



Heart of
Miami,
Florida

MIAMI MHC

2 STARS


100-150 SITES +
NNN NATIONAL BOX

#02093593 | 03/07/24



\$20,000,000

TARGET 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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National Brokerage Director

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Property Discussion

Miami MHC



The subject property is a 1960's trailer park that is being required to connect to city sewer, from septic, which will cost \$1.25m. They are already connected to city water with all the infrastructure for water fully redone.

MH lot rents in the Miami area are pushing \$1,000 on average and the rents here are going to \$775 with a \$100 rent increase for 2024. After the connection to sewer, the property will need some rule enforcement and cleanup but is in an excellent location centrally located to all of Miami. Long term this is a covered land-play with zoning allowing for up to 1,200 apartments to be developed. This site today, if fully engineered and entitled, is likely worth \$28-30m. In the next cycle, as the area gentrifies, it could be worth \$48-60m.

The sale also includes a NNN lease to Enterprise Rent-a-Car at \$125k annually. The site is 7.1 acres of park, and just under 1 acre of enterprise.

Existing zoning is an original designation "carriage home" and works as dual zoning, MH and RV. Every vacated site can be turned into an RV site, and if cleaned up, even long-term RVs in Miami could charge \$2,000 a month. But there is an alternative option which is to evict all trailers, redo all the underground, then clean up the park and convert it to purely RV. This is also a once in a lifetime opportunity to develop the best located RV park in all of the Southeast US. We believe with an investment of \$15k per space, on top of the sewer connection, you could have the only RV park in the heart of Miami. There are no comps, but a market survey of other RV park operators has consistently yielded rates in the \$125-175 range per night, or \$40,000+ per site.

As a conversion, the site does a gross revenue in excess of \$5.6m annually, and opex below 40% due to the limited amenities, creating massive revenue per site, and NOI in the \$3.3m+ range, with a 11.5% unlevered return in years 2-3.

Property Highlights

- Rare opportunity to acquire an urban-infill MHC in Miami
- Massive Upside via up to 1,200 MF unit underlying zoning
- 15 Minutes to Nearly All of Miami
- Dually zoned and can be converted to an RV park, rates ranging from \$100-200 per night and Year-round demand driving 70-80% occupancy
- Brand new water system, \$1.25m to replace septic lines and connect to public sewer



Property Overview

PURCHASE OVERVIEW

Total Investment	\$22,000,000
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Projected CAPEX Investment	\$2,000,000
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 TARGET PRICE	\$20,000,000
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Down Payment	\$9,750,000
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Loan Amount	\$10,250,000
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PROPERTY DETAILS

Property Type	MHC & NNN National Box
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Number of Sites	100-150 MH Sites & 1 NNN National Box
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Income Per Site	\$11,900 - \$17,800
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Expenses Per Site	(\$2,650 - \$3,950)
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Acreage	8 +/- Acres
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Flood Zone	Zone AE / Zone X (Orange)
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UTILITY INFORMATION

Utility Service	Provider	Meter	Paid By
Water	Municipal	None	Community
Sewer	To Be Municipal	None	Community
Trash	To Be Dumpster	None	Community

PROPERTY AMENITIES



Laundry Facility



On-Site Management



Street Lights



Off-Street Parking



Paved Roads



Transaction Overview

UNDERWRITING ASSUMPTIONS

MH Rent Growth	\$80 Y2-4, 5% Y5+
Market RV Rent Growth	4% Y2+
Market Conversion Rate	Converted all RV sites to Market Rate of \$1,500 in Y1, 5 MH Sites Annually Y2+
NNN Revenue Growth	2% Annually Starting May 2024
Lease Up	Fully Leased
Other Income Growth Rate	5% Per Year
Expense Growth Rate	3% Per Year

LOAN OVERVIEW

Total Equity Contribution	\$11,750,000
Loan Amount	\$10,250,000
Loan to Value	51%
Interest Rate	7.50%
Amortization	30 Years
Interest Only Period	5 Years
Loan Term	10 Years
Interest Only Payment	\$64,063
Amortization Payment	\$71,669
Financing Type	CMBS
Debt Quote Date	10/25/23

PROJECTED CAPEX

Connection to City Sewer	\$1,250,000
General Clean-up	\$750,000

FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
Effective Gross Income	1,781,461	2,120,525	2,432,560
Less: Operating Expenses	(396,475)	(514,929)	(553,860)
Operating Expenses Ratio	22.3%	24.3%	22.8%
Net Operating Income	1,384,986	1,605,596	1,878,700
Less: Annual Debt Service	(768,750)	(768,750)	(768,750)
Debt Coverage Ratio	1.80	2.09	2.44
Net Cash Flow	616,236	836,846	1,109,950
Cap. Rate on Cost*	6.30%	7.30%	8.54%
Exit Cap. Rate Assumption	6.00%	6.00%	6.00%
Economic Occupancy %	100.0%	100.0%	100.0%
Gross Rent Multiplier	17.0	20.8	20.8
Cash on Cash Return*	5.2%	7.1%	9.4%
Internal Rate of Return (IRR)*	10.3%	16.6%	17.7%

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



Property Photos

DRONE VIEW



DRONE VIEW



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Property Photos

DRONE VIEW



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DRONE VIEW



5 Year Pro Forma

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOME					
Rental Income	1,179,000	1,179,000	1,287,120	1,395,660	1,505,040
Rent Increase Income		108,120	108,540	109,380	75,660
Pro Forma Addt'l Income from Conversion	22,500	65,700	106,800	146,370	192,780
Pro Forma Income from Conversion to Market	306,000	314,976	324,360	334,152	343,944
NNN National Box Rent	132,490	134,256	136,941	139,680	142,474
NNN Rent Increase	1,766	2,685	2,739	2,794	2,849
Other Income	139,705	146,690	154,025	161,726	169,812
Effective Gross Income	1,781,461	1,951,428	2,120,525	2,289,762	2,432,560
EXPENSES					
Advertising	5,000	5,150	5,305	5,464	5,628
Cable, Phone, Internet	1,200	1,236	1,273	1,311	1,351
Electric	6,189	6,374	6,566	6,763	6,965
General & Administrative	1,675	1,725	1,777	1,830	1,885
General & Administrative - CC Fees	1,355	1,380	1,507	1,633	1,740
Insurance	42,550	43,827	45,141	46,496	47,890
Licenses & Permits	3,200	3,296	3,395	3,497	3,602
Meals, Travel, & Entertainment	1,000	1,030	1,061	1,093	1,126
Natural Gas	770	793	817	841	867
Off-Site Management Fees @ 4.0%	65,888	72,579	79,234	85,892	91,489
Payroll Expense	44,784	46,128	47,512	48,937	50,405
Professional Fees	3,000	3,090	3,183	3,278	3,377
Real Estate Taxes	46,499	47,894	49,331	50,811	52,335
Real Estate Taxes - Non-Ad Valorem	443	456	470	484	499
Real Estate Taxes Reassessment		82,433	84,906	87,453	90,077
Repairs & Maintenance	26,326	27,116	27,929	28,767	29,630
Replacement Reserves	13,100	13,493	13,898	14,315	14,744
Taxes - Other	914	941	969	998	1,028
Trash	59,288	61,067	62,899	64,786	66,730
Water & Sewer	73,294	75,493	77,757	80,090	82,493
Total Expenses	396,475	495,502	514,929	534,739	553,860
Net Operating Income	1,384,986	1,455,926	1,605,596	1,755,023	1,878,700
Less: Annual Debt Service	(768,750)	(768,750)	(768,750)	(768,750)	(768,750)
Net Cash Flow	616,236	687,176	836,846	986,273	1,109,950



Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RENTAL ACTIVITY ANALYSIS					
Effective Rental Income	1,507,500	1,667,796	1,826,820	1,985,562	2,117,424
NNN Income	134,256	136,941	139,680	142,474	145,323
Other Income	139,705	146,690	154,025	161,726	169,812
Effective Gross Income	1,781,461	1,951,428	2,120,525	2,289,762	2,432,560
Less: Operating Expenses	(396,475)	(495,502)	(514,929)	(534,739)	(553,860)
OPERATING EXPENSES RATIO	22.3%	25.4%	24.3%	23.4%	22.8%
Net Operating Income	1,384,986	1,455,926	1,605,596	1,755,023	1,878,700
Less: Annual Debt Service	(768,750)	(768,750)	(768,750)	(768,750)	(768,750)
Net Cash Flow	616,236	687,176	836,846	986,273	1,109,950
PROPERTY RESALE ANALYSIS					
Projected Sales Price	23,083,097	24,265,427	26,759,929	29,250,377	31,311,659
Less: Selling Expenses	(692,493)	(727,963)	(802,798)	(877,511)	(939,350)
Less: Loan Balance	(10,250,000)	(10,250,000)	(10,250,000)	(10,250,000)	(10,250,000)
Net Sale Proceeds	12,140,604	13,287,464	15,707,131	18,122,866	20,122,309
CASH SUMMARY					
Net Cash Flow	616,236	687,176	836,846	986,273	1,109,950
Previous Years Net Cash Flow		(1,383,764)	(696,589)	140,257	1,126,530
Net Sale Proceeds	12,140,604	13,287,464	15,707,131	18,122,866	20,122,309
Projected CAPEX Investment	(2,000,000)				
Down Payment	(9,750,000)	(9,750,000)	(9,750,000)	(9,750,000)	(9,750,000)
Total Cash Generated	1,006,840	2,840,875	6,097,389	9,499,396	12,608,789
FINANCIAL MEASUREMENTS					
Cap. Rate on Cost*	6.3%	6.6%	7.3%	8.0%	8.5%
Exit Cap. Rate Assumption	6.0%	6.0%	6.0%	6.0%	6.0%
Loan Constant	7.5%	7.5%	7.5%	7.5%	7.5%
Debt Coverage Ratio	1.80	1.89	2.09	2.28	2.44
Loan to Value Ratio*	44%	42%	38%	35%	33%
Gross Rent Multiplier	17.0	20.6	20.8	21.0	20.8
Cash on Cash Return*	5.2%	5.8%	7.1%	8.4%	9.4%
Internal Rate of Return (IRR)*	10.3%	12.8%	16.6%	17.8%	17.7%

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





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TOTAL
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TOTAL
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- 2 to 4 Year Terms
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- Sourcing Single Investor Funds for Proven MHC and RV Operators/Developers
- Development, Portfolio Expansion, Recapitalizations
- Flexible Deal Structure; Common, Preferred and Joint Venture Equity

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Non Disclosure Agreement

Regarding Property: Offering #02093593 - 130 +/- Site Prime Miami, FL RV Development

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 James Cook (or any party designated by James 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, 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 percent (2.0%) 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: JAMES COOK | FAX 941-827-7977 | James@yaleadvisors.com | TEL. 386-623-4623

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