



Philadelphia, PA
MSA

MOBILE HOME COMMUNITY

3 STARS

50 +/- SITES

#03304013 | 10/20/23



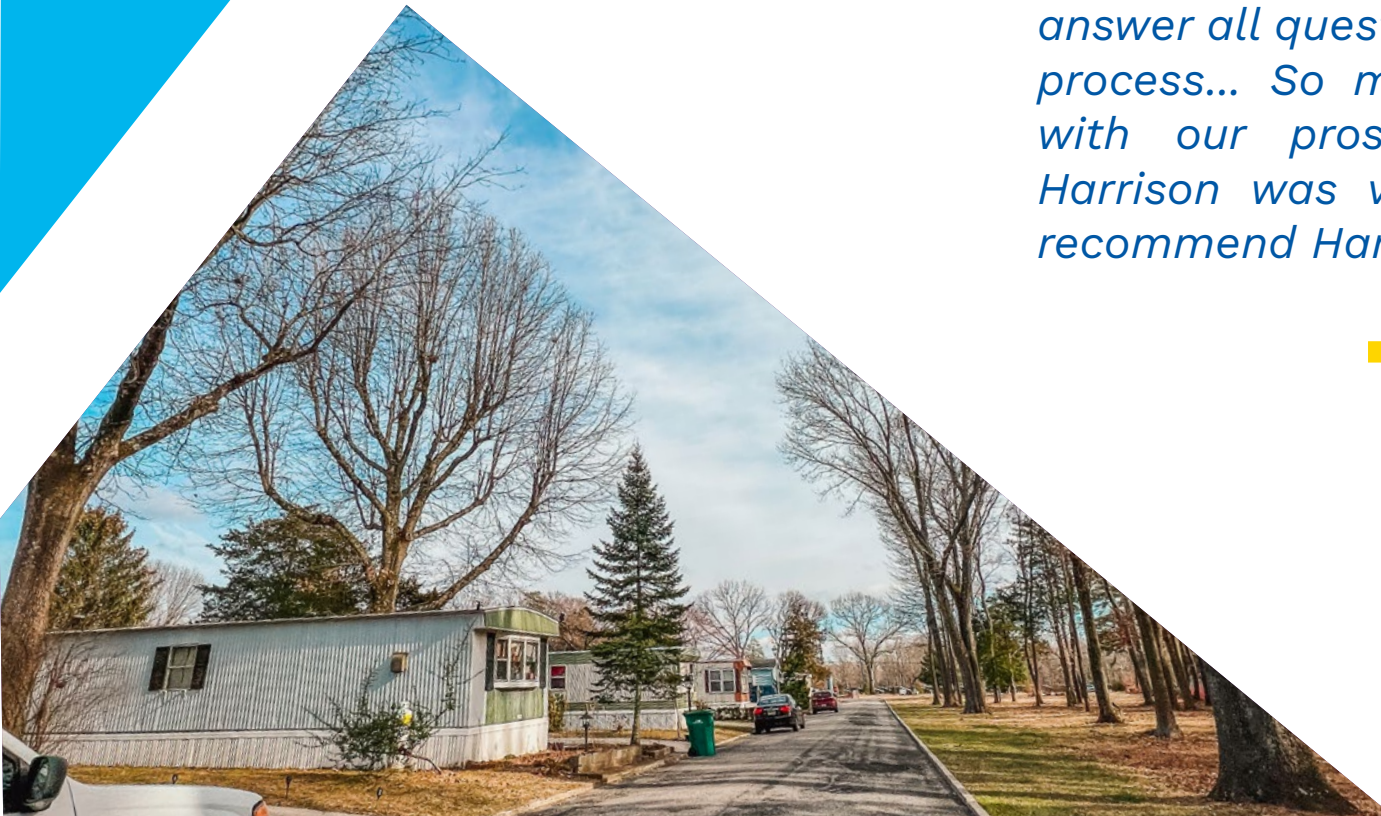
\$3,800,000

TARGET PRICE



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
Director - Mid-Atlantic

Harrison@yaleadvisors.com
985-373-3472

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 Discussion

Mobile Home Community

The subject property is a well-located, predominantly resident owned community in Central New Jersey. The property sits less than an hour from downtown Philadelphia and less than an hour and a half from Manhattan. As such, the market demand and market rents are very strong, with the existing tenant base paying roughly \$600 per month. The current owners have maintained the property well, so there is little to no deferred maintenance for a buyer to inherit.

The community is serviced by well water, septic sewer, and curbside trash and the residents are charged a flat fee for all three services in addition to their lot rent. As such, the property runs on a very low OpEx ratio providing strong margins to any operator. There is no rent control in the market, so the buyer will not have to go in front of a rent control board in order to get a rent increase approved nor will they be capped by CPI or any other metric.

Due to the location and quality of this community, this is a great opportunity both for regional and national owners looking to increase their footprint in the area.



Property Highlights

- 90% Occupancy with Homes on 98% of Sites
- Predominantly Tenant Owned Homes
- Agency Quality Community
- Located in the Philadelphia MSA
- Strong Site Rents in the \$600/month Range



Property Overview

PURCHASE OVERVIEW

| | |
|---|--------------------|
|  TARGET PRICE | \$3,800,000 |
| Home Inventory Price | \$100,000 |
| Community Price | \$3,700,000 |
| Down Payment | \$1,500,000 |
| Loan Amount | \$2,200,000 |

PROPERTY DETAILS

| | |
|-------------------------|---------------------|
| Property Type | MHC |
| Number of Sites | 50 +/- Sites |
| Purchase Price Per Site | \$61,650 - \$92,500 |
| Income Per Site | \$5,950 - \$8,900 |
| Expenses Per Site | (\$2,300 - \$3,400) |
| Acreage | 5 +/- Acres |
| Flood Zone | Zone X |

UTILITY INFORMATION

| Utility Service | Provider | Meter | Paid By |
|-----------------|----------|-------|---------|
| Water | Well | None | Tenant |
| Sewer | Septic | None | Tenant |
| Trash | Curbside | None | Tenant |

PROPERTY AMENITIES



24/7 Maintenance



Pet Friendly



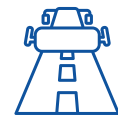
Off-Street Parking



Basketball Court



Playground



Paved Roads



Transaction Overview

UNDERWRITING ASSUMPTIONS

| | |
|--------------------------|--------------------------------|
| Rental Rate Growth | 5% Per Year Starting in Year 2 |
| Lease Up | 5 Homes and 1 Site in Year 1 |
| Other Income Growth Rate | 5% Per Year |
| Expense Growth Rate | 3% Per Year |

LOAN OVERVIEW

| | |
|---------------------------|--------------------|
| Total Equity Contribution | \$1,600,000 |
| Loan Amount | \$2,200,000 |
| Loan to Value | 59% |
| Interest Rate | 6.50% |
| Amortization | 30 Years |
| Interest Only Period | 3 Years |
| Loan Term | 10 Years |
| Interest Only Payment | \$11,917 |
| Amortization Payment | \$13,905 |
| Financing Type | Agency |

FINANCIAL MEASUREMENTS

| | YEAR 1 | YEAR 3 | YEAR 5 |
|---------------------------------------|----------------|----------------|----------------|
| Effective Gross Income | 356,082 | 419,657 | 461,634 |
| Less: Operating Expenses | (136,667) | (157,660) | (167,951) |
| Operating Expenses Ratio | 38.4% | 37.6% | 36.4% |
| Net Operating Income | 219,415 | 261,997 | 293,683 |
| Less: Annual Debt Service | (143,000) | (143,000) | (166,866) |
| Debt Coverage Ratio | 1.53 | 1.83 | 1.76 |
| Net Cash Flow | 76,415 | 118,997 | 126,817 |
| Cap. Rate on Cost* | 5.93% | 7.08% | 7.94% |
| Exit Cap. Rate Assumption | 6.00% | 6.00% | 6.00% |
| Economic Occupancy % | 92.1% | 99.0% | 99.0% |
| Gross Rent Multiplier | 10.3 | 11.6 | 11.8 |
| Cash on Cash Return* | 5.1% | 7.9% | 8.5% |
| Internal Rate of Return (IRR)* | N/A | 16.6% | 17.3% |

*Return calculation is based only on the Community Price.



Property Photos

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW





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



5 Year Pro Forma

| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|
| INCOME | | | | | |
| Potential Rental Income | 360,300 | 360,300 | 377,772 | 396,492 | 415,836 |
| Rent Increase Income | | 15,456 | 16,560 | 17,112 | 18,216 |
| Lease Up | 21,420 | 44,856 | 47,016 | 49,248 | 51,624 |
| Pro Forma Utility Passthrough Income | 15,288 | 16,711 | 17,212 | 17,728 | 18,260 |
| Less: Turnover & Collections Factor | (6,703) | (3,741) | (3,928) | (4,121) | (4,327) |
| Less: Vacancy | (42,840) | (42,840) | (44,856) | (47,016) | (49,248) |
| Less: Inventory Premium | (3,708) | (3,708) | (3,708) | (3,708) | (3,708) |
| Other Income | 12,325 | 12,941 | 13,588 | 14,268 | 14,981 |
| Effective Gross Income | 356,082 | 399,975 | 419,657 | 440,003 | 461,634 |
| EXPENSES | | | | | |
| Advertising | 1,500 | 1,545 | 1,591 | 1,639 | 1,688 |
| Auto Expense | 100 | 103 | 106 | 109 | 113 |
| Cable, Phone, Internet | 50 | 52 | 53 | 55 | 56 |
| Electric | 1,000 | 1,030 | 1,061 | 1,093 | 1,126 |
| General & Administrative | 3,750 | 3,863 | 3,978 | 4,098 | 4,221 |
| General & Administrative - CC Fees | 715 | 803 | 843 | 884 | 927 |
| Insurance | 4,420 | 4,553 | 4,689 | 4,830 | 4,975 |
| Licenses & Permits | 750 | 773 | 796 | 820 | 844 |
| Meals, Travel, & Entertainment | 500 | 515 | 530 | 546 | 563 |
| Off-Site Management Fees @ 4.0% | 14,243 | 15,999 | 16,786 | 17,600 | 18,465 |
| Payroll Expense | 25,000 | 25,750 | 26,523 | 27,318 | 28,138 |
| Professional Fees | 3,000 | 3,090 | 3,183 | 3,278 | 3,377 |
| Real Estate Taxes | 29,508 | 30,393 | 31,305 | 32,244 | 33,212 |
| Real Estate Taxes Reassessment | | 10,593 | 10,910 | 11,238 | 11,575 |
| Repairs & Maintenance | 14,300 | 14,729 | 15,171 | 15,626 | 16,095 |
| Replacement Reserves | 5,200 | 5,356 | 5,517 | 5,682 | 5,853 |
| Taxes - Other | 11,280 | 11,618 | 11,967 | 12,326 | 12,696 |
| Trash | 10,150 | 10,455 | 10,768 | 11,091 | 11,424 |
| Water & Sewer | 11,200 | 11,536 | 11,882 | 12,239 | 12,606 |
| Total Expenses | 136,667 | 152,754 | 157,660 | 162,715 | 167,951 |
| Net Operating Income | 219,415 | 247,221 | 261,997 | 277,288 | 293,683 |
| Less: Annual Debt Service | (143,000) | (143,000) | (143,000) | (166,866) | (166,866) |
| Net Cash Flow | 76,415 | 104,221 | 118,997 | 110,422 | 126,817 |



Cash Flow Analysis

| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
| RENTAL ACTIVITY ANALYSIS | | | | | |
| Effective Rental Income | 343,757 | 387,034 | 406,068 | 425,735 | 446,653 |
| Other Income | 12,325 | 12,941 | 13,588 | 14,268 | 14,981 |
| Effective Gross Income | 356,082 | 399,975 | 419,657 | 440,003 | 461,634 |
| Less: Operating Expenses | (136,667) | (152,754) | (157,660) | (162,715) | (167,951) |
| OPERATING EXPENSES RATIO | 38.4% | 38.2% | 37.6% | 37.0% | 36.4% |
| Net Operating Income | 219,415 | 247,221 | 261,997 | 277,288 | 293,683 |
| Less: Annual Debt Service | (143,000) | (143,000) | (143,000) | (166,866) | (166,866) |
| Net Cash Flow | 76,415 | 104,221 | 118,997 | 110,422 | 126,817 |
| PROPERTY RESALE ANALYSIS | | | | | |
| Projected Sales Price | 3,656,916 | 4,120,350 | 4,366,614 | 4,621,459 | 4,894,720 |
| Less: Selling Expenses | (109,707) | (123,610) | (130,998) | (138,644) | (146,842) |
| Less: Loan Balance | (2,200,000) | (2,200,000) | (2,200,000) | (2,175,410) | (2,149,173) |
| Net Sale Proceeds | 1,347,209 | 1,796,739 | 2,035,615 | 2,307,405 | 2,598,705 |
| CASH SUMMARY | | | | | |
| Net Cash Flow | 76,415 | 104,221 | 118,997 | 110,422 | 126,817 |
| Previous Years Net Cash Flow | | 76,415 | 180,636 | 299,633 | 410,054 |
| Net Sale Proceeds | 1,347,209 | 1,796,739 | 2,035,615 | 2,307,405 | 2,598,705 |
| Down Payment | (1,500,000) | (1,500,000) | (1,500,000) | (1,500,000) | (1,500,000) |
| Total Cash Generated | (76,376) | 477,375 | 835,248 | 1,217,459 | 1,635,577 |
| FINANCIAL MEASUREMENTS | | | | | |
| Cap. Rate on Cost* | 5.93% | 6.68% | 7.08% | 7.49% | 7.94% |
| Exit Cap. Rate Assumption | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% |
| Debt Coverage Ratio | 1.53 | 1.73 | 1.83 | 1.66 | 1.76 |
| Loan to Value Ratio* | 60% | 53% | 50% | 47% | 44% |
| Gross Rent Multiplier | 10.3 | 11.4 | 11.6 | 11.7 | 11.8 |
| Cash on Cash Return* | 5.1% | 6.9% | 7.9% | 7.4% | 8.5% |
| Internal Rate of Return (IRR)* | N/A | 15.2% | 16.6% | 17.1% | 17.3% |

*Return calculation is based only on the Community Price





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\$5.54B+
TOTAL
PRODUCTION

565+
TOTAL
COMMUNITIES

103,300+
TOTAL
SITES



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- Non-Recourse

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- 5 to 10 Year Terms
- Up to 30 Year AM, Partial Interest-Only
- Up to 80% LTC
- Recourse or Partial Recourse

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- 2 to 4 Year Terms
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- Flexible Deal Structure; Common, Preferred and Joint Venture Equity

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Regarding Property: Offering #03304013

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.

(d) I understand that should I, one of my affiliates, or a related entity invest in, acquire, or otherwise become connected with consummating either: (A) a Potential Transaction introduced to me by Broker or Yale within two (2) years of Broker or Yale introducing such Potential Transaction to me or one of my Representatives, or (B) a transaction with a Seller other than a Potential Transaction (a "Referral Transaction") that occurs within two (2) years of Broker or Yale introducing such Seller to me, **I shall compensate Broker with a fee that is equal to three percent (3%) of the Total Enterprise Value of such Potential Transaction or Referral Transaction (the "Transaction Fee")**. The "Total Enterprise Value" is defined as (i) the aggregate cash consideration paid by me or my affiliate in connection with consummating the Potential Transaction or Referral Transaction, (ii) the principal amount of all funded indebtedness for borrowed money that I assume in connection with consummating the Potential Transaction or Referral Transaction at closing, and (iii) any seller notes and deferred and/or contingent payments. I shall pay 100% of the Transaction Fee at the time of the closing of the Potential Transaction or Referral Transaction. I may request that Seller pays the Transaction Fee, but in the event that Seller refuses to pay such Transaction Fee, I will be responsible for paying the Transaction Fee to Broker. The Transaction Fee shall constitute the only fee I am obligated to pay to Broker or Yale.

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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