



10% CAP RATE! THE DOWNTOWN TARPON AVENUE APARTMENTS FOR SALE!

10% CAP RATE! 15-UNIT APARTMENT COMPLEX FOR SALE!

317 Tarpon Avenue, Tarpon Springs, FL 34689

CONFIDENTIAL OFFERING MEMORANDUM • APRIL 06, 2024

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This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property.

The information contained herein is not a substitute for a thorough due diligence investigation.

Grimaldi Commercial Realty has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence of absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

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All potential buyers must take appropriate measures to verify all of the information set forth herein.

Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.



PROPERTY INFORMATION





10% CAP RATE! 15-UNIT APARTMENT COMPLEX FOR SALE!

317 Tarpon Avenue, Tarpon Springs, FL 34689

EXECUTIVE SUMMARY



OFFERING SUMMARY

Sale Price:	\$1,095,000
Number Of Units:	15
Cap Rate 2021:	10%
Cash-On-Cash-Return 2021:	20%
Year Built:	1916
Building Size:	6,928 SF
Renovated:	2018
Zoning:	MULTI-FAMILY
Market:	TARPON SPRINGS

PROPERTY OVERVIEW

THE DOWNTOWN TARPON AVENUE APARTMENTS IS A 15-UNIT, TWO BUILDING APARTMENT COMPLEX LOCATED IN DOWNTOWN TARPON SPRINGS, FL. THE PROPERTY HAS BEEN RECENTLY RENOVATED AND IS CURRENTLY 100% OCCUPIED. THERE ARE A TOTAL OF 15 1-BEDROOM/1-BATHROOM UNITS ALL IN GREAT CONDITION. LOCATED ON THE MAIN DRAG IN DOWNTOWN TARPON SPRINGS, THERE IS FANTASTIC RENTAL DEMAND FOR THESE UNITS GIVEN THE BUILDINGS PRIME LOCATION. DUE TO THIS AMAZING LOCATION, THE PROPERTY VALUE WILL ONLY CONTINUE TO CLIMB AS THERE ARE VERY FEW APARTMENT BUILDINGS FOR SALE IN THE HEART OF DOWNTOWN.

THE PROPERTY CONSISTS OF SEVERELY UNDER MARKET RENTAL RATES FOR THE AREA, MAKING THIS AN INCREDIBLE VALUE-ADD OPPORTUNITY FOR A BUYER. WHILE ALL TENANTS ARE CURRENTLY ON YEARLY LEASES, ALMOST 40% OF THE LEASES WILL EXPIRE WITHIN THE NEXT 6MONTHS. THIS CREATES THE PERFECT SITUATION FOR THE BUYER TO INCREASE THE RENTAL RATES OF THE SHORT-TERM LEASES. WHILE KEEPING THE OTHER LEASES IN-PLACE FOR SECURITY. THE CURRENT RENTAL RATES ARE APPROXIMATELY \$100-\$200 LOWER THAN THE AVERAGE RENTAL RATE IN DOWNTOWN TARPON SPRINGS. THIS CREATES MASSIVE UPSIDE FOR A BUYER. WHO WILL BE ABLE TO INCREMENTALLY RAISE THE RENTAL RATES OF THE BUILDING AND INCREASE THEIR NOI.

GIVEN THE ABILITY TO INCREASE THE RENTAL RATES AT THE PROPERTY, A BUYER CAN OBTAIN A CAP RATE OF OVER 10% AND A CASH-ON-CASH RETURN OF APPROXIMATELY 20% BY EARLY 2021! THE TARPON AVE. APARTMENTS HAS SO MUCH UPSIDE! YOU RARELY SEE AN APARTMENT COMPLEX FOR SALE IN THE HEART OF DOWNTOWN WHERE A BUYER CAN EASILY OBTAIN A 10% + CAP RATE JUST BY RAISING THE RENTAL RATES TO THE AVERAGE MARKET RATE!

SECTION 1 • PROPERTY INFORMATION



10% CAP RATE! 15-UNIT APARTMENT COMPLEX FOR SALE!

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PROPERTY IMPROVEMENTS AND LOCATION!



PROPERTY UPGRADES!

THE BEST PART IS THE FACT THAT THESE RENTAL RATES CAN BE INCREASED WITHOUT SPENDING MUCH ON PROPERTY IMPROVEMENTS. IN THEIR CURRENT CONDITION, THESE UNITS SHOULD BE RENTING FOR AT LEAST \$100-\$150 MORE PER MONTH, THEN THEY CURRENTLY ARE.

THE VALUE-ADD COMPONENT TRULY COMES INTO PLAY IF A BUYER WERE LOOKING TO SIGNIFICANTLY UPGRADE EACH UNIT. IN THIS SCENARIO A BUYER COULD IMPROVE THE INTERIOR OF EACH UNIT AND SIGNIFICANTLY INCREASE THE RENTAL RATES AT THE PROPERTY. NEWLY RENOVATED 1-BEDROOM/1-BATHROOM APARTMENTS ARE RENTING FOR AN AVERAGE OF \$750-\$850 PER MONTH CURRENTLY IN DOWNTOWN TARPON SPRINGS. THIS WOULD CREATE MASSIVE LONG-TERM UPSIDE FOR AN INVESTOR, AS THE INCREASED RENTAL RATES WOULD DRASTICALLY INCREASE THE TOTAL INCOME GENERATED AT THE PROPERTY.

IN EITHER SCENARIO, THE CURRENT RENTAL SITUATION AT THE TARPON AVENUE APARTMENTS CREATES A UNIQUE OPPORTUNITY WITH MASSIVE UPSIDE FOR AN INVESTOR. THE ABILITY TO PURCHASE A PROPERTY SEVERELY UNDERVALUED IN THE HEART OF DOWNTOWN TARPON SPRINGS DOES NOT COME AROUND VERY OFTEN! ESPECIALLY WITH THIS MUCH LONG TERM POTENTIAL!

THE PROPERTY WAS RECENTLY RENOVATED IN 2017 AND 2018. THE RECENT RENOVATIONS INCLUDE BUT ARE NOT LIMITED TO; ROOFS ON BOTH BUILDINGS WERE REPLACED IN 2016, UPDATED WINDOW A/C UNITS IN ALMOST EVERY UNIT, NEW LAMINATE FLOORING, BATHROOM & KITCHEN UPGRADES, EXTERIOR AND INTERIOR PAINT, AND NEW HOT WATER HEATERS. ALSO, THE PLUMBING AT THE PROPERTY IS IN GOOD WORKING CONDITION AND UPDATES TO THE PLUMBING WERE MADE IN 2017 TO BOTH BUILDINGS. THESE RENOVATIONS ALONE WILL ALLOW A BUYER TO INCREASE THE RENTAL RATES ON-SITE WITHOUT SPENDING MUCH CAPITAL INITIALLY!

THE PROPERTY HAS AN ON-SITE LAUNDRY ROOM THAT IS CURRENTLY FREE FOR TENANTS TO USE. ONE WAY TO MAXIMIZE THE UPSIDE THIS PROPERTY HAS, IS TO MAKE THE LAUNDRY MACHINES COIN-OPERATED, WHICH COULD PRODUCE AS MUCH AS \$4,000 A YEAR IN EXTRA INCOME AT THE PROPERTY! TENANTS ARE RESPONSIBLE FOR ALL-ELECTRIC EXPENSES AT THE PROPERTY, WHILE THE OWNER PAYS FOR ALL WATER, SEWER, AND TRASH ON-SITE. ALL UNITS ARE SEPARATELY METERED AS WELL!

SECTION 1 • PROPERTY INFORMATION



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LOCATION OVERVIEW



LOCATION OVERVIEW

THE TARPON AVENUE APARTMENTS SITS IN A PRIME LOCATION IN DOWNTOWN TARPON SPRINGS! TARPON AVENUE IS THE MAIN ROAD IN DOWNTOWN TARPON SPRINGS, WHERE MOST OF THE CITY'S BEST RETAIL SHOPS, RESTAURANTS, AND RESIDENTIAL RENTAL UNITS ARE LOCATED. TARPON SPRINGS OVERLOOKS THE GLISTENING ST. JOSEPH SOUND, OFF THE GULF OF MEXICO. WHILE TARPON SPRINGS IS FAMOUS FOR ITS HISTORICAL LANDMARKS AND TOURIST ATTRACTIONS, TARPONS SPRINGS IS MOST NOTORIOUS FOR ITS LARGE RESIDENTIAL POPULATION ALONG FLORIDA'S GULF COAST. THE CITY HAS AN AVERAGE RESIDENTIAL RENTAL RATE OF APPROXIMATELY \$1,294 PER MONTH, AND ALMOST 45% OF THE RESIDENTS ARE RENTERS. THIS BODES WELL FOR PROPERTY OWNERS IN THE AREA AS SO MUCH OF THE POPULATION ARE NON-HOME OWNERS.

TOURIST ATTRACTIONS AND LANDMARKS INCLUDE FRED HOWARD PARK, MULTIPLE ELEMENTARY SCHOOLS AND COLLEGES, SAINT PETERSBURG-CLEARWATER INTERNATIONAL AIRPORT, STAFFORD HOUSE MUSEUM, SUNSET BEACH, AND WORLD FAMOUS TARPON SPRINGS SPONGE DOCKS!

SECTION 1 • PROPERTY INFORMATION



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SALE HIGHLIGHTS!

SALE HIGHLIGHTS

- 15-UNIT APARTMENT BUILDING IN THE HEART OF DOWNTOWN TARPON SPRINGS!
- LOW RENTAL RATES, GIVING THE BUYER MASSIVE UPSIDE POTENTIAL!
- ABILITY TO INCREASE CAP RATE TO ALMOST 10% AND CASH-ON-CASH RETURN TO APPROXIMATELY 20%+ BY 2021!
- 100% OCCUPIED!
- PERFECT MIX OF BOTH LONG-TERM AND SHORT-TERM LEASES IN-PLACE, GIVING THE BUYER THE ABILITY TO RAISE RENTAL RATES IMMEDIATELY!
- ROOFS ON BOTH BUILDINGS WERE REPLACED IN 2016!
- PRIME LOCATION WITH FRONTAGE ON TARPON AVENUE.



SECTION 1 • PROPERTY INFORMATION



FINANCIAL ANALYSIS





10% CAP RATE! 15-UNIT APARTMENT COMPLEX FOR SALE!

317 Tarpon Avenue, Tarpon Springs, FL 34689

RENT ROLL

Rent Roll	
Date	10/7/20
Property Name	TARPON AVENUE APARTMENTS
City, State	317 & 318 TARPOIN AVE. TARPON SPRINGS, FL
Total Units	15

<i>Avg. Monthly Rent</i>	<i>Avg. Market Rent</i>
\$690.67	\$763.00

Building Address	Unit Number	Unit Type	T-12 Monthly Rent	2021 Monthly Rent	Status	Length
317 E Tarpon Ave, Tarpon Springs, FL 34689	1	1 BEDROOM/ 1 BATH	\$ 675.00	\$ 735	Occupied	YEARLY
317 E Tarpon Ave, Tarpon Springs, FL 34689	2	1 BEDROOM/ 1 BATH	\$ 675.00	\$ 735	Occupied	YEARLY
317 E Tarpon Ave, Tarpon Springs, FL 34689	3	1 BEDROOM/ 1 BATH	\$ 675.00	\$ 735	Occupied	YEARLY
317 E Tarpon Ave, Tarpon Springs, FL 34689	4	1 BEDROOM/ 1 BATH	\$ 675.00	\$ 735	Occupied	YEARLY
317 E Tarpon Ave, Tarpon Springs, FL 34689	5	1 BEDROOM/ 1 BATH	\$ 675.00	\$ 735	Occupied	YEARLY
317 E Tarpon Ave, Tarpon Springs, FL 34689	6	1 BEDROOM/ 1 BATH	\$ 675.00	\$ 735	Occupied	YEARLY
317 E Tarpon Ave, Tarpon Springs, FL 34689	7	1 BEDROOM/ 1 BATH	\$ 675.00	\$ 735	Occupied	YEARLY
318 E Tarpon Ave, Tarpon Spring, FL 34689	8	1 BEDROOM/ 1 BATH	\$ 785.00	\$ 875	Occupied	YEARLY
318 E Tarpon Ave, Tarpon Spring, FL 34689	9	1 BEDROOM/ 1 BATH	\$ 800.00	\$ 875	Occupied	YEARLY
318 E Tarpon Ave, Tarpon Spring, FL 34689	10	1 BEDROOM/ 1 BATH	\$ 675.00	\$ 735	Occupied	YEARLY
318 E Tarpon Ave, Tarpon Spring, FL 34689	11	1 BEDROOM/ 1 BATH	\$ 675.00	\$ 875	Occupied	YEARLY
318 E Tarpon Ave, Tarpon Spring, FL 34689	12	1 BEDROOM/ 1 BATH	\$ 675.00	\$ 735	Occupied	YEARLY
318 E Tarpon Ave, Tarpon Spring, FL 34689	13	1 BEDROOM/ 1 BATH	\$ 675.00	\$ 735	Occupied	YEARLY
318 E Tarpon Ave, Tarpon Spring, FL 34689	14	1 BEDROOM/ 1 BATH	\$ 675.00	\$ 735	Occupied	YEARLY
318 E Tarpon Ave, Tarpon Spring, FL 34689	15	1 BEDROOM/ 1 BATH	\$ 675.00	\$ 735	Occupied	YEARLY

Total

\$10,360

\$11,445

(T-12 GROSS POTENTIAL RENT)

\$124,320

(2021 GROSS POTENTIAL RENT)

\$137,340

SECTION 2 • FINANCIAL ANALYSIS



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INCOME STATEMENT

PROPERTY INFORMATION		Approximate Financing Terms	
Property Name	TARPON AVE. APARTMENTS	Loan Amount	\$799,350
Number of Units	15	Interest Rate	4.25%
Purchase Price	\$1,095,000	Amortization	360 months
Going-in Cap Rate	10%	Monthly Payment	\$3,923

	T-12	2021	2022	2023	2024
INCOME					
RENT	\$124,320	\$137,340	\$144,207	\$151,417	\$158,988
OTHER INCOME	\$880	\$1,600	\$2,200	\$2,310	\$2,426
POTENTIAL GROSS INCOME	\$125,200	\$138,940	\$146,407	\$153,727	\$161,414
EFFECTIVE GROSS INCOME					
	\$125,200	\$138,940	\$146,407	\$153,727	\$161,414
EXPENSES					
UTILITIES (WATER/SEWER)	\$6,000	\$6,000	\$6,000	\$6,120	\$6,242
REPAIRS AND MAINTENANCE	\$5,500	\$5,500	\$5,500	\$5,610	\$5,722
MANAGEMENT	\$7,512	\$8,336	\$8,784	\$9,224	\$9,685
INSURANCE	\$2,398	\$2,446	\$2,495	\$2,545	\$2,596
PROPERTY TAX	\$5,746	\$9,102	\$9,284	\$9,470	\$9,659
OPERATING EXPENSES	\$27,156	\$31,384	\$32,063	\$32,968	\$33,904
NET OPERATING INCOME (NOI)	\$98,044	\$107,556	\$114,344	\$120,759	\$127,510
CASH FLOW FROM OPERATIONS	\$98,044	\$107,556	\$114,344	\$120,759	\$127,510
DEBT SERVICE	\$47,076	\$47,076	\$47,076	\$47,076	\$47,076
NCF AFTER DEBT SERVICE	\$50,968	\$60,480	\$67,268	\$73,683	\$80,434
RETURNS AND CAP RATE					
	T-12	2021	2022	2023	2024
PURCHASE PRICE	(\$1,095,000)				
CASH FLOW FROM OPERATION	\$98,044	\$107,556	\$114,344	\$120,759	\$127,510
TOTAL UNLEVERED CASH FLOW	(\$1,095,000)	\$98,044	\$107,556	\$120,759	\$127,510
FREE AND CLEAR CAP RATE	10%	9%	10%	11%	12%
Purchase	(\$1,095,000)				
Loan Funding	\$799,350				
Before Tax Cash Flow	\$50,968	\$60,480	\$67,268	\$73,683	\$80,434
Total Levered Cash Flow	(\$295,650)	\$50,968	\$60,480	\$73,683	\$80,434
Cash-on-Cash Return	23%	17%	20%	23%	27%



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INTERIOR PHOTOS



SECTION 2 • FINANCIAL ANALYSIS



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ADDITIONAL PHOTOS



SECTION 2 • FINANCIAL ANALYSIS



LOCATION INFORMATION

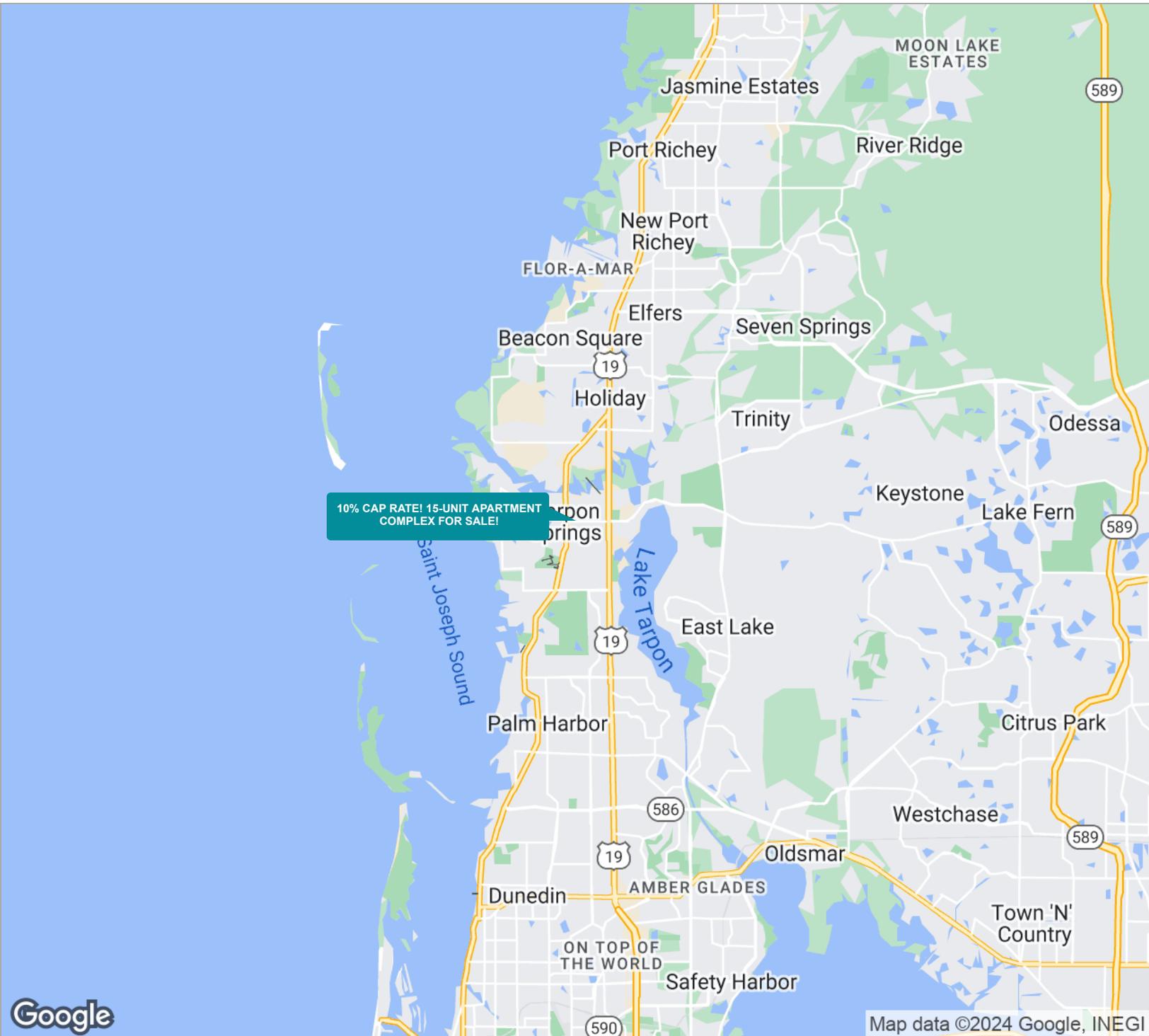




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REGIONAL MAP



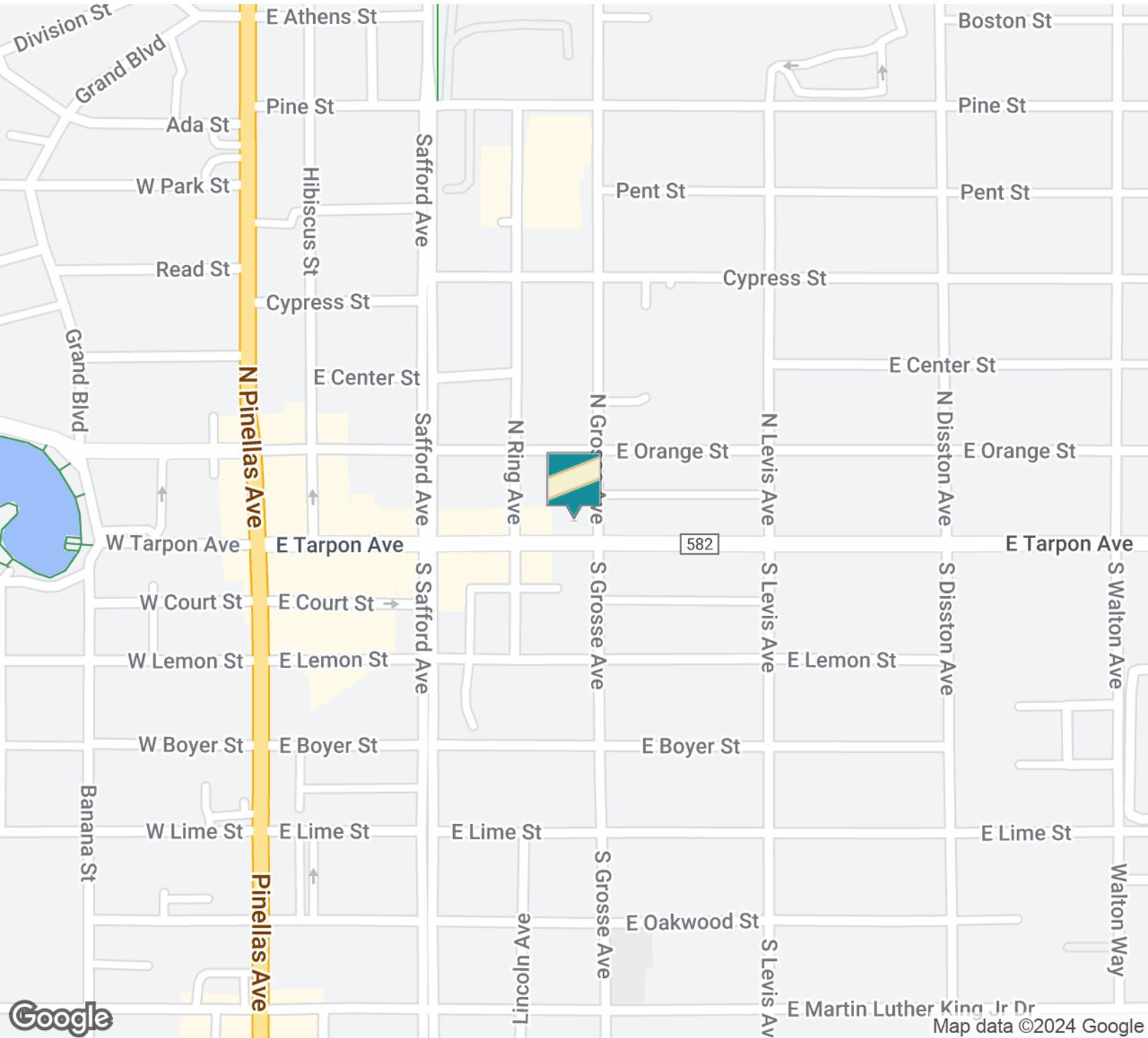
SECTION 3 • LOCATION INFORMATION



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LOCATION MAPS



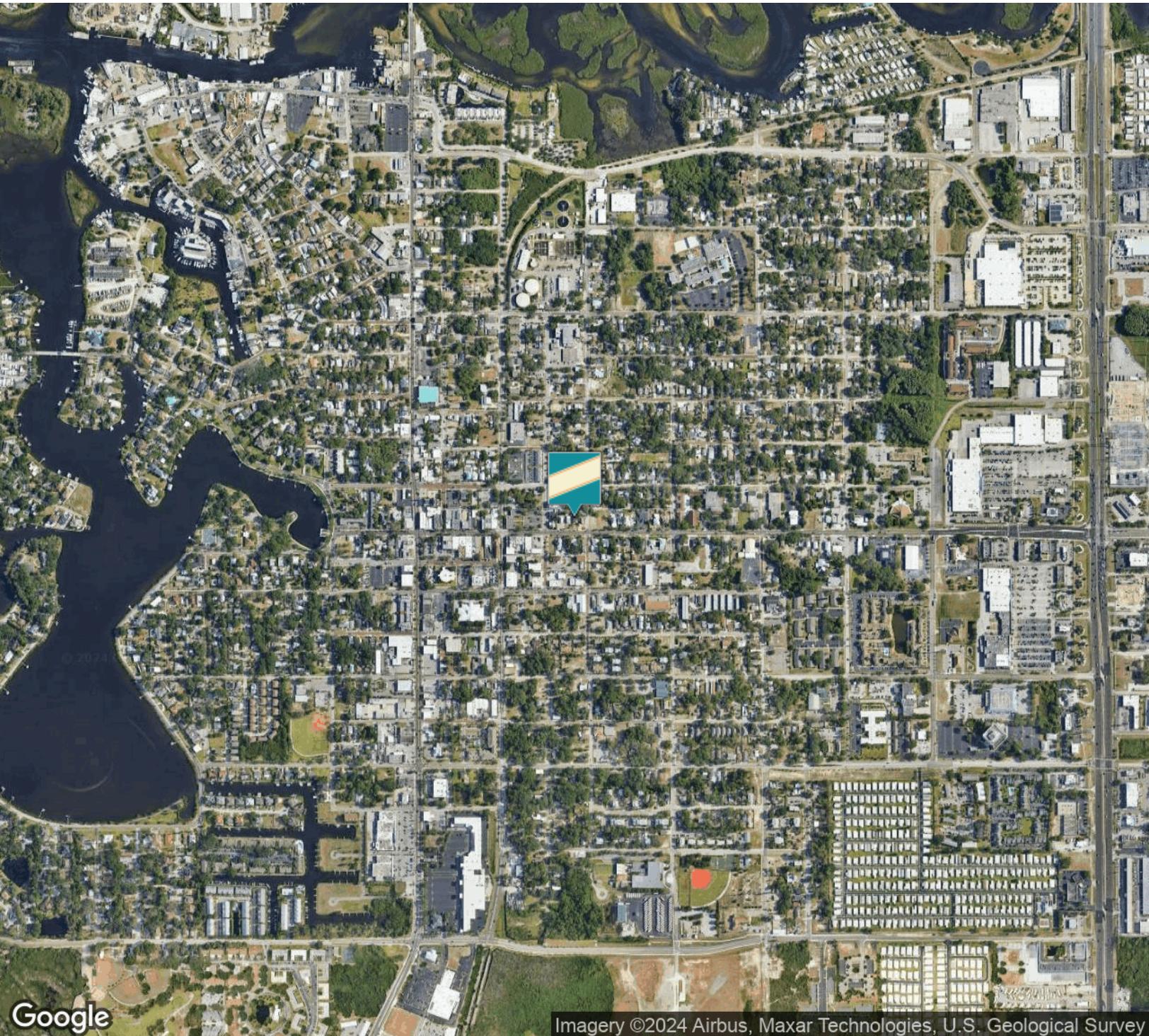
SECTION 3 • LOCATION INFORMATION



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AERIAL MAPS



Google

Imagery ©2024 Airbus, Maxar Technologies, U.S. Geological Survey

SECTION 3 • LOCATION INFORMATION

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grimaldicommercialrealty.com



ADVISOR BIOS





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ADVISOR BIO & CONTACT 1

DAVID ROSENTHAL

V.P. Commercial Sales



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david@grimaldicommercialrealty.com

PROFESSIONAL BACKGROUND

David began his career at Ernst & Young, David serving as a Big Four Accountant, focusing on client services and analyzing Financial Statements. Before joining Grimaldi Commercial Realty, David worked with many local Real Estate Investment Trusts, learning the financial side of the Real Estate market.

Areas of Expertise:

- Multifamily
- Retail Sales & Leases
- Financial Planning
- Real Estate Investment Trusts
- Dividend Reinvestment Plans & Dividend Payout Ratios
- Seller and Investor Financing
- Contract negotiations and due diligence
- Investment & Financial Analysis
- Property Valuation

EDUCATION

David graduated from Tulane University in New Orleans, Louisiana, where he received a Bachelor's in Finance and a Masters in Accounting. A Tampa native since 1991, David attended Tampa Preparatory High School in Downtown Tampa where he played Soccer, Basketball, and ran Cross Country. When he is not working, David enjoys watching sports, working out and playing golf.

MEMBERSHIPS & AFFILIATIONS

David is an outgoing individual whose drive and passion are evident in his persistence to provide outstanding service. His business is built on: Dedication, Communication, Determination, and Trust while embodying the ability to cater and adapt to all of his client's Real Estate needs.



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ADVISOR BIO & CONTACT 2

KARI L. GRIMALDI/ BROKER

President



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PROFESSIONAL BACKGROUND

Kari Grimaldi is the Managing Broker/President of Grimaldi Commercial Realty Corp. and commercial real estate expert. Kari quickly climbed the ranks of who's who in Tampa Bay Area Commercial Real Estate to become a Top Producer. Learning and joining the family business at an early age, Kari understands the importance of networking and building relationships, and has accumulated 20+ years of experience and in-depth knowledge to execute and navigate commercial real estate transactions for Sellers, Buyers, and Landlords/Tenants from inception to closing. Kari has an extensive resume with some of the highlights listed below:

Crexo Platinum Broker Award Winner

Areas of Expertise:

Office and Build-to-Suit Sales & Leasing
Medical Office Sales
Retail Sales
Industrial Sales
Multifamily Investments
Single NNN National Investments
Land & Commercial Development
Foreign Investors & Investment Specialist
Seller Finance and Creative Financing
1031 & Reverse Exchanges
Short Sales & Distressed/Bank-owned assets

As a commercial real estate owner and investor herself, Kari knows first hand how to guide others through the process, and negotiate and close transactions successfully. Kari has a vast portfolio of closed transactions in all sectors of the commercial market, and is a multi-million dollar sales producer.

EDUCATION

A Florida native, Kari earned her Bachelors at University of Florida in Management and Psychology, and a Masters at University of South Florida. A consummate professional, Kari is continually educating herself on the latest economic and market trends with continuing education, seminars and networking.

MEMBERSHIPS & AFFILIATIONS

REIC Member- Real Estate Investment Council
CCIM Candidate- Certified Commercial Investment Member
ICSC Member- International Council of Shopping Centers