



STARBOARD CRE
LOCAL • INDEPENDENT • ENTREPRENEURIAL

For Sale

Canalside Inn

Rehoboth Beach, DE 19971

Premier Hospitality Investment

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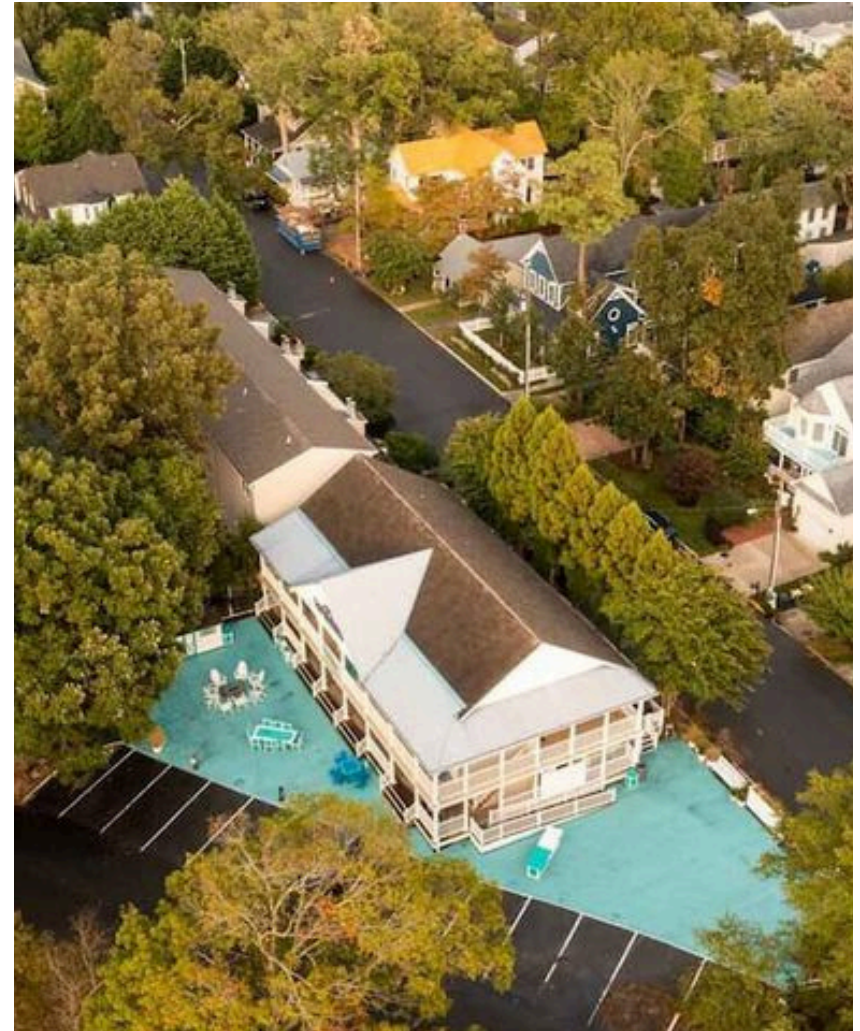


STARBOARDCRE.COM
49 POWELL STREET, SAN FRANCISCO, CA 94102

Address: 34 6th Street, Rehoboth Beach, Delaware
County: Sussex
Land Area: 0.58 acres (25,243 square feet)
Zoning: General Residential District (R-2)
Type: Lodging & Hospitality
Awards: 4x Best of Delaware Winner (2020-2023)

Facilities

- **Rooms:** 13 uniquely styled rooms and suites, equipped with modern amenities like Smart TVs, mini-fridges, and microwaves.
- **Capacity:** Hosts up to 37 guests; entire inn reservation available.
- **Event Spaces:** Indoor event center (650 sq ft), over 3200 sq ft of outdoor gathering space, suitable for events up to 100 people.



Flood and Seismic Zones: Zone X (Unshaded), Average seismic zone
Topography and Access: Irregular shape, level at street grade, good exposure and excellent appeal

Improvements:

- Buildings: 1
- Stories: 2
- Rooms: 13
- Gross Building Area: 6,894 square feet
- Year Built: 1960, renovated in 2024
- Roof: Solar, installed in 2024
- Construction Type: Wood frame
- Parking: 14 surface spaces
- Site Coverage Ratio: 13.7%

Highest and Best Use:

Continued use as a hospitality property or potential development into residential units such as condominiums, townhomes, or an apartment building.

Valuation and Income (2024):

- As-Is Market Value: \$6,000,000
- Capitalization Rate: 22% based on 2023 Net Operating Income of \$439,000
- Revenue: \$939,045 in 2023
- NOI/Room: \$34,000
- Occupancy Rate (2020-2023 Avg.): 47%
- Average Daily Rate: \$244
- RevPAR: \$129
- Reservation Ratio: 70% direct bookings, 30% through OTAs

Amenities

- Pool, hot tub, free Wi-Fi, bicycles, beach chairs, guest lounge with kitchen.

Special Features

- **Pet-Friendly:** Welcomes dogs with amenities like treats and outdoor shower.
- **Transportation:** Party bus available for beach and boardwalk trips.
- **Experiences:** Customizable stays for retreats, family vacations, or romantic getaways.



Events and Retreats

- **Corporate Retreats:** Facilities for up to 30 attendees, complete with audiovisual equipment and high-speed internet.
- **Weddings and Parties:** Ideal for private celebrations with options for full property booking.
- **Leadership Retreats:** Hosted by Dr. Bryan Deptula, offering executive and management development programs.



Located on over 25,000 square feet across two parcels in Rehoboth Beach, DE, the award-winning Canalside Inn offers exceptional investment and development opportunities. This prime location is steps from the beach, boardwalk, and downtown attractions.

Current Operations:

The Inn caters to leisure, corporate retreats, and weddings, with recent renovations enhancing its appeal and functionality.

Growth Opportunities:

Hosting two corporate retreats per month through local partnerships could boost annual revenue by approximately \$480,000.

Development Potential:

The property's location and zoning enable redevelopment, boosting investment potential in Rehoboth Beach's strong market.



OPTION 1: REIMAGINED BOUTIQUE HOTEL & SPA:

Located in Rehoboth Beach, this boutique hotel and spa represents luxury and leisure. With a \$5 million investment in renovations and expansions, it aims for over \$3 million in annual revenue, promising a return exceeding 20%. Guests will enjoy personalized services, luxurious accommodations, and spa experiences in a vibrant coastal setting.

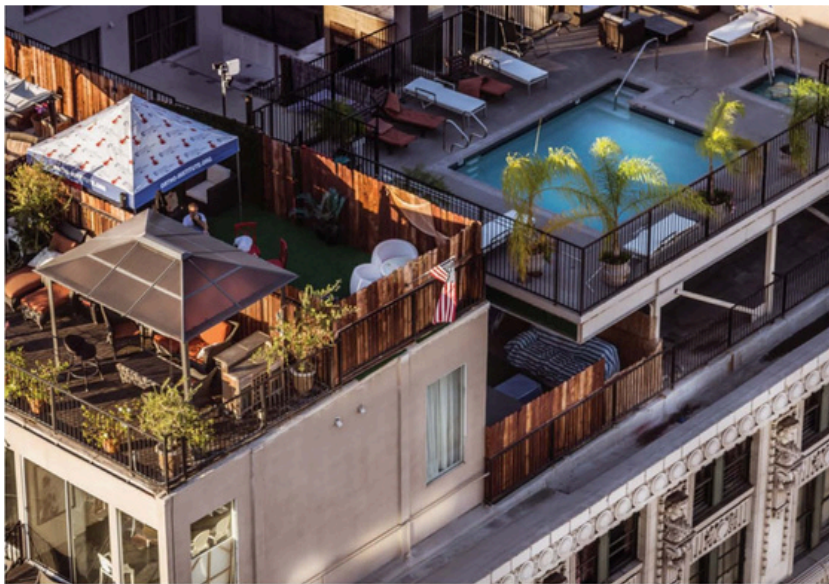


OPTION 2: LUXURY CONDOMINIUMS:

Developing a four-story luxury condo complex with 20 units in Rehoboth Beach offers a major investment opportunity. An initial \$15 million investment could yield \$30 million in sales, with returns exceeding 100%, capitalizing on the area's upscale, coastal lifestyle.

OPTION 3: TOWNHOME COMPLEX WITH 10 UNITS:

Developing a boutique townhome enclave in Rehoboth Beach offers a blend of luxury and coastal living with a \$4 million investment. Projected sales of \$1.3 million per unit could yield over \$13 million in revenue, providing returns above 130%.



4. APARTMENT BUILDING WITH 20 UNITS:

Constructing a four-story apartment building in Rehoboth Beach, with a \$5 million investment, promises nearly \$1 million in annual rental income, offering stable returns exceeding 10%.

Operating Summary	2023	
Rooms	13	
Available Rentable Rooms	4,745	
Rooms Sold	2,097	
Occupancy	44.19%	
ADR	\$233.54	
RevPar	\$103.20	
Room Revenue	\$584,040	66.44%
Other Revenue	\$87,494	9.95%
Corporate Reatreats Revenue	\$207,516	23.61%
Gross Revenue	\$879,050	100.00%
Operating Expenses	\$496,230	56.45%
Owner Comp	-\$133,846	15.23%
Property Tax	\$28,600	3.25%
Total Expenses	\$390,984	44.48%
NOI	\$488,066	55.52%
Less Debt Services	-\$307,592	
Pre-Tax Cash Flow	\$180,474	
Debt Coverage Ratio	-1.59	



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Canal Side Inn Rehoboth Beach DE

	Purchase Price
Purchase Price	\$5,200,000
Down Payment (30%)	\$1,560,000

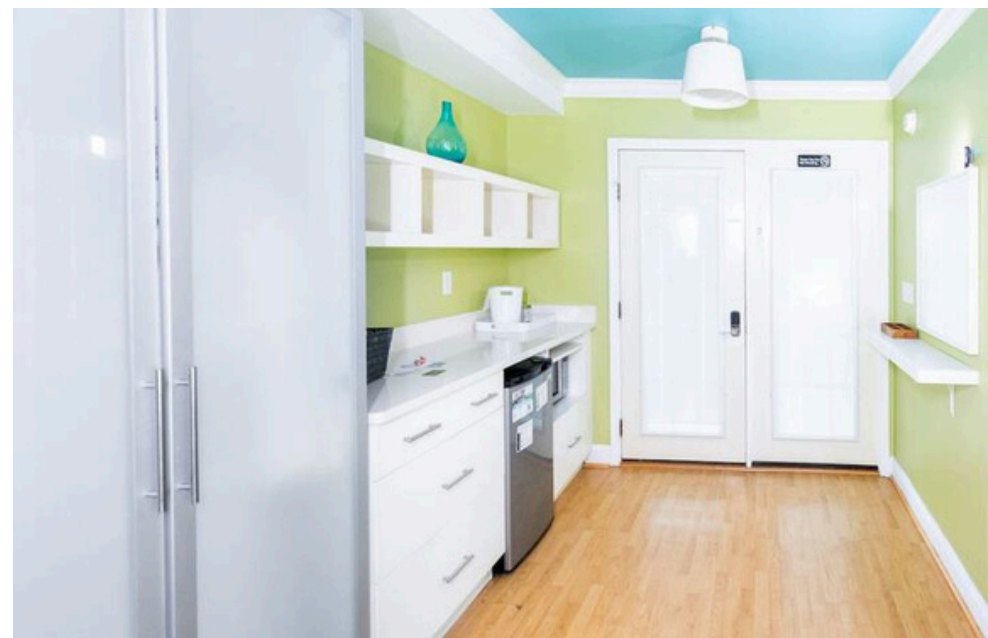
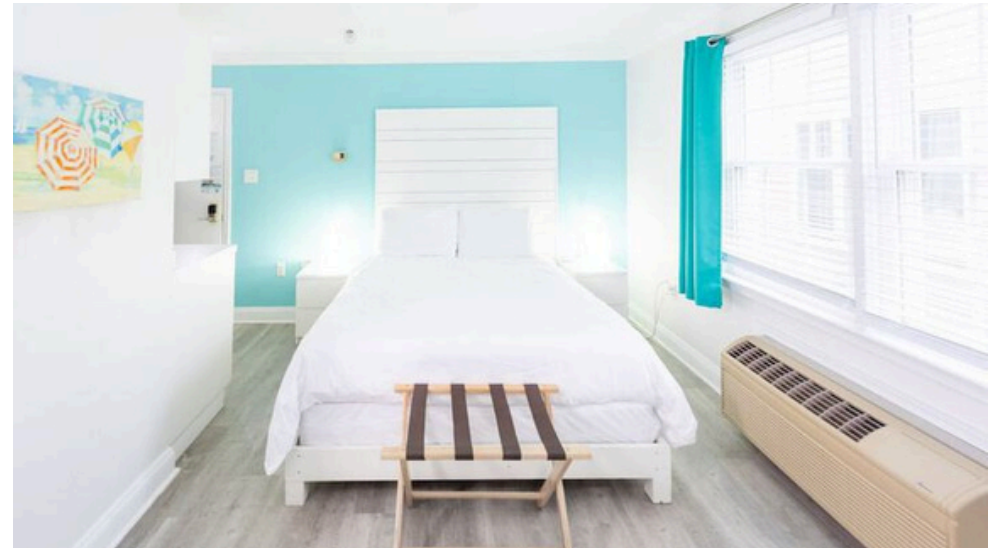
Proposed Financing-New First

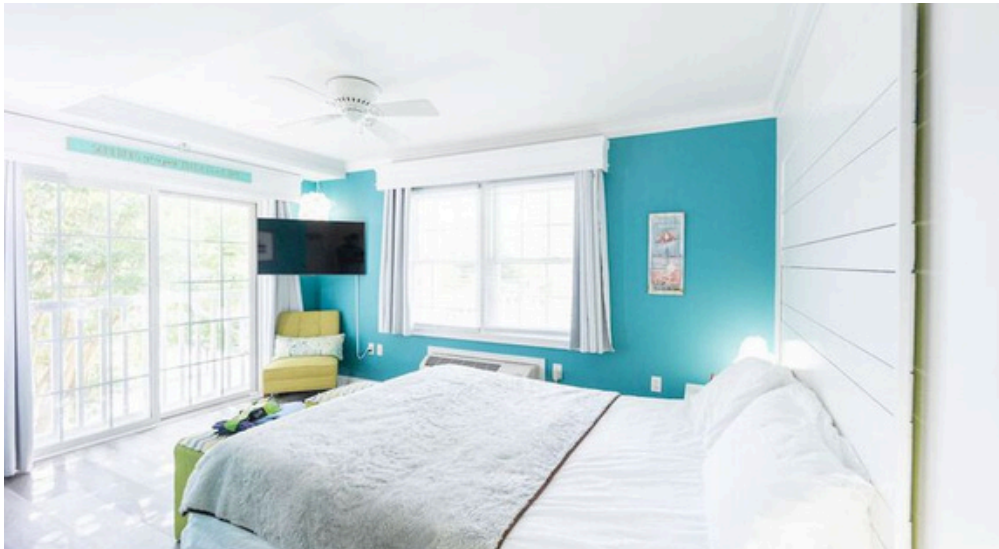
New First	\$3,640,000
Interest Rate	7.25%
Amortization	27
Monthly Principal & Interest	-\$25,633

Investment Summary

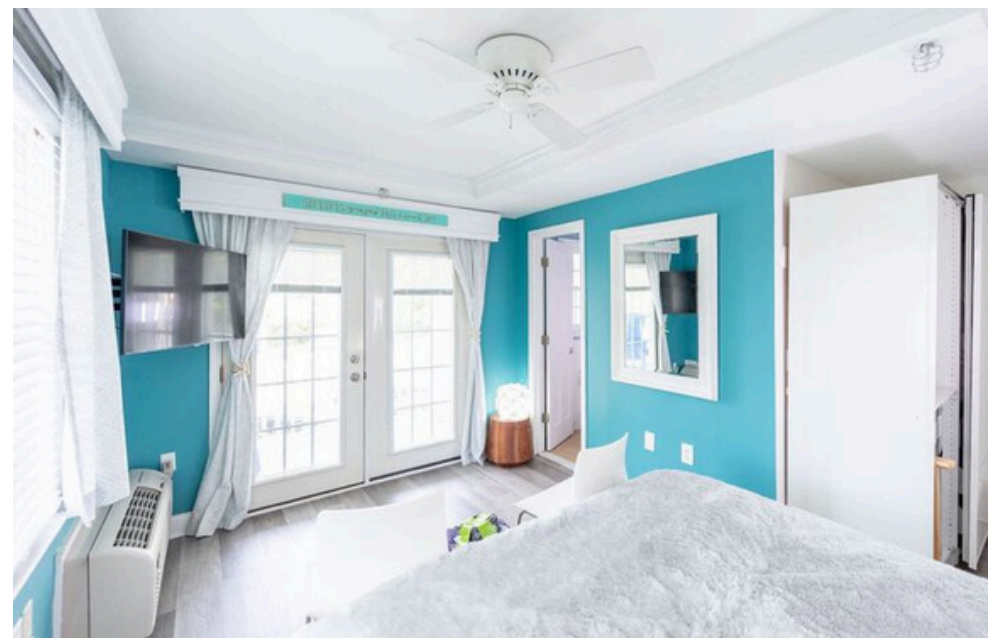
Cash On Cash Return	11.57%
CAP Rate	9.39%
Room Revenue Multiplier	8.90
Price Per Room	\$400,000







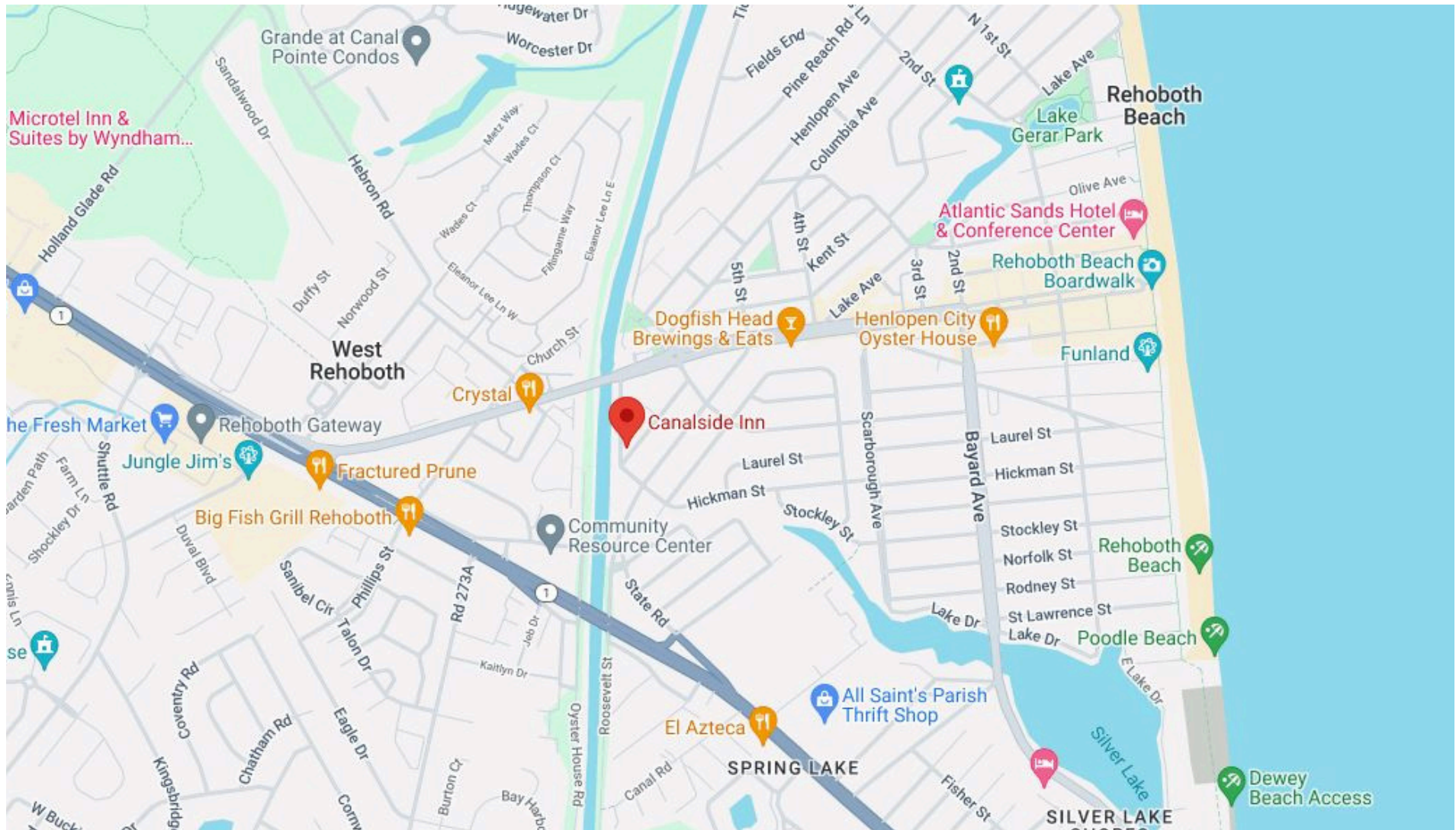
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AMENITIES MAP

For Sale



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We do it all

Locally based, and technology-forward, our brokers are highly qualified experts backed by a full-service, in-house support team who understand the intricacies of San Francisco real estate. Starboard CRE brings decades of brokerage experience representing over 600 million square feet of space with an aggregate lease value of over 10 billion and investments sold over 3 billion.

CA DRE# 01103056

