



Realty & Capital Advisors

Coastal
Texas

#07430315 | 06/01/21

Texas RV Resort Portfolio



4.0 Stars



550-600
Sites



\$21.0M





I have been working with Yale Realty for a number of years now and have had nothing but an incredible experience. As someone who has worked with real estate brokers my whole life, never have I come across one as honest and forthcoming as the Yale team. They truly put the client first and have never once compromised their integrity to get a deal done.

— Rick F. - Owner



Thank you for your consideration



DANA SMITH
Regional Director - Southwest

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Portfolio Highlights

- All three resorts have quick access to the beaches and the bay and one resort is waterfront
- Room to push rental rates ~10% and upside in increasing occupancy by changing to all-age year-round at 2 of the resorts
- Strong “Winter Texan” and Summer market
- Large, concrete back-in sites at all resorts
- Minimal deferred maintenance at each resort



Portfolio Discussion

Coastal Texas RV Resort Portfolio

This portfolio is a one-of-a-kind opportunity to acquire three high quality 4 Star RV Resorts. All of the resorts come highly amenitized including swimming pools, recreation halls, boat storage, commercial grade laundry facilities, activities, and host of other amenities. Each resort is equipped with 30/50 amp hookups, dumpsters, municipal water, and municipal sewer at all but one, which is on septic.

One resort is all age/family, the second is age restricted 55+, and the last is age restricted seasonally. There is an office with on-site staff at each resort, and the future owner/operator will benefit from the economies of scale in place, as the portfolio currently shares a property manager and maintenance staff.

This resort portfolio provides upside in occupancy by changing the restrictions to allow families year-round, as they currently have a 55+ age restriction seasonally on one of the properties. Additionally, rates are about 5%-10% below market across the portfolio.

These resorts attract both short-term summer vacationers and long-term winter residents. Fishermen come to Corpus Christi, Galveston, Rockport, etc., stay for months at a time, and leave their RV's at the resorts year-round, which provides stable cash-flow. These resorts also have a large draw for skilled laborers providing affordable, work-force housing for many workers in the area. With diverse economic drivers in the market including beaches, fishing, Winter Texans, and an endless amount of job sources, all three communities are sure to remain highly occupied keeping the cash flowing.



Portfolio Overview

| PURCHASE OVERVIEW | | PROPERTY DETAILS | | |
|--------------------------|------------------------|-------------------------|------------------------|-----------|
| Purchase Price | \$21,000,000 | Property Type | RV Resorts | |
| Down Payment | \$7,350,000 | Number of Units | 550 - 600 | |
| Loan Amount | \$13,650,000 | Purchase Price Per Unit | \$35,000 - \$38,200 | |
| | | Income Per Unit | \$4,600 - \$5,000 | |
| | | Expenses Per Unit | (\$2,350 - \$2,550) | |
| OVERVIEW | PROPERTY #1 | PROPERTY #2 | PROPERTY #3 | PORTFOLIO |
| Property Acreage | 5+/- Ac. | 15-20 Ac. | 20-25 Ac. | 35-50 Ac. |
| Resident Type | All-Age | All-Age | 55+ | |
| UTILITIES | | | | |
| Electric | 30/50 Amp - Submetered | 30/50 Amp - Submetered | 30/50 Amp - Submetered | |
| Water & Sewer | Municipal | Municipal/Septic | Municipal | |
| Trash | Dumpster | Dumpster | Dumpster | |
| AMENITIES | | | | |
| Clubhouse | | | ✓ | |
| Swimming Pool | ✓ | ✓ | ✓ | |
| Hot Tub | ✓ | | ✓ | |
| On Site Office | ✓ | ✓ | ✓ | |
| Recreation Hall | ✓ | ✓ | ✓ | |
| Full Kitchen | ✓ | | | |
| Game/Recreation Area | ✓ | | ✓ | |
| Laundry Facility | ✓ | ✓ | ✓ | |
| Library | | | ✓ | |
| Pavillion | | ✓ | | |
| Private Pier | ✓ | | | |
| Sites with Picnic Tables | | | ✓ | |
| Boat Storage | ✓ | | ✓ | |
| Cable/Wifi | | ✓ | ✓ | |



Transaction Overview

UNDERWRITING ASSUMPTIONS

Rental & Transient RV Revenue Growth 5% Beginning in Year 1

Annual RV Revenue Growth 5% Beginning in Year 2

Other Income Growth Rate 3% Per Year

Expense Growth Rate 2% Per Year

LOAN OVERVIEW

Total Equity Contribution \$7,350,000

Loan Amount \$13,650,000

Loan to Value 65%

Interest Rate 4.25%

Amortization 25 Years

Interest Only Period None

Loan Term 5 Years

Interest Only Payment None

Amortization Payment \$73,947

Financing Type Bank

FINANCIAL MEASUREMENTS

| | YEAR 1 | YEAR 3 | YEAR 5 |
|--------------------------------------|------------------|------------------|------------------|
| Effective Gross Income | 2,753,073 | 3,017,086 | 3,305,645 |
| Less: Operating Expenses | (1,411,860) | (1,540,883) | (1,609,801) |
| Operating Expenses Ratio | 51.3% | 51.1% | 48.7% |
| Net Operating Income | 1,341,213 | 1,476,204 | 1,695,844 |
| Less: Annual Debt Service | (887,367) | (887,367) | (887,367) |
| Debt Coverage Ratio | 1.51 | 1.66 | 1.91 |
| Net Cash Flow | 453,846 | 588,836 | 808,477 |
| Cap Rate on Cost | 6.39% | 7.03% | 8.08% |
| Exit Cap Rate Assumption | 6.50% | 6.50% | 6.50% |
| Economic Occupancy % | 100.0% | 100.0% | 100.0% |
| Gross Rent Multiplier | 9.5 | 9.4 | 9.8 |
| Cash on Cash Return | 6.2% | 8.0% | 11.0% |
| Internal Rate of Return (IRR) | N/A | 14.8% | 19.0% |



5 Year Pro Forma

| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| INCOME | | | | | |
| Potential Rental Income | 2,205,910 | 2,292,166 | 2,407,954 | 2,528,110 | 2,651,662 |
| Rent Increase Income | 86,256 | 115,788 | 120,156 | 123,552 | 135,228 |
| Other Income | 460,907 | 474,734 | 488,976 | 503,645 | 518,755 |
| Effective Gross Income | 2,753,073 | 2,882,688 | 3,017,086 | 3,155,308 | 3,305,645 |
| EXPENSES | | | | | |
| Advertising | 20,000 | 20,400 | 20,808 | 21,224 | 21,649 |
| Auto Expense | 4,200 | 4,284 | 4,370 | 4,457 | 4,546 |
| Cable, Phone, Internet | 77,450 | 78,999 | 80,579 | 82,191 | 83,834 |
| Electric | 61,918 | 63,156 | 64,419 | 65,707 | 67,021 |
| General & Administrative | 14,400 | 14,688 | 14,981 | 15,281 | 15,587 |
| General & Administrative - CC Fees | 31,957 | 32,597 | 33,248 | 33,913 | 34,592 |
| Insurance | 50,355 | 51,362 | 52,389 | 53,437 | 54,506 |
| Licenses & Permits | 3,600 | 3,672 | 3,745 | 3,820 | 3,897 |
| Meals, Travel, & Entertainment | 1,500 | 1,530 | 1,561 | 1,592 | 1,624 |
| Off-Site Management Fees | 110,123 | 115,308 | 120,683 | 126,212 | 132,226 |
| Payroll Expense | 146,149 | 149,072 | 152,054 | 155,095 | 158,197 |
| Professional Fees | 6,000 | 6,120 | 6,242 | 6,367 | 6,495 |
| Real Estate Taxes | 193,134 | 196,997 | 200,937 | 204,956 | 209,055 |
| Real Estate Taxes Reassessment | | 64,581 | 65,872 | 67,190 | 68,534 |
| Repairs & Maintenance | 206,500 | 210,630 | 214,843 | 219,139 | 223,522 |
| Replacement Reserves | 28,650 | 29,223 | 29,807 | 30,404 | 31,012 |
| Taxes - Other | 7,437 | 7,586 | 7,738 | 7,892 | 8,050 |
| Utilities | 448,487 | 457,457 | 466,606 | 475,938 | 485,457 |
| Total Expenses | 1,411,860 | 1,507,660 | 1,540,883 | 1,574,816 | 1,609,801 |
| Net Operating Income | 1,341,213 | 1,375,028 | 1,476,204 | 1,580,492 | 1,695,844 |
| Less: Annual Debt Service | (887,367) | (887,367) | (887,367) | (887,367) | (887,367) |
| Net Cash Flow | 453,846 | 487,661 | 588,836 | 693,125 | 808,477 |



Cash Flow Analysis

| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|--------------------------------------|------------------|------------------|------------------|-------------------|-------------------|
| RENTAL ACTIVITY ANALYSIS | | | | | |
| Effective Rental Income | 2,292,166 | 2,407,954 | 2,528,110 | 2,651,662 | 2,786,890 |
| Other Income | 460,907 | 474,734 | 488,976 | 503,645 | 518,755 |
| Effective Gross Income | 2,753,073 | 2,882,688 | 3,017,086 | 3,155,308 | 3,305,645 |
| Less: Operating Expenses | (1,411,860) | (1,507,660) | (1,540,883) | (1,574,816) | (1,609,801) |
| OPERATING EXPENSES RATIO | 51.3% | 52.3% | 51.1% | 49.9% | 48.7% |
| Net Operating Income | 1,341,213 | 1,375,028 | 1,476,204 | 1,580,492 | 1,695,844 |
| Less: Annual Debt Service | (887,367) | (887,367) | (887,367) | (887,367) | (887,367) |
| Net Cash Flow | 453,846 | 487,661 | 588,836 | 693,125 | 808,477 |
| PROPERTY RESALE ANALYSIS | | | | | |
| Projected Sales Price | 20,634,051 | 21,154,284 | 22,710,823 | 24,315,261 | 26,089,904 |
| Less: Selling Expenses | (619,022) | (634,629) | (681,325) | (729,458) | (782,697) |
| Less: Loan Balance | (13,336,702) | (13,009,826) | (12,668,785) | (12,312,963) | (11,941,721) |
| Net Sale Proceeds | 6,678,327 | 7,509,829 | 9,360,714 | 11,272,840 | 13,365,486 |
| CASH SUMMARY | | | | | |
| Net Cash Flow | 453,846 | 487,661 | 588,836 | 693,125 | 808,477 |
| Previous Years Net Cash Flow | | 453,846 | 941,508 | 1,530,344 | 2,223,469 |
| Net Sale Proceeds | 6,678,327 | 7,509,829 | 9,360,714 | 11,272,840 | 13,365,486 |
| Down Payment | (7,350,000) | (7,350,000) | (7,350,000) | (7,350,000) | (7,350,000) |
| Total Cash Generated | (217,826) | 1,101,337 | 3,541,058 | 6,146,309 | 9,047,432 |
| FINANCIAL MEASUREMENTS | | | | | |
| Cap Rate on Costs | 6.4% | 6.5% | 7.0% | 7.5% | 8.1% |
| Exit Cap Rate Assumption | 6.5% | 6.5% | 6.5% | 6.5% | 6.5% |
| Debt Coverage Ratio | 1.51 | 1.55 | 1.66 | 1.78 | 1.91 |
| Loan to Value Ratio | 65% | 61% | 56% | 51% | 46% |
| Gross Rent Multiplier | 9.5 | 9.2 | 9.4 | 9.6 | 9.8 |
| Cash on Cash Return | 6.2% | 6.6% | 8.0% | 9.4% | 11.0% |
| Internal Rate of Return (IRR) | N/A | 7.4% | 14.8% | 17.6% | 19.0% |



Property Photos - Property #1

STREET VIEW



STREET VIEW



STREET VIEW



RECREATION HALL



APARTMENT/OFFICE



POOL



Property Photos - Property #2

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



POOL



Property Photos - Property #3

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



BOAT STORAGE



REC HALL/SHUFFLEBOARD COURTS





“The Yale team are professional and knowledgeable... they were great to work with.... They saw the value of my community better than anyone else.

— Rick C. - Owner





Realty & Capital Advisors



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Our sellers *net 10% more* and our borrowers enjoy a *99% application to closing ratio*



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Excellence and integrity are built into our business model while fostering close personal relationships with our clients is what we value most.

Fannie Mae | Freddie Mac

- 10 to 30 Year Terms
- 30 Year AM, up to Full Term Interest-Only
- Up to 80% LTV
- Rates in the 3-3.5% Range
- Non-Recourse

Bank Loans

- 5 to 10 Year Terms
- Up to 30 Year AM, Partial Interest-Only
- Up to 80% LTC
- Fixed Rates from 4-5.5%
- Recourse or Partial Recourse

Equity

- Sourcing Single Investor Funds for Proven MHC and RV Operators/Developers
- Development, Portfolio Expansion, Recapitalizations
- Flexible Deal Structure; Common, Preferred and Joint Venture Equity

CMBS

- 5 to 10 Year Terms
- 30 Year AM, up to Full-Term Interest-Only
- Up to 80% LTC
- Rates in the 3.5-4% Range
- Non-Recourse

Bridge Loans

- 2 to 4 Year Terms
- Interest-Only
- Up to 80% LTC Including Cap-Ex
- Floating Rates as Low as 3.4%
- Non-Recourse, Flexible/No Prepayment Penalty



I have used Yale Capital and Chris San Jose for 12 CMBS loans, bank derivative fixed rate loans, and Freddie Mac and Fannie Mae loans. Chris and his team have done a fantastic job in securing the amounts and rates I was looking for. I will continue to use Chris in all my future financing needs.

— Paul G. - Owner

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Regarding Property: Offering #07430315

Our policy requires that we obtain this Non-Disclosure Agreement (the “Agreement”) before disclosing certain information about certain real estate that may be available for sale or investment. This information must be kept confidential. In consideration of Yale Realty Advisors (“Yale”) and Dana Smith (or any party designated by Dana Smith) (the “Broker”) providing the information on such real estate which may be available for purchase or for sale (the “Potential Transaction”), I understand and agree:

1. (a) That any confidential or proprietary information (the “Confidential Information”) of the potential selling party (the “Seller”) provided is sensitive and confidential, and that its disclosure to others may be damaging to the Seller. I agree that upon the earlier of: (i) two (2) years from the date of this Agreement and (ii) the request of Broker, Yale or Seller, any Confidential Information furnished to me shall be either returned or destroyed, and I shall certify to such destruction.

(b) Not to disclose, for a period of two (2) years from the date I sign this Agreement, any Confidential Information regarding the Potential Transaction to any other person who has not also signed this Agreement or a joinder thereto, except to the extent necessary to secure the advice and recommendations of my employees, officers, directors, members, managers, advisors, attorneys, accounts or financing sources (collectively, the “Representatives”) regarding the Potential Transaction. “Confidential Information,” as used in this Agreement, shall include the fact that the Potential Transaction is for sale or open to offers, and any other data provided. My Representatives shall abide by the terms of this Agreement, and I agree to be liable for any breach of the provisions of this Agreement by any of my Representatives.

(c) Not to contact the Seller or its Representatives, suppliers or customers except through the Broker. I shall present all correspondence, inquiries, offers to purchase and negotiations relating to the Potential Transaction directly to the Broker, and all such negotiations shall be conducted exclusively through the Broker. At such a time as a LOI or PSA is reached regarding the Potential Transaction, I agree to copy the Broker on all communication and negotiations related to the Potential Transaction.

2. That all information regarding the Potential Transaction is provided by the Seller or other sources and is not verified by the Broker or Yale. The Broker and Yale have done their best to ensure the accuracy of said information, but the Broker and Yale make no, representation or warranty, express or implied, as to the accuracy of such information. I agree that the Broker and Yale are not responsible for the accuracy of any other information I receive, and I agree to indemnify and hold the Broker, Yale, and each of their Representatives harmless from any claims or damages which may occur by reason of the inaccuracy or incompleteness of any information provided to me with respect to any Potential Transaction.

I acknowledge that I have received an exact copy of this Agreement and that I have read this Agreement carefully and fully understand it.

Signature

Date

Printed Name

Email

Company

Phone

Sign, date, and send back to Broker: **DANA SMITH** | FAX 941-827-7977 | Dana@yaleadvisors.com | TEL. 303-323-5649

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