



Pompano Beach, FL

# WAVE

## Beach Vacation Rentals

OFFERING MEMORANDUM

Jul 2024 [draft]

**LOKATION**<sup>®</sup>  
REAL ESTATE





Chase Thompson

Principal

(954) 240-0696

chase@ChasetheCloser.com

 2501 E Commercial Blvd, Suite 211  
Fort Lauderdale, FL 33308

 [cbtbuilders.com](http://cbtbuilders.com)

**LOKATION**<sup>®</sup>  
REAL ESTATE

# CREATING VALUE

for your real estate investments with  
our expertise in investment brokerage,  
financing, valuation, and development.





|                              |           |
|------------------------------|-----------|
| <b>EXECUTIVE SUMMARY</b>     | <b>4</b>  |
| Investment Overview          |           |
| Investment Highlights        |           |
| <b>THE PROPERTY</b>          | <b>6</b>  |
| Property Overview            |           |
| Site Plan                    |           |
| Location Map                 |           |
| Unit Mix                     |           |
| Amenities                    |           |
| <b>THE FINANCIALS</b>        | <b>11</b> |
| Operating Revenue & Expenses |           |
| Pro Forma                    |           |
| <b>MARKET TREND</b>          | <b>13</b> |
| Area Overview                |           |
| Market Update                |           |



EXECUTIVE SUMMARY

# INVESTMENT OVERVIEW

LoKation Real Estate ("the Broker") presents a unique investment opportunity to acquire the Wave Beach Vacation Rental in one of the most sought-after beach destinations in the region. The property is only one block away from the Pompano Beach and instant access to entertainment and convenience.

Pompano Beach and the Southern Florida's post-Covid recovery fuels strong job creation and tourism demand, outpacing national trends. This investment offers substantial operating cash flows and the upside of property value appreciation in the long run.

Price  
**\$6.0M**

Price per Unit  
**\$333,333**



# INVESTMENT HIGHLIGHTS

Address  
3215 NE 7<sup>th</sup> St  
Pompano Beach, FL



# of Units  
18



Unit Size  
Studio 500 SF  
2-Bedroom 1,000 SF



In-Place NOI

\$487K

The project is currently generating operating cash flows

Prime Location

3-Min Walk to the Beach

The Property is located at the center of tourist activities with instant access to the beach



Advantageous Unit Mix

14 studio  
4 2BRx1BA

The balanced unit mix of the Property provides great value for attracting different customers



Growing Vacation Destination

Strong Demand

The popularity of Pompano Beach has kept increasing from tourists



THE PROPERTY

# PROPERTY OVERVIEW

|                      |                            |
|----------------------|----------------------------|
| Location             | 3215 NE 7 <sup>th</sup> St |
| City, State          | Pompano Beach, FL          |
| Zip                  | 33062                      |
| Property Type        | Vacation Rentals           |
| Year Built / Reno    | 1967 / 1975                |
| Number of Units      | 18                         |
| Building SF          | 8,831 SF                   |
| Average Unit Size    | 712 SF                     |
| # of Buildings       | 1                          |
| # of Stories         | 2                          |
| Total Parking Spaces | 19                         |
| Construction         | Masonry                    |
| Land SF              | 14,810 SF                  |
| Building FAR         | 0.60                       |
| Zoning               | RM-20                      |





THE PROPERTY

# SITE PLAN

## Wave Beach Vacation Rentals

3-Min Walk to the Beach



3215 NE 7TH St  
Pompano Beach, FL

NE 8th St

NE 7th Ct

NE 7th Pl

Hwy A1A

NE 7th St

N Riverside Dr

NE 6th St

NE 5th Ct

Hwy A1A

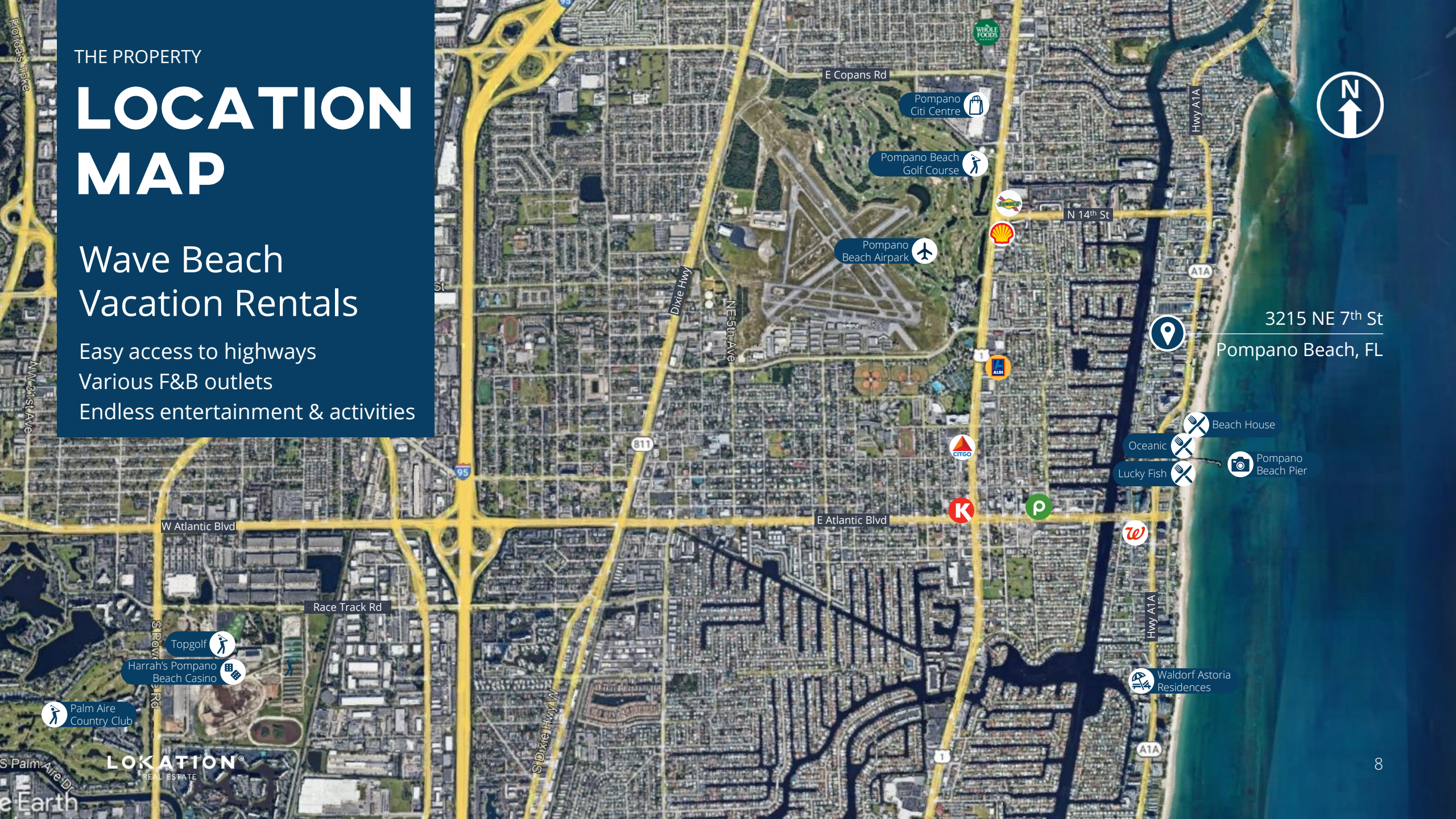


THE PROPERTY

# LOCATION MAP

## Wave Beach Vacation Rentals

Easy access to highways  
Various F&B outlets  
Endless entertainment & activities



3215 NE 7<sup>th</sup> St  
Pompano Beach, FL



Pompano Citi Centre

Pompano Beach Golf Course

Pompano Beach Airport

Beach House

Oceanic

Lucky Fish

Pompano Beach Pier

Waldorf Astoria Residences

Topgolf

Harrah's Pompano Beach Casino

Palm Aire Country Club

LOKATION REAL ESTATE



THE PROPERTY

# UNIT MIX

| Unit # | Type       | Kitchen     | Laundry |
|--------|------------|-------------|---------|
| 1      | 2 bedrooms | Full        | No      |
| 2      | Studio     | Kitchenette | No      |
| 3      | Studio     | Full        | No      |
| 4      | Studio     | Full        | No      |
| 5      | Studio     | Kitchenette | No      |
| 6      | Studio     | Full        | No      |
| 7      | Studio     | Full        | No      |
| 8      | Studio     | Full        | No      |
| 10     | 2 bedrooms | Full        | Yes     |
| 12     | 2 bedrooms | Full        | Yes     |
| 14     | Studio     | Full        | No      |
| 15     | Studio     | Full        | No      |
| 16     | Studio     | Kitchenette | No      |
| 17     | Studio     | Full        | No      |
| 18     | Studio     | Full        | No      |
| 19     | Studio     | Full        | No      |
| 20     | Studio     | Full        | No      |
| 22     | 2 bedrooms | Full        | Yes     |

Unit #3



Unit #10





THE PROPERTY

# AMENITIES

## In-Suite Amenities



Air Conditioning



Kitchen



Wi-Fi

## Community Amenities



Pool



BBQ



On-site Parking



On-site Management





THE FINANCIALS

# OPERATING REVENUE & EXPENSES

| Year                                 | 2022             | 2023             | %       | Pro Forma        | Assumption              | %             | per Unit        |
|--------------------------------------|------------------|------------------|---------|------------------|-------------------------|---------------|-----------------|
| Available Room Nights                | 6,570            | 6,570            |         | 6,570            |                         |               |                 |
| RevPAR                               | \$86.44          | \$89.49          |         | \$105.19         | CoStar 2024 Forecast    |               |                 |
| Revenue                              |                  |                  |         |                  |                         |               |                 |
| Rental Income                        | \$567,942        | \$587,958        | 85.14%  | \$691,098        |                         | 85.11%        | \$38,394        |
| Refunds/Disputes                     | -\$3,652         | -\$3,613         | -0.52%  | -\$3,455         | -0.50% of Rental Income | -0.43%        | -\$192          |
| Cleaning Fee                         | \$102,765        | \$106,254        | 15.39%  | \$124,398        | 18.00% of Rental Income | 15.32%        | \$6,911         |
| Effective Gross Revenue              | \$667,055        | \$690,599        | 100.00% | \$812,041        |                         | 100.00%       | \$45,113        |
| <i>Growth</i>                        |                  | 3.53%            |         | 17.58%           |                         |               |                 |
| Expenses                             |                  |                  |         |                  |                         |               |                 |
| Variable Expenses                    |                  |                  |         |                  |                         |               |                 |
| General & Administration             | -\$4,089         | -\$3,198         | -0.46%  | -\$4,060         | -0.50% of EGR           | -0.50%        | -\$226          |
| Advertising & Marketing              | \$0              | \$0              | 0.00%   | -\$16,241        | -2.00% of EGR           | -2.00%        | -\$902          |
| Contract Services                    | -\$11,433        | -\$13,773        | -1.99%  | -\$16,241        | -2.00% of EGR           | -2.00%        | -\$902          |
| Professional Services                | -\$763           | -\$1,105         | -0.16%  | -\$1,218         | -0.15% of EGR           | -0.15%        | -\$68           |
| Management Fees (including Pay Roll) | -\$83,382        | -\$86,325        | -12.50% | -\$101,505       | -12.50% of EGR          | -12.50%       | -\$5,639        |
| Repair & Maintenance                 | -\$15,197        | -\$15,017        | -2.17%  | -\$20,301        | -2.50% of EGR           | -2.50%        | -\$1,128        |
| Home Goods / Inventory               | -\$10,691        | -\$12,785        | -1.85%  | -\$14,211        | -1.75% of EGR           | -1.75%        | -\$789          |
| Utilities                            | -\$55,595        | -\$63,149        | -9.14%  | -\$73,084        | -9.00% of EGR           | -9.00%        | -\$4,060        |
| Total Variable Expenses              | -\$181,150       | -\$195,352       | -28.29% | -\$246,860       |                         | -30.40%       | -\$13,714       |
| Fixed Expenses                       |                  |                  |         |                  |                         |               |                 |
| Property Tax                         | -\$52,543        | -\$54,684        | -7.92%  | -\$56,963        | county assessment       | -7.01%        | -\$3,165        |
| Insurance                            | -\$28,641        | -\$38,334        | -5.55%  | -\$40,251        |                         | -4.96%        | -\$2,236        |
| Flood                                | \$0              | -\$5,922         |         | -\$6,218         | 5.00% Growth            | -0.90%        | -\$345          |
| Insurance-Liability                  | -\$5,805         | -\$8,230         |         | -\$8,642         | 5.00% Growth            | -1.25%        | -\$480          |
| Property Insurance                   | -\$22,836        | -\$24,182        |         | -\$25,391        | 5.00% Growth            | -3.68%        | -\$1,411        |
| Total Fixed Expenses                 | -\$81,184        | -\$93,018        | -13.47% | -\$97,213        |                         | -11.97%       | -\$5,401        |
| Other Expenses                       |                  |                  |         |                  |                         |               |                 |
| Surveys / Inspections                | -\$4,550         | -\$1,750         |         | -\$3,150         |                         | -0.39%        | -\$175          |
| Total other Expenses                 | -\$4,550         | -\$1,750         | -0.25%  | -\$3,150         |                         | -0.39%        | -\$175          |
| Total Operating Expenses             | -\$266,884       | -\$290,120       | -42.01% | -\$347,224       |                         | -42.76%       | -\$19,290       |
| <i>Expense Ratio</i>                 | -40.01%          | -42.01%          |         | -42.76%          |                         |               |                 |
| <b>NOI</b>                           | <b>\$400,171</b> | <b>\$400,479</b> |         | <b>\$464,817</b> |                         | <b>57.24%</b> | <b>\$25,823</b> |
| <i>Yield on Cost</i>                 | 6.67%            | 6.67%            |         | 7.75%            |                         |               |                 |



## PRO FORMA

| Year                                 | Year 1     | Year 2     | Year 3     | Year 4     | Year 5     | Year 6     | Year 7     | Year 8      | Year 9      | Year 10     |
|--------------------------------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|
| Month                                | Month 12   | Month 24   | Month 36   | Month 48   | Month 60   | Month 72   | Month 84   | Month 96    | Month 108   | Month 120   |
| Days                                 | 365        | 365        | 365        | 366        | 365        | 365        | 365        | 366         | 365         | 365         |
| # of Keys                            | 18         | 18         | 18         | 18         | 18         | 18         | 18         | 18          | 18          | 18          |
| Available Room Nights                | 6,570      | 6,570      | 6,570      | 6588       | 6570       | 6570       | 6570       | 6588        | 6570        | 6570        |
| RevPAR                               | \$105.19   | \$108.35   | \$111.60   | \$114.94   | \$118.39   | \$121.94   | \$125.60   | \$129.37    | \$133.25    | \$137.25    |
| <b>Revenue</b>                       |            |            |            |            |            |            |            |             |             |             |
| Rental Income                        | \$691,098  | \$711,831  | \$733,186  | \$757,251  | \$777,837  | \$801,172  | \$825,208  | \$852,292   | \$875,463   | \$901,727   |
| Refunds/Disputes                     | -\$3,455   | -\$3,559   | -\$3,666   | -\$3,786   | -\$3,889   | -\$4,006   | -\$4,126   | -\$4,261    | -\$4,377    | -\$4,509    |
| Cleaning Fee                         | \$124,398  | \$128,130  | \$131,974  | \$136,305  | \$140,011  | \$144,211  | \$148,537  | \$153,413   | \$157,583   | \$162,311   |
| Effective Gross Revenue              | \$812,041  | \$836,402  | \$861,494  | \$889,770  | \$913,959  | \$941,378  | \$969,619  | \$1,001,444 | \$1,028,669 | \$1,059,529 |
| Growth                               | 17.58%     | 3.00%      | 3.00%      | 3.28%      | 2.72%      | 3.00%      | 3.00%      | 3.28%       | 2.72%       | 3.00%       |
| <b>Expenses</b>                      |            |            |            |            |            |            |            |             |             |             |
| <b>Variable Expenses</b>             |            |            |            |            |            |            |            |             |             |             |
| General & Administration             | -\$4,060   | -\$4,182   | -\$4,307   | -\$4,449   | -\$4,570   | -\$4,707   | -\$4,848   | -\$5,007    | -\$5,143    | -\$5,298    |
| Advertising & Marketing              | -\$16,241  | -\$16,728  | -\$17,230  | -\$17,795  | -\$18,279  | -\$18,828  | -\$19,392  | -\$20,029   | -\$20,573   | -\$21,191   |
| Contract Services                    | -\$16,241  | -\$16,728  | -\$17,230  | -\$17,795  | -\$18,279  | -\$18,828  | -\$19,392  | -\$20,029   | -\$20,573   | -\$21,191   |
| Professional Services                | -\$1,218   | -\$1,255   | -\$1,292   | -\$1,335   | -\$1,371   | -\$1,412   | -\$1,454   | -\$1,502    | -\$1,543    | -\$1,589    |
| Management Fees (including Pay Roll) | -\$101,505 | -\$104,550 | -\$107,687 | -\$111,221 | -\$114,245 | -\$117,672 | -\$121,202 | -\$125,180  | -\$128,584  | -\$132,441  |
| Repair & Maintenance                 | -\$20,301  | -\$20,910  | -\$21,537  | -\$22,244  | -\$22,849  | -\$23,534  | -\$24,240  | -\$25,036   | -\$25,717   | -\$26,488   |
| Home Goods / Inventory               | -\$14,211  | -\$14,637  | -\$15,076  | -\$15,571  | -\$15,994  | -\$16,474  | -\$16,968  | -\$17,525   | -\$18,002   | -\$18,542   |
| Utilities                            | -\$73,084  | -\$75,276  | -\$77,534  | -\$80,079  | -\$82,256  | -\$84,724  | -\$87,266  | -\$90,130   | -\$92,580   | -\$95,358   |
| Total Variable Expenses              | -\$246,860 | -\$254,266 | -\$261,894 | -\$270,490 | -\$277,843 | -\$286,179 | -\$294,764 | -\$304,439  | -\$312,715  | -\$322,097  |
| <b>Fixed Expenses</b>                |            |            |            |            |            |            |            |             |             |             |
| Property Tax                         | -\$56,963  | -\$58,672  | -\$60,432  | -\$62,245  | -\$64,112  | -\$66,035  | -\$68,016  | -\$70,057   | -\$72,159   | -\$74,323   |
| Insurance                            | -\$40,251  | -\$41,458  | -\$42,702  | -\$43,983  | -\$45,303  | -\$46,662  | -\$48,061  | -\$49,503   | -\$50,988   | -\$52,518   |
| Total Fixed Expenses                 | -\$97,213  | -\$100,130 | -\$103,134 | -\$106,228 | -\$109,414 | -\$112,697 | -\$116,078 | -\$119,560  | -\$123,147  | -\$126,841  |
| <b>Other Expenses</b>                |            |            |            |            |            |            |            |             |             |             |
| Surveys / Inspections                | -\$3,150   | -\$3,245   | -\$3,342   | -\$3,442   | -\$3,545   | -\$3,652   | -\$3,761   | -\$3,874    | -\$3,990    | -\$4,110    |
| Total other Expenses                 | -\$3,150   | -\$3,245   | -\$3,342   | -\$3,442   | -\$3,545   | -\$3,652   | -\$3,761   | -\$3,874    | -\$3,990    | -\$4,110    |
| Total Operating Expenses             | -\$347,224 | -\$357,640 | -\$368,370 | -\$380,160 | -\$390,803 | -\$402,527 | -\$414,603 | -\$427,873  | -\$439,853  | -\$453,048  |
| Expense Ratio                        | -42.76%    | -42.76%    | -42.76%    | -42.73%    | -42.76%    | -42.76%    | -42.76%    | -42.73%     | -42.76%     | -42.76%     |
| NOI                                  | \$464,817  | \$478,761  | \$493,124  | \$509,610  | \$523,155  | \$538,850  | \$555,016  | \$573,570   | \$588,816   | \$606,481   |
| Yield on Cost                        | 7.75%      | 7.98%      | 8.22%      | 8.49%      | 8.72%      | 8.98%      | 9.25%      | 9.56%       | 9.81%       | 10.11%      |





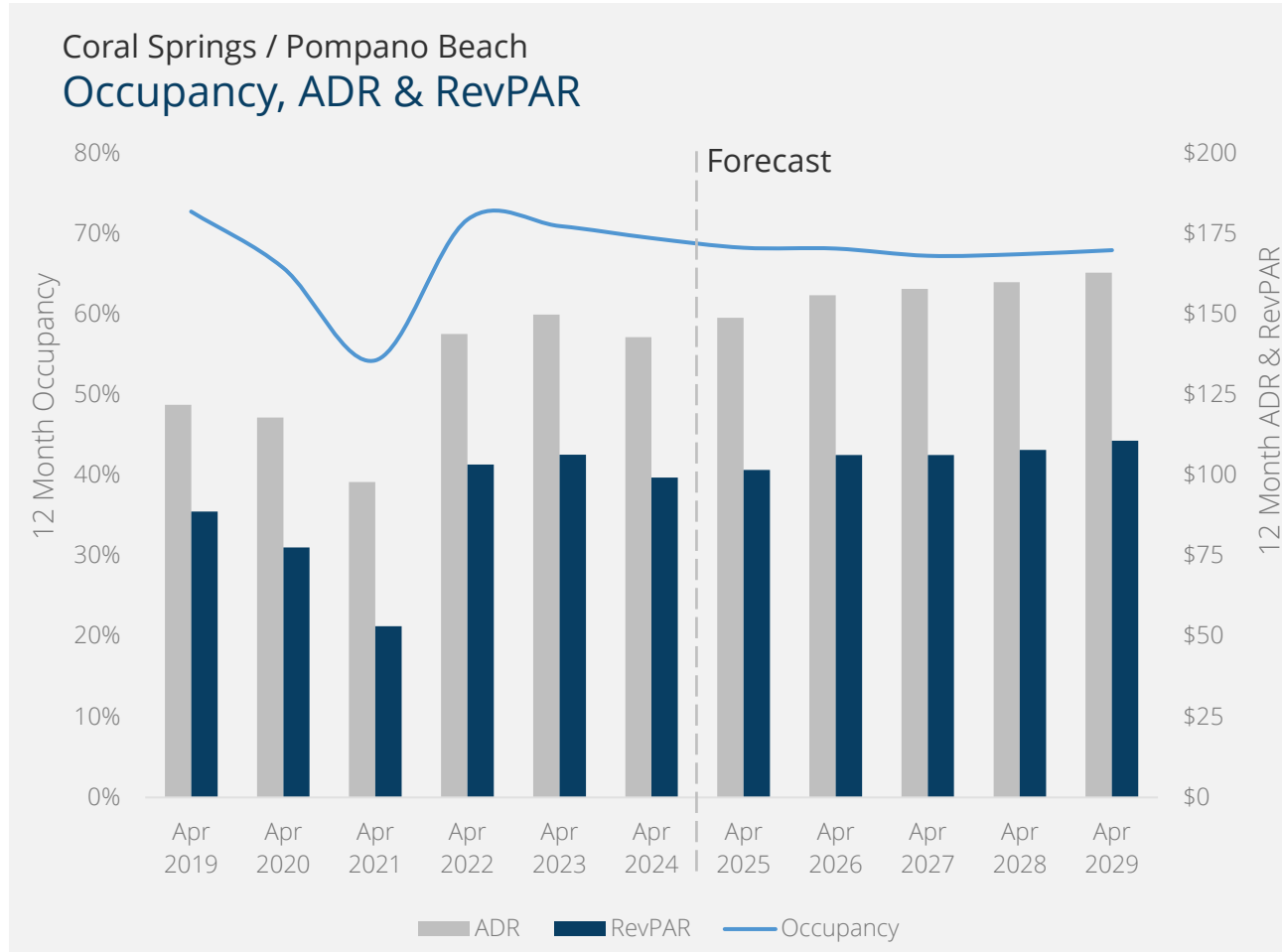
# GROWING VACATION DESTINATION

Due to its mild year-round climate, visitors to the City can also enjoy its beautiful parks, beaches, boating, fishing, scuba diving and all other types of outdoor recreation. As the name implies (Pompano - a species of in-shore tropical game fish) the City is famous for some of the world's best sport fishing and is locally known as the "dive capital" of Broward County. Once a thriving agricultural community, the City has evolved into a warehouse/distribution hub for a wide range of companies that service the over 5 million residents of the South Florida market. The Pompano Beach Air Park is also home to the famous Goodyear Blimp. The City offers 3 miles of beautiful shoreline and the City's public beach has been declared a Blue Wave Award winner since 2000. The City has also been declared a Tree City USA for thirty-four years and is committed to enhancing its tree canopy and providing shade and fresh air to residents and guests.





# MARKET UPDATE



Source: CoStar

Hotel Rooms  
under Construction

0

12 Mo Occupancy

69.8%

12 Mo ADR

\$144.02

12 Mo RevPAR

\$100.52

The Coral Springs/Pompano Beach submarket comprises 8,300 hotel rooms spread across 122 properties. Unlike the broader Fort Lauderdale market, Coral Springs/Pompano Beach is characterized by smaller hotels: The average property in the submarket has 68 rooms. The market-wide average of 90 rooms per building is closer to the national norm. In the past 12 months, monthly occupancy has averaged 69.8%, moderately below the market average of 72.0% for the same period.

While developers are active elsewhere in the Fort Lauderdale market -- 1,200 rooms are underway -- nothing is under construction in the submarket itself. While nothing is currently under construction, there has been recent development. Within the past three years, several projects delivered containing around 160 rooms in total. That development was moderately offset by demolition activity, which took around 94 rooms off the market over the same timeframe.



## INVESTMENT DISCLOSURE

This presentation has been prepared for purposes of discussing a potential product and fund investment opportunity with select accredited investors only.

The presentation is intended for the sole use of accredited investors. Any person who is not an accredited investor should not act or rely on this information.

This presentation was prepared on the basis of information obtained by a variety of sources, some of which may be public, as of the specified date. No duty is undertaken to update the information. No party is making any representation, warranty or guarantee, whether express or implied, that the information contained in this presentation or otherwise supplied to the recipient, at any time whether in writing or not, relating to the opportunity discussed herein is complete or accurate or that it has been or will be audited or independently verified, or that reasonable care has been taken in compiling, preparing or furnishing the information. This presentation is not intended to be exhaustive and, in particular, may not contain disclosure of all of the risks associated with the opportunity; potential investors must perform their own examination and inspection of the opportunity and information relating to same, and shall rely solely on such examination and investigation and not on this presentation or any materials, statements or information contained herein or otherwise provided.

All of the statements in this presentation represent beliefs and opinions as of the date hereof, should not be relied upon as statements of fact and may constitute forward-looking statements that are not historical facts. These forward-looking statements include statements, express or implied, regarding the current expectations, opinions and beliefs, as well as the assumptions on which those statements are based. Words such as "believes," "estimates," "expects," "endeavors," "anticipates," "intends," "plans," "targets," "should" and "objective" and variations of such words and similar words also identify forward-looking statements. Such statements are forward-looking in nature and involve a number of known and unknown risks, uncertainties and other factors, including those described in this presentation. Any forward-looking statement, including any target return, contained in this presentation is not a guaranty, assurance or representation by any party or person as to future matters and nothing contained herein should be relied upon as a guaranty, assurance or representation as to future matters.

Any forecast operating metrics or similar metrics presented herein represents underwriting criteria used to analyze investment opportunities and is provided for illustrative purposes on how the Fund is being underwritten and once it is owned how it will be managed and does not represent a projection returns to investors. Such metrics are based upon certain assumptions, many of which can be material. An investment has a high degree of risk, and there can be no assurances that all or any of the assumptions will be true or that actual performance will bear any relation to estimates. The estimates and other pro forma data set forth in this presentation were not prepared with a view toward compliance with U.S. Generally Accepted Accounting Principles or any other published standards. Estimates and other pro forma data are derived from estimates, as of the date of this presentation, based on certain assumptions, which are inherently subject to significant business, economic and competitive uncertainties and contingencies. Summaries of any documents about the opportunity discussed herein are not intended to be comprehensive or all inclusive, but rather only outline some of the provisions contained therein and are qualified in their entirety by the actual document to which they relate.


Historical information is provided for informational purposes only and is representative of the company's projects and/or its Principals. Past performance of other projects is not indicative of any result with respect to the Fund. This presentation is not to be construed as investment, tax or legal advice in relation to the relevant subject matter; potential investors must seek their own legal or other professional advice.

THIS PRESENTATION DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY. Interests in the Fund are only suitable for 'Accredited Investors' (as defined in applicable SEC regulations) who are familiar with and willing to accept the high risk associated with private investments. Investing in private placements requires high-risk tolerance, low-liquidity concerns and long-term commitments. Investors must carefully consider their investment objectives along with the risks, charges, expenses and other factors of any investment product prior to investing. The information in this presentation is confidential and is furnished solely for the purpose of review in connection with the potential product opportunity discussed herein. Any decision to invest should be made after reviewing the entirety of an investment memorandum and legal agreements and conducting such investigation as the investor deems necessary (including consulting the investor's own legal, accounting and tax advisors). The information is not to be used or reproduced for any other purpose or distributed or made available to any other person. The opportunity is subject to prior placement and withdrawal, change, cancellation or modification, all without notice.



**LOKATION**<sup>®</sup>  
REAL ESTATE

 2501 E Commercial Blvd, Suite 211  
Fort Lauderdale, FL 33308

 (954) 240-0696

 chase@ChasetheCloser.com

 cbtbuilders.com