

Hacienda Matapalo

PLAYA MATAPALO, COSTA RICA

Attached you will find a scenario illustrating the return potential on a unit at Hacienda Matapalo. Please notice that these returns reflect renting the unit for only half of the year and utilize an **extremely conservative** weekly rental amount. It is important to note that the demand for rental units in this area is **very** high and the supply is quite limited. Therefore most owners are able to rent their units for strong prices year round.

I would encourage you to check out one or more of the independent websites dedicated to listing available rentals in the Central South Pacific region of Costa Rica. For example, www.homeaway.com, www.vacationhomerentals.com, www.vacationrentals.com, www.goin2travel.com, www.greatrentals.com, are all independent websites which allow owners of homes and condo's around the world to list their available rentals any place on the globe. Log on and check out the rental market in the area of Hacienda Matapalo. You can simply type in **Dominical** or **Manuel Antonio** on the "city" area on their home page. These are the closest points of reference headings. Additionally I would urge you to check out, www.LosSuenosRentals.com. Los Suenos is a community that has some, ***but not all*** of the same amenities found at Hacienda Matapalo. You will find that it is difficult to locate any desirable or even ***remotely comparable*** 3-bedroom, 3-bathroom rentals for anything less than \$2,000 per week or 2-bedroom, 2 ½ -bathroom rental for anything less than \$1400 per week.

Comparable is the important word here, as nearly all the other rental units you will find are without any of the multitude of amenities that Hacienda Matapalo has to offer. Nor are most of these other units as close to the ocean as Hacienda Matapalo. Residents and guests at Hacienda Matapalo will have use of the **clubhouse, fitness center, spa, pools, equestrian facility with horses, tennis courts, basketball courts, access to the nature preserve, hiking trails, use of the private beach club, access to the restaurants and other convenience stores/facilities on site, access to high speed internet, 24-hour security and the list goes on and on.** Amenities as comprehensive as this are typically only found at **ultra exclusive 5 star resorts!** Ask yourself, for the same price or even a few dollars more, wouldn't you rather stay at Hacienda Matapalo? Where would your family rather vacation? Simply put, I want you to see for yourself just how conservative my rental projections are for a home, condo or villa of this magnitude at Hacienda Matapalo.

Additionally, you will notice that again I was very conservative in using just 5% as an assumed rate of appreciation. In reality this area could and should appreciate at around 30% per year for the coming years as the Guanacaste region has for the last decade. This is a statistical fact as reported on CNBC.

No one can dispute that once the new International Airport (located just 40 minutes south of Hacienda Matapalo), the Marina Pez Vela, arguably the most significant and exclusive marina in all of Central America (located just 20 minutes north of Hacienda Matapalo), and the New Costanera Highway are complete, this area will see **explosive appreciation on an annual basis for at least the next decade!**

We wish to thank you for your interest in Hacienda Matapalo and the rental opportunities available to all our owners. If you require any other possible hypothetical rental examples, just give us a call and we will be happy to customize an example to your specifications.

Real Estate Law requires us to disclose that this is a hypothetical return based upon conservative projections from readily available third-party data and historical figures; as these rental and appreciation rates are subject to market forces and can fluctuate, this is not a guarantee.

Tropical View 1st Floor 2-Bedroom Polynesian Villa

This Polynesian Villas are unique 1-story villas, which have NO common walls with their neighbors and feature panoramic views. This unit has 2-bedrooms and 2-bathrooms and 1,102 sq.ft. under air and additional balcony space of approximately 400 sq.ft. The current pre-construction price for this first floor **Tropical View Villa is \$245,000.**

Assumptions:

- Current Pre-Construction Selling price is \$245,000
- Assuming bank financing at a 80% LTV @ 7% 20 Year amortization
- Therefore you will be able to obtain a \$196,000 1st mortgage for construction from the bank.
- Consequently you need a total of \$49,000 for down payment.
- As this is pre-construction it is important to remember that until closing (approximately 2 years from now), NO mortgage payments will be required and no interest will accrue. Monthly mortgage payments begin at closing.
- Upon closing monthly carrying costs with principal, interest, taxes, insurance, utilities, and homeowner's fees should be approximately \$1,885 (\$1,520 month P&I, \$105 month tax & insurance, \$110 month electric, \$150 month HOA fees). Your annual carrying costs should be \$22,620 per year.
- Assuming you rent your home 26 weeks out of the year at **\$1200 per week** (*this is a conservative estimate, that is just \$171 per night!*), and use the home yourself the other 26 weeks, your annual gross income should be \$31,200. This will more than cover your annual carrying costs and provide you with \$8,580 per year in positive cash flow.
- Assuming a modest 5% annual appreciation makes the selling price \$313,000 in 5 years.

The math:

*Sell the Villa for \$313,000 in year 5.	\$313,000	<i>Sales price</i>
*Less your 1 st mortgage pay off \$181,000 Bank Financing	- 181,000	<i>1st. mortgage</i>
*Equals	132,000	
*Less 6% selling sales commission	- 18,780	<i>Selling Brokerage</i>
*Equals the net proceeds of the sale	\$ 113,220	<i>Net sale proceeds</i>
*Add your 3 years of Positive Cash Flow	+ 25,740	<i>3 yrs. Of Cash Flow</i>
*Equals	\$ 138,960	<i>Total Proceeds</i>
*Less your initial investment of \$49,000	- 49,000	<i>Initial investment</i>
*Equals the return on your investment	\$ 89,960	<i>Return on Investment</i>

Your initial investment of \$49,000 has now grown to \$138,960.

This represents a Total Return of just over 183 % ($\$49,000 \times 183.591 \% = \$89,960$).

Your average annual return is over 36 % ($183.591 \% / 5 = 36.718 \%$).

Your Returns:

Total Return is over	183 %
Average Annual Return is over	36 %