



Realty & Capital Advisors

Broome County,
New York

#03320318 | 04/01/21

New York MHC Portfolio



3.5 Stars



150-200 Sites



\$9.25M





“Harrison was so very helpful from the start of our experience to sell... We were very impressed with his manner of communication... and for his ability and willingness to answer all questions we had in the process... So much was involved with our prospective sale but Harrison was very capable... We recommend Harrison to anyone.

— William & Sandra - Owners





Thank you for your consideration



Harrison Bell
Regional Director - Mid-Atlantic
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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, expressed 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

MAY 6TH, 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.

MAY 10TH - 13TH, 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

END OF MAY 2021



Targeted PSA Deadline

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

MID JULY 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.

MID AUGUST 2021



Closing Period

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



Property Discussion

New York MHC Portfolio

This offering consists of two similarly sized communities located within 30 minutes of each other. Both properties are well occupied with only one or two vacancies at each. The owners have done a great job maintaining the portfolio and have left little to no deferred maintenance. Furthermore, one of the properties has publicly maintained roads, which provides a higher margin to an investor than normal. The homes at one property are mostly from the 2000s and 2010s, while the other is a mix of 70s through 2000s.

These communities are connected to the public water system and one is on public sewer while the other is on septic. Both properties have sub-metering in place and are billing back for the residents' usage. There is an opportunity to improve the recapture at one of the properties without a major investment.

We expect both agencies to provide competitive loan terms as the properties meet their requirements and the total loan size exceeds the \$6m benchmark for discount pricing. The portfolio is almost all tenant owned and very close to 100% occupied providing a low-risk investment to any buyer.



Property Highlights

- Economies of Scale Opportunity with 175+ Sites within 30 Minutes
- Sub-metered Public Water with Pass-through
- 97% Occupied and 98% Tenant Owned
- Agency Quality Communities with Minimal Deferred Maintenance
- Publicly Maintained Roads at One Community



Portfolio Overview

PURCHASE OVERVIEW	
Purchase Price	\$9,250,000
Home Inventory Price	\$55,000
Projected CAPEX Investment	\$50,000
Down Payment	\$2,650,000
Loan Amount	\$6,600,000

PROPERTY DETAILS	
Property Type	MHCs
Number of Units	150 - 200
Purchase Price Per Unit	\$45,750 - \$60,950
Income Per Unit	\$4,750 - \$6,350
Expenses Per Unit	(\$2,150 - \$2,850)

OVERVIEW	PROPERTY #1	PROPERTY #2	PORTFOLIO
Property Acreage	21.5 A.C.	21.58 A.C.	43 Ac.
Resident Type	All-Age	All-Age	
UTILITIES			
Water	Municipal, Sub-Metered	Municipal, Sub-Metered	
Sewer	Municipal, Sub-Metered	Septic	
Trash	Curbside, Sub-Metered	Curbside	
AMENITIES			
Off Street Parking	✓	✓	
Paved Roads	✓	✓	



Transaction Overview

UNDERWRITING ASSUMPTIONS

Rental Rate Growth	Year 1: 3%; Year 2: 6%; Years 3-5: 3%
Lease Up	Year 2: 2 lots; Year 3: 1 lot
Other Income Growth Rate	3% Per Year
Expense Growth Rate	2% Per Year

LOAN OVERVIEW

Total Equity Contribution	\$2,650,000
Loan Amount	\$6,600,000
Loan to Value	72%
Interest Rate	3.50%
Amortization	30 Years
Interest Only Period	3 Years
Loan Term	10 Years
Interest Only Payment	\$19,250
Amortization Payment	\$29,637
Financing Type	Agency

FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
Effective Gross Income	951,918	1,074,060	1,142,683
Less: Operating Expenses	(428,323)	(486,799)	(543,772)
Operating Expenses Ratio	45.0%	45.3%	47.6%
Net Operating Income	523,595	587,261	598,911
Less: Annual Debt Service	(231,000)	(231,000)	(355,643)
Debt Coverage Ratio	2.27	2.54	1.68
Net Cash Flow	292,595	356,261	243,268
Cap Rate on Cost	5.73%	6.42%	6.55%
Exit Cap Rate Assumption	6.00%	6.00%	6.00%
Economic Occupancy %	95.0%	97.6%	98.0%
Gross Rent Multiplier	10.3	10.2	9.8
Cash on Cash Return	11.3%	13.7%	9.4%
Internal Rate of Return (IRR)	N/A	16.0%	15.8%



Property #1

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



Property #2

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	884,189	909,053	960,953	987,989	1,017,197
Rent Increase Income	24,168	50,448	26,280	28,392	28,392
Lease Up		9,737	23,370	27,458	27,950
Pro Forma Utility Passthrough Income		15,494	15,804	16,120	16,442
Less: Vacancy	(43,836)	(44,532)	(45,984)	(46,740)	(47,556)
Less: Rental/LTO Premium	(15,076)	(15,076)	(15,076)	(15,076)	(15,076)
Other Income	102,473	105,547	108,713	111,975	115,334
Effective Gross Income	951,918	1,030,671	1,074,060	1,110,118	1,142,683
EXPENSES					
Advertising	3,000	3,060	3,121	3,184	3,247
Cable, Phone, Internet	1,915	1,954	1,993	2,033	2,073
Electric	890	907	926	944	963
General & Administrative	1,850	1,887	1,925	1,963	2,002
Insurance	18,100	18,462	18,831	19,208	19,592
Licenses & Permits	2,000	2,040	2,081	2,122	2,165
Meals, Travel, & Entertainment	1,000	1,020	1,040	1,061	1,082
Off-Site Management Fees	38,077	41,227	42,962	44,405	45,707
Payroll Expense	46,204	47,128	48,070	49,032	50,013
Professional Fees	6,000	6,120	6,242	6,367	6,495
Real Estate Taxes	112,101	114,343	116,630	118,962	121,342
Real Estate Taxes Reassessment		18,912	37,825	56,737	75,650
Repairs & Maintenance	43,000	43,860	44,737	45,632	46,545
Replacement Reserves	9,050	9,231	9,416	9,604	9,796
Taxes - Other	41,223	42,047	42,888	43,746	44,621
Trash	26,185	26,708	27,242	27,787	28,343
Utilities	1,198	1,222	1,247	1,272	1,297
Water & Sewer	76,530	78,061	79,622	81,215	82,839
Total Expenses	428,323	458,190	486,799	515,274	543,772
Net Operating Income	523,595	572,481	587,261	594,843	598,911
Less: Annual Debt Service	(231,000)	(231,000)	(231,000)	(355,643)	(355,643)
Net Cash Flow	292,595	341,481	356,261	239,200	243,268



Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RENTAL ACTIVITY ANALYSIS					
Effective Rental Income	849,445	925,124	965,347	998,143	1,027,349
Other Income	102,473	105,547	108,713	111,975	115,334
Effective Gross Income	951,918	1,030,671	1,074,060	1,110,118	1,142,683
Less: Operating Expenses	(428,323)	(458,190)	(486,799)	(515,274)	(543,772)
OPERATING EXPENSES RATIO	45.0%	44.5%	45.3%	46.4%	47.6%
Net Operating Income	523,595	572,481	587,261	594,843	598,911
Less: Annual Debt Service	(231,000)	(231,000)	(231,000)	(355,643)	(355,643)
Net Cash Flow	292,595	341,481	356,261	239,200	243,268
PROPERTY RESALE ANALYSIS					
Projected Sales Price	8,726,589	9,541,347	9,787,684	9,914,058	9,981,856
Less: Selling Expenses	(261,798)	(286,240)	(293,631)	(297,422)	(299,456)
Less: Loan Balance	(6,600,000)	(6,600,000)	(6,600,000)	(6,473,338)	(6,342,170)
Net Sale Proceeds	1,864,792	2,655,107	2,894,053	3,143,298	3,340,230
CASH SUMMARY					
Net Cash Flow	292,595	341,481	356,261	239,200	243,268
Previous Years Net Cash Flow		242,595	584,076	940,337	1,179,537
Net Sale Proceeds	1,864,792	2,655,107	2,894,053	3,143,298	3,340,230
CAPEX Investment	(50,000)				
Down Payment	(2,545,000)	(2,545,000)	(2,545,000)	(2,545,000)	(2,545,000)
Total Cash Generated	(437,613)	694,183	1,289,390	1,777,836	2,218,035
FINANCIAL MEASUREMENTS					
Cap Rate on Costs	5.7%	6.3%	6.4%	6.5%	6.5%
Exit Cap Rate Assumption	6.00%	6.00%	6.00%	6.00%	6.00%
Mortgage Constant	3.5%	3.5%	3.5%	5.4%	5.4%
Debt Coverage Ratio	2.27	2.48	2.54	1.67	1.68
Loan to Value Ratio	76%	69%	67%	65%	64%
Gross Rent Multiplier	10.3	10.5	10.2	10.0	9.8
Cash on Cash Return	11.3%	13.2%	13.7%	9.2%	9.4%
Internal Rate of Return (IRR)	N/A	13.4%	16.0%	16.2%	15.8%





Realty & Capital Advisors



PROVEN TRACK RECORD

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



ONE-STOP SHOP

Access to our exclusive network of *1,000+ Qualified Buyers and 200+ Specialized Lenders*



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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 #03320318

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 Harrison Bell (or any party designated by Harrison Bell) (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: HARRISON BELL | FAX 941-827-7977 | Harrison@yaleadvisors.com | TEL. 985-373-3472

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