



Omaha-
Council Bluffs
MSA


MANUFACTURED HOUSING COMMUNITY

3 STARS | 50-75 SITES | #11159274 | 02/05/24



\$3,800,000

TARGET PRICE



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





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 Discussion

Manufactured Housing Community

Yale Realty and Capital Advisors is pleased to present an incredibly unique opportunity to acquire a stabilized manufactured home community in the Omaha, NE MSA with a huge returns and a strong existing occupancy.

This is truly a unique situation. Yale Advisors has a bank that has expressed an interest in financing the transaction with park owned home income included, allowing for more than \$3m of loan proceeds. This creates an unusual situation where a buyer can expect over a 15% cash on cash return in year one.

Site rents are \$200 below current market levels for Omaha, leaving plenty of upside for the next owner. Additionally, the community is on municipal water and sewer. Trash and sewer are billed back, but water is only metered for some of the homes, leaving additional upside for the next owner.

The property is ideally located only 30 minutes from downtown Omaha. The MSA has a population of almost 1M residents and is home to several Fortune 500 companies, including Berkshire Hathaway, Union Pacific Railroad, and Mutual of Omaha, as well as divisions of several major corporations, including PayPal, LinkedIn, and MetLife. Average home prices in Omaha as well as the immediate neighborhood of this community are \$250,000, allowing a new owner to easily capture the affordable housing segment of the market.

Given the incredibly rare opportunity to acquire a stabilized community with over 90% occupancy and municipal utilities in a major MSA that can be bought for a 9 cap and return over a 15% cash on cash in year one, this would make an extremely strong addition to any investor's portfolio.



Property Highlights

- Over 15% cash on cash in year one
- Unique situation where path to bank financing with \$3M in proceeds is already lined up
- Stabilized with 96% occupancy
- Only 30 minutes from downtown Omaha



Property Overview

PROPERTY DETAILS

Property Type	MHC
Number of Sites	50 - 75 Sites
Purchase Price Per Site	\$50,650 - \$76,000
Income Per Site	\$8,150 - \$12,250
Expenses Per Site	(\$3,150 - \$4,750)
Flood Zone	Zone X
Acreage	30 +/- Acres

UTILITY INFORMATION

Utility Service	Provider	Meter	Paid By
Water	Municipal	Submetered	Tenant
Sewer	Municipal	Submetered	Tenant
Trash	Curbside	None	Tenant

PROPERTY AMENITIES



Street Lights



Off-Street Parking



Paved Roads

PURCHASE OVERVIEW

Total Investment	\$3,807,000
Projected CAPEX Investment	\$7,000
 TARGET PRICE	\$3,800,000
Home Inventory Price	\$650,000
Community Price	\$3,150,000
Down Payment	\$1,625,000
Loan Amount	\$1,525,000

REFINANCE OVERVIEW

Total Investment	\$3,807,000
Projected CAPEX Investment	\$7,000
 TARGET PRICE	\$3,800,000
Down Payment	\$700,000
Loan Amount	\$3,100,000



Transaction Overview

UNDERWRITING ASSUMPTIONS

Rental Rate Growth	\$45/Year Starting October 2023
Lease Up	1 Site in Y1
Home Sales	6 Homes/year. Upon sale, reduced associated rental income to park average TOH rent
Water & Sewer Passthrough	Budgeted for the water/sewer recapture rate to increase to 90% with installation of meters & billing to ex-Lonnie Dealer Homes
Trash Passthrough	Began billing ex-Lonnie Dealer Homes \$10/month/site
Other Income Growth Rate	5% Per Year
Expense Growth Rate	3% Per Year
CAPEX	\$500/site for remaining 14 sites without meters

LOAN OVERVIEW

Estimated Loan Start Date	Sale	6 Months after Sale
Total Equity Contribution	\$2,282,000	\$700,000
Loan Amount	\$1,525,000	\$3,100,000
Loan to Value	40%	82%
Interest Rate	0%	8.25%
Amortization	30 Years	30 Years
Interest Only Period	6 Months	3 Years
Loan Term	6 Months	10 Years
Interest Only Payment	\$0	\$21,313
Amortization Payment	\$0	\$23,289
Financing Type	Seller Financing	Recourse

FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
Effective Gross Income	612,884	610,071	566,382
Less: Operating Expenses	(237,671)	(234,647)	(189,174)
Operating Expenses Ratio	38.8%	38.5%	33.4%
Net Operating Income	375,213	375,425	377,208
Less: Annual Debt Service	(127,875)	(255,750)	(279,471)
Debt Coverage Ratio	2.93	1.47	1.35
Net Cash Flow	247,338	119,675	97,737
Cap Rate on Cost*	9.87%	9.88%	9.93%
Exit Cap Rate Assumption	10.00%	9.00%	8.00%
Economic Occupancy %	94.8%	95.0%	95.0%
Gross Rent Multiplier	6.2	6.2	6.4
Cash on Cash Return*	N/A	19.8%	16.2%
Internal Rate of Return (IRR)*	N/A	N/A	29.1%

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



Property Photos

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



Property Photos

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	616,380	631,884	668,604	705,324	742,044
Rent Increase Income	15,276	36,180	36,180	36,180	36,180
Lease Up	4,086	5,988	6,528	7,068	7,608
Rental Income Loss from Conversion to TOH	(21,822)	(68,773)	(120,325)	(176,957)	(239,095)
Pro Forma Utility Passthrough Income		20,358	20,968	21,598	22,245
Less: Turnover & Collections Factor	(31,526)	(33,430)	(35,266)	(37,102)	(38,938)
Less: Vacancy	(5,220)	(5,448)	(5,988)	(6,528)	(7,068)
Other Income	35,710	37,496	39,370	41,339	43,406
Effective Gross Income	612,884	624,254	610,071	590,921	566,382
EXPENSES					
Advertising	3,500	3,605	3,713	3,825	3,939
Electric	5,900	6,077	6,259	6,447	6,641
General & Administrative	450	464	477	492	506
Insurance	40,800	42,024	43,285	44,583	45,921
Licenses & Permits	1,000	1,030	1,061	1,093	1,126
Meals, Travel, & Entertainment	1,500	1,545	1,591	1,639	1,688
Off-Site Management Fees @ 5.0%	30,644	31,213	30,504	29,546	28,319
Payroll Expense	50,000	51,500	53,045	54,636	56,275
Professional Fees	3,000	3,090	3,183	3,278	3,377
Real Estate Taxes	10,388	10,700	11,021	11,351	11,692
Real Estate Taxes Reassessment		32,131	33,095	34,088	35,111
Repairs & Maintenance	27,100	27,913	28,750	29,613	30,501
Replacement Reserves	3,500	3,605	3,713	3,825	3,939
Supplies	900	927	955	983	1,013
Trash	13,650	14,060	14,481	14,916	15,363
Water & Sewer	56,250	57,938	59,676	61,466	63,310
Expense Decrease from Conversion	(10,911)	(34,387)	(60,163)	(88,479)	(119,547)
Total Expenses	237,671	253,434	234,647	213,302	189,174
Net Operating Income	375,213	370,820	375,425	377,619	377,208
Less: Annual Debt Service	(127,875)	(255,750)	(255,750)	(267,611)	(279,471)
Net Cash Flow	247,338	115,070	119,675	110,008	97,737



Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RENTAL ACTIVITY ANALYSIS					
Effective Rental Income	577,174	586,758	570,701	549,582	522,976
Other Income	35,710	37,496	39,370	41,339	43,406
Effective Gross Income	612,884	624,254	610,071	590,921	566,382
Less: Operating Expenses	(237,671)	(253,434)	(234,647)	(213,302)	(189,174)
OPERATING EXPENSES RATIO	38.8%	40.6%	38.5%	36.1%	33.4%
Net Operating Income	375,213	370,820	375,425	377,619	377,208
Less: Annual Debt Service	(127,875)	(255,750)	(255,750)	(267,611)	(279,471)
Net Cash Flow	247,338	115,070	119,675	110,008	97,737
PROPERTY RESALE ANALYSIS					
Projected Sales Price	3,752,128	3,903,370	4,171,384	4,442,572	4,715,105
Less: Selling Expenses	(112,564)	(117,101)	(125,142)	(133,277)	(141,453)
Less: Loan Balance	(3,100,000)	(3,100,000)	(3,100,000)	(3,087,934)	(3,062,261)
Net Sale Proceeds	539,565	686,269	946,243	1,221,361	1,511,392
CASH SUMMARY					
Net Cash Flow	247,338	115,070	119,675	110,008	97,737
Previous Years Net Cash Flow		1,917,969	2,135,671	2,357,977	2,570,617
Net Sale Proceeds	539,565	686,269	946,243	1,221,361	1,511,392
Home Sale Income	102,632	102,632	102,632	102,632	102,632
Projected CAPEX Investment	(7,000)				
Cash Out/(Pre Payment)	1,575,000				
Down Payment	(2,275,000)	(2,275,000)	(2,275,000)	(2,275,000)	(2,275,000)
Total Cash Generated	182,534	546,941	1,029,220	1,516,978	2,007,377
FINANCIAL MEASUREMENTS					
Cap. Rate on Cost*	9.9%	9.8%	9.9%	9.9%	9.9%
Exit Cap. Rate Assumption	10.0%	9.5%	9.0%	8.5%	8.0%
Loan Constant	8.4%	16.8%	16.8%	17.5%	18.3%
Debt Coverage Ratio	2.93	1.45	1.47	1.41	1.35
Loan to Value Ratio*	83%	79%	74%	70%	65%
Gross Rent Multiplier	6.2	6.2	6.2	6.3	6.4
Cash on Cash Return*	N/A	19.0%	19.8%	18.2%	16.2%
Internal Rate of Return (IRR)*	N/A	N/A	N/A	N/A	29.1%

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





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\$6.1B+
TOTAL
PRODUCTION

610+
TOTAL
COMMUNITIES

108,500+
TOTAL
SITES



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- Up to 80% LTC
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Regarding Property: Offering #11159274

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

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