



San Francisco
Bay Area,
California

SAN FRANCISCO MHC PORTFOLIO

3 STARS


| 150-200 SITES

| #08056556 | 06/01/23



\$45,000,000

TARGET PRICE



Chad was always available by phone, which I consider invaluable. There were many twists and turns in the process, and he handled them very professionally and patiently. He was quite knowledgeable about the process, as were the others on the Yale team.

David F. - Owner





Thank you for your consideration



CHAD LEDY
Director - Pacific Northwest

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Critical Deadlines

JULY 13TH, 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.

JULY 16TH - 20TH, 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

BEGINNING 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.

BEGINNING 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.

BEGINNING 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.



Portfolio Highlights

- Rare opportunity to purchase a Bay Area portfolio
- Great location, ~30 mile drive to downtown San Francisco
- Insatiable local affordable housing demand
- All properties within 5 mile radius
- Expansion opportunity and flexible operational up-side





Bay Area Park Owned MHC Portfolio

Boasting close proximity to Downtown San Francisco, and spanning a convenient 5-mile radius, a portfolio of this scale presents a rare acquisition opportunity. With an adjacent development in the works, expansion opportunity, flexible operation strategies, a full staff in place, and more, this is an excellent opportunity for a breadth of investors.

The local population has steadily increased over the last several decades. With housing costs on the rise, demand for affordable housing in Vallejo, and the greater Bay Area, has continued to grow. With very few local alternative options, demand has—and will continue to—far outpace supply in the market. While their current operation model is a highly profitable route to avoid legislative obstacles, there are a variety of alternative models (long-term rentals, land lease, Section 8, etc.) that could be implemented per the investors desired operation strategy.

There are a variety of upside opportunities. Notably, the portfolio is adjacent to the local fairgrounds, where a transformative development is set to revolutionize the local cityscape. This visionary project integrates residential, commercial, and recreational spaces, creating a vibrant hub for working, living, and leisure. The current ownership has updated many homes in recent years, and there is vacant land (~1 acre) that could be used for expansion.

The local economy has several strong local economic drivers. It benefits from a diverse range of industries, including tourism, manufacturing, healthcare, and government services. Local refineries, Six Flags Discover Kingdom, Kaiser Permanente, Touro University, and Mare Island Naval Shipyard are a few significant contributors to the local economy and the customer base for this portfolio.



Portfolio Overview

PURCHASE OVERVIEW



TARGET PRICE

\$45,000,000

Expansion Land Price \$100,000

Community Price

\$44,900,000

Down Payment \$16,900,000

Loan Amount \$28,000,000

PORTFOLIO DETAILS

Property Type MHC & Storage Facility

Number of Sites 150-200 Sites

Number of Rental Units 200+ Units

Inventory % ~80%

Purchase Price Per Site \$224,500 - \$299,350

Income Per Site \$27,750 - \$37,050

Expenses Per Site (\$12,500 - \$16,700)

Acreage 10-15 AC.

UTILITY INFORMATION

Utility Service	Provider	Meter	Paid By
Water	Municipal	None	Community
Sewer	Municipal	None	Community
Trash	Curbside & Dumpster	None	Community

PROPERTY AMENITIES

PROPERTY #1



Swimming Pool



On-Site Office



Gated Entry



Paved Roads

PROPERTY #2



Paved Roads

PROPERTY #3



On-Site Management



Paved Roads



Transaction Overview

UNDERWRITING ASSUMPTIONS

Rental Rate Growth	5% per year beginning in Year 2 for all sites except the rent controlled sites which begin in Year 1.
Lease Up	All vacant rentals are leased up revenue producing in Year 1
Other Income Growth Rate	5% Per Year
Expense Growth Rate	3% Per Year

LOAN OVERVIEW


Total Equity Contribution	\$17,000,000
Loan Amount	\$28,000,000
Loan to Value	62%
Interest Rate	6.50%
Amortization	30 Years
Interest Only Period	None
Loan Term	5 Years
Interest Only Payment	None
Amortization Payment	\$176,979
Financing Type	Local Bank

FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
Effective Gross Income	5,553,818	6,122,470	6,750,458
Less: Operating Expenses	(2,501,878)	(2,665,763)	(2,840,865)
Operating Expenses Ratio	45.0%	43.5%	42.1%
Net Operating Income	3,051,940	3,456,707	3,909,593
Less: Annual Debt Service	(2,123,749)	(2,123,749)	(2,123,749)
Debt Coverage Ratio	1.44	1.63	1.84
Net Cash Flow	928,192	1,332,958	1,785,844
Cap. Rate on Cost*	6.80%	7.70%	8.71%
Exit Cap. Rate Assumption	7.00%	7.00%	7.00%
Economic Occupancy %	100.0%	100.0%	100.0%
Gross Rent Multiplier	8.1	8.5	8.7
Cash on Cash Return*	5.5%	7.9%	10.6%
Internal Rate of Return (IRR)*	N/A	13.5%	16.9%

*Return calculation is based only on the Community Price





I have used Yale Capital and Chris San Jose for 12 CMBS loans, bank derivative fixed rate loans, and Freddie Mac and Fannie Mae loans. Chris and his team have done a fantastic job in securing the amounts and rates I was looking for. I will continue to use Chris in all my future financing needs.

Paul G. - Owner



Property #1 Photos

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



Property #2 Photos

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



AERIAL VIEW



Property #3 Photos

AERIAL VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



EXPANSION LAND



5 Year Pro Forma

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOME					
Potential Rental Income	5,537,173	5,547,568	5,824,920	6,115,580	6,421,980
Rent Increase Income	10,396	271,831	284,864	300,314	314,491
Less: Vacancy	(110,405)	(110,405)	(115,925)	(121,721)	(127,808)
Other Income	6,250	6,563	6,891	7,235	7,597
Effective Gross Income	5,553,818	5,831,482	6,122,470	6,429,215	6,750,458
EXPENSES					
Advertising	15,000	15,450	15,914	16,391	16,883
Auto Expense	450	464	477	492	506
General & Administrative	65,952	67,931	69,968	72,068	74,230
General & Administrative - CC Fees	55,538	58,315	61,225	64,292	67,505
Insurance	52,800	54,384	56,016	57,696	59,427
Licenses & Permits	4,800	4,944	5,092	5,245	5,402
Meals, Travel, & Entertainment	1,500	1,545	1,591	1,639	1,688
Off-Site Management Fees	222,153	233,259	244,899	257,169	270,018
Payroll Expense	297,619	306,548	315,744	325,216	334,973
Professional Fees	9,000	9,270	9,548	9,835	10,130
Real Estate Taxes	192,237	198,004	203,944	210,062	216,364
Real Estate Taxes Reassessment	462,800	476,684	490,985	505,714	520,885
Repairs & Maintenance	478,150	492,495	507,269	522,487	538,162
Replacement Reserves	52,800	54,384	56,016	57,696	59,427
Tenant Relations	6,500	6,695	6,896	7,103	7,316
Trash	6,800	7,004	7,214	7,431	7,653
Utilities	577,779	595,112	612,966	631,355	650,295
Total Expenses	2,501,878	2,582,487	2,665,763	2,751,890	2,840,865
Net Operating Income	3,051,940	3,248,996	3,456,707	3,677,325	3,909,593
Less: Annual Debt Service	(2,123,749)	(2,123,749)	(2,123,749)	(2,123,749)	(2,123,749)
Net Cash Flow	928,192	1,125,247	1,332,958	1,553,576	1,785,844



Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RENTAL ACTIVITY ANALYSIS					
Effective Rental Income	5,547,568	5,824,920	6,115,580	6,421,980	6,742,861
Other Income	6,250	6,563	6,891	7,235	7,597
Effective Gross Income	5,553,818	5,831,482	6,122,470	6,429,215	6,750,458
Less: Operating Expenses	(2,501,878)	(2,582,487)	(2,665,763)	(2,751,890)	(2,840,865)
OPERATING EXPENSES RATIO	45.0%	44.3%	43.5%	42.8%	42.1%
Net Operating Income	3,051,940	3,248,996	3,456,707	3,677,325	3,909,593
Less: Annual Debt Service	(2,123,749)	(2,123,749)	(2,123,749)	(2,123,749)	(2,123,749)
Net Cash Flow	928,192	1,125,247	1,332,958	1,553,576	1,785,844
PROPERTY RESALE ANALYSIS					
Projected Sales Price	43,599,150	46,414,222	49,381,529	52,533,214	55,851,329
Less: Selling Expenses	(1,307,974)	(1,392,427)	(1,481,446)	(1,575,996)	(1,675,540)
Less: Loan Balance	(27,687,037)	(27,353,114)	(26,996,828)	(26,616,680)	(26,211,074)
Net Sale Proceeds	14,604,138	17,668,681	20,903,255	24,340,537	27,964,715
CASH SUMMARY					
Net Cash Flow	928,192	1,125,247	1,332,958	1,553,576	1,785,844
Previous Years Net Cash Flow		928,192	2,053,439	3,386,397	4,939,974
Net Sale Proceeds	14,604,138	17,668,681	20,903,255	24,340,537	27,964,715
Down Payment	(16,900,000)	(16,900,000)	(16,900,000)	(16,900,000)	(16,900,000)
Total Cash Generated	(1,367,670)	2,822,120	7,389,652	12,380,511	17,790,533
FINANCIAL MEASUREMENTS					
Cap. Rate on Cost*	6.8%	7.2%	7.7%	8.2%	8.7%
Exit Cap. Rate Assumption	7.0%	7.0%	7.0%	7.0%	7.0%
Loan Constant	7.6%	7.6%	7.6%	7.6%	7.6%
Debt Coverage Ratio	1.44	1.53	1.63	1.73	1.84
Loan to Value Ratio*	64%	59%	55%	51%	47%
Gross Rent Multiplier	8.1	8.4	8.5	8.6	8.7
Cash on Cash Return*	5.5%	6.7%	7.9%	9.2%	10.6%
Internal Rate of Return (IRR)*	N/A	8.2%	13.5%	15.8%	16.9%

*Return calculation is based only on the Community Value





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Fannie Mae | Freddie Mac

- 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

Equity

- Sourcing Single Investor Funds for Proven MHC and RV Operators/Developers
- Development, Portfolio Expansion, Recapitalizations
- Flexible Deal Structure; Common, Preferred and Joint Venture Equity

CMBS

- 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 #08056556 - 150-200 Site Park Owned MHC Portfolio in the Bay Area

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 Chad Ledy (or any party designated by Chad Ledy) (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: **CHAD LEDY** | FAX 941-827-7977 | Chad@yaleadvisors.com | TEL. 651-334-2390

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