

Property Overview and Business Case

Vine Cottages English Harbour, Antigua, West Indies

Published: July 23, 2021
2021/2022 Rental Season

Property Overview

Located in the hills of Picadilly overlooking Falmouth Harbour and Monks Hill sits the newly constructed boutique hotel, Vine Cottages. This property consists of five self contained accommodations: 2x two bedroom and 3x one bedroom cottages plus managers studio.

Each cottage comes complete with en-suite bathroom and shower, open-planned living area, fully equipped kitchen which opens out onto a spacious terrace boasting views across the harbour, hills and swimming pool. High speed internet and flat screen televisions are installed through-out the property.

Communal areas include a large swimming pool, barbeque area with pizza oven, well manicured grounds and herb gardens. This hotel is conveniently situated close to many sought after beaches, amenities and nightlife. Truly a perfect location to host family gatherings, parties, and romantic getaways.



Note: This model and all associated figures, including rental revenue and expenses, are estimates based off of four years of historical data from 2017-2020. Further to these forecasted figures, rental revenue can be increased up to an estimated 15% by opening the restaurant and providing breakfast service included in the nightly rate for all rental units. These figures are speculative and are subject to change due to a wide range of factors that can impact the rental real estate market.

Property Overview

5 Cottage Property + 1 Property Manager's Studio

List Price \$ 1,200,000 USD
Year Built 2016
Amenities A/C Bedrooms, Wi-Fi, Streaming TV, Covered Terrace, Ocean View, Swimming Pool & BBQ Area, Garage

Property Rental Rates		Average Daily Rates	
Unit Summary		Winter	Summer
2x	2 BEDROOM	\$200	\$150
3x	1 BEDROOM	\$150	\$100

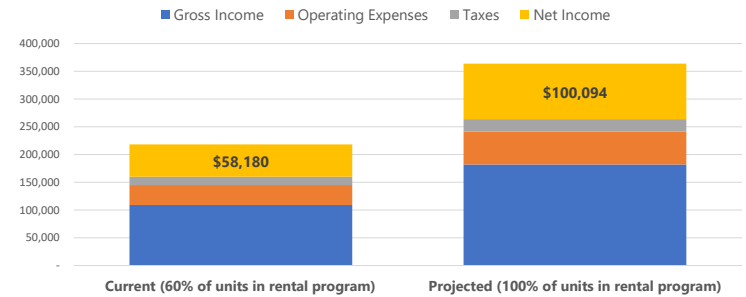
Property Income

\$USD

Current Rental Program	3 Units
Current (60% of units in rental program)	
Gross Income	109,166
Operating Expenses	35,703
Taxes	15,283
Net Income	\$58,180

Projected Rental Program	5 Units
Projected (100% of units in rental program)	
Gross Income	181,944
Operating Expenses	59,506
Taxes	22,344
Net Income	\$100,094

Property Income Summary



Investment Business Case

This property presents a compelling investment business case with an opportunity to purchase an existing hotel with a successful track record of operations for over four (4) years. The property is projected to net over \$100,000 USD in the 2022 rental season.

To illustrate the business case, an example 10-year proforma is provided projecting revenue and expenses for a fully occupied 5-unit rental program, escalated for inflation and rental increases. Assuming a sale of the property in year 10, the included pro forma projects an unlevered equity IRR of 11.2% on the initial investment.

Property Investment Pro Forma

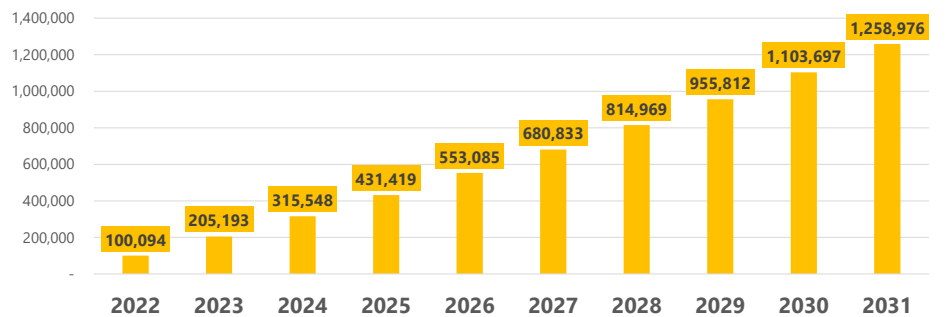
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Purchase Price	(1,332,000)										
Gross Revenue	-	159,600	167,580	175,959	184,757	193,995	203,695	213,879	224,573	235,802	247,592
Expenses	-	59,506	62,481	65,605	68,885	72,329	75,946	79,743	83,730	87,917	92,313
Net Operating Income	(1,332,000)	100,094	105,099	110,354	115,872	121,665	127,749	134,136	140,843	147,885	155,279
Terminal Value (sale)											1,940,990
Selling Expenses											97,050
Profit from sale											1,843,941
Annual Cash Flow	(1,332,000)	100,094	105,099	110,354	115,872	121,665	127,749	134,136	140,843	147,885	1,999,220
Equity IRR		11.2%									

Projected Operating Expenses Summary - '21/22 Season

Note: Operating expenses summary below includes property insurance.

\$USD	Monthly	Annual
Water	0	0
Electricity	1,685	20,225
Maintenance Costs, Pool, Garden	202	2,427
Landscaping / Maintenance	150	1,798
Housekeeping / Staff Costs	749	8,989
Cleaning Materials & General Supplies	75	899
Internet	206	2,472
Telephone	56	674
Property Insurance	1,648	19,775
Repairs and Maintenance	187	2,247
Total Operating Costs (\$USD)	\$4,959	\$59,506

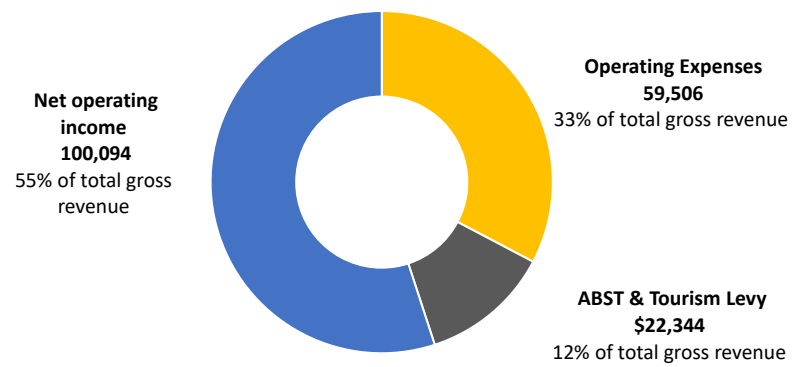
Cumulative Cash Flow Forecast



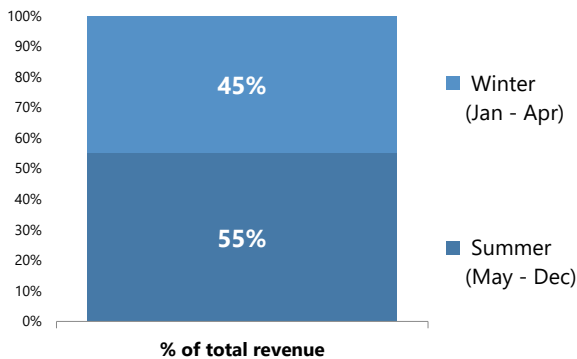
Property Rental Performance Forecast

Model Forecast Period (Start / End)	1-Jan-21	31-Dec-21
Purchase price and acquisition costs	List Price	
Estimated purchase price		1,200,000
Additional buyer costs		132,000
Total acquisition cost	\$	1,332,000
Revenue / expense profile - forecast revenue	Annual	Monthly
Gross rental revenue	181,944	15,162
ABST & Tourism Levy	22,344	1,862
Gross rental income after tax	\$ 159,600	\$ 13,300
Operating Expenses	39,730	3,311
Property Insurance	19,775	1,648
Net operating income	\$ 100,094	\$ 8,341
Profit summary	% Return	
Estimated Profit and % Return on Investment (ROI)	\$ 100,094	8.34%

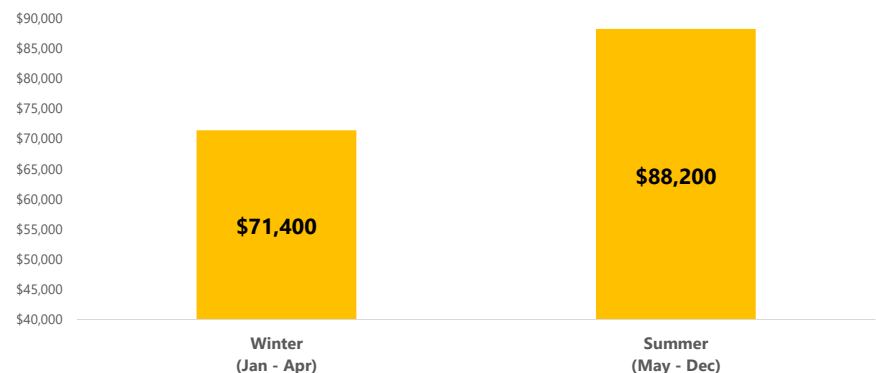
GROSS REVENUE DISTRIBUTION



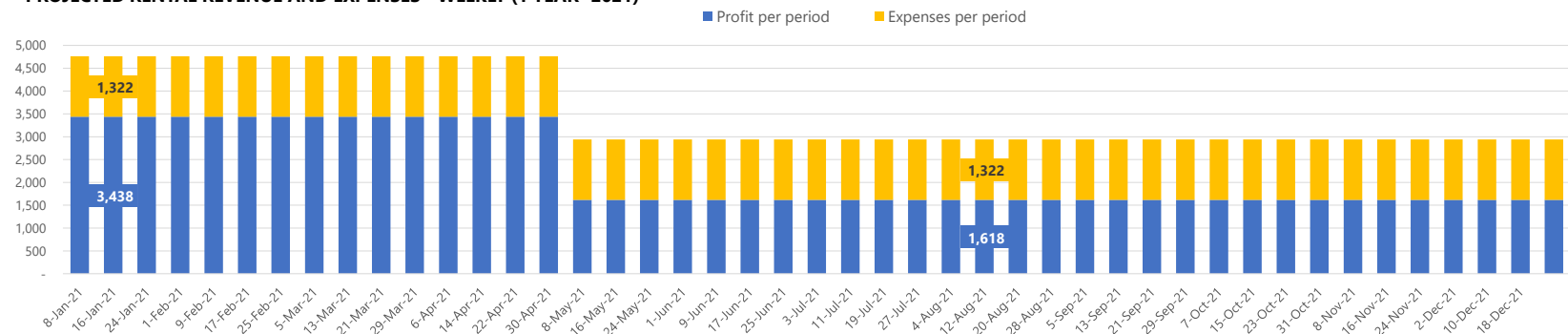
DISTRIBUTION OF TOTAL REVENUE PER SEASON



FORECAST REVENUE PER SEASON



PROJECTED RENTAL REVENUE AND EXPENSES - WEEKLY (1 YEAR -2021)



Rental Assumptions & Analysis

Project Rental Revenue per Cottage Unit

Note: The following projected rental figures were developed using average historical records from four (4) years of property management and rental operations.

Rental Season Dates	Start	End	# Days	% of Year
Winter (January 1 - April 31)	1-Jan-21	30-Apr-21	120	33%
Summer (May 1 - December 31)	1-May-21	31-Dec-21	245	67%

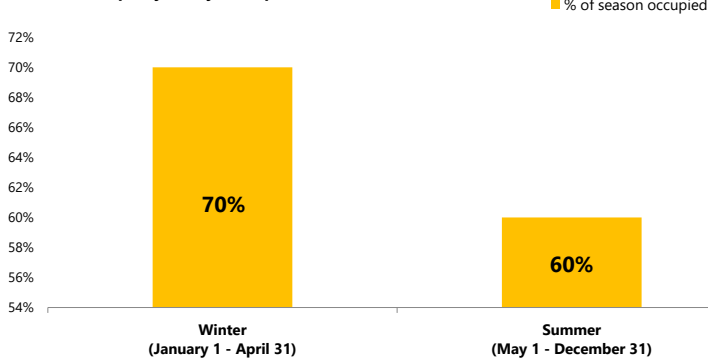
Assumptions - Occupancy & Rental Revenue	Occupancy (# of Days per Season)			
	Winter (Jan - Apr)	Summer (May - Dec)	Total Days	% of Year
Unit (# Bedrooms)			# Days	% of Year
Cottage 1 (2 Bedroom)	84	147	231	63%
Cottage 2 (2 Bedroom)	84	147	231	63%
Cottage 3 (1 Bedroom)	84	147	231	63%
Cottage 4 (1 Bedroom)	84	147	231	63%
Cottage 5 (1 Bedroom)	84	147	231	63%
Total Days Occupancy (entire property)	420	735	1,155	

Nightly Rental Rate	
Winter	Summer
(Jan - Apr)	(May - Dec)
\$200	\$150
\$200	\$150
\$150	\$100
\$150	\$100
\$150	\$100

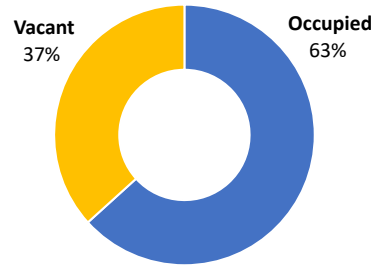
Rental Revenue		
Winter	Summer	Total
(Jan - Apr)	(May - Dec)	(Full Year)
16,800	22,050	\$38,850
16,800	22,050	\$38,850
12,600	14,700	\$27,300
12,600	14,700	\$27,300
12,600	14,700	\$27,300
\$71,400	\$88,200	\$159,600

Total Rental Revenue (excluding tax)

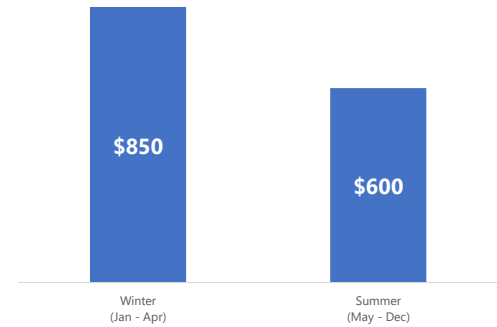
Seasonal Occupancy, # Days Occupied



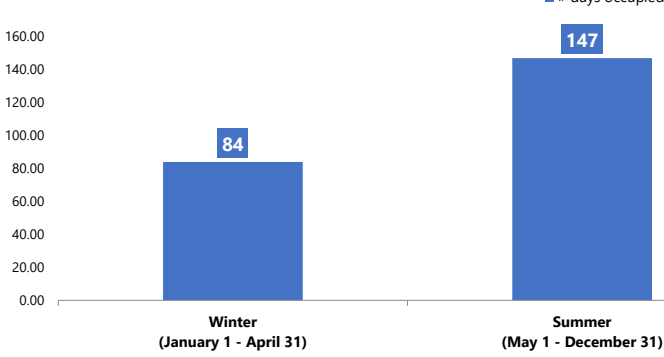
OVERALL OCCUPANCY FORECAST



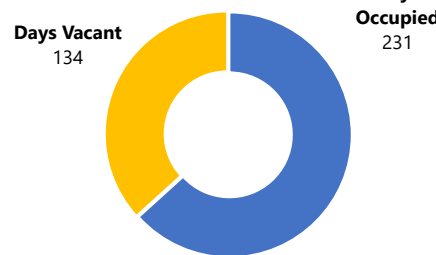
EFFECTIVE AVERAGE DAILY RENT PER SEASON



Seasonal Occupancy, # Days Occupied



OCCUPANCY (DAYS)



SENSITIVITY ANALYSIS - REVENUE AND PROFITS

Revenue & Net Income vs % occupancy factor

Total Occupancy Factor (% of total days occupied)	Revenue		Profit	
	Revenue	Profit	Revenue	Profit
75%	190,000	130,494		
73%	183,667	124,161		
70%	177,333	117,828		
68%	171,000	111,494		
65%	164,667	105,161		
63%	159,600	100,094		Projected Income
60%	152,000	92,494		
58%	145,667	86,161		
55%	139,333	79,828		
53%	133,000	73,494		
50%	126,667	67,161		

Current Rental Reputation - Customer Reviews

As seen on...

Review summary

4.2 Very good 47 reviews

★ 4.57 · 47 reviews

- Cleanliness: 4.3
- Accuracy: 4.7
- Communication: 4.8
- Location: 4.7
- Check-in: 4.8
- Value: 4.6

8.2 Very Good 28 verified Hotels.com guest reviews

4.3/5 Excellent 49 verified reviews

- Cleanliness: 4.4/5
- Staff & service: 4.3/5
- Amenities: 3.9/5
- Property conditions & facilities: 4.2/5

Reviews on other travel sites

Hotels.com 8.2/10 · 29 reviews

Expedia.com 4.3/5 · 49 reviews