



FOR SALE



6640 Del Playa Drive


ISLA VISTA, CA


DUPLIX
TWO x
2BD/2BA
+ BONUS ROOM


Offered at

\$1,895,000

4.89% cap rate ('24/'25 rents)
5.41% cap rate ('25/'26 rents)

 Prime location on mountain side of Del Playa

 Two large 2BD/2BA units + Bonus Room

 Easy-to-rent, ideal for investor or UCSB parent



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Since 1993

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222 E. Carrillo Street, Suite 101, Santa Barbara, California 93101 | HayesCommercial.com

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Property Overview

Hayes Commercial Group is pleased to introduce this exceptional student housing opportunity located along the mountain side of Del Playa Drive and just two-and-a-half blocks from UCSB's campus, within easy walking distance of the restaurants, shops and amenities of Isla Vista's "Loop." This 100%-leased duplex is being offered at a 4.89% Cap Rate on 2024-2025 rents with significant upside potential for the 2025-2026 school year. The property consists of a two large 2BD/2BA units each with a bonus room that's utilized as a third single-occupancy bedroom. There's also an onsite laundry room, and off-street parking for four cars.

An investor or UCSB parent will enjoy this easy to rent, easy to manage and low maintenance rental property in one of the hottest student housing markets in the entire nation.



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11/5/24

Investment Details



Price:	\$1,895,000
Unit Mix:	2 X 2BD/2BA + Bonus Room
APN:	075-201-041
Lot Size:	6,534 SF
Building SF:	2,500 SF ¹
Zoning:	SR-M-18
Parking:	2-Car carport, plus 2 uncovered
Laundry:	Common laundry room
Monthly Rents:	\$5,900 ('24/'25) \$6,350 ('25/'26) ²
Annual Gross Rents:	\$141,600 ('24/'25) \$152,400 ('25/'26) ²
Cap Rate:	4.89% ('24/'25) 5.41% ('25/'26) ²
GRM:	13.38 ('24/'25) 12.43 ('25/'26) ²
Reports	Preliminary Title Report, Pest Report, Roof Inspection, Sewer Lateral, Leases, & Financials
To Show:	Call listing agent

¹Square footage is an estimate using online measuring tools

²'25/'26 Market Rents are estimates assuming \$1,350/bed for double occupancy rooms and \$1350 for the single occupancy Bonus Room.



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Income Analysis

INVESTMENT SUMMARY

PURCHASE PRICE	\$1,895,000
NUMBER OF UNITS	2
PRICE PER UNIT	\$947,500
2024-2025 CURRENT RENTS ⁽¹⁾	
CAP RATE (CURRENT)	4.89%
GRM (CURRENT)	13.38
2025-2026 ESTIMATED MARKET RENTS ⁽²⁾	
CAP RATE (MARKET)	5.41%
GRM (MARKET)	12.43
BUILDING SIZE ⁽³⁾	
BUILDING SIZE	2,500
LAND SIZE	6,534
PRICE/SF BUILDING	\$758
PRICE/SF LAND	\$290

RENT ROLL

UNIT #	BD/BA	SF ⁽³⁾	CURRENT RENTS ⁽¹⁾	MARKET RENTS ⁽²⁾
A	2BD/2BA + Bonus Room	N/A	\$5,900	\$6,350
B	2BD/2BA + Bonus Room	N/A	\$5,900	\$6,350
TOTALS		2,500	\$11,800	\$12,700

INCOME & EXPENSE ANALYSIS

GROSS RENTAL INCOME	NOTES	% of EGI	CURRENT RENTS		MARKET RENTS		
			MONTHLY	ANNUAL	% of EGI	MONTHLY	ANNUAL
TOTAL GROSS RENTAL INCOME			\$11,800	\$141,600		\$12,700	\$152,400
Laundry Income	N/A		\$0	\$0		\$0	\$0
Storage/Parking Income	N/A		\$0	\$0		\$0	\$0
Utility Reimbursement	N/A		\$0	\$0		\$0	\$0
TOTAL GROSS INCOME			\$11,800	\$141,600		\$12,700	\$152,400
(LESS) Vacancy Rate ⁽⁴⁾	4%		-\$472	-\$5,664		-\$508	-\$6,096
EFFECTIVE GROSS INCOME (EGI)		100%	\$11,328	\$135,936	100%	\$12,192	\$146,304
OPERATING EXPENSES							
Real Estate Taxes	1.06%	14.78%	\$1,674	\$20,093	13.73%	\$1,674	\$20,087
Insurance ⁽⁵⁾	Est	1.84%	\$208	\$2,500	1.71%	\$208	\$2,500
Water & Trash	2024 Act (annualized)	4.13%	\$467	\$5,609	3.83%	\$467	\$5,609
Sewer ⁽⁶⁾	24/25 Sanitation Charge	0.57%	\$65	\$777	0.53%	\$65	\$777
Repairs, Maint. & Turnover	Est \$3000/Unit/Year	4.41%	\$500	\$6,000	4.10%	\$500	\$6,000
Gardening	Est.	0.00%	\$0	\$0	0.00%	\$0	\$0
Offsite Manager	6% of EGI	5.00%	\$566	\$6,797	5.00%	\$610	\$7,315
Taxes, Licenses & Prof. Fees	Est	0.18%	\$21	\$250	0.17%	\$21	\$250
Pest Control	Est	0.18%	\$21	\$250	0.17%	\$21	\$250
Reserves	Est	0.74%	\$83	\$1,000	0.68%	\$83	\$1,000
(LESS) TOTAL ANNUAL EXPENSES		31.84%	-\$3,606	-\$43,276	29.93%	-\$3,649	-\$43,788
NET OPERATING INCOME (NOI)		68.16%	\$7,722	\$92,660	70.07%	\$8,543	\$102,516

NOTES

Note 1: Current Rents have been provided by Seller's Property Manager and are for the 2024-2025 school year. Unit A has a total of nine (9) beds. Unit B has a only one (1) bed / single occupancy.

Note 2: Market Rents assumes each unit obtains \$1,250 per bed for double occupancy rooms (2) and \$1,350 for the single occupancy "bonus room".

Note 3: Building size is estimated using aerial measuring software. Buyer to verify

Note 4: 4% vacancy rate has been factored in since leases run 7/1 to 6/16 to allow for turnover and to avoid creating a 1 year lease.

Note 5: Insurance is an estimate. Buyer to verify whether they can obtain insurance and the appropriate premium amount for such insurance coverage.

Note 6: Sewer is paid for through owner's property taxes. The \$777 for sewer has been removed from the fixed Property Tax charges included in the Real Estate Taxes shown above and separated as it's own expense item for this analysis.



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FIRST/SECOND FLOOR (FLOORS SHARE IDENTICAL LAYOUT)



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Comparables



	ADDRESS	COE	# OF UNITS	UNIT MIX	SALES PRICE	PRICE PER UNIT	CAP RATE (CURRENT)	GRM (CURRENT)
1	6657 Sueno Rd	11/14/2023	3	5BD/2BA, 4BD/2BA, 2BD/1BA	\$2,700,000	\$900,000	5.30%	12.71
2	918 Camino Del Sur	9/16/2024	3	5BD/3BA, 3BD/2BA + 3BD/1BA	\$2,850,000	\$950,000	7.02%	10.36
3	6766 Del Playa Dr	10/29/2024	2	2BD/2BA + Bonus Room + 2BD/2BA (purchase included a separate vacant 4,792 Lot)	\$2,125,000	\$1,062,500	N/A	N/A
4	6744 Sabado Tarde Rd	6/11/2024	2	3BD/2BA + 2BD/2BA	\$1,850,000	\$925,000	5.41%	12.64
5	6636 Sabado Tarde Rd	2/6/2023	2	2 X 3BD/1BA	\$1,850,000	\$925,000	3.52%	31.79
6	6799 Trigo Rd	4/16/2022	2	2 X 3BD/2BA	\$1,795,000	\$897,500	4.26%	14.68
7	6712 Del Playa Dr	6/21/2023	2	2 X 2BD/1BA	\$1,600,000	\$800,000	3.32%	18.02
AVERAGE						\$922,857	4.80%	16.70
	6640 Del Playa Dr	-	2	2 X 2BD/2BA + Bonus Room	\$1,895,000	\$947,500	4.89%	13.38



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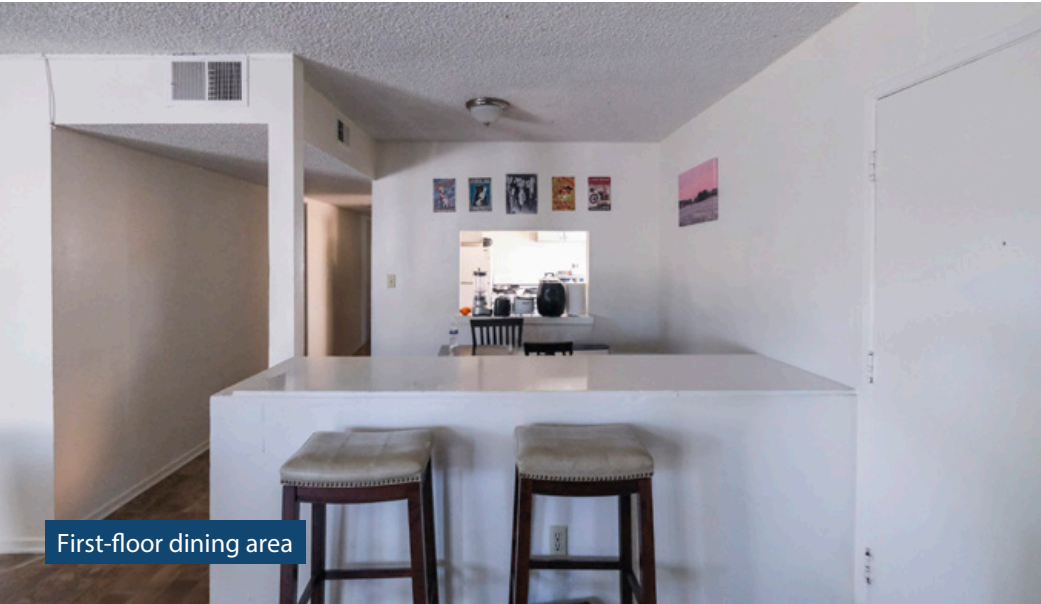
6640 Del Playa Drive



First-floor patio, second-floor balcony



Second-floor living room



First-floor dining area



Second-floor bedroom



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Isla Vista Rental Market

Non-Commuter Campuses: Top 15 Ranked by Full-Time Undergraduate

School	2022 Enrollment	2022 % Full-Time Undergrad Students	5-Year Historical Enrollment (2017-2022)	3-Year Supply Forecast (2024-2027)	EOY 2023 Occupancy	YOY Rent Growth Feb 2024	Feb 2024 Prelease
Columbia College Chicago	6,646	92.0%	-18.8%	290	94.8%	-5.0%	31.1%
Miami University-Oxford	19,107	86.0%	-2.9%	-	83.8%	3.1%	38.0%
UC-Santa Barbara	26,420	86.0%	8.3%	-	93.3%	7.0%	55.0%
Penn State	48,201	85.5%	0.9%	1,341	98.3%	5.1%	73.8%
James Madison University	21,822	85.2%	4.9%	638	98.6%	-	87.2%
Appalachian State	20,326	85.0%	11.8%	-	100.0%	15.6%	88.6%
College of Charleston	10,108	84.4%	-1.1%	407	99.5%	6.7%	67.5%
Texas Christian	12,262	84.1%	16.8%	-	99.3%	0.4%	82.8%
Western Washington	14,747	82.9%	-5.2%	-	-	-	77.6%
Illinois State	20,683	82.0%	-1.6%	76	88.4%	8.1%	74.7%
Brigham Young University	34,454	82.0%	0.9%	346	99.5%	3.3%	32.0%
UC-Riverside	26,809	81.9%	16.9%	-	98.9%	2.9%	46.5%
University of New Hampshire	14,233	80.3%	-8.6%	-	98.0%	11.6%	89.1%
Iowa State	29,969	80.1%	-18.9%	-	96.8%	5.4%	76.2%
University of Vermont	13,469	79.1%	10.4%	856	100.0%	2.5%	52.0%



Enrollment data is as of Fall 2022 because it is the fullest data set with breakouts | Source: Yardi Matrix

STUDENT HOUSING MARKET UPDATE

(source: Yardi Matrix Student Housing National Outlook Spring 2024)

Yardi Matrix expects the 2024-2025 leasing season to be one of the best on record with high occupancy and near record rent growth. Long-term the sector has strong prospects as supply is muted and demand is stable.



Absolute Rents: Winners – Fall 2024

Universities With the Highest Absolute Rents Were in Traditionally Expensive Multifamily Markets

Universities with the <u>Highest</u> Absolute Rent	School Category	Rent Per Bed February 2024	Annual Rent Growth	Absolute Prelease February 2024	Annual Prelease Growth	3-Year Enrollment Growth	Dedicated Off-Campus Student Housing Bedrooms Added Over Past 3 Years
UC-Santa Barbara	Secondary State	\$2,178	7.0%	55.0%	-6.6%	-111	-
Southern California	Private	\$2,177	-10.1%	51.1%	11.8%	2,031	800
University of Colorado	Primary State - Large	\$1,627	4.8%	40.3%	-11.0%	2,178	-
University of Washington	Primary State - Large	\$1,536	1.2%	41.9%	3.2%	929	4,207
University of Michigan	Primary State - Large	\$1,502	5.0%	59.1%	-5.6%	4,105	1,103
San Diego State	Secondary State	\$1,466	4.6%	59.2%	16.5%	1,996	879
Illinois-Chicago	Secondary State	\$1,359	-5.0%	31.1%	-14.7%	4	-
College of Charleston	Tertiary State	\$1,353	6.7%	67.5%	-4.2%	1,256	-
UC-Davis	Secondary State	\$1,334	5.6%	37.0%	-1.8%	764	1,003
Cornell University	Private	\$1,314	12.8%	54.1%	-7.3%	2,446	180
University of North Carolina	Primary State - Large	\$1,298	13.0%	72.7%	-6.7%	2,154	-
Georgia State University	Secondary State	\$1,290	5.4%	40.7%	-5.9%	1,482	1,552
Temple University	Secondary State	\$1,270	2.7%	56.1%	13.2%	-6,825	-
Arizona State University	Secondary State	\$1,259	4.7%	63.2%	-16.2%	4,758	1,356
Syracuse University	Primary State - Large	\$1,259	1.9%	47.4%	1.1%	1,626	466



Universities with less than four properties with prelease data points in February have been excluded from this list | Source: Yardi Matrix



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Ranked #12 in U.S. News & World Report's Top Public Universities

University of California, Santa Barbara (UCSB) is a public institution founded in 1909. It has a total **undergraduate enrollment of 25,034**, its setting is suburban, and the campus size is 989 acres.

Boasting six nobel laureates on faculty, **UCSB is integral to the Goleta community and its largest employer.** Students graduating with degrees in engineering and computer science frequently stay in the area to work for local businesses or start their own.



The UCSB campus sits on a south-facing shore and overlooking the Pacific Ocean.



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Isla Vista Aerial



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