



Southern
New Mexico

SOUTHERN NEW MEXICO MOBILE HOME PARK

4 STARS

250-300 SITES

#04314853 | 04/18/24



\$20,000,000

TARGET PRICE

Skip to NDA 

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

Down Payment \$11,675,000

Loan Amount \$8,325,000

PROPERTY DETAILS

Property Type MHC & Storage Facility

Age Restriction All-Age

Number of Sites 250 - 300 Sites

Purchase Price Per Site \$66,650 - \$80,000

Income Per Site \$5,850 - \$7,000

Expenses Per Site (\$2,450 - \$2,950)

Acreage 40 +/- Acres

Flood Zone Zone X

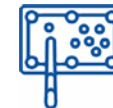
UTILITY INFORMATION

Utility Service	Provider	Meter	Paid By
Water	Municipal	None	Community
Sewer	Municipal	None	Community
Electric	Regional Provider	Direct	Tenant
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	15 Sites leased up in Year 1
Utility Passthrough	Projected 85% recapture rate of all utilities starting year 2 using a RUBS system
Other Income Growth Rate	5% Per Year
Expense Growth Rate	3% Per Year

LOAN OVERVIEW

Total Equity Contribution	\$11,675,000
Loan Amount	\$8,325,000
Loan to Value	42%
Interest Rate	6.28%
Amortization	30 Years
Interest Only Period	5 Years
Loan Term	5 Years
Interest Only Payment	\$43,568
Amortization Payment	\$51,421
Financing Type	CMBS

FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
Effective Gross Income	1,749,450	2,243,140	2,649,140
Less: Operating Expenses	(739,424)	(922,044)	(989,203)
Operating Expenses Ratio	42.3%	41.1%	37.3%
Net Operating Income	1,010,026	1,321,096	1,659,937
Less: Annual Debt Service	(522,810)	(522,810)	(522,810)
Debt Coverage Ratio	1.93	2.53	3.18
Net Cash Flow	487,216	798,286	1,137,127
Cap. Rate on Cost	5.05%	6.61%	8.30%
Exit Cap. Rate Assumption	6.00%	6.00%	6.00%
Economic Occupancy %	97.5%	100.0%	100.0%
Gross Rent Multiplier	11.4	9.8	10.4
Cash on Cash Return	4.2%	6.8%	9.7%
Internal Rate of Return (IRR)	N/A	8.9%	15.2%



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	1,589,340	1,784,040	1,784,040	1,978,740	2,173,440
Rent Increase Income	184,800		184,800	184,800	184,800
Lease Up	45,450	90,900	100,800	110,700	120,600
Pro Forma Utility Passthrough Income		245,074	252,427	259,999	267,799
Less: Vacancy	(81,000)	(90,900)	(90,900)	(100,800)	(110,700)
Other Income	10,860	11,403	11,973	12,572	13,200
Effective Gross Income	1,749,450	2,040,517	2,243,140	2,446,011	2,649,140
EXPENSES					
Advertising	2,500	2,575	2,652	2,732	2,814
Auto Expense	9,000	9,270	9,548	9,835	10,130
Cable, Phone, Internet	4,050	4,172	4,297	4,426	4,558
General & Administrative	9,875	10,171	10,476	10,791	11,114
General & Administrative - CC Fees	1,500	1,750	1,923	2,097	2,271
Insurance	44,250	45,578	46,945	48,353	49,804
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%	69,978	81,621	89,726	97,840	105,966
Payroll Expense	176,775	182,078	187,541	193,167	198,962
Professional Fees	3,000	3,090	3,183	3,278	3,377
Real Estate Taxes	37,396	38,518	39,673	40,863	42,089
Real Estate Taxes Reassessment		118,225	121,771	125,425	129,187
Repairs & Maintenance	61,925	63,783	65,696	67,667	69,697
Replacement Reserves	29,500	30,385	31,297	32,235	33,203
Supplies	7,750	7,983	8,222	8,469	8,723
Utilities	279,925	288,323	296,972	305,882	315,058
Total Expenses	739,424	889,579	922,044	955,245	989,203
Net Operating Income	1,010,026	1,150,938	1,321,096	1,490,766	1,659,937
Less: Annual Debt Service	(522,810)	(522,810)	(522,810)	(522,810)	(522,810)
Net Cash Flow	487,216	628,128	798,286	967,956	1,137,127



Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Rental Cash Flow Summary					
Effective Rental Income	1,738,590	2,029,114	2,231,167	2,433,439	2,635,939
Other Income	10,860	11,403	11,973	12,572	13,200
Effective Gross Income	1,749,450	2,040,517	2,243,140	2,446,011	2,649,140
Less: Operating Expenses	(739,424)	(889,579)	(922,044)	(955,245)	(989,203)
OPERATING EXPENSES RATIO	42.3%	43.6%	41.1%	39.1%	37.3%
Net Operating Income	1,010,026	1,150,938	1,321,096	1,490,766	1,659,937
Less: Annual Debt Service	(522,810)	(522,810)	(522,810)	(522,810)	(522,810)
Net Cash Flow	487,216	628,128	798,286	967,956	1,137,127
PROPERTY RESALE ANALYSIS					
Projected Sales Price	16,833,769	19,182,303	22,018,261	24,846,108	27,665,609
Less: Selling Expenses	(505,013)	(575,469)	(660,548)	(745,383)	(829,968)
Less: Loan Balance	(8,325,000)	(8,325,000)	(8,325,000)	(8,325,000)	(8,325,000)
Net Sale Proceeds	8,003,756	10,281,834	13,032,713	15,775,725	18,510,640
CASH SUMMARY					
Net Cash Flow	487,216	628,128	798,286	967,956	1,137,127
Previous Years Net Cash Flow		487,216	1,115,344	1,913,630	2,881,586
Net Sale Proceeds	8,003,756	10,281,834	13,032,713	15,775,725	18,510,640
Down Payment	(11,675,000)	(11,675,000)	(11,675,000)	(11,675,000)	(11,675,000)
Total Cash Generated	(3,184,028)	(277,822)	3,271,343	6,982,311	10,854,353
FINANCIAL MEASUREMENTS					
Cap. Rate on Cost	5.1%	5.8%	6.6%	7.5%	8.3%
Exit Cap. Rate Assumption	6.0%	6.0%	6.0%	6.0%	6.0%
Loan Constant	6.3%	6.3%	6.3%	6.3%	6.3%
Debt Coverage Ratio	1.93	2.20	2.53	2.85	3.18
Loan to Value Ratio	49%	43%	38%	34%	30%
Gross Rent Multiplier	11.4	9.4	9.8	10.2	10.4
Cash on Cash Return	4.2%	5.4%	6.8%	8.3%	9.7%
Internal Rate of Return (IRR)	N/A	N/A	8.9%	13.2%	15.2%





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



DAN COOK
Director - Pacific Southwest

Dan@yaleadvisors.com
818-474-1031

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TOTAL
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CHRIS SAN JOSE

President of Lending
305-760-9060
Chris@yaleadvisors.com



GREG RAMSEY

Vice President of Lending
904-864-3978
Greg@yaleadvisors.com



DEREK ORR

Loan Analyst
Derek@yaleadvisors.com

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Yale Analysts & Transaction Management



SILO ALCANTARA

Senior Analyst
Silo@yaleadvisors.com



GRANT HAWKINS

Analyst
GHawkins@yaleadvisors.com



Yale Marketing & Office



SUSAN ARDIELLI

Marketing Manager
Marketing@yaleadvisors.com



YELEINE CAICEDO

Office Manager
Office@yaleadvisors.com

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1-877-889-9810

INFO@YALEADVISORS.COM

FAX 941-827-7977

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Non Disclosure Agreement

Regarding Property: Offering #04314853 250 +/- MHC in the Grand Canyon Region

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 Dan Cook (or any party designated by Dan Cook) (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, two 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 two 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 point five 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.

1. 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 dtwo 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

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