



Portland, OR -
Seattle, WA
Region

SOUTH WASHINGTON SENIOR MHC


4.0 STARS

100-150 SITES

Offering #08472412 | 01/23/24

 **\$18,000,000**

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 - Pacific Northwest

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NON-ENDORSEMENT & DISCLAIMER

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Property Highlights

- Assumable Low Interest Rate Debt
- Desirable 55+ Senior Housing Community
- Well-Maintained and High Occupancy
- Municipal Water and Sewer
- Attractive Location Near I-5 between Portland and Seattle



Property Discussion

South Washington Senior MHC

Yale Advisors is pleased to present an exceptional investment opportunity in Southern Washington. The subject community is a well-maintained (55+ Senior) Manufactured Housing Community with 100+ sites situated on a 15+ acre site. This community offers a unique combination of a desirable location, strong demographic profile, and attractive features that make it a compelling asset for investors.

There is an assumable loan offering a desirable interest rate and LTV in today's debt market. Its appeal is further enhanced by the availability of municipal utilities. The community is fully occupied, providing a stabilized turnkey asset perfect for a hands-off investor.

The community's transportation accessibility is excellent, given its location along the Interstate-5 corridor and proximity to local arterials. The community benefits from a peaceful residential setting while being well-connected to a commercial hub and industrial areas. Furthermore, with its location to a strong Washington MSA and proximity to major metropolitan areas, the community is in a strategic location and has potential for sustained long-term growth.

In summary, this community between Portland and Seattle offers a combination of strong occupancy, attractive features, and a strategic location within a diverse and growing market area. Its four-star classification and high-end market positioning make it a valuable addition to any investment portfolio.



Property Overview

PURCHASE OVERVIEW



TARGET PRICE

\$18,000,000

Down Payment \$5,000,000

Loan Amount \$13,000,000

PROPERTY DETAILS

Property Type MHC

Age Restriction 55+

Number of Sites 100-150

Occupancy Rate 99.1%

Purchase Price Per Site \$120,000 - \$180,000

Income Per Site \$10,150 - \$15,250

Expenses Per Site (\$2,700 - \$4,050)

Acreage 15-20 Ac.

Year Built 1960's

Flood Zone Zone X

UTILITY INFORMATION

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

PROPERTY AMENITIES



On-Site Office



Off-Street Parking



Paved Roads



Transaction Overview

UNDERWRITING ASSUMPTIONS

Rental Rate Growth	5% per year
Lease Up	None
Other Income Growth Rate	5% Per Year
Expense Growth Rate	3% Per Year

LOAN OVERVIEW

Down Payment	\$5,000,000
Loan Amount	\$13,000,000
Loan to Value	72%
Interest Rate	5.81%
Amortization	30 Years
Interest Only Period	2 Years
Loan Term	9 Years
Interest Only Payment	\$62,898
Amortization Payment	\$76,328
Financing Type	Assumed Agency

FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
Effective Gross Income	1,526,079	1,682,522	1,855,184
Less: Operating Expenses	(405,099)	(510,374)	(544,275)
Operating Expenses Ratio	26.5%	30.3%	29.3%
Net Operating Income	1,120,980	1,172,149	1,310,909
Less: Annual Debt Service	(754,780)	(915,931)	(915,931)
Debt Coverage Ratio	1.49	1.28	1.43
Net Cash Flow	366,200	256,218	394,978
Cap Rate on Cost	6.23%	6.51%	7.28%
Exit Cap Rate Assumption	6.00%	6.00%	6.00%
Economic Occupancy %	99.1%	99.1%	99.1%
Gross Rent Multiplier	12.8	13.1	13.3
Cash on Cash Return	7.3%	5.1%	7.9%
Internal Rate of Return (IRR)	9.8%	13.1%	17.3%



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



MAILBOX CENTER



Pro Forma Assumptions

Start Date & Hold Period

- **Pro Forma Start Date:** 3/1/2024
- **Projected Hold Period:** 5+ Years

Rental Revenue Growth

	Year 1	Year 2	Year 3	Year 4	Year 5
Rent Increase Schedule	0.8%*	5.0%	5.0%	5.0%	5.0%

*Assumes 2 months of the 2025 rent increase would be captured in year 1

Lease Up

- 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/new assessment value could potentially increase by 175% after sale. The community is currently assessed at ~\$5.35M. This is after allocating 20% of the purchase price to goodwill.
- **Tax Reassessment Liability:** We estimate taxes will increase by ~\$76k in year 1.

Lease Up Operational Expense

- None

Disposition Assumptions

- **Exit Capitalization Rate:** 6.0%
- **Selling Expenses:** 3.0%

LOAN ASSUMPTIONS

Financing Type	Loan Amount	Interest Rate	Amortization	Interest Only Term*	Loan Term*	I/O Payment	Amort. Payment
Assumed Agency	\$13,000,000	5.806%	30 Years	1 Year & 7 Months	8 Years & 6 Months	\$62,898	\$76,328

*Assumes a start date of March. 1, 2024



5 Year Pro Forma


	Year 1	Year 2	Year 3	Year 4	Year 5
Income					
Rental Income	1,402,200	1,414,512	1,485,648	1,559,520	1,637,496
Rent Increase Income	12,204	70,512	73,224	77,292	81,360
Less: Vacancy	(12,300)	(12,408)	(13,032)	(13,680)	(14,364)
Other Income	123,975	130,174	136,682	143,517	150,692
Effective Gross Income	1,526,079	1,602,790	1,682,522	1,766,649	1,855,184
EXPENSES					
Advertising	1,500	1,545	1,591	1,639	1,688
Cable, Phone, Internet	50	52	53	55	56
General & Administrative	10,800	11,124	11,458	11,801	12,155
General & Administrative - CC Fees	250	263	276	289	304
Insurance	8,640	8,899	9,166	9,441	9,724
Licenses & Permits	3,800	3,914	4,031	4,152	4,277
Meals, Travel, & Entertainment	1,000	1,030	1,061	1,093	1,126
Off-Site Management Fees @ 4.0%	61,043	64,112	67,301	70,666	74,207
Payroll Expense	65,000	66,950	68,959	71,027	73,158
Professional Fees	3,000	3,090	3,183	3,278	3,377
Real Estate Taxes	47,266	48,684	50,145	51,649	53,199
Real Estate Taxes Reassessment		75,780	78,053	80,395	82,807
Repairs & Maintenance	35,000	36,050	37,132	38,245	39,393
Replacement Reserves	5,700	5,871	6,047	6,229	6,415
Taxes - Other	2,200	2,266	2,334	2,404	2,476
Utilities	159,850	164,646	169,585	174,672	179,913
Total Expenses	405,099	494,275	510,374	527,037	544,275
Net Operating Income	1,120,980	1,108,515	1,172,149	1,239,612	1,310,909
Less: Assumed Annual Debt Service	(754,780)	(821,926)	(915,931)	(915,931)	(915,931)
Net Cash Flow	366,200	286,589	256,218	323,681	394,978



Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RENTAL CASH FLOW SUMMARY					
Effective Rental Income	1,402,104	1,472,616	1,545,840	1,623,132	1,704,492
Other Income	123,975	130,174	136,682	143,517	150,692
Effective Gross Income	1,526,079	1,602,790	1,682,522	1,766,649	1,855,184
Less: Operating Expenses	(405,099)	(494,275)	(510,374)	(527,037)	(544,275)
OPERATING EXPENSES RATIO	26.5%	30.8%	30.3%	29.8%	29.3%
Net Operating Income	1,120,980	1,108,515	1,172,149	1,239,612	1,310,909
Less: Annual Debt Service	(754,780)	(821,926)	(915,931)	(915,931)	(915,931)
Net Cash Flow	366,200	286,589	256,218	323,681	394,978
PROPERTY RESALE ANALYSIS					
Projected Sales Price	18,682,993	18,475,253	19,535,808	20,660,198	21,848,489
Less: Selling Expenses	(560,490)	(554,258)	(586,074)	(619,806)	(655,455)
Less: Loan Balance	(13,000,000)	(12,932,201)	(12,762,649)	(12,582,986)	(12,392,611)
Net Sale Proceeds	5,122,504	4,988,795	6,187,085	7,457,406	8,800,424
CASH SUMMARY					
Net Cash Flow	366,200	286,589	256,218	323,681	394,978
Previous Years Net Cash Flow		366,200	652,789	909,006	1,232,687
Net Sale Proceeds	5,122,504	4,988,795	6,187,085	7,457,406	8,800,424
Down Payment	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Total Cash Generated	488,703	641,583	2,096,092	3,690,093	5,428,089
FINANCIAL MEASUREMENTS					
Cap. Rate on Cost	6.2%	6.2%	6.5%	6.9%	7.3%
Exit Cap. Rate Assumption	6.0%	6.0%	6.0%	6.0%	6.0%
Loan Constant	5.8%	6.3%	7.0%	7.0%	7.0%
Debt Coverage Ratio	1.49	1.35	1.28	1.35	1.43
Loan to Value Ratio	70%	70%	65%	61%	57%
Gross Rent Multiplier	12.8	13.1	13.1	13.2	13.3
Cash on Cash Return	7.3%	5.7%	5.1%	6.5%	7.9%
Internal Rate of Return (IRR)	9.8%	6.4%	13.1%	15.9%	17.3%





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





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\$5.54B+
TOTAL
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TOTAL
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TOTAL
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Regarding Property: Offering #08472412

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

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