



All-Age MH Community

#11250510 | 05/26/21

Central
Missouri



3 STARS



100+/-



\$2.2M



I want to thank you and your team at Yale advisors for your professionalism and due diligence... you managed to organize and answer all questions for the buyer, creating a smooth transition... I would not hesitate to use your firm again.

Steven K. - Owner





Thank you for your consideration



KEN SCHEFLER
Director - Upper Midwest

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NON-ENDORSEMENT & DISCLAIMER

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. The information, calculations and data presented in this report are believed to be accurate but are not guaranteed. The information contained in this report shall not be considered as a substitution for legal, accounting or other professional advice. Please seek proper legal and tax advice as appropriate before making investments.



Critical Deadlines

JUNE 24TH, 2021



Offers Due

LOI's and supplemental information will be due at 5pm on the due date. Supplemental information is not required and includes standard due diligence list and/or company/buyer bio.

JUNE 28TH - JULY 1ST, 2021



Best and Final Offers Period

Seller will take this time to review all LOI's and supplemental information. Selected buyers will be contacted and, if they choose, given an opportunity to make their offer more attractive.



Projected Timelines

MIDDLE OF
JULY 2021



Targeted PSA Deadline

The above time period reflects the seller's ideal time period for the PSA to be drafted and executed.

MIDDLE OF
AUGUST 2021



Completion of Due Diligence

Seller has indicated the preferred time period for due diligence to be **30-45** days from the execution of the PSA.

MIDDLE OF
SEPTEMBER 2021



Closing Period

Seller has indicated the preferred time period for financing and closing to be **30** days from the due diligence deadline.



Property Highlights

- Rare opportunity to acquire a community with strong upside in a thriving market
- Significant amount of upside in rents, infill, storage units, and acres for expansion
- Strong infrastructure with municipal water and sewer as well as a dependable husband and wife on site management team
- Proven MSA with about 400,000 residents within 30 min, and \$150,000 - \$200,000 in median home prices.
- Incredible returns for a 5 year hold, projected to double in market value.



Property Discussion

All-Age Central Missouri MHC

Yale Realty Advisors is proud to present the opportunity to acquire a manufactured home community in the Jefferson City/Columbia area of Central Missouri with an extremely strong upside that will allow any investor to make a very healthy return on their investment.

The current rents are at the lowest in the market, with a realistic potential of them increasing \$100 - \$150 in a short amount of time. There are also 79 self-storage units on the property that are not being fully utilized. In addition to that, there are 7 acres for expansion in the middle of the property, as well as another 2 at the front for the development of new amenities or even more additional homes. It is important to note that the current state of the community is not due to a shrinking population or an oversaturated housing market. Current ownership is out of state and passive, and there was ineffective management in place until very recently.

In addition to all of the potential upside, the community has a strong infrastructure that will save the next owner from any unnecessary headaches. The utilities are city water and city sewer with direct bill to the tenants. There is also a new onsite husband and wife management team that come highly recommended from the current ownership. They have shown a strong pride in their community and a dependable initiative to take care of and maintain the property.

The area also boasts great demographics for any community owner. The Columbia and Jefferson City MSAs, only 30 minutes from each other, are home to several universities, including the University of Missouri, and as well as the state capital of Missouri. The combined MSAs consist of over 400,000 residents, and the median home prices are \$150,000 to \$200,000, allowing a manufactured home community to easily capture the affordable housing segment of the market.

At the current pricing and with a realistic amount of capex (included in our underwriting), investors can expect to stabilize the community by year 3 and double the market value by year 5, without factoring in any market appreciation. Given all of the cap rate compression around the country, this is an incredibly rare opportunity that would make a strong addition to any investor's portfolio.



Property Overview

PURCHASE OVERVIEW



Target Price*

\$2,200,000

Projected CAPEX Investment \$350,000

Inventory Valuation \$480,000

Down Payment \$920,000

Community Loans \$800,000

PROPERTY DETAILS

Property Type MHC

Number of Lots 100+/- Lots

Purchase Price Per Lot \$15,650 - \$20,250

Revenue Per Lot \$1,750 - \$2,250

Expenses Per Lot (\$1,100 - \$1,450)

Acreage 50+/- Ac.

UTILITY INFORMATION

Utility Service	Provider	Meter	Paid By
Water	Municipal	Direct	Tenant
Sewer	Municipal	Direct	Tenant
Trash	Curbside	None	Community

***Target price does not include the projected CAPEX investment**

PROPERTY AMENITIES



On-Site Staff



Playground



Basketball Court



Off-Street Parking



Transaction Overview

UNDERWRITING ASSUMPTIONS

Rental Rate Growth	\$50 in Year 1, \$30 in year 2 & 3 then 3% per year
Lease Up	3 homes in Year 1 and 30 homes & lots over years 2-4
Other Income Growth Rate	3% Per Year
Expense Growth Rate	2% Per Year
Projected CAPEX Investment	Projected \$325K for general cosmetic and infrastructure upgrades and \$25K to get rehab homes in working condition.

LOAN OVERVIEW

Total Equity Contribution	\$1,750,000
Loan Amount	\$800,000
Loan to Value	47%
Interest Rate	4.50%
Amortization	30 Years
Interest Only Period	None
Loan Term	5 Years
Interest Only Payment	None
Amortization Payment	\$4,053
Financing Type	Local Bank (Full Recourse)

FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
Effective Gross Income	191,040	305,570	377,931
Less: Operating Expenses	(121,508)	(130,690)	(138,370)
Operating Expenses Ratio	63.6%	42.8%	36.6%
Net Operating Income	69,532	174,880	239,561
Less: Annual Debt Service	(48,642)	(48,642)	(48,642)
Debt Coverage Ratio	1.43	3.60	4.92
Net Cash Flow	20,890	126,238	190,919
Cap Rate on Cost	4.04%	10.17%	13.93%
Exit Cap Rate Assumption	6.50%	6.50%	6.50%
Economic Occupancy %	61.3%	82.5%	95.6%
Gross Rent Multiplier	5.2	6.4	7.9
Cash on Cash Return	1.6%	9.9%	15.0%
Internal Rate of Return (IRR)	N/A	19.7%	24.6%



Property Photos

STREET VIEW



STREET VIEW



STREET VIEW



BASKETBALL COURT



SELF STORAGE



PLAYGROUND



YOUR TRUSTED ADVISORS



5 Year Pro Forma

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Income					
Potential Rental Income	333,960	388,560	421,320	454,080	465,000
Rent Increase Income	32,400	19,440	19,440	6,480	9,720
Lease Up	4,590	30,780	79,380	117,000	134,640
Pro Forma Utility Passthrough Income	13,750	14,025	14,306	14,592	14,883
Less: Vacancy	(91,020)	(113,220)	(126,540)	(139,860)	(144,300)
Less: Inventory Premium	(107,640)	(107,640)	(107,640)	(107,640)	(107,640)
Other Income	5,000	5,150	5,305	5,464	5,628
Effective Gross Income	191,040	237,095	305,570	350,115	377,931
EXPENSES					
Advertising	1,500	1,530	1,561	1,592	1,624
Auto Expense	1,500	1,530	1,561	1,592	1,624
Cable, Phone, Internet	2,250	2,295	2,341	2,388	2,435
General & Administrative	3,953	4,032	4,112	4,195	4,279
Insurance	9,100	9,282	9,468	9,657	9,850
Licenses & Permits	1,000	1,020	1,040	1,061	1,082
Meals, Travel, & Entertainment	500	510	520	531	541
Off-Site Management Fees @ 4.0%	7,642	9,484	12,223	14,005	15,117
Payroll Expense	24,000	24,480	24,970	25,469	25,978
Professional Fees	3,000	3,060	3,121	3,184	3,247
Real Estate Taxes	18,064	18,425	18,794	19,170	19,553
Repairs & Maintenance	14,900	15,198	15,502	15,812	16,128
Replacement Reserves	9,100	9,282	9,468	9,657	9,850
Utilities	25,000	25,500	26,010	26,530	27,061
Total Expenses	121,508	125,628	130,690	134,841	138,370
Net Operating Income	69,532	111,467	174,880	215,274	239,561
Less: Annual Debt Service	(48,642)	(48,642)	(48,642)	(48,642)	(48,642)
Net Cash Flow	20,890	62,825	126,238	166,632	190,919



Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Rental Cash Flow Summary					
Effective Rental Income	186,040	231,945	300,266	344,652	372,303
Other Income	5,000	5,150	5,305	5,464	5,628
Effective Gross Income	191,040	237,095	305,570	350,115	377,931
Less: Operating Expenses	(121,508)	(125,628)	(130,690)	(134,841)	(138,370)
OPERATING EXPENSES RATIO	63.6%	53.0%	42.8%	38.5%	36.6%
Net Operating Income	69,532	111,467	174,880	215,274	239,561
Less: Annual Debt Service	(48,642)	(48,642)	(48,642)	(48,642)	(48,642)
Net Cash Flow	20,890	62,825	126,238	166,632	190,919
PROPERTY RESALE ANALYSIS					
Projected Sales Price	1,069,717	1,714,878	2,690,464	3,311,912	3,685,548
Less: Selling Expenses	(32,091)	(51,446)	(80,714)	(99,357)	(110,566)
Less: Loan Balance	(787,094)	(773,595)	(759,477)	(744,709)	(729,263)
Net Sale Proceeds	250,531	889,836	1,850,273	2,467,845	2,845,719
CASH SUMMARY					
Net Cash Flow	20,890	62,825	126,238	166,632	190,919
Previous Years Net Cash Flow		(329,110)	(266,285)	(140,047)	26,586
Net Sale Proceeds	250,531	889,836	1,850,273	2,467,845	2,845,719
Projected CAPEX Investment	(350,000)				
Down Payment	(920,000)	(920,000)	(920,000)	(920,000)	(920,000)
Total Cash Generated	(998,579)	(296,449)	790,227	1,574,431	2,143,223
FINANCIAL MEASUREMENTS					
Cap Rate on Costs	4.0%	6.5%	10.2%	12.5%	13.9%
Exit Cap Rate Assumption	6.5%	6.5%	6.5%	6.5%	6.5%
Debt Coverage Ratio	1.43	2.29	3.60	4.43	4.92
Loan to Value Ratio	74%	45%	28%	22%	20%
Gross Rent Multiplier	5.2	4.4	6.4	7.3	7.9
Cash on Cash Return	1.6%	4.9%	9.9%	13.1%	15.0%
Internal Rate of Return (IRR)	N/A	N/A	19.7%	25.0%	24.6%





Realty & Capital Advisors

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Our business model is built around fostering close personal relationships with our clients. We pride ourselves on providing an excellent service while maintaining our professional integrity.

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Meet the Award-Winning Team

The First True Nationwide MH & RV Advisory

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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
- 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 #11250510

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 Ken Schefler (or any party designated by Ken Schefler) (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: KEN SCHEFLER | FAX 941-827-7977 | Ken@yaleadvisors.com | TEL. 323-393-0116