



## Property Evaluation & Investment Appraisal Report Latitude Adjustment Villas – Hopkins, Belize



**Prepared For: Lending & Investment Evaluation**  
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## 1. EXECUTIVE SUMMARY

Current List Price: \$399,000 USD

Estimated Renovation: \$10,000 USD

Projected After-Renovation Value (ARV): \$450,000 USD

Property Features: 5 Stand alone 1BR/1BA Villas (20x20 ft),surrounding a central swimming pool and leisure area. The property is a hospitality investment opportunity with strong income potential following minor upgrades including air conditioning installation and interior modernization.

**Investment Thesis:** Modernizing the units with A/C and upgraded furnishings will shift the property from a budget rental to a mid-to-high tier boutique resort, maximizing ROI.

Metric	Value
Asking Price	\$399,000 USD
Estimated ARV	\$450,000
Units	5 Villas
Projected NOI	\$89,100 - 106-920
Estimated Cap Rate	19.8% - 26.8%

## 2. PROPERTY DESCRIPTION

The subject property is 1100 SqYd or 9900 Sq ft Lot consists of five detached 1 bedroom 1 bathroom villas each measuring approximately 20x20 feet

Units are designed for short term rental use and share access to a central swimming pool and landscaped courtyard area.

The property is currently operational but positioned as a value add repositioning opportunity.

## 3 HOPKINS MARKET ANALYSIS & COMPARABLE PROPERTIES

Hopkins Village has emerged as one of Belize's fastest growing tourism destinations. Boutique hospitality properties continue to benefit from strong international visitor growth, increasing nightly rental rates, and limited inventory of standalone villa accommodations.

Comparable	Price	Units	Pool	Adjustment Notes
*Latitude 17 Active for sale	485,000 USD	5	NO	Highly Comparable Unit, Not Villas
Shore Guesthouse (H122310H) SOLD 2024	888,000	8	Beach Front	More Units but per unit 110K supporting the 450K /90k per unit valuation
5 Cabana Hotel	450,000	5	Yes	Historical Listing
Seaside Hostel	349,000	Multi	No	Lacks Privacy not villas but shared rooms

**Supply vs. Demand:** 54% of the Hopkins market is 1-bedroom units, but only a fraction are standalone villas with private kitchenettes and a pool. This property targets the highest-demand segment for couples/solo travelers.

- **The "A/C Factor":** In Belize, properties without A/C are restricted to the "budget" tier (<\$50/night). Adding A/C instantly unlocks the \$80-\$120/night tier, doubling revenue with minimal capital expenditure.
- **Appreciation:** Coastal property in Stann Creek District is appreciating at an average of **9-14% annually** (2024-2025 data), providing the bank with strong collateral security.

**\$450K conservative evaluation at \$90K per Villa with a shared pool.**

## 4. ROI Projection & Financial Analysis

### Investment Overview

- **Purchase Price:** \$399,000
- **Closing Costs (Est. 8% Stamp/Legal):** \$31,920
- **Renovation Capital:** \$10,000
- **Total Capital Investment:** \$440,920

### Estimated Monthly Cash Flow (Post-Update)

- **Gross Rental Income (5 units x \$85 x 30 days x 55%):** \$7,012
- **Management Fee (20% - Optimized):** (\$1,402)
- **Utilities (Higher due to A/C):** (\$800)

- **Maintenance & Cleaning:** (\$500)
- **Property Taxes & Insurance:** (\$250)
- **Net Monthly Cash Flow: \$4,060**

The following assumes the renovation is completed, A/C is installed, and management is optimized to 20% or handled more efficiently.

Category	2025 (Actuals/Low)	2026 (Projected/Optimized)
<b>Average Nightly Rate (per Villa)</b>	\$45.00 USD	<b>\$85.00 USD</b> (Post-A/C & Update)
<b>Occupancy Rate</b>	~30%	<b>60%</b> (Market Average for A/C units)
<b>Gross Annual Revenue</b>	\$41,062 USD	<b>\$93,075 USD</b>
<b>Operating Expenses (35%)</b>	\$14,372 USD	\$32,576 USD
<b>Net Operating Income (NOI)</b>	\$26,690 USD	<b>\$65,153 USD</b>
<b>Cap Rate (at \$450k Value)</b>	5.9%	<b>14.7 %</b>

Performance Scenario	Scenario A: Conservative	Scenario B: Target	Scenario C: Optimistic
<b>Occupancy Rate</b>	<b>55%</b>	<b>60%</b>	<b>74%</b>
<b>Gross Annual Revenue</b>	\$85,312	\$93,075	\$114,792
<b>Operating Expenses (30%)</b>	(\$25,593)	(\$27,922)	(\$34,437)
<b>Net Operating Income (NOI)</b>	<b>\$59,719</b>	<b>\$65,153</b>	<b>\$80,355</b>
<b>Monthly Net Cash Flow</b>	\$4,976	\$5,429	\$6,696
<b>CAP Rate (at \$450k ARV)</b>	13.2%	14.4%	17.8%
<b>Cash-on-Cash Return</b>	<b>13.5%</b>	<b>14.7%</b>	<b>18.2%</b>

Season	Months	Typical Occupancy (Hopkins)	Note
Peak	Dec – March	70% - 85%	Christmas, Easter, and "Winter Texans."
Shoulder	April – July	40% - 55%	Summer travelers and "Lobstermania" in July.
Low	Aug – Oct	15% - 25%	<b>Hurricane Season.</b> Many owners close for repairs.
Annual Avg	Full Year	50% - 60%	range.

### Value Added:

Currently, the property is under performing because it lacks A/C and modern amenities, forcing it into the "budget/backpacker" price bracket.

- **"Market Shift"**: By investing \$10k in A/C and cosmetics, we are moving the property into the **Boutique Short-Term Rental** category. In Hopkins, the "Floor" for an A/C standalone villa is \$85/night.
- **"Management Efficiency"**: Moving from 30% management fees to a more streamlined 20% or owner-managed model adds an immediate **10% boost to the bottom line.**
- "Absentee Owner" Owner is out of the country not able to manage the property the reason for the decline

## 5. RENOVATION & CAPITAL IMPROVEMENT BUDGET

UP GRADES	COST USD
Air Conditioning Installation	\$6,000
Televisions 5, 32"	\$1250
Exterior Power Washing	\$250
Furniture & Cosmetic Improvements	\$2,500
Total Estimate Renovations	\$10,000

## 6. RISK ANALYSIS & INVESTMENT CONCLUSION

### 1. RISK ANALYSIS

#### A. Seasonality & Market Exposure

- **Risk:** Belize tourism is historically seasonal, with "Low Season" (August–October) often seeing village-wide occupancy dip below 25%.
- **Mitigation:** The property currently lacks A/C, which makes it almost unmarketable during the humid summer months. By installing high-efficiency **Inverter A/C units**, the property becomes a viable year-round "Digital Nomad" hub. The 74% optimistic target assumes a strategy of 30+ day discounted "Slow Season" stays to maintain a stable floor.

#### B. Utility Cost Sensitivity

- **Risk:** Electricity in Belize is priced at a tier (approx. \$0.22 USD per kWh in 2026). Adding five A/C units will significantly increase operating expenses.
- **Mitigation:** The renovation budget includes modern Inverter technology which consumes 40% less power than standard units. Furthermore, the 35% expense buffer in our "Realistic" scenario explicitly accounts for this increased utility load.

#### C. Dependency on U.S. Tourism

- **Risk:** Approximately 65-70% of overnight arrivals in Belize are from the U.S. market. Economic shifts in the U.S. can impact ADR (Average Daily Rate).
- **Mitigation:** Hopkins is unique because it appeals to "Adventure Travelers" and "Cultural Seekers"—demographics that are typically more resilient to economic downturns than the luxury-only travelers found on the Cayes.

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## 2. INVESTMENT CONCLUSION

**Latitude Adjustment** represents a classic **Value-Add Opportunity**. The property is currently under performing (\$7,690 annual revenue) not because of location or demand, but because of **amenity limitation**.

#### The "Why This Property" Breakdown:

- **The Valuation Gap:** At a \$399,000 purchase price, you are acquiring 5 villas, a pool, and land for **\$79,800 per door**. In the current 2026 construction market, the replacement cost for high-quality standalone villas with a pool would exceed this price point significantly.

- **Instant Forced Appreciation:** A \$10,000 USD (approx. 2.5% of purchase price) renovation budget yields a projected **\$50,000 USD increase in Market Value (ARV)**. This 5x return on renovation capital is rare in coastal markets.
- **Cash Flow Potential:** Even if the property performs at the "Base" occupancy of 55%, the **13.2% CAP rate** is roughly double what is typically found in mature U.S. or Mexican coastal markets.

### **Final Recommendation**

This property is a strong candidate for a commercial loan. The "As-Is" numbers reflect a distressed operation, while the numbers reflect a modernized boutique resort. The combination of stand alone units (privacy) and a pool (essential for mid-tier pricing) makes this one of the most defensible assets in the Hopkins Village area.

**Conclusion: THIS IS A GOOD ACQUISITION.** The upside from modernization far outweighs the localized operational risks.