY - 5	EOY - 6	EOY - 7	EOY - 8	EOY - 9	EOY - 10	Total
<b>Income</b>												
Existing Home	\$ 34,500.00	\$ 34,500.00	\$ 35,190.00	\$ 35,893.80	\$ 36,611.68	\$ 37,343.91	\$ 38,090.79	\$ 38,852.60	\$ 39,629.66	\$ 40,422.25	\$ 41,230.69	\$ 377,765.37
ADU	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Income</b>	<b>\$34,500.00</b>	<b>\$34,500.00</b>	<b>\$35,190.00</b>	<b>\$35,893.80</b>	<b>\$36,611.68</b>	<b>\$37,343.91</b>	<b>\$38,090.79</b>	<b>\$38,852.60</b>	<b>\$39,629.66</b>	<b>\$40,422.25</b>	<b>\$41,230.69</b>	<b>\$ 377,765.37</b>
<b>Expenses</b>												
Real Estate Taxes	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 52,000.00
Insurance	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 12,000.00
*Water and Sewer (Tenant)	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 12,000.00
*SDGE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Trash Removal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
*Prop Management Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landscaping	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 12,000.00
Repairs and Maintenance	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 12,000.00
<b>Total expenses:</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (100,000.00)</b>
<b>Net Income</b>	<b>\$ 24,500.00</b>	<b>\$ 24,500.00</b>	<b>\$ 25,190.00</b>	<b>\$ 25,893.80</b>	<b>\$ 26,611.68</b>	<b>\$ 27,343.91</b>	<b>\$ 28,090.79</b>	<b>\$ 28,852.60</b>	<b>\$ 29,629.66</b>	<b>\$ 30,422.25</b>	<b>\$ 31,230.69</b>	<b>\$ 277,765.37</b>
Debt Service (Mortgage)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Flow After Debt Service	\$ 24,500.00	\$ 24,500.00	\$ 25,190.00	\$ 25,893.80	\$ 26,611.68	\$ 27,343.91	\$ 28,090.79	\$ 28,852.60	\$ 29,629.66	\$ 30,422.25	\$ 31,230.69	\$ 277,765.37
Project Cost Balance	\$ 65,200.00	\$ 40,700.00	\$ 15,510.00	\$ 0.00								
<b>ROI</b>	<b>37.58%</b>	<b>60.20%</b>	<b>162.41%</b>	<b>Infinite</b>	<b>Infinite</b>	<b>Infinite</b>	<b>Infinite</b>	<b>Infinite</b>	<b>Infinite</b>	<b>Infinite</b>	<b>Infinite</b>	<b>Infinite</b>

\* Assumes a 2% Rent increase Year over Year

\* Full Return on ADU Project Costs in Year 3

# Cash Flow Analysis | ADU



Property Address

		EOY - 1	EOY - 2	EOY - 3	EOY - 4	EOY - 5	EOY - 6	EOY - 7	EOY - 8	EOY - 9	EOY - 10	Total
<b>Income</b>												
Existing Home	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADU	\$ 17,400.00	\$ 17,400.00	\$ 17,748.00	\$ 18,102.96	\$ 18,465.02	\$ 18,834.32	\$ 19,211.01	\$ 19,595.23	\$ 19,987.13	\$ 20,386.87	\$ 20,794.61	\$ 190,525.15
Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Income</b>	<b>\$17,400.00</b>	<b>\$17,400.00</b>	<b>\$17,748.00</b>	<b>\$18,102.96</b>	<b>\$18,465.02</b>	<b>\$18,834.32</b>	<b>\$19,211.01</b>	<b>\$19,595.23</b>	<b>\$19,987.13</b>	<b>\$20,386.87</b>	<b>\$20,794.61</b>	<b>\$ 190,525.15</b>
<b>Expenses</b>												
Real Estate Taxes	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 52,000.00
Insurance	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 12,000.00
*Water and Sewer (Tenant)	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 12,000.00
*SDGE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Trash Removal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
*Prop Management Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landscaping	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 12,000.00
Repairs and Maintenance	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 12,000.00
<b>Total expenses:</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (100,000.00)</b>
<b>Net Income</b>	<b>\$ 7,400.00</b>	<b>\$ 7,400.00</b>	<b>\$ 7,748.00</b>	<b>\$ 8,102.96</b>	<b>\$ 8,465.02</b>	<b>\$ 8,834.32</b>	<b>\$ 9,211.01</b>	<b>\$ 9,595.23</b>	<b>\$ 9,987.13</b>	<b>\$ 10,386.87</b>	<b>\$ 10,794.61</b>	<b>\$ 90,525.15</b>
Debt Service (Mortgage)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Flow After Debt Service	\$ 7,400.00	\$ 7,400.00	\$ 7,748.00	\$ 8,102.96	\$ 8,465.02	\$ 8,834.32	\$ 9,211.01	\$ 9,595.23	\$ 9,987.13	\$ 10,386.87	\$ 10,794.61	\$ 90,525.15
Project Cost Balance	\$ 65,200.00	\$ 57,800.00	\$50,052.00	\$41,949.04	\$33,484.02	\$24,649.70	\$15,438.70	\$5,843.47	\$0.00			
<b>ROI</b>	<b>11.35%</b>	<b>12.80%</b>	<b>15.48%</b>	<b>19.32%</b>	<b>25.28%</b>	<b>35.84%</b>	<b>59.66%</b>	<b>164.20%</b>	<b>Infinite</b>	<b>Infinite</b>	<b>Infinite</b>	

\* Assumes a 2% Rent increase Year over Year

\* Full Return on ADU Project Costs in Year 8



# Cash Flow Analysis | Home Rental + ADU



Property Address

	EOY - 1	EOY - 2	EOY - 3	EOY - 4	EOY - 5	EOY - 6	EOY - 7	EOY - 8	EOY - 9	EOY - 10	Total	
<b>Income</b>												
Existing Home	\$ 34,500.00	\$ 34,500.00	\$ 35,190.00	\$ 35,893.80	\$ 36,611.68	\$ 37,343.91	\$ 38,090.79	\$ 38,852.60	\$ 39,629.66	\$ 40,422.25	\$ 41,230.69	\$ 377,765.37
ADU	\$ 17,400.00	\$ 17,400.00	\$ 17,748.00	\$ 18,102.96	\$ 18,465.02	\$ 18,834.32	\$ 19,211.01	\$ 19,595.23	\$ 19,987.13	\$ 20,386.87	\$ 20,794.61	\$ 190,525.15
Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Income</b>	<b>\$51,900.00</b>	<b>\$51,900.00</b>	<b>\$52,938.00</b>	<b>\$53,996.76</b>	<b>\$55,076.70</b>	<b>\$56,178.23</b>	<b>\$57,301.79</b>	<b>\$58,447.83</b>	<b>\$59,616.79</b>	<b>\$60,809.12</b>	<b>\$62,025.30</b>	<b>\$ 568,290.52</b>
<b>Expenses</b>												
Real Estate Taxes	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 52,000.00
Insurance	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 12,000.00
*Water and Sewer (Tenant)	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 12,000.00
*SDGE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Trash Removal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
*Prop Management Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landscaping	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 12,000.00
Repairs and Maintenance	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 12,000.00
<b>Total expenses:</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (10,000.00)</b>	<b>\$ (100,000.00)</b>
<b>Net Income</b>	<b>\$ 41,900.00</b>	<b>\$ 41,900.00</b>	<b>\$ 42,938.00</b>	<b>\$ 43,996.76</b>	<b>\$ 45,076.70</b>	<b>\$ 46,178.23</b>	<b>\$ 47,301.79</b>	<b>\$ 48,447.83</b>	<b>\$ 49,616.79</b>	<b>\$ 50,809.12</b>	<b>\$ 52,025.30</b>	<b>\$ 468,290.52</b>
Debt Service (Mortgage)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Flow After Debt Service	\$ 41,900.00	\$ 41,900.00	\$ 42,938.00	\$ 43,996.76	\$ 45,076.70	\$ 46,178.23	\$ 47,301.79	\$ 48,447.83	\$ 49,616.79	\$ 50,809.12	\$ 52,025.30	\$ 468,290.52
Project Cost Balance	\$ 65,200.00	\$ 23,300.00	\$ 0.00									
<b>ROI</b>	<b>64.26%</b>	<b>179.83%</b>	<b>Infinite</b>	<b>Infinite</b>	<b>Infinite</b>	<b>Infinite</b>	<b>Infinite</b>	<b>Infinite</b>	<b>Infinite</b>	<b>Infinite</b>	<b>Infinite</b>	

\* Assumes a 2% Rent increase Year over Year

\* Full Return on ADU Project Costs in Year 2