



Realty & Capital Advisors

Tucson,
Arizona

#10030309 | 05/13/21

Arizona RV Park



3.0 Stars



75-100 Sites



\$3.5M





Thank you for your ——— consideration



MAX HERNANDEZ

Grand Canyon

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Property Highlights

- Fully Occupied All-Age RV Community in Tucson, Arizona
- Community features below market rents
- Municipal Water & Sewer
- 5 minutes from I-10 & walking distance to gas, local shopping and groceries
- Historically high occupancy



Arizona RV Park

This Value-Add opportunity is in a prime location for investors either looking to expand their portfolio or looking to enter the Arizona RV market. This is a great asset for an experienced operator to do cosmetic improvements and bring the rents to market, increasing the overall value of the park.

Data shows that Vacancy rates have been falling due to an increased demand and a lack of supply. This community boasts an average consistent occupancy of 85% year round. The property houses students, construction workers, retirees, vacationers and more. The community features paved roads, curb & gutter and gravel sites.

The community features a clubhouse which has recently been renovated. Renovations include a new AC unit, and both the interior and exterior have been painted. There is large signage at the front of the park. The laundry facilities that have been updated with 1 new ac unit. Three new breaker boxes have been installed. There are a total of 20% 50-amp pedestals, the remaining sites feature 30-amp pedestals. Ownership bills tenants who stay over 30 days for Trash and Electric. The water and sewer are municipal and are included in the rent.

The property is under a 10-minute drive to the University of Arizona which is home to over 35,000 students. The university brings parents, students and sports fans from across the country. The property is a 5-minute drive to I-10 and provides easy access to grocery stores, gas stations, local shopping.

There is 1 rental home on the property. The unit is a 2 bed, 1 bath that could rent for \$700-\$800 at market. Currently, this home is being used for housing the assistant manager. There is also a park-owned RV that is rented out to the manager.

The current ownership has operated the property for 8 years and has been constantly making improvements to the park. There is a high sense of community among the residents of the community lending to happy residents and enjoyable stays.



Property Overview

Purchase Overview			
Purchase Price		\$3,500,000	
Down Payment		\$1,050,000	
Loan Amount		\$2,450,000	
Property Details			
Property Type		RV Resort	
Number of Units		75-100 Lots	
Purchase Price Per Unit		\$35,000 - \$46,650	
Income Per Unit		\$4,700 - \$6,300	
Expenses Per Unit		(\$2,550 - \$3,400)	
Utility Information			
Utility/Service	Provider	Meter	Paid By
Water	Municipal	None	Community
Sewer	Municipal	None	Community
Dumpster	Curbside	None	Tenant

Property Amenities



Off-Street Parking



On-Site Manager



Paved Roads



Free Wifi



Laundry Facility



Bathhouse



Clubhouse



Game Room



High Walkability



Transaction Overview

UNDERWRITING ASSUMPTIONS

Annual RV Rental Rate Growth	3% Per Year Starting in Year 2
Transient RV Rental Rate Growth	Year 1: 33% ; Years 2-5: 5% Per Year
Lease Up	Year 1: 1 lot
Other Income Growth Rate	3% Per Year
Expense Growth Rate	2% Per Year

LOAN OVERVIEW

Total Equity Contribution \$1,050,000

Loan Amount **\$2,450,000**

Loan to Value	70%
Interest Rate	4.00%
Amortization	25 Years
Interest Only Period	1 Years
Loan Term	5 Years
Interest Only Payment	\$8,167
Amortization Payment	\$12,932
Financing Type	Bank Loan

FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
Effective Gross Income	471,619	507,457	539,708
Less: Operating Expenses	(253,591)	(265,432)	(276,672)
Operating Expenses Ratio	53.8%	52.3%	51.3%
Net Operating Income	218,028	242,025	263,036
Less: Annual Debt Service	(98,000)	(155,184)	(155,184)
Debt Coverage Ratio	2.22	1.56	1.69
Net Cash Flow	120,028	86,841	107,852
Cap Rate on Cost	6.23%	6.91%	7.52%
Exit Cap Rate Assumption	6.00%	6.00%	6.00%
Economic Occupancy %	99.0%	100.0%	100.0%
Gross Rent Multiplier	8.5	9.3	9.5
Cash on Cash Return	11.4%	8.3%	10.3%
Internal Rate of Return (IRR)	13.8%	22.8%	21.7%



Property Photos

STREET VIEW



STREET VIEW



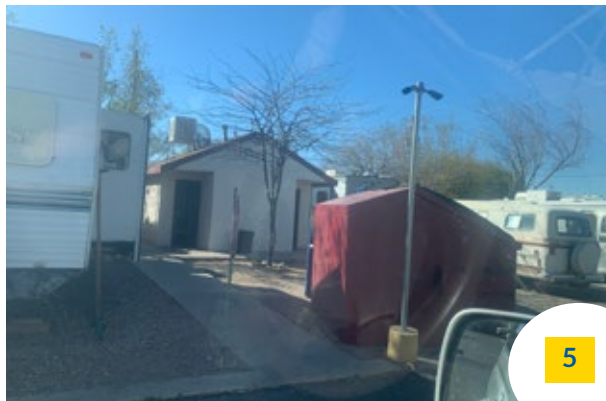
STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



5 Year Pro Forma

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOME					
Potential Rental Income	410,211	420,855	434,835	449,019	463,263
Rent Increase Income	10,404	13,740	13,944	13,944	14,148
Lease Up	4,320	8,880	9,120	9,420	9,720
Less: Vacancy	(8,400)	(8,640)	(8,880)	(9,120)	(9,420)
Other Income	55,084	56,737	58,439	60,192	61,998
Effective Gross Income	471,619	491,571	507,457	523,454	539,708
EXPENSES					
Advertising	500	510	520	531	541
Cable, Phone, Internet	1,100	1,122	1,144	1,167	1,191
General & Administrative	7,295	7,441	7,590	7,741	7,896
General & Administrative - CC Fees	1,565	1,597	1,629	1,661	1,694
Insurance	6,300	6,426	6,555	6,686	6,819
Licenses & Permits	1,200	1,224	1,248	1,273	1,299
Meals, Travel, & Entertainment	1,500	1,530	1,561	1,592	1,624
Off-Site Management Fees @ 4.0%	18,865	19,663	20,298	20,938	21,588
Payroll Expense	23,500	23,970	24,449	24,938	25,437
Professional Fees	3,000	3,060	3,121	3,184	3,247
Real Estate Taxes	10,354	10,561	10,772	10,988	11,208
Repairs & Maintenance	32,164	32,807	33,463	34,132	34,815
Replacement Reserves	4,200	4,284	4,370	4,457	4,546
Taxes - Other	8,313	8,479	8,649	8,822	8,998
Utilities	132,871	135,528	138,239	141,004	143,824
Lease Up Operational Expense	864	1,776	1,824	1,884	1,944
Total Expenses	253,591	259,978	265,432	270,999	276,672
Net Operating Income	218,028	231,593	242,025	252,456	263,036
Less: Annual Debt Service	(98,000)	(155,184)	(155,184)	(155,184)	(155,184)
Net Cash Flow	120,028	76,409	86,841	97,272	107,852



Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RENTAL ACTIVITY ANALYSIS					
Effective Rental Income	416,535	434,835	449,019	463,263	477,711
Other Income	55,084	56,737	58,439	60,192	61,998
Effective Gross Income	471,619	491,571	507,457	523,454	539,708
Less: Operating Expenses	(253,591)	(259,978)	(265,432)	(270,999)	(276,672)
OPERATING EXPENSES RATIO	53.8%	52.9%	52.3%	51.8%	51.3%
Net Operating Income	218,028	231,593	242,025	252,456	263,036
Less: Annual Debt Service	(98,000)	(155,184)	(155,184)	(155,184)	(155,184)
Net Cash Flow	120,028	76,409	86,841	97,272	107,852
PROPERTY RESALE ANALYSIS					
Projected Sales Price	3,633,796	3,859,883	4,033,747	4,207,598	4,383,933
Less: Selling Expenses	(109,014)	(115,796)	(121,012)	(126,228)	(131,518)
Less: Loan Balance	(2,450,000)	(2,391,756)	(2,331,139)	(2,268,052)	(2,202,395)
Net Sale Proceeds	1,074,783	1,352,330	1,581,596	1,813,318	2,050,020
CASH SUMMARY					
Net Cash Flow	120,028	76,409	86,841	97,272	107,852
Previous Years Net Cash Flow		120,028	196,437	283,278	380,549
Net Sale Proceeds	1,074,783	1,352,330	1,581,596	1,813,318	2,050,020
Down Payment	(1,050,000)	(1,050,000)	(1,050,000)	(1,050,000)	(1,050,000)
Total Cash Generated	144,810	498,767	814,873	1,143,868	1,488,421
FINANCIAL MEASUREMENTS					
Cap Rate on Costs	6.2%	6.6%	6.9%	7.2%	7.5%
Exit Cap Rate Assumption	6.0%	6.0%	6.0%	6.0%	6.0%
Debt Coverage Ratio	2.22	1.49	1.56	1.63	1.69
Loan to Value Ratio	67%	62%	58%	54%	50%
Gross Rent Multiplier	8.5	9.2	9.3	9.4	9.5
Cash on Cash Return	11.4%	7.3%	8.3%	9.3%	10.3%
Internal Rate of Return (IRR)	13.8%	22.5%	22.8%	22.3%	21.7%





Realty & Capital Advisors

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

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- 2 to 4 Year Terms
- Interest-Only
- Up to 80% LTC Including Cap-Ex
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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 #10030309

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 Max Hernandez (or any party designated by Max Hernandez) (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: MAX HERNANDEZ | FAX 941-827-7977 | Max@yaleadvisors.com | TEL. 415-686-8694