Yale
Realty & Capital Advisors

St. Cloud, Minnesota MSA

MOBILE HOME COMMUNITY

3 STARS | 50 +/- SITES | #11230238 | 05/24/22

$1,600,000

TARGET PRICE

Ken and his group did a great job marketing and screening potential buyers for us. In this market we're in, not everyone realizes what a monumental task that is. I'd like to thank Ken and Yale Advisors for all their help, and I look forward to our next project together.

Joey F. - Owner

Thank you for your consideration

KEN SCHEFLER
Director - Upper Midwest

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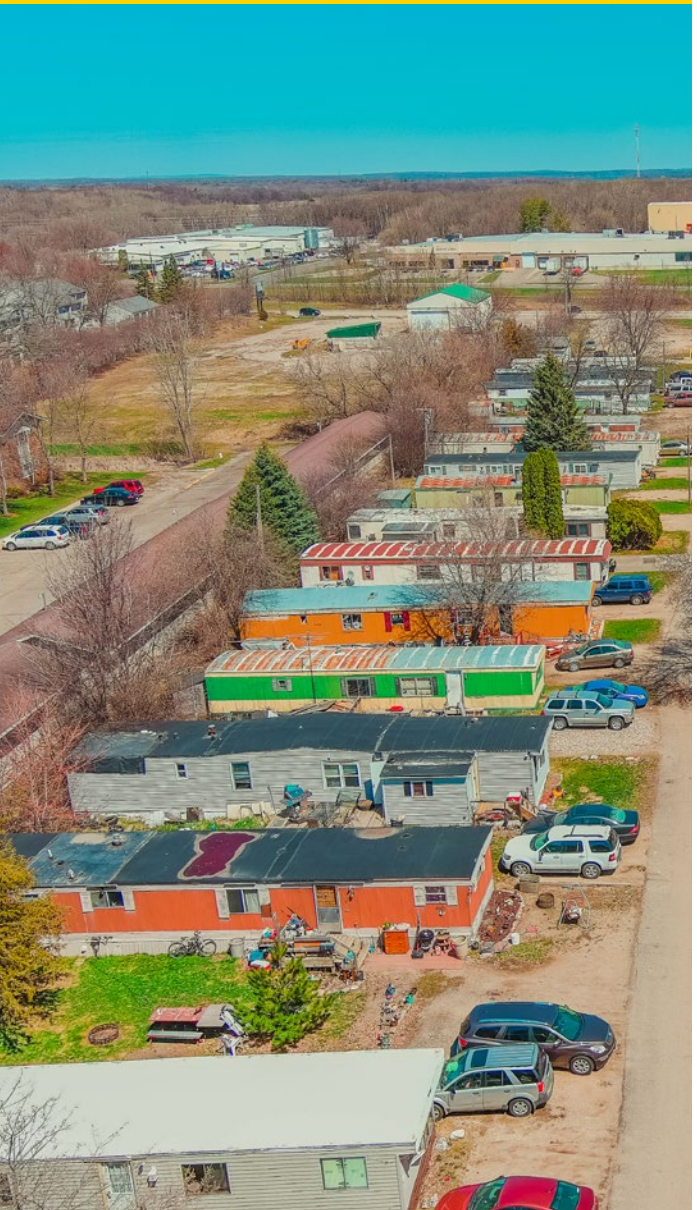
NON-ENDORSEMENT & DISCLAIMER

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.

Property Highlights

- Utility Passthrough Can Be Implemented for OpEx Reduction
- 250k Median Home Prices in Zip Code
- Value Add Opportunity – 66% Occupied
- Limited Deferred Maintenance
- Easy Bolt On for Existing Portfolio Owner

Property Discussion



Mobile Home Community

Yale Realty and Capital Advisors is proud to present the exciting opportunity to acquire a value add manufactured home community with minimal management needs in the St Cloud, MN MSA.

The tenant mix is extremely desirable with 96% of the tenants owning their own homes. In addition, there is upside in filling the vacant lots and submetering the water. The overhead is minimal, with almost no management headaches due to the majority of tenants owning their own homes.

The property is ideally located in the St Cloud MN MSA (pop 200k) and 2 hours away from the Minneapolis MN MSA (pop 3.7M). Home values peak over $250,000 in the immediate area, allowing the new owner to easily capture the affordable housing segment of the market.

Given the incredible opportunity to acquire a value add community with low management requirements, this would make an extremely strong addition to any investor's portfolio.

Property Overview

PURCHASE OVERVIEW	
TOTAL INVESTMENT	**$1,625,000**
Projected CAPEX Investment	$25,000
TARGET PRICE	**$1,600,000**
Home Inventory Price	$15,000
Community Price	**$1,585,000**
Down Payment	$560,000
Loan Amount	$1,025,000
PROPERTY DETAILS	
Property Type	MHC
Number of Sites	50 +/-
Purchase Price Per Site	$21,150 - $63,400
Income Per Site	$2,400 - $7,200
Expenses Per Site	($1,250 - $3,700)
Acreage	5 +/- Acres

UTILITY INFORMATION

Utility Service	Provider	Meter	Paid By
Water	Municipal	None	Community
Sewer	Municipal	None	Community
Trash	Dumpster	None	Community

PROPERTY AMENITIES

- Playground
- Off-Street Parking
- Paved Roads

Transaction Overview

UNDERWRITING ASSUMPTIONS	
Rental Rate Growth	5% Per Year Starting in Year 2
Lease Up	10 Sites in Year 1, 4 Sites in Year 2
Other Income Growth Rate	5% Per Year
Expense Growth Rate	3% Per Year
LOAN OVERVIEW	
Total Equity Contribution	$600,000
Loan Amount	**$1,025,000**
Loan to Value	65%
Interest Rate	4.75%
Amortization	25 Years
Interest Only Period	1 Years
Loan Term	10 Years
Interest Only Payment	$4,057
Amortization Payment	$5,844
Financing Type	Local Bank

FINANCIAL MEASUREMENTS	YEAR 1	YEAR 3	YEAR 5
Effective Gross Income	**179,530**	**267,776**	**294,085**
Less: Operating Expenses	(92,107)	(119,648)	(128,000)
Operating Expenses Ratio	51.3%	44.7%	43.5%
Net Operating Income	**87,423**	**148,129**	**166,085**
Less: Annual Debt Service	(48,688)	(70,124)	(70,124)
Debt Coverage Ratio	1.80	2.11	2.37
Net Cash Flow	**38,735**	**78,004**	**95,960**
Cap. Rate on Cost*	5.43%	9.20%	10.32%
Exit Cap. Rate Assumption	5.50%	5.50%	5.50%
Economic Occupancy %	70.7%	100.0%	100.0%
Gross Rent Multiplier	7.3	11.5	11.7
Cash on Cash Return*	**6.6%**	**13.3%**	**16.4%**
Internal Rate of Return (IRR)*	**N/A**	**48.0%**	**35.2%**

**Return calculation is based on the Community Price and the Projected CAPEX Investment.*

Property Photos

STREET VIEW

STREET VIEW

STREET VIEW

STREET VIEW

MAILBOXES

PLAYGROUND

Ken presented a well conceived plan to reach the market. He sought specific buyers who not only showed interest but had the capability to understand our product and more importantly close the deal. It happened just the way he predicted and now I'm a satisfied client thinking how fortunate I was to meet Ken.

Robert S. - Owner

5 Year Pro Forma

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOME					
Potential Rental Income	218,340	222,876	233,964	245,556	257,652
Rent Increase Income	3,024	7,392	7,728	8,064	8,400
Lease Up	26,040	65,664	80,472	84,504	88,704
Pro Forma Utility Passthrough Income	24,960	25,709	26,480	27,275	28,093
Less: Turnover & Collections Factor	(17,174)	(10,938)			
Less: Vacancy	(71,400)	(72,912)	(76,608)	(80,472)	(84,504)
Less: Inventory Premium	(4,260)	(4,260)	(4,260)	(4,260)	(4,260)
Effective Gross Income	**179,530**	**233,531**	**267,776**	**280,667**	**294,085**
EXPENSES					
Advertising	1,000	1,030	1,061	1,093	1,126
General & Administrative	1,000	1,030	1,061	1,093	1,126
Insurance	4,200	4,326	4,456	4,589	4,727
Licenses & Permits	500	515	530	546	563
Meals, Travel, & Entertainment	1,000	1,030	1,061	1,093	1,126
Off-Site Management Fees @ 4.0%	7,181	9,341	10,711	11,227	11,763
Payroll Expense	12,000	12,360	12,731	13,113	13,506
Professional Fees	3,000	3,090	3,183	3,278	3,377
Real Estate Taxes	6,934	7,142	7,356	7,577	7,804
Real Estate Taxes Reassessment		8,028	8,269	8,517	8,773
Repairs & Maintenance	10,000	10,300	10,609	10,927	11,255
Replacement Reserves	4,200	4,326	4,456	4,589	4,727
Trash	6,650	6,850	7,055	7,267	7,485
Utilities	29,234	30,111	31,014	31,944	32,903
Lease Up Operational Expense	5,208	13,133	16,094	16,901	17,741
Total Expenses	**92,107**	**112,612**	**119,648**	**123,755**	**128,000**
Net Operating Income	**87,423**	**120,919**	**148,129**	**156,912**	**166,085**
Less: Annual Debt Service	**(48,688)**	**(70,124)**	**(70,124)**	**(70,124)**	**(70,124)**
Net Cash Flow	**38,735**	**50,795**	**78,004**	**86,787**	**95,960**

Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RENTAL ACTIVITY ANALYSIS					
Effective Rental Income	179,530	233,531	267,776	280,667	294,085
Effective Gross Income	**179,530**	**233,531**	**267,776**	**280,667**	**294,085**
Less: Operating Expenses	(92,107)	(112,612)	(119,648)	(123,755)	(128,000)
OPERATING EXPENSES RATIO	51.3%	48.2%	44.7%	44.1%	43.5%
Net Operating Income	**87,423**	**120,919**	**148,129**	**156,912**	**166,085**
Less: Annual Debt Service	(48,688)	(70,124)	(70,124)	(70,124)	(70,124)
Net Cash Flow	**38,735**	**50,795**	**78,004**	**86,787**	**95,960**
PROPERTY RESALE ANALYSIS					
Projected Sales Price	1,589,502	2,198,527	2,693,249	2,852,942	3,019,719
Less: Selling Expenses	(47,685)	(65,956)	(80,797)	(85,588)	(90,592)
Less: Loan Balance	(1,025,000)	(1,003,090)	(980,117)	(956,028)	(930,769)
Net Sale Proceeds	**516,817**	**1,129,481**	**1,632,335**	**1,811,326**	**1,998,358**
CASH SUMMARY					
Net Cash Flow	38,735	50,795	78,004	86,787	95,960
Previous Years Net Cash Flow		13,735	64,530	142,534	229,321
Net Sale Proceeds	516,817	1,129,481	1,632,335	1,811,326	1,998,358
Projected CAPEX Investment	(25,000)				
Down Payment	(560,000)	(560,000)	(560,000)	(560,000)	(560,000)
Total Cash Generated	**(29,448)**	**634,011**	**1,214,869**	**1,480,648**	**1,763,639**
FINANCIAL MEASUREMENTS					
Cap Rate on Costs*	5.4%	7.5%	9.2%	9.7%	10.3%
Exit Cap Rate Assumption	5.5%	5.5%	5.5%	5.5%	5.5%
Debt Coverage Ratio	1.80	1.72	2.11	2.24	2.37
Loan to Value Ratio**	64%	46%	36%	34%	31%
Gross Rent Multiplier	7.3	9.9	11.5	11.6	11.7
Cash on Cash Return*	**6.6%**	**8.7%**	**13.3%**	**14.8%**	**16.4%**
Internal Rate of Return (IRR)*	**N/A**	**46.4%**	**48.0%**	**39.9%**	**35.2%**

**Return calculation is based on the Community Value and the Projected CAPEX Investment.*

***Calculation based only on Community Value.*

Yale

Realty & Capital Advisors

See what sets us apart

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.

2022 MHI EXCELLENCE in Manufactured Housing AWARD
Community Lender/Broker of the Year

2021 MHI EXCELLENCE in Manufactured Housing AWARD
Manufactured Home Community Lender/Broker of the Year

AWARD MHI BROKER OF THE YEAR 2019

AWARD MHI LENDER OF THE YEAR 2019

AWARD MHI LENDER OF THE YEAR 2018

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Offering clients the ***lowest rates and fees*** while providing the ***optimal loan terms,*** In addition, our borrowers benefit from a ***99% application to closing ratio.***

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With access to our exclusive network of ***2,500+ pre-qualified buyers and 200+ specialized lenders*** and an ***Equity Division*** that establishes partnerships between operators and capital.

465+ COMMUNITIES | OVER $4.4B IN PRODUCTION | 83,334+ SITES

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

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

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

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

Equity

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

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Non Disclosure Agreement

Regarding Property: Offering #11230238

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

Click Here to Sign Electronic NDA