



Roanoke, VA
MSA

MOBILE HOME COMMUNITY

3 STARS


50 +/- SITES

#03462928 | 10/25/23



\$3,050,000

TARGET PRICE



Harrison was so very helpful from the start of our experience to sell... We were very impressed with his manner of communication... and for his ability and willingness to answer all questions we had in the process... So much was involved with our prospective sale but Harrison was very capable... We recommend Harrison to anyone.

William & Sandra - Owners





Thank you for your consideration



HARRISON BELL
Director - Mid-Atlantic

Harrison@yleadvisors.com
985-373-3472

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.



Critical Deadlines

NOVEMBER 16TH, 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.

NOVEMBER 27TH - 30TH, 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

**MIDDLE OF
DECEMBER 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
FEBRUARY 2024**



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
MARCH 2024**



Closing Period

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



Property Discussion



Mobile Home Community

The subject property is a well maintained, predominantly senior community in the Roanoke, VA MSA. Located in a quiet setting, the property is just 15-20 minutes from downtown Roanoke. The surrounding area has seen property values increase significantly as the median home price in the zip code is approaching \$300k. This increase has heightened demand for affordable housing and all of the MHCs in the market have high occupancy rates.

The property is serviced by two wells and a wastewater treatment plant that had its permit renewed two years ago with no required repairs. The owners just upgraded one of the well houses with brand new tanks and have spent \$50k+ in the last twelve months catching up on deferred maintenance. The community has very little, if any, deferred maintenance and would easily qualify for an agency loan as Fannie Mae has given its approval in the past.

Several communities in the market have either recently sold or are currently under contract. Most of those communities traded or are trading for a 30-50% premium to the target price on this deal. We expect the recent sales to put upward pressure on rent growth in the market as some of these communities are already charging \$100+ more per month than the subject property. While these other properties may be larger and closer to the city, the subject property is significantly nicer. As such, we feel this discount to market provides a nice runway for rent growth.



Property Highlights

- High Quality Community Previously Approved by Fannie Mae
- Communities Nearby Selling for \$70K+ Per Pad
- 90%+ Occupied with 80%+ Tenant Owned Homes
- Median Home Price in the Market is \$275K+
- Fully Upgraded Well House Pumps, Tanks, and Equipment



Property Overview

PURCHASE OVERVIEW

 TARGET PRICE	\$3,050,000
Home Inventory Price	\$130,000
Community Price	\$2,920,000
Down Payment	\$1,220,000
Loan Amount	\$1,700,000

PROPERTY DETAILS

Property Type	MHP
Number of Sites	50 +/- Sites
Purchase Price Per Site	\$48,650 - \$73,000
Income Per Site	\$4,600 - \$6,950
Expenses Per Site	(\$1,450 - \$2,150)
Acreage	20 +/- AC.
Flood Zone	None

UTILITY INFORMATION

Utility Service	Provider	Meter	Paid By
Water	Well	None	Community
Sewer	WWTP	None	Community
Trash	Curbside	None	Tenant

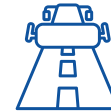
PROPERTY AMENITIES



On-Site Management



Off-Street Parking



Paved Roads



Transaction Overview

UNDERWRITING ASSUMPTIONS

Rental Rate Growth	8% 10/1/2024, 5% Annually After
Lease Up	2 Sites in Y1
Other Income Growth Rate	5% Per Year
Expense Growth Rate	3% Per Year

LOAN OVERVIEW

Total Equity Contribution	\$1,350,000
Loan Amount	\$1,700,000
Loan to Value	58%
Interest Rate	7.25%
Amortization	30 Years
Interest Only Period	5 Years
Loan Term	10 Years
Interest Only Payment	\$10,271
Amortization Payment	\$11,597
Financing Type	Agency
Debt Quote Date	10/24/23

FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
Effective Gross Income	277,228	316,087	348,641
Less: Operating Expenses	(86,327)	(92,464)	(102,166)
Operating Expenses Ratio	31.1%	29.3%	29.3%
Net Operating Income	190,901	223,623	246,476
Less: Annual Debt Service	(123,250)	(123,250)	(123,250)
Debt Coverage Ratio	1.55	1.81	2.00
Net Cash Flow	67,651	100,373	123,226
Cap. Rate on Cost*	6.54%	7.66%	8.44%
Exit Cap. Rate Assumption	6.50%	6.50%	6.50%
Economic Occupancy %	94.1%	96.1%	96.1%
Gross Rent Multiplier	9.3	10.0	10.1
Cash on Cash Return*	5.5%	8.2%	10.1%
Internal Rate of Return (IRR)*	N/A	16.6%	16.6%

*Return calculation is based only on the Community Price



Property Photos

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW





So much was involved with our prospective sale, but Harrison was very capable in handling whatever came up. We recommend Harrison to anyone who might ask for a reference.

Sandy S. - Former Community Owner



5 Year Pro Forma

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOME					
Potential Rental Income	314,220	325,236	344,208	359,508	376,032
Rent Increase Income	10,152	17,484	14,100	15,228	15,792
Lease Up	5,736	12,216	12,816	13,464	14,136
Less: Vacancy	(22,080)	(22,944)	(24,432)	(25,632)	(26,928)
Less: Inventory Premium	(32,700)	(32,700)	(32,700)	(32,700)	(32,700)
Other Income	1,900	1,995	2,095	2,199	2,309
Effective Gross Income	277,228	301,287	316,087	332,067	348,641
EXPENSES					
Electric	5,300	5,459	5,623	5,791	5,965
General & Administrative	2,800	2,884	2,971	3,060	3,151
Insurance	5,445	5,608	5,777	5,950	6,128
Licenses & Permits	1,000	1,030	1,061	1,093	1,126
Off-Site Management Fees @ 4.0%	11,089	12,051	12,643	13,283	13,946
Payroll Expense	18,800	19,364	19,945	20,543	21,160
Professional Fees	3,000	3,090	3,183	3,278	3,377
Real Estate Taxes	5,543	5,709	5,881	6,057	6,239
Real Estate Taxes Reassessment				3,436	3,539
Repairs & Maintenance	14,100	14,523	14,959	15,407	15,870
Replacement Reserves	2,550	2,627	2,705	2,786	2,870
Water & Sewer	16,700	17,201	17,717	18,249	18,796
Total Expenses	86,327	89,547	92,464	98,933	102,166
Net Operating Income	190,901	211,740	223,623	233,134	246,476
Less: Annual Debt Service	(123,250)	(123,250)	(123,250)	(123,250)	(123,250)
Net Cash Flow	67,651	88,490	100,373	109,884	123,226



Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RENTAL ACTIVITY ANALYSIS					
Effective Rental Income	275,328	299,292	313,992	329,868	346,332
Other Income	1,900	1,995	2,095	2,199	2,309
Effective Gross Income	277,228	301,287	316,087	332,067	348,641
Less: Operating Expenses	(86,327)	(89,547)	(92,464)	(98,933)	(102,166)
OPERATING EXPENSES RATIO	31.1%	29.7%	29.3%	29.8%	29.3%
Net Operating Income	190,901	211,740	223,623	233,134	246,476
Less: Annual Debt Service	(123,250)	(123,250)	(123,250)	(123,250)	(123,250)
Net Cash Flow	67,651	88,490	100,373	109,884	123,226
PROPERTY RESALE ANALYSIS					
Projected Sales Price	2,936,934	3,257,541	3,440,355	3,586,680	3,791,933
Less: Selling Expenses	(88,108)	(97,726)	(103,211)	(107,600)	(113,758)
Less: Loan Balance	(1,700,000)	(1,700,000)	(1,700,000)	(1,700,000)	(1,700,000)
Net Sale Proceeds	1,148,826	1,459,815	1,637,144	1,779,079	1,978,175
CASH SUMMARY					
Net Cash Flow	67,651	88,490	100,373	109,884	123,226
Previous Years Net Cash Flow		67,651	156,141	256,514	366,398
Net Sale Proceeds	1,148,826	1,459,815	1,637,144	1,779,079	1,978,175
Down Payment	(1,220,000)	(1,220,000)	(1,220,000)	(1,220,000)	(1,220,000)
Total Cash Generated	(3,524)	395,956	673,658	925,477	1,247,799
FINANCIAL MEASUREMENTS					
Cap. Rate on Cost*	6.5%	7.3%	7.7%	8.0%	8.4%
Exit Cap. Rate Assumption	6.5%	6.5%	6.5%	6.5%	6.5%
Loan Constant	7.3%	7.3%	7.3%	7.3%	7.3%
Debt Coverage Ratio	1.55	1.72	1.81	1.89	2.00
Loan to Value Ratio*	58%	52%	49%	47%	45%
Gross Rent Multiplier	9.3	10.0	10.0	10.0	10.1
Cash on Cash Return*	5.5%	7.3%	8.2%	9.0%	10.1%
Internal Rate of Return (IRR)*	N/A	15.5%	16.6%	16.3%	16.6%

*Return calculation is based only on the Community Price





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\$5.54B+
TOTAL
PRODUCTION

565+
TOTAL
COMMUNITIES

103,300+
TOTAL
SITES



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- 30 Year AM, up to Full Term Interest-Only
- Up to 80% LTV
- Non-Recourse

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- 5 to 10 Year Terms
- 30 Year AM, up to Full-Term Interest-Only
- Up to 80% LTC
- Non-Recourse

Bank Loans

- 5 to 10 Year Terms
- Up to 30 Year AM, Partial Interest-Only
- Up to 80% LTC
- Recourse or Partial Recourse

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- 2 to 4 Year Terms
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Regarding Property: Offering #03462928

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 Harrison Bell (or any party designated by Harrison Bell) (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: HARRISON BELL | FAX 941-827-7977 | Harrison@yaleadvisors.com | TEL. 985-373-3472

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