



Southwest Florida New Construction Investment Guide

**Building Airbnb Rentals to Hold and Flipping New
Construction Homes & Duplexes for Profit**



Charlotte County Realty
Representing You!

Kathy Weithman, Charlotte County Realty
Phone: 941-613-9001

*SW Florida Edition Includes:
Naples, Bonita Springs, Ft Myers,
Cape Coral, Lehigh, Punta Gorda,
Port Charlotte, Northport,
Englewood, and Venice, Florida*

Attention Investors, Homeowners, and second Homeowners

Looking for an alternative to the stock market? New Construction homes with luxury features are driving the SW Florida economy, and investors are cashing in by flipping new homes and duplexes. This guide has been created and distributed to you in order to give you all the information you need to begin investing in the New Construction market today.

Build your dream home or duplex, with financing available at 10% down to second home owners and 25% down for investors. With three potential plans for long and short term revenue:

- 1.) Build a new waterfront or non waterfront duplex, divide into 2 units and flip.
- 2.) Build a new Key West style home or duplex & rent on Airbnb for high long term income.
- 3.) Build a home or duplex new & rent annually, or use it as your winter getaway.

Flipping a Duplex

For the last 3 years in Cape Coral, investors have been building a new duplex for \$275K and been able to flip for \$325K. However, Charlotte County now allows investors to divide a duplex into two attached villas and sell them separately. The cost to build a new duplex with lot, hurricane windows, and full of upgrades, is \$315K. Each side can then be sold separately for upwards of \$215K each. After all selling expenses, that leaves you with a 28% cash on cash return without lifting a hammer.

AirBnB, SW Florida's best new Investment trend!

Finding a gulf access waterfront lot or dry lot close to the beach and building a new home or duplex has become the best way to create instant positive cash flow via Airbnb. Airbnb rents 500,000 rooms annually and continues to gain popularity every day as an affordable and more personal alternative to hotels. It's the hottest new investment, and can produce high rates of return. If you're not familiar with Airbnb yet, check out the show Cash Pad on CNBC to learn just how profitable this venture can be!

Through short term rentals, homeowners can double their income returns compared to annual rentals. The key is finding convenient lots that are close to beaches or entertainment. Investors find that having a unique property near a local hot spot is what short term renters are looking for. Consumers don't want to stay in a hotel anymore, and are looking for unique properties to rent. Our Key West style bungalows are made with this in mind, and will rent easily in the short term market, with management companies already in place.

We work directly with Residential Custom Homes North to bring you the finest housing options available. RCHN's principals all have over 20 years experience in construction, some well over 30 years, with a commercial division that has built over 3,000 units in the last year alone. The Custom Residential Division has done 65+ homes over the past 2 years.



The Beauty of Southwest Florida

Beaches

Beautiful white sand beaches are synonymous with Florida, and Port Charlotte has no shortage. There are 12 named beaches within 25 miles of what is commonly considered "the Town Center" of Port Charlotte/North Port.



Golfing

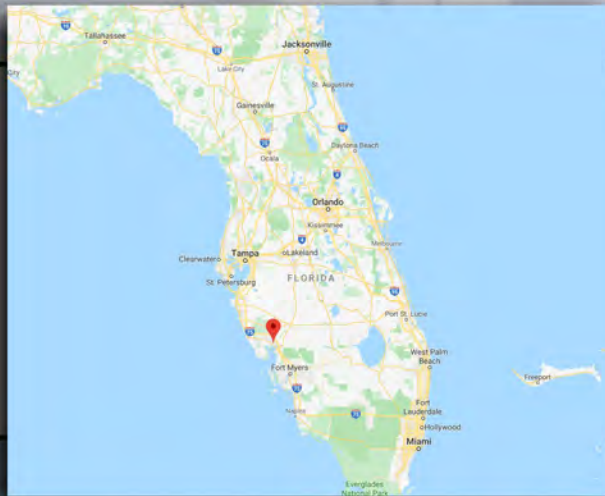
Golfing has been a staple of the SW Florida lifestyle for decades, and Port Charlotte offers a wide array of options. There are over 27 golf courses within a 22 miles radius of the Town Center, all of which are open to the public and play with varying degrees of difficulty.



The Beauty of Southwest Florida

Airbnb renters love our perfect weather environment! With ample outdoor activities available at just a short drive away, tourists are able to get the most out of their vacation in an affordable and modern rental environment. Beautiful beaches, world class fishing, boating, shopping, and golfing open almost every day. And with very few new hotels or short-term properties available, the market is ready and waiting.

This is a cash flowing investment that gives you a fantastic cash on cash return. Area home values were up 11.1% in 2017, and 10.7% in 2018, with an estimated double-digit CAP Rate.

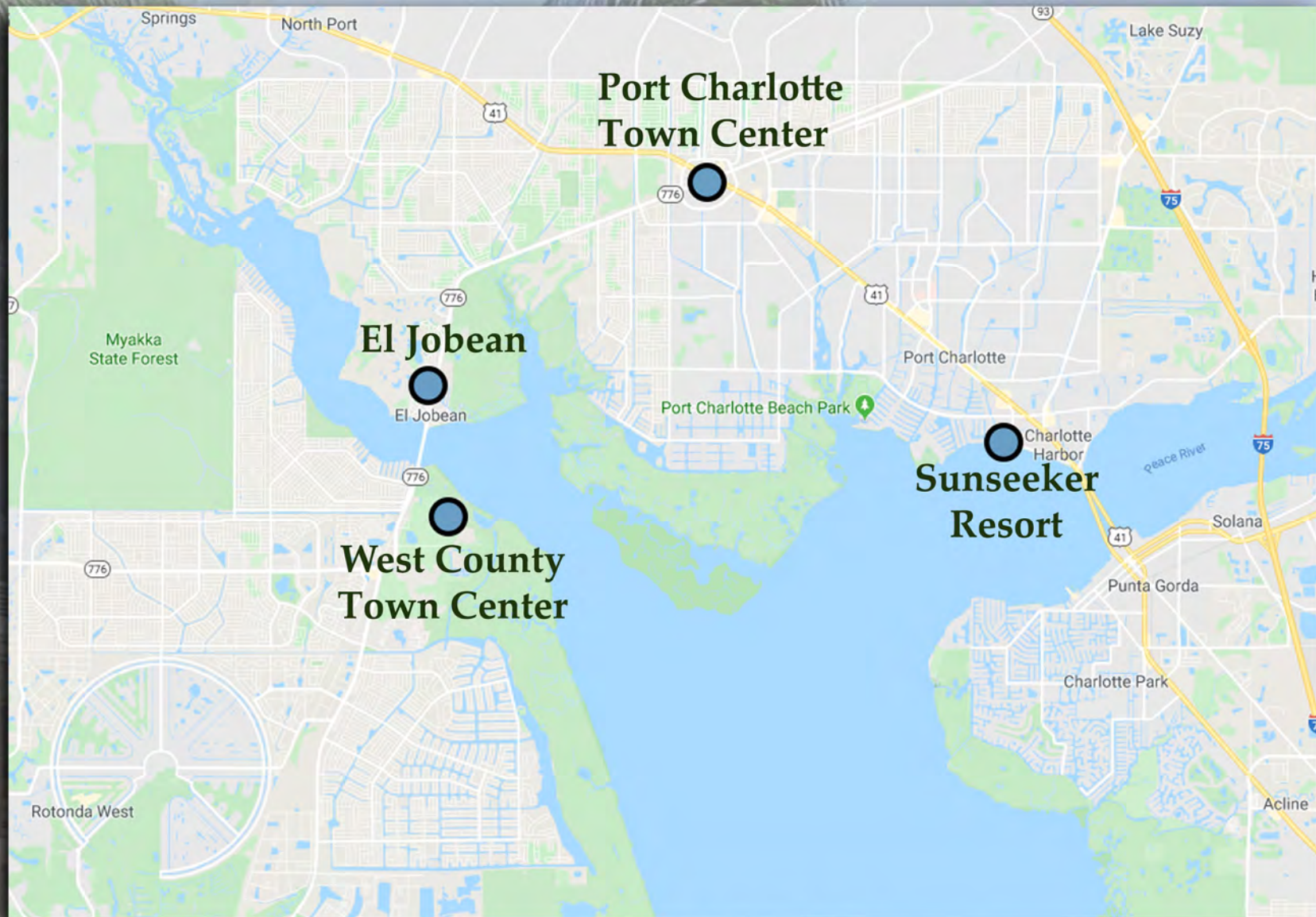


An Area on the Rise: Sunseeker Resort

Las Vegas based Allegiant Air is on schedule for a summer groundbreaking on its \$600 million Sunseeker Resort, which will change the Charlotte Harbor-Peace River waterfront across from downtown Punta Gorda. Spearheaded by John Redmond, president of Allegiant Air and a former president and CEO of MGM Grand Resorts, this 25-acre project is set to include a hotel, marina, retail, restaurants and condominiums, and is estimated to bring in upwards of 600,000 tourists annually. Accommodations will be costly, proving nearby Airbnb's to be a more viable option for travelers.



An Area on the Rise: Future Amenities



The Sea Turtle

The Sea Turtle floor plan is a Key West style home that can be built on a 50' wide lot close to beaches or entertainment district in Naples, Bonita Springs, Ft Myers, Port Charlotte, Venice, or Englewood.



The Sea Turtle is especially designed for Airbnb rentals and is a perfect winter getaway for our northern friends. With 1,024 square feet of living area, this Key West Style home makes a perfect 3-night minimum rental for 4-6 people. While it's not being rented out, you or your friends or family can use the home for your own leisure. This unique home will rent quickly to those seeking short term rentals, with our property management team projecting the net income to be approximately \$20K



Twin Villa

Gulf access duplex lots are selling for as low as \$37K in Port Charlotte right now, and Charlotte County has seen very few new construction duplexes. Additionally, Charlotte County has a low vacancy rate of 3.6%, which means that new rentals are in high demand.



There's no better time to build a new RCHN Homes Duplex. Each side of these lovely, spacious homes features 1,250 square feet of living area, 3 bedrooms, 2 baths, and a 1 car garage. Additional features include hurricane windows, granite counter tops in both kitchen & bath, covered lanai, custom tile flooring through out, stainless steel appliances, 5 1/4 " baseboards, cathedral ceiling in living area, and upgraded baths. The total cost is \$304,000 plus dry lot(\$15K) or waterfront lot(\$37K). This duplex can be divided into two units and sold separately for \$209-219K each (In Charlotte County, FL), or one can be sold while the other is rented on Airbnb, annually or seasonally. Currently, Airbnb is the highest return on investment.



Twin Villa (Additional Info)

RCHN DUPLEX/TWIN VILLA

2,493 SQ. FT

- 9' CONCRETE BLOCK WALLS
- STUCCO FINISH WITH WIRE LATH
- CONCRETE DRIVEWAY/WALKWAY
- WOOD INTERIOR FRAMING STUDS 16" ON CENTER
- CAT-5 EXTERIOR WALLS SOLID CONCRETE or ICF
- VAULTED CEILINGS IN LIVING AREA
- TEXTURED WALLS AND CEILINGS
- SMOOTH KITCHEN AND BATHROOMS
- VENTED ALUMINUM SOFFITS AND ROOF VENTS
- ONE PRIMER AND ONE COAT OF FINISH PAINT ON WALLS AND TRIM
- DIMENSIONAL SHINGLE ROOF
- ALL SURVEYS
- STANDARD 2-10 WARRANTY

WINDOWS AND DOORS

- IMPACT RESISTANT WINDOWS
- IMPACT RESISTANT SLIDER DOORS
- LOW E WINDOWS AND DOORS

CABINETS

- WOOD RAISED PANEL CABINETS
- GRANITE COUNTERTOPS
- STAINLESS STEEL SINK
- STAINLESS STEEL APPLIANCE PACKAGE
- HARDWARE INCLUDED

FLOORING AND SHOWERS

- 16 X 16 TILE THROUGHOUT
- UPGRADED SHOWER IN BATHS
- BRUSHED NICKEL AND FAUCETS
- WATER HEATER



Exit Strategy – South Gulf Cove Twin Villas Hold

Complete Construction Cost	\$299,000.00
Estimated Lot Cost	\$15,000.00
Total Cost	\$314,000.00
Estimated Montly Income- \$1,350 each side	\$2,700.00
Months	<u>12</u>
Yearly Income	\$32,400.00
Yearly Payments on Loan Amount of \$251,200**	(\$17,115.48)
Estimated Taxes	(\$2,150.00)
Estimated Vacancy - 2.7%	(\$874.80)
Estimated Management Fee- 7%	(\$2,268.00)
Estimated Insurance	(\$1,250.00)
Estimated Total Cash Flow	\$8,741.72
Estimated 20% Down \$62,800 plus \$12,000 Closing/Carry Cost	\$74,800.00
Cash on Cash - Rate of Return	11.69%
** Calculated on an 80% LTV loan @ 5.5% 30 Year Fix	

Exit Strategy for Investors/Second Home Owners

- Build a 2,493 square foot duplex for \$315K that can be split into 2 attached villas. Sell one side or both sides for \$209K (dry lot) or \$219-229K (waterfront lot), resulting in a \$90K profit after selling expenses.
- Build a duplex as a Buy and Hold. Rent each side for \$1,300-1,350 and get cash flow after 25% down construction to perm loan program. Earn 10% cash on cash return in first year.
- Build a new duplex with a friend or family member, bringing the cost to \$157K each for a 1,250 square foot new home with 3 bedrooms, 2 baths, and 1 car garage and full of upgrades.
- Purchase a new duplex for \$315K and rent one side for \$1,300, using the other side for a winter retreat. Net cost to you would be an additional \$4-5,000 a year to cover 30 year mortgage (20% down) and taxes and insurance.
- Build a new duplex or single family home and rent it seasonally, leaving you to use it when not rented. Net cost to you could be zero if rented during December to April, and it should show a positive cash flow after the first year. Then once you retire, you have a relaxing home waiting for you. It's all about the weather and the water here in SW Florida!

These scenarios work best in Port Charlotte, Punta Gorda, Englewood, Venice, North Port, Ft Myers, Cape Coral, Bonita Springs, and Naples. (Duplexes can only be divided in Charlotte county.)

Key West Style Deluxe Duplex



This is our Deluxe Key West Style duplex with metal roof, hurricane windows, front porches, 3 bedrooms, 2 baths, and 1 car garage. Each side is much larger than the Twin Villa model, at 1,393 square feet of living area on each side. Total cost is \$374,000 plus the cost of either a dry lot(\$15K+) or waterfront lot(\$37K+). It can also be divided and sold as separate units. This model is perfect for homeowners living in one side and renting out the other, with a potential annual rent of \$1,450 per side.



Other Available Models



The Coconut Floor plan has 896 Sq. ft of living area with 2 master bedrooms, 2 baths, costing \$159,000 plus lot.

This model works great as an Airbnb, winter getaway, or rental.

The Dolphin floor plan is a fully upgraded home with 2,073 sq. ft of living area, 3 bedrooms, two baths, and a 2 car garage.

Perfect for building on a waterfront Gulf access lot in SW Florida for a quick flip. \$280,800 plus pool & lot.



The Marlin floor plan is fully upgraded with 1800 sq. ft of living area, 3 bedrooms, 2 baths, and a 2 car garage.

\$258,000 plus pool & lot. Perfect to flip, or rent out on Airbnb on a waterfront lot.

Other Available Models



The Sea Bass model is an upgraded floor plan with a 1,653 sq. ft living area, 3 bedrooms, 2 baths, and a 2 car garage.

Total cost \$242,900, plus pool & waterfront lot. This home is perfect to flip, or keep to generate long term revenue through Airbnb

The Porpoise offers a low cost Airbnb rental opportunity. With a 784 sq. ft living area, 2 bedrooms, and 1 bath for \$149,000 plus lot.

This model can be easily built on a 50' lot close to the beach, boardwalks, or other entertainment.



The King Mackerel boasts 2,423 sq ft of living area with 3 bedrooms plus den, 3 baths, and a 3 car garage

This is our model, and by far our most popular floor plan. Total cost \$359,000 plus pool and waterfront lot.

Our Newest Models

Our brand new model, The Flamingo 2 boasts 1,686 Square foot of living area, complete with breezeway, spacious 2 car garage, metal roof, hurricane windows, loft bedroom, granite counter tops in kitchen and baths, tile floors through out, and state of the art stainless steel appliances. This is our newest, and soon to be most popular model. Our estimates place the cost at around \$255,000 plus pool & lot.



Optional (2) Car Garage
with Covered Breezeway to rear Deck

“ The Flamingo-2 ”

Three Bedroom / Three Full Bathrooms / Huge 13x19 Loft area
Great room with dining and Kitchen area
Covered entry porch and Rear covered Deck area
(Approx. 1,686 Square Feet A/C Living Area)


The Flamingo 2

Residential Designs by: Steven Bradford Turner

Our Newest Models



Another one of our newest floorplans is The Arcadia model. With 1316 square feet of living area, 3 bedrooms and 2 baths, this model is the perfect fit for an Airbnb rental plan. Quality concrete block construction with hardy board, beautiful tile floors throughout, granite counter tops in both the kitchen and baths, and stainless steel appliances are all standard with this floor plan. Total cost \$179,000 plus lot and pool.



In our effort to stay ahead of the real estate market and fully engage the affordable housing market, in the near future we will be rolling out brand new container housing, complete with luxury features. To learn more, check the next page.

Container Homes



Container homes will be available in 2020 as our latest answer to both the affordable home market, and the Airbnb rental market. These models, with luxury finishes, will be starting in the low \$100k range plus lot, pool, and site preparation. We feel as though these stylish and affordable container homes will be the future investment to keep an eye on, especially if we see a market downturn.

To stay connected and keep yourself up to date on future investment possibilities for these as well as the rest of our new homes, send me a text, email or call, and I'll send you monthly updates on all of our cutting edge products (Contact info on front back of this guide)



5-unit investment potential

Investor 5 units package unique Tropical Storybook Bungalow El Jobean Project:

OPERATING PRO FORMA-TROPICAL STORYBOOK BUNGLOWS PROJECT

	Year 1; T-12	Year 3; T-36	Year 5; T-60
Annual Rent	\$189,088	\$198,542	\$208,469
Operating Expenses	(\$80,531)	(\$82,947)	(\$85,435)
Net Operating Income (NOI)	\$108,557	\$115,595	\$123,034

	Year 1; T-12	Year 3; T-36	Year 5; T-60
Equity Participation - 20%	\$211,000.00	\$211,000.00	\$211,000.00
Debt Amount - 80% LTV	\$844,000.00	\$804,700.11	\$775,034.80
Total Build Out	\$1,055,000.00	\$1,015,700.11	\$986,034.80
Annual Debt Service	\$54,369.24	\$54,369.24	\$54,369.24
Estimated Annual Market Valuation Appreciation (National)-Port Charlotte was 10%+ a yr in last 2 yrs.	5.40%	5.40%	5.40%
CAP RATE	10.29%	11.38%	12.48%
Cash on Cash Return - Equity Participation	51.45%	54.78%	58.31%





Please feel free to share this Investment Guide with anyone you know who may be interested in a home/investment like the ones listed in this guide.

If you would like a hard copy of this Investment Guide sent to you or someone you know feel free to call or text.
Thank you for taking the time to read this guide, and I look forward to hearing from you soon about your future investments!



Charlotte County Realty
Representing You!

Kathy Weithman
Charlotte County Realty
kathy@charlottecountyrealty.com
Call: 941-613-9001