

Disposition Strategy Analysis

Naples Waterfront Single-Family · Inherited Property · Q3 2023 · Confidential Sample

Executive Summary

Three heirs engaged ELEV8 to evaluate three disposition pathways for an inherited 4-bed waterfront home in Naples valued at \$1.85M. The emotional default was to sell; our analysis revealed a short-term rental (STR) strategy produced superior after-tax wealth creation over a 5-year horizon.

Scenario Comparison (5-Year Horizon)

Scenario	Net Sale Proceeds	5-Yr Cash Flow	After-Tax Wealth	Risk Profile
A. Sell Immediately	\$1,625,000	\$0	\$1,625,000	Low
B. Long-Term Lease	\$0	\$312,000 gross	\$1,718,000	Medium
C. STR (ELEV8 Rec.)	\$0	\$425,000 gross	\$1,942,000	Medium-High

Short-Term Rental Model

We analyzed 24 comparable STRs in Coquina Sands and Park Shore. Median occupancy: 68%. At \$485/night average daily rate with 245 occupied nights annually, gross revenue projects to \$118,825/year. After management (ELEV8), cleaning, utilities, and maintenance, net operating income estimates at \$85,400/year.

Tax & Depreciation Considerations

A stepped-up basis to \$1.85M enables significant depreciation recapture sheltering. We coordinated with the client's CPA to model cost segregation, projecting \$47K in first-year paper losses to offset other passive income. Sale at Year 5 still benefits from primary-residence exclusion planning for one heir.

Recommendation & Outcome

We recommended Scenario C with ELEV8 management. The heirs retained the asset. Year 1 actual NOI tracked within 4% of projection. The family now views the property as a cash-flowing legacy asset rather than a liquidation event.