



Lake Placid -
Lake Wales, FL

TROPHY SENIOR FLORIDA MHC

4 STARS

75-100 SITES

#02094459 | 02/08/24



\$6,400,000

TARGET PRICE

Skip to NDA 



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 22ND, 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 25TH - 29TH, 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.



Projected Timelines

**MIDDLE 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
APRIL 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
MAY 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

- Trophy 55+ MH Community in Central FL
- All Public Utilities, Direct Metered, and dedicated incl. Streets
- Very Strong Resales - \$100-200k on avg
- CPI Leases with Go-to-Market on Turnover
- Every site has a Doublewide unit, with Carport



Property Discussion



Trophy Senior Florida MHC

The subject is a true trophy MHC in a very desirable retirement market of FL. Tucked in the interior, surrounded by lakes and much less hurricane liability. This 55+ community features all Doublewide units with carports. The amenity area includes a nice Clubhouse, Pool, championship shuffleboard setup, solar power for the pool, and a for charge boat and RV storage area.

Ownership has held this community for 23 years and it is as much of an adoption as it is a sale. There is a strong preference for a longer term holder buyer, but in addition leases are limited to CPI increases except on turnover.

The returns are greatly enhanced by the fact that the average rents will rise from the mid \$400's to \$650+ on turnover, and turnover averages roughly 12% a year.

Homes sales are very strong, with most happening in the mid \$100k's and ranging from \$80-220k. Water and sewer lines are maintained by the municipality and services are directly metered, even the roads are dedicated, and maintained. Making this the closest thing in the MH industry to a true NN structure, where ownership just needs to continue the track record of great management, maintenance and rule enforcement. Currently the services provided by ownership include maintaining the amenities mowing the lawns to create consistency, and dumpster garbage, which they do deliver for a couple elderly residents.

Ownership is finally ready to retire, but has a lot of loyalty to this resident base and the community, so the ideal buyer will be a long term holder with a good track record of management and maintenance based on their existing portfolio.



Property Overview

PURCHASE OVERVIEW

 TARGET PRICE	\$6,400,000
Single Family Home	\$150,000
Community Price	\$6,250,000
Down Payment	\$3,250,000
Loan Amount	\$3,000,000

PROPERTY DETAILS

Property Type	MHP
Age Restriction	55+
Number of Sites	75-100 Sites
Purchase Price Per Site	\$62,500 - \$83,350
Income Per Site	\$4,850 - \$6,450
Expenses Per Site	(\$1,900 - \$2,500)
Acreage	25 AC. +/-
Flood Zone	Zone X

UTILITY INFORMATION

Utility Service	Provider	Meter	Paid By
Water	Municipal	Direct	Tenant
Sewer	Municipal	Direct	Tenant
Trash	Dumpster	N/A	Community
Tenant Lawn	3rd Party	N/A	Community

PROPERTY AMENITIES



On-Site Office



Paved Roads



Clubhouse



Off-Street Parking



Swimming Pool



RV Storage



Shuffleboard Courts



Solar Power



Transaction Overview

UNDERWRITING ASSUMPTIONS

Rental Rate Growth **-CPI Restricted:** 3% starting Year 2
-Market Rate Growth: 5% per year starting year 2

Lease Up 5 Sites leased up in Yr 1

Other Income Growth Rate 5% Per Year

Expense Growth Rate 3% Per Year

PROPOSED FINANCING OVERVIEW

Total Equity Contribution \$3,400,000

Loan Amount \$3,000,000

Loan to Value 55%

Interest Rate 6.50%

Amortization 30 Years

Interest Only Period 5 Years

Loan Term 10 Years

Interest Only Payment \$16,250

Amortization Payment \$18,962

Financing Type Agency

FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
Effective Gross Income	484,986	646,119	779,167
Less: Operating Expenses	(187,679)	(222,143)	(239,420)
Operating Expenses Ratio	38.7%	34.4%	30.7%
Net Operating Income	297,307	423,976	539,747
Less: Annual Debt Service	(195,000)	(195,000)	(195,000)
Debt Coverage Ratio	1.52	2.17	2.77
Net Cash Flow	102,307	228,976	344,747
Cap. Rate on Cost*	4.76%	6.78%	8.64%
Exit Cap. Rate Assumption	5.25%	5.25%	5.25%
Economic Occupancy %	89.7%	98.6%	98.5%
Gross Rent Multiplier	12.2	15.2	18.2
Cash on Cash Return*	3.1%	7.0%	10.6%
Internal Rate of Return (IRR)*	N/A	18.5%	21.2%

*Return calculation is based only on the Community Price



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



CLUBHOUSE & POOL



5 Year Pro Forma

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOME					
Potential Rental Income	513,427	513,427	530,419	547,651	565,951
Rent Increase Income		13,512	13,512	14,460	14,460
Lease Up	17,550	51,576	69,660	73,116	76,788
Pro Forma Income from Conversion to Market	13,709	45,230	82,583	126,200	177,162
Less: Vacancy	(70,200)	(70,200)	(73,680)	(77,400)	(81,240)
Other Income	10,500	22,500	23,625	24,806	26,047
Effective Gross Income	484,986	576,045	646,119	708,834	779,167
EXPENSES					
Advertising	1,500	1,545	1,591	1,639	1,688
Auto Expense	500	515	530	546	563
Cable, Phone, Internet	3,450	3,554	3,660	3,770	3,883
Electric	3,250	3,348	3,448	3,551	3,658
General & Administrative	3,730	3,842	3,957	4,076	4,198
Insurance	15,000	15,450	15,914	16,391	16,883
Licenses & Permits	1,700	1,751	1,804	1,858	1,913
Meals, Travel, & Entertainment	1,000	1,030	1,061	1,093	1,126
Off-Site Management Fees @ 4.0%	19,399	23,042	25,845	28,353	31,167
Payroll Expense	35,000	36,050	37,132	38,245	39,393
Professional Fees	3,000	3,090	3,183	3,278	3,377
Real Estate Taxes	44,575	45,912	47,289	48,708	50,169
Real Estate Taxes Reassessment		17,253	17,771	18,304	18,853
Repairs & Maintenance	26,350	27,141	27,955	28,793	29,657
Replacement Reserves	6,675	6,875	7,082	7,294	7,513
Supplies	14,000	14,420	14,853	15,298	15,757
Trash	10,600	10,918	11,246	11,583	11,930
Utilities	100	103	106	109	113
Water & Sewer	(2,150)	(2,215)	(2,281)	(2,349)	(2,420)
Total Expenses	187,679	213,623	222,143	230,541	239,420
Net Operating Income	297,307	362,422	423,976	478,293	539,747
Less: Debt Service	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)
Net Cash Flow	102,307	167,422	228,976	283,293	344,747



Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RENTAL ACTIVITY ANALYSIS					
Effective Rental Income	474,486	553,545	622,494	684,027	753,121
Other Income	10,500	22,500	23,625	24,806	26,047
Effective Gross Income	484,986	576,045	646,119	708,834	779,167
Less: Operating Expenses	(187,679)	(213,623)	(222,143)	(230,541)	(239,420)
OPERATING EXPENSES RATIO	38.7%	37.1%	34.4%	32.5%	30.7%
Net Operating Income	297,307	362,422	423,976	478,293	539,747
Less: Annual Debt Service	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)
Net Cash Flow	102,307	167,422	228,976	283,293	344,747
PROPERTY RESALE ANALYSIS					
Projected Sales Price	5,662,983	6,903,275	8,075,729	9,110,337	10,280,901
Less: Selling Expenses	(169,889)	(207,098)	(242,272)	(273,310)	(308,427)
Less: Loan Balance	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Net Sale Proceeds	2,493,094	3,696,177	4,833,457	5,837,027	6,972,474
CASH SUMMARY					
Net Cash Flow	102,307	167,422	228,976	283,293	344,747
Previous Years Net Cash Flow		102,307	269,729	498,704	781,997
Net Sale Proceeds	2,493,094	3,696,177	4,833,457	5,837,027	6,972,474
Down Payment	(3,250,000)	(3,250,000)	(3,250,000)	(3,250,000)	(3,250,000)
Total Cash Generated	(654,600)	715,905	2,082,161	3,369,024	4,849,218
FINANCIAL MEASUREMENTS					
Cap. Rate on Cost*	4.8%	5.8%	6.8%	7.7%	8.6%
Exit Cap. Rate Assumption	5.25%	5.25%	5.25%	5.25%	5.25%
Loan Constant	6.5%	6.5%	6.5%	6.5%	6.5%
Debt Coverage Ratio	1.52	1.86	2.17	2.45	2.77
Loan to Value Ratio*	53%	43%	37%	33%	29%
Gross Rent Multiplier	12.2	13.4	15.2	16.6	18.2
Cash on Cash Return*	3.1%	5.2%	7.0%	8.7%	10.6%
Internal Rate of Return (IRR)*	N/A	10.6%	18.5%	20.3%	21.2%

*Return calculation is based only on the Community Price





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\$6.1B+
TOTAL
PRODUCTION

600+
TOTAL
COMMUNITIES

108,500+
TOTAL
SITES



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Non Disclosure Agreement

Regarding Property: Offering #02094459 - Trophy Senior Florida MHC

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

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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