

GREATER HOUSTON MSA RV RESORT

4 STARS


| 425-475 SITES

| #07431678 | 03/22/24



UNPRICED

TARGET 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





Thank you for your consideration



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Director - Southwest

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Property Highlights

- High quality 425-475 space RV resort just 20 minutes outside the Houston MSA
- \$500,000 in CAPEX recently deployed into upgrading the resort
- Gated community provides extra security and high quality presentation
- Strong value add opportunity with 60-65% occupancy and below market rents
- Fully upgraded lift stations, amenities, concrete sites, and electric system
- \$2B EXXON Mobil plant being upgraded nearby to provide 3,500 new jobs for the area



Property Discussion



Greater Houston MSA RV Resort

This high quality, 400+ site continuously upgraded RV resort just 20 minutes outside the Houston, TX market yields a great value add opportunity for new ownership to increase occupancy and below market lot rents to immediately improve revenue and operations. The property is serviced by city utilities, and each site is equipped with 30/50 amp hookups. Very little deferred maintenance is required at the park with the current owner recently investing \$500k+ into upgrading the community throughout.

There is a great amount of upside and value add opportunity in the operation by implementing an improved the online reservation system, and an overall more aggressive marketing plan to increase the occupancy which now resides around 60-65% due to high summer temperatures throughout Texas and a few job sources getting shut down. The occupancy and tenant base is a mix of long term, monthly residents who have been at the park 6 months or longer, with a work force housing and transient component as well. A primary drawing factor for the tenant base are the refineries and factories near the Houston and Baytown markets, and as of September 2023, EXXON Mobile announced a \$2 Billion expansion of their plant in Baytown which will provide over 3,500 jobs at this plant alone during construction.

With this resort being one of the nicer communities in the area, this provides plenty of leverage to increase rents and push revenue by roughly 15% in the first year.



Property Overview

PROPERTY DETAILS

Property Type	RV Resort
Number of Sites	425-475 Sites
Income Per Site	\$6,000 - \$6,700
Expenses Per Site	(\$2,600 - \$2,900)
Acreage	50+/- AC.

UTILITY INFORMATION

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

PROPERTY AMENITIES



Swimming Pool



Exercise Room



Bath House



Laundry Facility



Picnic Area



Pavilion



Shuffleboard Courts



Clubhouse



Playground



Basketball Courts



Mail Boxes



Horseshoe Pit



Property Photos

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



Property Photos

OFFICE



FITNESS CENTER/LAUNDRY FACILITY



BATH & SHOWER FACILITY



PAVILION/PLAYGROUND



PLAYGROUND



SWIMMING POOL



Property Photos

AERIAL VIEW



AERIAL VIEW



AERIAL VIEW



AERIAL VIEW



AERIAL VIEW



AERIAL VIEW



Pro Forma Assumptions

Start Date & Hold Period

- **Pro Forma Start Date:** 4/1/2023
- **Projected Hold Period:** 5+ Years

Rental Revenue Growth

	Year 1	Year 2	Year 3	Year 4	Year 5
Rent Increase Schedule	15%	7%	7%	7%	7%

Lease Up/Conversion Income

- None

Global Other Income Growth

- Global other income growth of 5% per year

Global Expense Growth

- Global expense growth of 3% per year

Real Estate Taxes

- **Tax Reassessment Value:** We estimate the taxable value could potentially triple after sale. However, we expect the increase in assessment value to happen in 20% increments
- **Tax Reassessment Liability:** We estimate taxes will increase by ~\$150k 5 years after reassessment at a pace of ~\$30k/year. We project the reassessment to occur in year 2 of ownership.

Disposition Assumptions

- **Seller Expenses:** Projected disposition costs of 3.0% of the projected value
- **Exit Capitalization Rate:** 8% on disposition

LOAN ASSUMPTIONS

Loan Amount	Interest Rate	Amortization	Interest Only Period	Loan Term	Financing Type
\$12,500,000	8.00%	30 Years	None	5 Years	CMBS



5 Year Pro Forma

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOME					
Rental Income	2,168,761	2,493,037	2,668,465	2,854,525	3,056,533
Rent Increase Income	324,276	175,428	186,060	202,008	212,640
Other Income	353,520	371,196	389,756	409,244	429,706
Effective Gross Income	2,846,557	3,039,661	3,244,281	3,465,777	3,698,879
EXPENSES					
Advertising	10,000	10,300	10,609	10,927	11,255
Auto Expense	500	515	530	546	563
Cable, Phone, Internet	94,650	97,490	100,414	103,427	106,529
Electric	235,000	242,050	249,312	256,791	264,495
General & Administrative	19,475	20,059	20,661	21,281	21,919
General & Administrative - CC Fees	51,150	54,620	58,297	62,277	66,465
Insurance	44,300	45,629	46,998	48,408	49,860
Licenses & Permits	1,200	1,236	1,273	1,311	1,351
Meals, Travel, & Entertainment	1,500	1,545	1,591	1,639	1,688
Off-Site Management Fees @ 4.0%	113,862	121,586	129,771	138,631	147,955
Payroll Expense	150,000	154,500	159,135	163,909	168,826
Professional Fees	3,000	3,090	3,183	3,278	3,377
Propane	76,500	78,795	81,159	83,594	86,101
Real Estate Taxes	70,960	73,089	75,282	77,540	79,866
Real Estate Taxes Reassessment		29,996	59,993	89,989	119,986
Repairs & Maintenance	80,000	82,400	84,872	87,418	90,041
Replacement Reserves	22,150	22,815	23,499	24,204	24,930
Supplies	6,100	6,283	6,471	6,666	6,866
Taxes - Other	7,000	7,210	7,426	7,649	7,879
Trash	48,500	49,955	51,454	52,997	54,587
Water & Sewer	190,000	195,700	201,571	207,618	213,847
Total Expenses	1,225,848	1,298,863	1,373,501	1,450,101	1,528,386
Net Operating Income	1,620,709	1,740,798	1,870,780	2,015,676	2,170,493
Less: Annual Debt Service	(1,100,647)	(1,100,647)	(1,100,647)	(1,100,647)	(1,100,647)
Net Cash Flow	520,063	640,151	770,133	915,029	1,069,846





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\$6.1B+
TOTAL
PRODUCTION

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TOTAL
COMMUNITIES

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TOTAL
SITES



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- Up to 80% LTC
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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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- Flexible Deal Structure; Common, Preferred and Joint Venture Equity

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Regarding Property: Offering #07431678

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 Dana Smith (or any party designated by Dana Smith) (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: **DANA SMITH** | FAX 941-827-7977 | Dana@yaleadvisors.com | TEL. 303-323-5649

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