



Bradenton -
Sarasota,
Florida

SENIOR FLORIDA MHC

3 STARS

150+/- SITES

#02095572 | 12/19/23



\$9,545,000

TARGET PRICE



Presented by




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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



Critical Deadlines

FEBRUARY 1ST, 2024



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.

FEBRUARY 5TH - 8TH, 2024



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.

FEBRUARY 9TH - MARCH 4TH, 2024



Committee Review & Shareholder Vote

Broker and Committee will hold in-person interviews with select buyers, where the committee will pick the top buyer. The buyer will then present their offer to all shareholders and await a vote.



Projected Timelines

END OF
MARCH 2024



Targeted PSA Deadline

The above time period reflects the seller's ideal time period for the PSA to be drafted and executed.

MIDDLE OF
MAY 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.

MIDDLE OF
JUNE 2024



Closing Period

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



Property Highlights

- Rare 55+ MHC Between Tampa and Sarasota
- Conversion from Resident owned to private ownership
- Lease-up potential of 5 MH's & SFR's and 5 more sites
- Resale/market rent turnover growth is over 50%
- Budget capitalizes expected capex to replace remaining sewer lines



Property Discussion



Senior Florida MHC

The subject property is a 150+/- site Manufactured Home Community (MHC) in a robust market on the west coast of Florida. Roughly 20 years ago, the residents purchased the property and are now at a stage where many shareholders are interested in selling back to a private operator, freeing themselves from management and maintenance concerns. The property boasts a well-appointed recreation hall in the front, a separate office with living quarters or amenity rooms, is gated, and features amenities such as shuffleboard and bocce ball courts.

The homes and park exhibit a strong sense of ownership pride, with most units dating back to the 1960s-1970s but maintained in excellent condition. Additionally, there are two attractive Single-Family Residences (SFRs) and one duplex on the property, along with 5 vacant Manufactured Home (MH) sites available for lease.

The sites, approximately 50x40', can accommodate retiree-friendly MH units with carports. Residents have already replaced 30% of sewer lines & 2 lift stations and anticipate the need for additional replacements/repairs. Any offers must include an additional \$500k capital expenditure budget, earmarked for use within the first 36 months. Proposed upgrades encompass repairing/replacing existing sewer lines, updating entrance signage, enhancing the clubhouse, and/or adding more sports courts. Besides the capital expenditure budget, the buyer will make a one-time deposit of \$20k to the social club for future events, gatherings, and HOA-related activities. There is room for adding a pool, but no formal proposal has been put forth.

Rent growth for existing residents will be capped at 4% for leaseholders for the next 10 years and 3% for shareholders in perpetuity. However, new residents can be subject to market rates, and turnover is expected to occur at an annual rate of 10-12%.



Property Overview

PURCHASE OVERVIEW



TARGET PRICE

\$9,545,000

Projected CAPEX Investment \$500,000

Activities Budget \$20,000

COMMUNITY PRICE

\$9,025,000

Down Payment \$4,550,000

Loan Amount \$4,475,000

PROPERTY DETAILS

Property Type MHC

Number of Sites 150+/- Sites

Age Restriction 55+

Purchase Price Per Site \$54,550 - \$76,350

Income Per Site \$4,950 - \$6,900

Expenses Per Site (\$2,100 - \$2,950)

Occupancy % 92.7%

Flood Zone Zone X

Acreage 15 AC. +/-

UTILITY INFORMATION

Utility Service	Provider	Meter	Paid By
Water	Municipal	None	Community
Sewer	Municipal	None	Community
Trash	Curbside	None	Community
Tenant Lawn	N/A	N/A	Community

PROPERTY AMENITIES



On-Site Office



Clubhouse



Shuffleboard Courts



Off-Street Parking



Horseshoe Pit



Paved Roads



Bocce Court



Gated Entry



Transaction Overview

UNDERWRITING ASSUMPTIONS

Rental Rate Growth	MH Site Rent: 4% Per Year starting Yr. 2 Shareholder Site: 3% Per Year. starting Yr. 2 Duplex & SFR's: 5% Per Year from Yr 2-5. Vacant Sites: 5% per Year
Lease Up	5 MH homes & single families leased up in Yr 1 & 5 sites leased up in Yr 2.
Conversion Rate	10% of occupied sites sold and converted to market rate of \$700 increasing by 5% per year starting in Year 2
Other Income Growth Rate	5% Per Year
Expense Growth Rate	3% Per Year

LOAN OVERVIEW

Total Equity Contribution	\$5,070,000
Loan Amount	\$4,475,000
Loan to Value	47%
Interest Rate	6.15%
Amortization	30 Years
Interest Only Period	5 Years
Loan Term	10 Years
Interest Only Payment	\$22,934
Amortization Payment	\$27,263
Financing Type	Agency

FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
Effective Gross Income	863,719	1,114,713	1,286,717
Less: Operating Expenses	(371,658)	(455,311)	(487,204)
Operating Expenses Ratio	43.0%	40.8%	37.9%
Net Operating Income	492,061	659,403	799,513
Less: Annual Debt Service	(275,213)	(275,213)	(275,213)
Debt Coverage Ratio	1.79	2.40	2.91
Net Cash Flow	216,848	384,190	524,301
Cap. Rate on Cost	5.16%	6.91%	8.38%
Exit Cap. Rate Assumption	5.50%	5.50%	5.50%
Economic Occupancy %	93.4%	100.0%	100.0%
Gross Rent Multiplier	15.0	12.8	14.4
Cash on Cash Return	4.3%	7.6%	10.3%
Internal Rate of Return (IRR)	N/A	17.4%	19.2%



Property Photos

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



Property Photos

STREET VIEW



STREET VIEW



OFFICE



BOCCE COURT



SHUFFLEBOARD COURT



GATED ENTRY



5 Year Pro Forma

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOME					
Potential Rental Income	636,660	905,580	938,604	973,488	1,009,464
Rent Increase Income	268,920	27,432	29,004	29,784	31,356
Lease Up	52,200	95,142	123,072	129,264	135,768
Pro Forma Income from Conversion to Market	13,689	44,871	81,489	124,236	173,433
Pro Forma Tax Passthrough Income		52,724	55,492	58,344	61,281
Less: Vacancy	(111,600)	(111,600)	(117,192)	(123,072)	(129,264)
Other Income	3,850	4,043	4,245	4,457	4,680
Effective Gross Income	863,719	1,018,192	1,114,713	1,196,500	1,286,717
EXPENSES					
Advertising	1,500	1,545	1,591	1,639	1,688
Auto Expense	200	206	212	219	225
Cable, Phone, Internet	2,400	2,472	2,546	2,623	2,701
Electric	9,000	9,270	9,548	9,835	10,130
General & Administrative	15,550	16,017	16,497	16,992	17,502
Insurance	41,100	42,333	43,603	44,911	46,258
Licenses & Permits	1,550	1,597	1,644	1,694	1,745
Off-Site Management Fees @ 4.0%	34,549	40,728	44,589	47,860	51,469
Payroll Expense	57,500	59,225	61,002	62,832	64,717
Professional Fees	3,000	3,090	3,183	3,278	3,377
Real Estate Taxes	39,559	40,746	41,968	43,227	44,524
Real Estate Taxes Reassessment		51,537	53,083	54,675	56,316
Repairs & Maintenance	54,550	56,187	57,872	59,608	61,397
Replacement Reserves	13,700	14,111	14,534	14,970	15,419
Trash	37,500	38,625	39,784	40,977	42,207
Water & Sewer	60,000	61,800	63,654	65,564	67,531
Total Expenses	371,658	439,487	455,311	470,904	487,204
Net Operating Income	492,061	578,705	659,403	725,597	799,513
Less: Annual Debt Service	(275,213)	(275,213)	(275,213)	(275,213)	(275,213)
Net Cash Flow	216,848	303,492	384,190	450,384	524,301



Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RENTAL CASH FLOW SUMMARY					
Effective Rental Income	859,869	1,014,149	1,110,469	1,192,044	1,282,037
Other Income	3,850	4,043	4,245	4,457	4,680
Effective Gross Income	863,719	1,018,192	1,114,713	1,196,500	1,286,717
Less: Operating Expenses	(371,658)	(439,487)	(455,311)	(470,904)	(487,204)
OPERATING EXPENSES RATIO	43.0%	43.2%	40.8%	39.4%	37.9%
Net Operating Income	492,061	578,705	659,403	725,597	799,513
Less: Annual Debt Service	(275,213)	(275,213)	(275,213)	(275,213)	(275,213)
Net Cash Flow	216,848	303,492	384,190	450,384	524,301
PROPERTY RESALE ANALYSIS					
Projected Sales Price	8,946,557	10,521,901	11,989,139	13,192,667	14,536,604
Less: Selling Expenses	(268,397)	(315,657)	(359,674)	(395,780)	(436,098)
Less: Loan Balance	(4,475,000)	(4,475,000)	(4,475,000)	(4,475,000)	(4,475,000)
Net Sale Proceeds	4,203,160	5,731,244	7,154,465	8,321,887	9,625,506
CASH SUMMARY					
Net Cash Flow	216,848	303,492	384,190	450,384	524,301
Previous Years Net Cash Flow		216,848	520,340	904,530	1,354,915
Net Sale Proceeds	4,203,160	5,731,244	7,154,465	8,321,887	9,625,506
Down Payment	(5,070,000)	(5,070,000)	(5,070,000)	(5,070,000)	(5,070,000)
Total Cash Generated	(649,992)	1,181,584	2,988,995	4,606,802	6,434,721
FINANCIAL MEASUREMENTS					
Cap. Rate on Cost	5.2%	6.1%	6.9%	7.6%	8.4%
Exit Cap. Rate Assumption	5.5%	5.5%	5.5%	5.5%	5.5%
Loan Constant	6.15%	6.15%	6.15%	6.15%	6.15%
Debt Coverage Ratio	1.79	2.10	2.40	2.64	2.91
Loan to Value Ratio	50%	43%	37%	34%	31%
Gross Rent Multiplier	15.0	11.6	12.8	13.6	14.4
Cash on Cash Return	4.3%	6.0%	7.6%	8.9%	10.3%
Internal Rate of Return (IRR)	N/A	11.3%	17.4%	18.6%	19.2%





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\$6.1B+
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600+
TOTAL
COMMUNITIES

107,500+
TOTAL
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- Floating Rates as Low as 8%
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Regarding Property: Offering #02095572 - Senior MHC Bradenton - Sarasota, FL Region

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.

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

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Company

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Sign, date, and send back to Broker: JAMES COOK | FAX 941-827-7977 | James@yaleadvisors.com | TEL. 386-623-4623

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