



St. Louis MSA

MANUFACTURED HOUSING COMMUNITY

3 STARS

125 +/- SITES

#11131796 | 06/29/23



\$2,200,000

TARGET PRICE



Ken presented a well conceived plan to reach the market. He sought specific buyers who not only showed great 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

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Critical Deadlines

AUGUST 3RD, 2023



Offers Due

LOI's and supplemental information will be due at 5pm on the due date. Supplemental information is required and includes standard due diligence list and/or company/buyer bio.

AUGUST 7TH - 10TH, 2023



Best and Final Offers Period

Seller will take this time to review all LOI's and supplemental information. Selected buyers will be contacted and, if they choose, given an opportunity to make their offer more attractive.



Projected Timelines

**END OF
AUGUST 2023**



Targeted PSA Deadline

The above time period reflects the seller's ideal time period for the PSA to be drafted and executed.

**END OF
SEPTEMBER 2023**



Completion of Due Diligence

Seller has indicated the preferred time period for due diligence to be **30-45** days from the execution of the PSA.

**END OF
OCTOBER 2023**



Closing Period

Seller has indicated the preferred time period for financing and closing to be **30** days from the due diligence deadline.



Property Discussion



Manufactured Housing Community

Yale Realty and Capital Advisors is pleased to present the exclusive opportunity to acquire an institutionally sized manufactured home community with upside, competitively priced in the Saint Louis MSA. Owned for over 20 years, this property has not been on the market for decades, making this a very unique and highly attractive acquisition for any investor.

There is generous upside available to the next owner with minimal headaches, due to the current 60% occupancy and no rental homes. Current occupancy issues are because of on site management turnover and easily solvable with professional staff. Water and sewer are municipal and billed back, allowing for even less management headaches.

The property is ideally located in the heart of the Saint Louis MSA, which has a population of over 2.8 million residents. You can even see the Gateway Arch from the entrance of the community. The MSA is home to 10 Fortune 500 companies, Washington University, and several world-famous hospitals and research centers. Home prices in Saint Louis MSA average around \$150,000 to \$200,000, allowing the new owner to easily capture the affordable housing segment of the market.

Given the incredibly rare opportunity to acquire a 100+ site community competitively priced with upsides in occupancy and rent increases, municipal utilities, and located in a major MSA, this would make an extremely strong addition to any investor's portfolio.



Property Highlights

- Competitively Priced – The community is being offered for around \$15k/site and \$25k/occupied site, after removing discounted LTO balances from the purchase price.
- Value Add Opportunity – Occupancy is at 60%, allowing incredible upside to an operator capable of sourcing inventory.
- Centrally Located – The property is in the heart of the Saint Louis MSA, with the Gateway Arch even visible from the community entrance.
- Ideal Unit Mix – All occupied homes are either tenant owned or on a lease-to-own contract. There are no rentals.
- Strong Infrastructure – The community is on city water and sewer, with submetering and bill back already in place, allowing for minimal management headaches.



Property Overview

PURCHASE OVERVIEW

 TARGET PRICE	\$2,200,000
Home Inventory Price	\$525,000
Community Price	\$1,675,000
Down Payment	\$1,675,000
Loan Amount	\$0

PROPERTY DETAILS

Property Type	MHC
Number of Sites	125 +/- Sites
Purchase Price Per Site	\$11,150 - \$16,750
Income Per Site	\$2,400 - \$3,550
Expenses Per Site	(\$1,700 - \$2,600)
Flood Zone	None
Acreage	15 +/- Acres

UTILITY INFORMATION

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

PROPERTY AMENITIES



On-Site Management



Off-Street Parking



Paved Roads

INVENTORY VALUATION

Lease to Own

LWO/LTO Count	31
LWO/LTO Premium	\$124,080
LWO/LTO Balance	\$547,300
Valuation Method (% of Balance)	85%

LWO/LTO Value

\$465,000

Vacant Homes

Vacant Home Count	6
Valuation Method (\$ per Home)	\$10,000 Per Home

Vacant Home Value

\$60,0000

INVENTORY HOME COUNT

37

TOTAL VALUE

\$525,000



Transaction Overview

UNDERWRITING ASSUMPTIONS

Rental Rate Growth	5% Annually
Lease Up	10 Sites Annually Y1-4, 7 Sites Y5
Other Income Growth Rate	5% Per Year
Expense Growth Rate	3% Per Year

LOAN OVERVIEW

Total Initial Equity Contribution	\$2,200,000
Loan Start	Year 5
Loan Amount	\$1,175,000
Loan to Value	70%
Interest Rate	6.50%
Amortization	30 Years
Interest Only Period	None
Loan Term	10 Years
Interest Only Payment	\$6,365
Amortization Payment	\$7,427
Financing Type	Refinance/Local Bank

FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
Effective Gross Income	357,004	476,272	610,007
Less: Operating Expenses	(258,204)	(361,311)	(402,225)
Operating Expenses Ratio	72.3%	75.9%	65.9%
Net Operating Income	98,800	114,961	207,782
Less: Annual Debt Service			(89,122)
Debt Coverage Ratio	0.00	0.00	2.33
Net Cash Flow	98,800	114,961	118,661
Cap. Rate on Cost*	5.90%	6.86%	41.56%
Exit Cap. Rate Assumption	6.00%	6.00%	6.00%
Economic Occupancy %	64.2%	81.3%	97.0%
Gross Rent Multiplier	3.1	3.3	5.4
Cash on Cash Return*	5.9%	6.9%	23.7%
Internal Rate of Return (IRR)*	1.3%	9.0%	20.1%

*Return calculation is based only on the Community Price



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	546,480	566,640	588,240	611,280	635,760
Rent Increase Income	12,264	13,140	14,016	14,892	15,768
Lease Up	18,840	59,220	103,500	152,040	198,360
Less: Vacancy	(169,200)	(177,096)	(185,556)	(194,580)	(204,168)
Less: Inventory Premium	(124,080)	(124,080)	(124,080)	(124,080)	(124,080)
Other Income	72,700	76,335	80,152	84,159	88,367
Effective Gross Income	357,004	414,159	476,272	543,711	610,007
EXPENSES					
Advertising	1,000	1,030	1,061	1,093	1,126
Auto Expense	1,000	1,030	1,061	1,093	1,126
Cable, Phone, Internet	1,500	1,545	1,591	1,639	1,688
General & Administrative	9,300	9,579	9,866	10,162	10,467
General & Administrative - CC Fees	4,900	5,684	6,537	7,463	8,373
Insurance	15,000	15,450	15,914	16,391	16,883
Licenses & Permits	1,300	1,339	1,379	1,421	1,463
Meals, Travel, & Entertainment	1,000	1,030	1,061	1,093	1,126
Off-Site Management Fees @ 4.0%	14,280	16,566	19,051	21,748	24,400
Payroll Expense	40,000	41,200	42,436	43,709	45,020
Professional Fees	3,000	3,090	3,183	3,278	3,377
Real Estate Taxes	22,320	22,990	23,679	24,390	25,121
Real Estate Taxes Reassessment		67,589	69,616	71,705	73,856
Repairs & Maintenance	24,000	24,720	25,462	26,225	27,012
Replacement Reserves	6,000	6,180	6,365	6,556	6,753
Trash	1,278	1,316	1,355	1,396	1,438
Utilities	102,000	105,060	108,212	111,458	114,802
Water & Sewer	7,500	7,725	7,957	8,195	8,441
Lease Up Operational Expense	2,826	8,883	15,525	22,806	29,754
Total Expenses	258,204	342,006	361,311	381,821	402,225
Net Operating Income	98,800	72,153	114,961	161,890	207,782
Less: Annual Debt Service					(89,122)
Net Cash Flow	98,800	72,153	114,961	161,890	118,661



Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RENTAL CASH FLOW SUMMARY					
Effective Rental Income	284,304	337,824	396,120	459,552	521,640
Other Income	72,700	76,335	80,152	84,159	88,367
Effective Gross Income	357,004	414,159	476,272	543,711	610,007
Less: Operating Expenses	(258,204)	(342,006)	(361,311)	(381,821)	(402,225)
OPERATING EXPENSES RATIO	72.3%	82.6%	75.9%	70.2%	65.9%
Net Operating Income	98,800	72,153	114,961	161,890	207,782
Less: Annual Debt Service					(89,122)
Net Cash Flow	98,800	72,153	114,961	161,890	118,661
PROPERTY RESALE ANALYSIS					
Projected Sales Price	1,646,672	1,202,551	1,916,010	2,698,168	3,463,035
Less: Selling Expenses	(49,400)	(36,077)	(57,480)	(80,945)	(103,891)
Less: Loan Balance					(1,161,867)
Net Sale Proceeds	1,597,271	1,166,475	1,858,530	2,617,223	2,197,278
CASH SUMMARY					
Net Cash Flow	98,800	72,153	114,961	161,890	118,661
Previous Years Net Cash Flow		98,800	170,953	285,914	447,804
Net Sale Proceeds	1,597,271	1,166,475	1,858,530	2,617,223	2,197,278
Cash Out/(Pre Payment)					1,175,000
Down Payment	(1,675,000)	(1,675,000)	(1,675,000)	(1,675,000)	(1,675,000)
Total Cash Generated	21,072	(337,572)	469,444	1,390,027	2,263,742
FINANCIAL MEASUREMENTS					
Cap. Rate on Cost*	5.9%	4.3%	6.9%	9.7%	41.6%
Exit Cap. Rate Assumption	6.0%	6.0%	6.0%	6.0%	6.0%
Loan Constant	0.0%	0.0%	0.0%	0.0%	0.0%
Debt Coverage Ratio	0.00	0.00	0.00	0.00	2.33
Loan to Value Ratio*	0%	0%	0%	0%	34%
Gross Rent Multiplier	3.1	2.1	3.3	4.4	5.4
Cash on Cash Return*	5.9%	4.3%	6.9%	9.7%	23.7%
Internal Rate of Return (IRR)*	1.3%	N/A	9.0%	17.3%	20.1%

*Return calculation is based only on the Community Price





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- 10 to 30 Year Terms
- 30 Year AM, up to Full Term Interest-Only
- Up to 80% LTV
- Rates in the 5.25-6% 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 5.5-7%
- Recourse or Partial Recourse

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- Sourcing Single Investor Funds for Proven MHC and RV Operators/Developers
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- 5 to 10 Year Terms
- 30 Year AM, up to Full-Term Interest-Only
- 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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Regarding Property: Offering #11131796

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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