

INVESTMENT REPORT

Project: 4433 Poinciana St, Lauderdale-by-the-Sea, FL

Program: 18 keys ($17 \times 599 \text{ ft}^2 + 1 \times 447 \text{ ft}^2$) → **Total sellable: 10,635 ft²**

Use Options: (A) Condo-hotel/STR units sold individually, or (B) Hold and operate as short-term rentals (Airbnb).

Cost Basis (project ready):

- Land (incl. approved project & plans): **\$2,700,000**
- Construction (hard costs): **\$3,867,500**
- **Total Cost: \$6,567,000**

Assumptions reflect a “project ready” status. No soft costs, contingency, financing/carry, or sales commissions included.

Executive Summary

Model A — Sell the Units (Condo-Hotel / STR-Sellable)

Sell price scenarios across 10,635 ft²:

| Sale Price (\$/ft²) | Total Sales (\$) | Total Cost (\$) | Gross Profit (\$) | ROI on Cost |
|---------------------------------------|-------------------------|------------------------|--------------------------|--------------------|
| \$800 | \$8,508,000 | \$6,567,000 | \$1,941,000 | 29.6% |
| \$850 | \$9,039,750 | \$6,567,000 | \$2,472,750 | 37.7% |

Per-unit pricing (illustrative):

- Standard unit (599 ft²): **\$479,200** @ \$800/ft² | **\$509,150** @ \$850/ft²
- Small unit (447 ft²): **\$357,600** @ \$800/ft² | **\$379,950** @ \$850/ft²

Takeaway: At \$800–\$850/ft², Model A produces strong gross spreads given the ready-to-build cost basis.

Model B — Hold & Operate as STR (Airbnb)

Operating assumptions (new product):

- Average Daily Rate (ADR): **\$325**
- Occupancy: **80%**
- Operating Expenses (all-in): **40%** of gross

Per-unit performance (base):

- Occupied nights: $365 \times 80\% = \mathbf{292}$
- **Gross per standard unit:** $292 \times \$325 = \$\mathbf{94,900}$
- **NOI per standard unit:** $\$56,940$ (after 40% expenses)
- **NOI for small unit (447 ft²):** $\sim \$42,705$ ($\approx 0.75 \times$ standard)

Portfolio NOI (18 units):

- **Total NOI:** $(17 \times \$56,940) + \$42,705 = \$\mathbf{1,010,685 / year}$

Unlevered Cap Rate (vs Total Cost \$6,567,000):

- **Cap $\approx 15.4\%$**

Sensitivity (quick view):

- If **Occupancy = 70%** (ADR \$325, 40% expenses): $\text{NOI} \approx \$884,340 \rightarrow \text{Cap} \approx 13.5\%$
- If **ADR = \$300 / \$350** (80% occ, 40% expenses): cap decreases/increases by roughly **±1 percentage point**.

Note: If the operator must furnish units (turn-key), FF&E would be additional and reduces cap accordingly. If buyers furnish, SIF does not carry that cost.

Project Details

- **Address:** 4433 Poinciana St, Lauderdale-by-the-Sea, FL
- **Program:** 18 keys ($17 \times 599 \text{ ft}^2, 1 \times 447 \text{ ft}^2$) $\rightarrow \mathbf{10,635 \text{ ft}^2}$ sellable
- **Use:** Condo-hotel/STR sellable **or** hold for STR operation
- **Structure:** Concrete block walls; **ribbed concrete slab** for floor and roof
- **Permits:** Project previously approved; **approved project & plans are included in the land price**

- **Timeline (indicative):** Construction **~12–16 months** (subject to GC schedule, inspections, supply)

Calculations (Separated)

Model A — Unit Sales

Total Sales:

- $\$800/\text{ft}^2 \rightarrow \$8,508,000$
- $\$850/\text{ft}^2 \rightarrow \$9,039,750$

Gross Profit & ROI (vs \$6,567,000 total cost):

- $\$800/\text{ft}^2$: Profit **\$1,941,000** | ROI 29.6%
- $\$850/\text{ft}^2$: Profit **\$2,472,750** | ROI 37.7%

Per-Unit References:

- 599 ft^2 : \$479,200 (@\$800/ ft^2) | \$509,150 (@\$850/ ft^2)
- 447 ft^2 : \$357,600 (@\$800/ ft^2) | \$379,950 (@\$850/ ft^2)

Model B — STR Operation

Base (ADR \$325, 80% occ, 40% opex):

- **NOI per standard unit:** \$56,940
- **NOI small unit:** \$42,705
- **Portfolio NOI:** **\$1,010,685 / year**
- **Unlevered Cap:** **~15.4%** (vs \$6,567,000)

Sensitivity:

- 70% occ → **Cap ~13.5%**
- ADR \$300/\$350 → Cap shifts **~±1 pp**

Side-by-Side Comparison

| Metric | Model A — \$800/ft ² | Model A — \$850/ft ² | Model B — STR (Base) |
|---------------------|---------------------------------|---------------------------------|-------------------------|
| Revenue | \$8,508,000 | \$9,039,750 | — |
| Total Cost | \$6,567,000 | \$6,567,000 | \$6,567,000 |
| Profit / NOI | \$1,941,000 | \$2,472,750 | \$1,010,685 / yr |
| ROI / Cap | 29.6% | 37.7% | Cap ~15.4% |
| Liquidity | Immediate (sales) | Immediate (higher) | Ongoing cash flow |
| Annual Cash Flow | n/a | n/a | Strong & recurring |

Interpretation:

- If your goal is **immediate liquidity and maximum near-term profit**, **Model A at \$850/ft²** is compelling.
- If you prioritize **annual cash flow** and exposure to future appreciation in a **new, scarce product** submarket, **Model B** delivers a strong **~15% unlevered cap** under base assumptions.

Disclaimer (Short)

The information presented is for illustrative purposes and does not constitute financial, legal, or tax advice. Each investor must conduct their own analysis and due diligence, and consult professional advisors before making decisions. Results may vary based on market conditions, permitting, costs, and operations.