



Southern
New Mexico

SOUTHERN NEW MEXICO MOBILE HOME PARK

4 STARS

| 250-300 SITES

| #12311737 | 10/18/23



\$20,000,000

TARGET PRICE

Property Highlights

- Community currently has rents \$100 below market
- Connected to public utilities and should be passed through to tenants
- Nicely amenitized, including clubhouse, pool, and playground
- Roughly one third of the homes have seller financed notes
- Agency quality community



Property Discussion



Southern New Mexico Mobile Home Park

The subject property is a well-located, institutionally sized, all-age MHC in Southern New Mexico. The property is located in a growing economy that boasts a population of over 100k and has seen home prices rise by more than 15% over the last year. The current ownership recently increased their rents for the first time in several years, but there is still \$100+ of rent room, plus passing through utilities, before reaching market rent.

The community is connected to municipal water & sewer and is currently not billing the tenants for water, sewer, or trash services. While the occupancy has been steady at 95%, the sellers have not brought in any new homes to lease up the remaining vacant sites. Adding to the value of the property, ownership will be transferring possession of 97 home notes in the sale, which are being offered at 85 cents on the dollar. There is a storage facility that services the park that is also included in the sale, which is currently producing more than \$40k in revenue with the ability to immediately bring in 20-25% more.

This community is perfect as an addition to an operator's existing portfolio in the Grand Canyon Region or an operator looking to establish a presence in a new market.



Property Overview

PURCHASE OVERVIEW

 TARGET PRICE	\$20,000,000
Home Inventory Price	\$645,000
Community Price	\$19,355,000

Down Payment \$10,655,000

Loan Amount \$8,700,000

PROPERTY DETAILS

Property Type	MHC & Storage Facility
Age Restriction	All-Age
Number of Sites	250-350 Sites
Purchase Price Per Site	\$64,500 - \$77,400
Income Per Site	\$5,900 - \$7,100
Expenses Per Site	(\$2,450 - \$2,950)
Acreage	50+/- Ac.
Flood Zone	Zone X

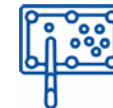
UTILITY INFORMATION

Utility Service	Provider	Meter	Paid By
Water	Municipal	None	Community
Sewer	Municipal	None	Community
Electric	Regional Provider	Direct	Tenants
Trash	Curbside	None	Community

PROPERTY AMENITIES



Swimming Pool



Billiards Room



Grill & Picnic Area



On-Site Office



Playground



Storage Sheds



24/7 Maintenance



Dog Park



Bus Stops



Clubhouse w/Library



Off-Street Parking



Paved Roads w/Street Lights



Transaction Overview

UNDERWRITING ASSUMPTIONS

Rental Rate Growth	Budgeted \$55 in year 1, then \$55 per year starting in year 3
Lease Up	12 Sites leased up in Year 1
Utility Passthrough	Projected 85% recapture rate of all utilities starting halfway through year 2 using a RUBS system
Other Income Growth Rate	5% Per Year
Expense Growth Rate	3% Per Year

LOAN OVERVIEW

Total Equity Contribution	\$11,300,000
Loan Amount	\$8,700,000
Loan to Value	45%
Interest Rate	6.50%
Amortization	30 Years
Interest Only Period	5 Years
Loan Term	10 Years
Interest Only Payment	\$47,125
Amortization Payment	\$54,990
Financing Type	Agency

FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
Effective Gross Income	1,777,200	2,266,634	2,677,893
Less: Operating Expenses	(734,491)	(884,960)	(950,013)
Operating Expenses Ratio	41.3%	39.0%	35.5%
Net Operating Income	1,042,709	1,381,674	1,727,879
Less: Annual Debt Service	(565,500)	(565,500)	(565,500)
Debt Coverage Ratio	1.84	2.44	3.06
Net Cash Flow	477,209	816,174	1,162,379
Cap. Rate on Cost*	5.39%	7.14%	8.93%
Exit Cap. Rate Assumption	6.00%	6.00%	6.00%
Economic Occupancy %	97.9%	100.0%	100.0%
Gross Rent Multiplier	10.1	11.0	11.6
Cash on Cash Return*	4.5%	7.7%	10.9%
Internal Rate of Return (IRR)*	N/A	14.1%	18.3%

*Return calculation is based only on the Community Price



Property Photos

AERIAL VIEW



AERIAL VIEW



AERIAL VIEW



STREET VIEW



STREET VIEW



STREET VIEW



Property Photos

SWIMMING POOL & CLUBHOUSE



PICNIC, GRILL AREA



PLAYGROUND



LIBRARY, CLUBHOUSE INTERIOR



BILLIARDS ROOM



SELF STORAGE FACILITIES



5 Year Pro Forma

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Income					
Potential Rental Income	1,908,009	2,102,709	2,102,709	2,297,409	2,492,109
Rent Increase Income	186,780		186,780	186,780	186,780
Lease Up	36,360	72,720	80,640	88,560	96,480
Pro Forma Utility Passthrough Income		245,140	252,494	260,069	267,871
Less: Vacancy	(64,800)	(72,720)	(72,720)	(80,640)	(88,560)
Less: Inventory Premium	(346,509)	(346,509)	(346,509)	(346,509)	(346,509)
Other Income	57,360	60,228	63,239	66,401	69,721
Effective Gross Income	1,777,200	2,061,568	2,266,634	2,472,070	2,677,893
EXPENSES					
Advertising	1,500	1,545	1,591	1,639	1,688
Ancillary Operational Expenses	14,519	14,955	15,403	15,865	16,341
Auto Expense	9,000	9,270	9,548	9,835	10,130
Cable, Phone, Internet	4,600	4,738	4,880	5,027	5,177
General & Administrative	10,000	10,300	10,609	10,927	11,255
General & Administrative - CC Fees	1,500	1,740	1,913	2,086	2,260
Insurance	50,500	52,015	53,575	55,183	56,838
Licenses & Permits	1,000	1,030	1,061	1,093	1,126
Meals, Travel, & Entertainment	1,000	1,030	1,061	1,093	1,126
Off-Site Management Fees @ 4.0%	71,088	82,463	90,665	98,883	107,116
Payroll Expense	181,861	187,317	192,937	198,725	204,687
Professional Fees	3,000	3,090	3,183	3,278	3,377
Real Estate Taxes	40,672	41,892	43,149	44,443	45,777
Real Estate Taxes Reassessment		87,543	90,169	92,874	95,660
Repairs & Maintenance	25,750	26,523	27,318	28,138	28,982
Replacement Reserves	29,500	30,385	31,297	32,235	33,203
Supplies	9,000	9,270	9,548	9,835	10,130
Utilities	280,000	288,400	297,052	305,964	315,142
Total Expenses	734,491	853,505	884,960	917,122	950,013
Net Operating Income	1,042,709	1,208,063	1,381,674	1,554,948	1,727,879
Less: Annual Debt Service	(565,500)	(565,500)	(565,500)	(565,500)	(565,500)
Net Cash Flow	477,209	642,563	816,174	989,448	1,162,379




Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Rental Cash Flow Summary					
Effective Rental Income	1,719,840	2,001,340	2,203,394	2,405,669	2,608,171
Other Income	57,360	60,228	63,239	66,401	69,721
Effective Gross Income	1,777,200	2,061,568	2,266,634	2,472,070	2,677,893
Less: Operating Expenses	(734,491)	(853,505)	(884,960)	(917,122)	(950,013)
OPERATING EXPENSES RATIO	41.3%	41.4%	39.0%	37.1%	35.5%
Net Operating Income	1,042,709	1,208,063	1,381,674	1,554,948	1,727,879
Less: Annual Debt Service	(565,500)	(565,500)	(565,500)	(565,500)	(565,500)
Net Cash Flow	477,209	642,563	816,174	989,448	1,162,379
PROPERTY RESALE ANALYSIS					
Projected Sales Price	17,378,490	20,134,384	23,027,897	25,915,805	28,797,988
Less: Selling Expenses	(521,355)	(604,032)	(690,837)	(777,474)	(863,940)
Less: Loan Balance	(8,700,000)	(8,700,000)	(8,700,000)	(8,700,000)	(8,700,000)
Net Sale Proceeds	8,157,136	10,830,352	13,637,060	16,438,331	19,234,048
CASH SUMMARY					
Net Cash Flow	477,209	642,563	816,174	989,448	1,162,379
Previous Years Net Cash Flow		477,209	1,119,772	1,935,946	2,925,395
Net Sale Proceeds	8,157,136	10,830,352	13,637,060	16,438,331	19,234,048
Down Payment	(10,655,000)	(10,655,000)	(10,655,000)	(10,655,000)	(10,655,000)
Total Cash Generated	(2,020,655)	1,295,124	4,918,007	8,708,726	12,666,822
FINANCIAL MEASUREMENTS					
Cap. Rate on Cost*	5.4%	6.2%	7.1%	8.0%	8.9%
Exit Cap. Rate Assumption	6.0%	6.0%	6.0%	6.0%	6.0%
Debt Coverage Ratio	1.84	2.14	2.44	2.75	3.06
Loan to Value Ratio*	50%	43%	38%	34%	30%
Gross Rent Multiplier	10.1	9.6	11.0	11.3	11.6
Cash on Cash Return*	4.5%	6.0%	7.7%	9.3%	10.9%
Internal Rate of Return (IRR)*	N/A	6.0%	14.1%	17.1%	18.3%

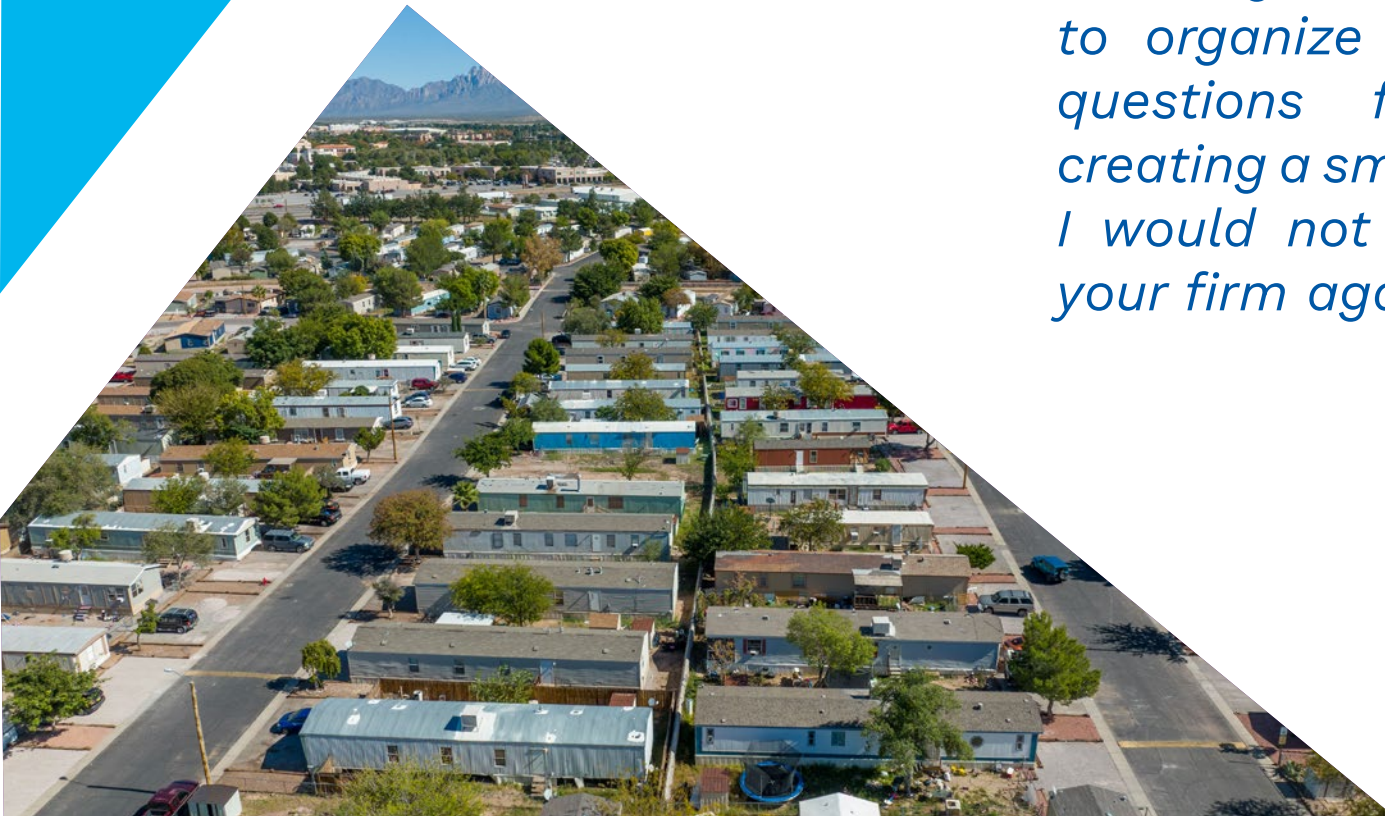
*Return calculation is based only on the Community Price





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



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Director - Grand Canyon

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- Up to 80% LTC
- Rates in the 6.25-6.75% Range
- Non-Recourse

Bridge Loans

- 2 to 4 Year Terms
- Interest-Only
- Up to 80% LTC Including Cap-Ex
- Floating Rates as Low as 7%
- Non-Recourse, Flexible/No Prepayment Penalty

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Non Disclosure Agreement

Regarding Property: Offering #12311737

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.

(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 two and a half percent (2.5%) 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: MAX HERNANDEZ | FAX 941-827-7977 | Max@yaleadvisors.com | TEL. 415-686-8694

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