

# 3440 Trade st

Deltona, FL 32725 • Single Family

PURCHASE PRICE

**\$194,900**

EST. RENOVATION

**\$19,500**

AFTER REPAIR VALUE

**\$194,900**

PROJECTED NOI

**\$21,049**

CAP RATE

**10.80%**

## FINANCIAL BREAKDOWN



● Holding Costs	\$5,000
● Purchase	\$194,900
● Renovation	\$19,500

## ◆ INVESTMENT ANALYSIS

Based on the provided data and the current market conditions in Deltona, FL (Volusia County), here is a brief investment analysis for \*\*3440 Trade St\*\*:

### ### \*\*Investment Analysis Summary\*\*

At a purchase price of \$194,900 and an ARV of \$194,900, this property does not function as a "fix-and-flip." Instead, it must be evaluated as a "buy-and-hold" rental or a turnkey investment.

### #### \*\*Pros\*\*

\* \*\*Strong Entry Price Point:\*\* The purchase price is significantly below the Deltona median home price (currently ~\$315,000). This provides a low barrier to entry for the Central Florida market, where finding habitable inventory under \$200k is increasingly difficult.

\* \*\*Immediate Cash Flow Potential:\*\* With a \$0 renovation budget, the property can be placed on the rental market immediately. In Deltona, similar small-footprint homes rent for \$1,600–\$1,800. This suggests a \*\*Cap Rate of approximately 6.5%–7.2%\*\* (after factoring in taxes, insurance, and vacancy), which is competitive for the current interest rate environment.

\* \*\*Strategic Commuter Location:\*\* Deltona is a primary "bedroom community." This specific location near the I-4 corridor provides easy access to both the Orlando and Daytona Beach job markets, ensuring a consistent pool of long-term tenants.

### #### \*\*Cons\*\*

\* \*\*Fails the 70% Rule:\*\* For investors seeking forced equity, this deal fails the 70% rule ( $\$194,900 \text{ ARV} \times 0.70 = \$136,430$ ). Since the purchase price equals the ARV, there is \*\*zero margin for error\*\* or instant equity; you are paying full retail value.

\* \*\*High Insurance and Tax Risk:\*\* Volusia County has seen significant increases in property insurance premiums and property tax reassessments. These "hidden" costs can quickly erode the narrow margins of a sub-\$200k property, potentially turning a cash-flow positive deal into a "break-even" scenario.

\* \*\*Limited Appreciation Ceiling:\*\* If the ARV is capped at \$194,900 while the neighborhood median is much higher, the property is likely a very small square-footage home or a manufactured home on land. Such properties often appreciate at a slower rate than traditional single-family homes in the same zip code.

# Market Valuation Report

## \*\*MARKET VALUATION REPORT\*\*

\*\*TO:\*\* Investment Committee / Stakeholder

\*\*FROM:\*\* Senior Real Estate Appraiser

\*\*DATE:\*\* October 26, 2023

\*\*SUBJECT PROPERTY:\*\* 3440 Trade St, Deltona, FL 32725

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### ### 1. NEIGHBORHOOD ANALYSIS

\*\*Market Area: Deltona (Southwest Volusia County)\*\*

The subject property is located in the 32725 zip code of Deltona, a predominantly residential "commuter city" situated between the Orlando metropolitan area and the Daytona Beach coastal area.

\* \*\*Market Conditions:\*\* The Deltona market remains relatively resilient due to its position as one of the few remaining "affordable" pockets in Central Florida. While the broader Florida market has seen a cooling trend due to interest rate spikes, the sub-\$250,000 price point remains highly competitive with low "Days on Market" (DOM) because it captures the largest pool of first-time homebuyers and institutional investors.

\* \*\*Neighborhood Vibe:\*\* This specific pocket of 32725 is characterized by established single-family homes, mature landscaping, and a lack of HOAs, which appeals to buyers seeking lower monthly carry costs. It is a blue-collar, family-oriented neighborhood with proximity to the I-4 corridor, making it an ideal location for those commuting to Orlando or Lake Mary.

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### ### 2. MLS VALUATION ESTIMATE

To determine the estimated listing price, we look at similar 3-bedroom detached dwellings within a 3-mile radius, specifically focusing on "entry-level" inventory.

\* \*\*Estimated Market Range:\*\* \$198,000 – \$215,000

\* \*\*Investor Target ARV:\*\* \$194,900

\* \*\*Valuation Comparison:\*\* The Investor's Target ARV of \*\*\$194,900\*\* is actually \*\*conservative\*\*.

In the current Deltona market, finding a detached single-family home (built post-1980) for under \$200,000 is increasingly rare. Most 1,000 sqft homes in this area that are in "move-in ready" condition are listing and selling in the low \$200s. The target ARV suggests the investor is either looking for a quick liquidation or is pricing the property at the "floor" of the market to drive a multiple-offer scenario.

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### ### 3. AMENITIES IMPACT

The valuation of 3440 Trade St is heavily influenced by its specific configuration:

\* \*\*The 3/1 Configuration (Functional Obsolescence):\*\* The most significant factor is the \*\*1-bathroom\*\* limit. In the 1990s-built era, 2 bathrooms became the standard for 3-bedroom homes. A 3-bed, 1-bath home suffers from "functional obsolescence," as it limits the buyer pool (families with children often require a second bathroom). This typically results in a 10-12% discount compared to 3/2 models in the same neighborhood.

\* \*\*Square Footage (1,000 SqFt):\*\* At 1,000 square feet, this is a "compact" 3-bedroom. The bedroom sizes are likely small (approx. 10x10 or 10x11). However, in a high-interest-rate environment, smaller square footage is a benefit for utility

efficiency and lower insurance premiums—a major selling point in Florida currently.

\* \*\*Year Built (1990):\*\* The 1990 construction is a major asset. Unlike the 1960s/70s homes common in Deltona, a 1990 build likely has modern wiring, standard plumbing, and potentially better hurricane tie-downs/roof-to-wall connections, which significantly lowers the cost of Homeowners Insurance (HOI) for the end-buyer.

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#### ### 4. VERDICT: IS THE ARV REALISTIC?

\*\*Verdict: YES – HIGHLY REALISTIC / CONSERVATIVE\*\*

The Investor's Target ARV of \*\*\$194,900\*\* is not only realistic; it is arguably \*\*below market value\*\*, even for a 1-bathroom home.

\*\*Supporting Reasoning:\*\*

1. \*\*Price Floor:\*\* In the 32725 zip code, the "land value + shell" of a 1990s home rarely dips below \$180,000 in the current economy.
2. \*\*Rentability:\*\* This property at \$194,900 would likely yield a high CAP rate for a buy-and-hold investor, as rents for 3-bedroom homes in Deltona typically range from \$1,650 to \$1,850.
3. \*\*Renovation Factor:\*\* Since the renovation budget is \$0, the property is assumed to be in "Average" or "Good" condition. If the interior is clean and the roof/HVAC have remaining life, \$194,900 represents a "steal" in the current Central Florida landscape.

\*\*Recommendation:\*\* The investor could likely push the ARV to \*\*\$205,000\*\* if the property is clean and functional, but \$194,900 ensures a nearly instantaneous sale.

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