



Pennsylvania

PENNSYLVANIA 4-MHC PORTFOLIO

3 STARS

| 250-300 SITES

| #03382597 | 01/23/24



\$18,550,000

TARGET PRICE



Presented by




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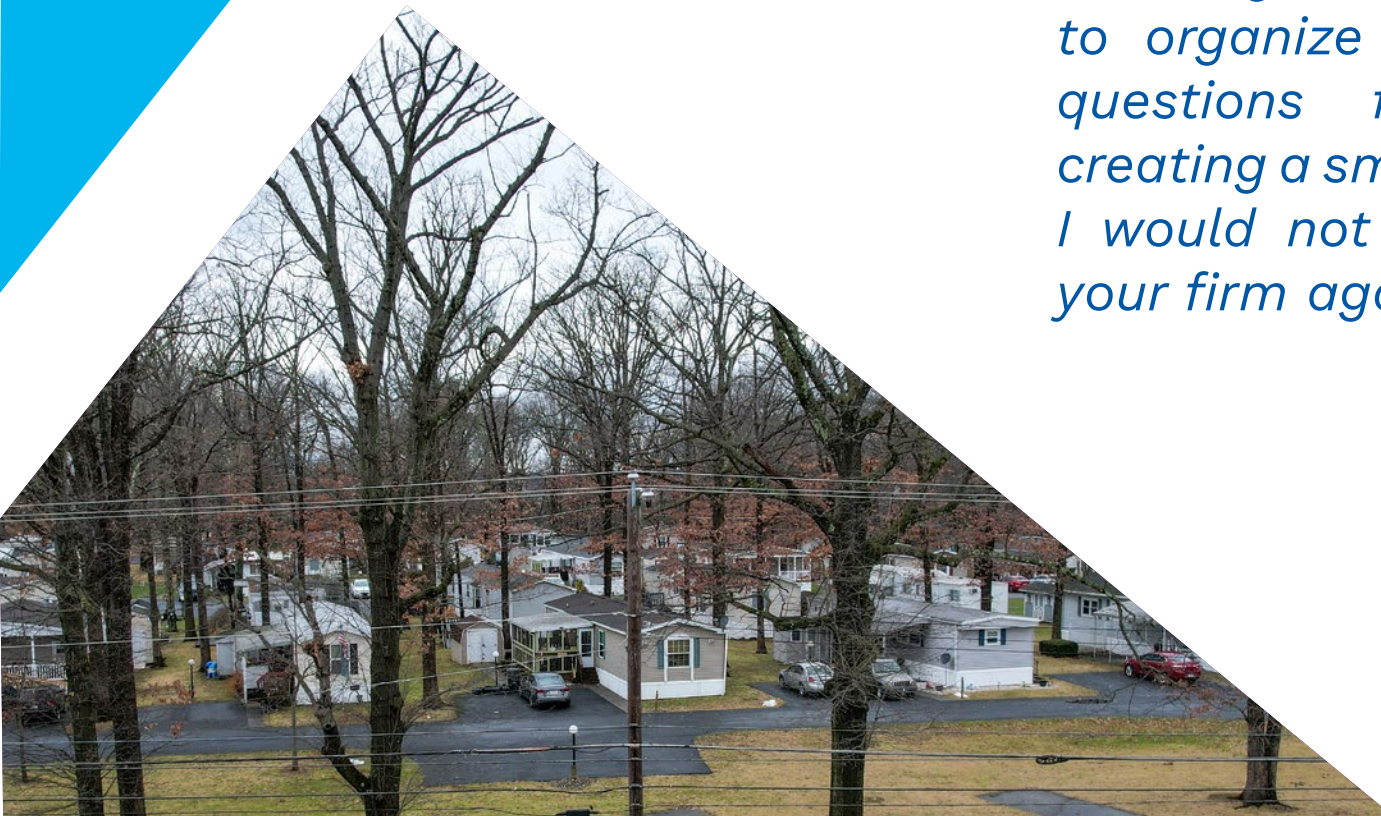
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I want to thank you and your team at Yale advisors for your professionalism and due diligence... you managed to organize and answer all questions for the buyer, creating a smooth transition... I would not hesitate to use your firm again.

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 26TH - 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.



Portfolio Highlights

- High-Quality, Agency Financeable Portfolio
- Three Communities Within 30 Minutes
- ~15% Vacancy Upside
- Over 90% Tenant Owned Homes
- Recent CapEx for Roads



Portfolio Discussion



Pennsylvania 4-MHC Portfolio

The subject portfolio consists of four communities in Eastern Pennsylvania. Three of the four communities can be reached in 30 minutes end-to-end and the largest community is less than two hours away. The owners have improved and maintained each of the properties very well, which will allow the buyer to utilize agency financing for the acquisition.

The communities are serviced by private utilities, all of which are in good working condition. The owners have passed through most of the utility expenses but are still not caught up to market on the rents at any of the properties. Rent upside varies from 10% to 20%+ across the portfolio.

The owners are willing to consider offers on the entire portfolio of four communities, the cluster of three communities in the Lehigh Valley area, or the large standalone community. The majority of the vacancies are at the largest community, which was recently repaved after selling several new homes. There is significant upside at this community as the market vacancy rate is less than 10% while our current vacancy is roughly 20%. The current owners have improved occupancy but have focused most of their efforts on improving the quality of the community to appeal to future residents.



Property Overview

PURCHASE OVERVIEW

Total Investment	\$18,600,000
Projected CAPEX Investment	\$50,000
 TARGET PRICE	\$18,550,000
Home Inventory Price	\$460,000
Community Price	\$18,090,000
Down Payment	\$6,340,000
Loan Amount	\$11,750,000

PORTFOLIO OVERVIEW

Property Type	MHC
Age Restriction	All-Age
Number of Sites	250 - 300 Sites
SW/DW %	93%/7%
Purchase Price Per Site	\$60,300 - \$72,350
Income Per Site	\$6,350 - \$7,650
Expenses Per Site	(\$2,450 - \$2,950)
Acreage	97.5 AC.

	PROPERTY #1	PROPERTY #2	PROPERTY #3	PROPERTY #4
Property Acreage	12.2 Ac.	8.3 Ac.	6.4 Ac.	70.6 Ac.
Flood Zone	Zone X	Zone X	Zone X	Zone X
SW/DW %	75%/25%	100% SW	96%/4%	95%/5%
Average Site Rent	\$649	\$509	\$638	\$389

UTILITIES

Water	Well (Submetered)	Well (Flat Fee)	Well (Submetered)	Public (Submetered)
Sewer	Septic (Submetered)	Septic (Flat Fee)	Public (Flat Fee)	WWTP (Flat Fee)
Trash	3rd Party (Flat Fee)	3rd Party (Flat Fee)	3rd Party (Flat Fee)	3rd Party (Flat Fee)

AMENITIES

24/7 Emergency Maintenance	✓	✓	✓	✓
Pet Friendly	✓	✓	✓	✓
RV/Boat Storage	✓			✓
Off-Street Parking	✓	✓	✓	✓
Paved Roads	✓	✓	✓	✓



Transaction Overview

UNDERWRITING ASSUMPTIONS

Rental Rate Growth

- Property #1: \$50 in Yr 1, 5% per year from Yr 2-5.
- Property #2: \$70 in Yr 1, 5% per year from Yr 2-5.
- Property #3: \$50 in Yr 1, 5% per year from Yr 2-5.
- Property #4: \$35 in Yr 1, 5% per year from Yr 4-5.

Lease Up

- Property #1: None
- Property #2: 3 sites leased up per year in Yr 1 & 2.
- Property #3: 3 sites leased up per year in Yr 1 & 2.
- Property #4: 3 homes & 12 sites leased up in Yr 1; 12 sites leased up in Yr 2 & 7 sites leased up in Yr 3.

Other Income Growth Rate 5% Per Year

Expense Growth Rate 3% Per Year

PROPOSED FINANCING OVERVIEW

Total Equity Contribution \$6,850,000

Loan Amount \$11,750,000

Loan to Value 65%

Interest Rate 6.15%

Amortization 30 Years

Interest Only Period 5 Years

Loan Term 10 Years

Interest Only Payment \$60,219

Amortization Payment \$71,584

Financing Type Agency

FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
Effective Gross Income	1,909,899	2,239,030	2,486,227
Less: Operating Expenses	(738,374)	(826,162)	(913,128)
Operating Expenses Ratio	38.7%	36.9%	36.7%
Net Operating Income	1,171,525	1,412,869	1,573,100
Less: Annual Debt Service	(722,625)	(722,625)	(722,625)
Debt Coverage Ratio	1.62	1.96	2.18
Net Cash Flow	448,900	690,244	850,475
Cap. Rate on Cost*	6.46%	7.79%	8.67%
Exit Cap. Rate Assumption	7.00%	7.00%	7.00%
Economic Occupancy %	88.2%	99.1%	100.0%
Gross Rent Multiplier	10.6	10.6	10.9
Cash on Cash Return*	7.0%	10.8%	13.3%
Internal Rate of Return (IRR)*	N/A	16.2%	18.5%

**Return calculation is based on the Community Value and the Projected CAPEX Investment*



Property Photos - Property #1

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



AERIAL VIEW



Property Photos - Property #2

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



AERIAL VIEW



Property Photos - Property #3

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



Property Photos - Property #3

STREET VIEW



7

STREET VIEW



8

AERIAL VIEW



9

AERIAL VIEW



10

AERIAL VIEW



11

AERIAL VIEW



12



Property Photos - Property #4

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



Property Photos - Property #4

STREET VIEW



STREET VIEW



MAILBOX CENTER



AERIAL VIEW



AERIAL VIEW



AERIAL VIEW



Pro Forma Growth Assumptions

Start Date & Hold Period	<div>- Pro Forma Start Date: 6/1/2024</div> <div>- Projected Hold Period: 5+ Years</div>					
Rental Revenue Growth		Year 1*	Year 2	Year 3	Year 4	Year 5
	Property #1	\$50	5.0%	5.0%	5.0%	5.0%
	Property #2	\$70	5.0%	5.0%	5.0%	5.0%
	Property #3	\$50	5.0%	5.0%	5.0%	5.0%
	Property #4	\$35	-	-	5.0%	5.0%
	*The Year 1 rent increase will be noticed by the seller and is projected to be in place by closing.					
Lease Up		Year 1	Year 2	Year 3	Year 4	Year 5
	Property #1	-	-	-	-	-
	Property #2	3	3	-	-	-
	Property #3	3	3	-	-	-
	Property #4	15	12	7	-	-
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: While the current assessment value of the portfolio is a combined \$3.2, we project the portfolio to only increase by ~200% based on historical behavior on sale.					
	- Tax Reassessment Liability: Based on an increase in taxable value of 2x (200%), we project a potential increase in taxes of ~\$70k. We project taxes to begin to increase beginning in year 2 at a pace of 25% per year.					
Lease Up OPEX	- NONE					
Disposition Assumptions		Property #1	Property #2	Property #3	Property #4	
	Portfolio Exit Capitalization Rate	7.00%	7.00%	7.00%	7.00%	
	Selling Expenses	2.0%	2.0%	2.0%	2.0%	

PROPOSED FINANCING OVERVIEW

Loan Amount	Interest Rate	LTV	Amortization	Interest Only Period	Loan Term	Financing Type
\$11,750,000	6.15%	65%	30 Years	5 Years	10 Years	Agency



5 Year Pro Forma

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOME					
Potential Rental Income	1,705,477	1,855,417	1,905,121	1,957,429	2,052,325
Rent Increase Income	127,020	45,168	47,556	81,288	84,756
Lease Up	64,188	201,672	268,620	300,288	314,520
Less: Vacancy	(254,472)	(277,392)	(281,928)	(286,680)	(300,288)
Less: Rental/LTO Premium	(44,269)	(44,269)	(44,269)	(44,269)	(44,269)
Other Income	311,955	327,553	343,930	361,127	379,183
Effective Gross Income	1,909,899	2,108,149	2,239,030	2,369,183	2,486,227
EXPENSES					
Advertising	6,000	6,180	6,365	6,556	6,753
Auto Expense	1,000	1,030	1,061	1,093	1,126
Electric	24,100	24,823	25,568	26,335	27,125
General & Administrative	22,240	22,907	23,594	24,302	25,031
Insurance	28,300	29,149	30,023	30,924	31,852
Licenses & Permits	7,350	7,571	7,798	8,032	8,272
Meals, Travel, & Entertainment	2,000	2,060	2,122	2,185	2,251
Off-Site Management Fees	76,396	84,326	89,561	94,767	99,449
Payroll Expense	130,000	133,900	137,917	142,055	146,316
Professional Fees	8,000	8,240	8,487	8,742	9,004
Real Estate Taxes	77,393	79,714	82,106	84,569	87,106
Real Estate Taxes Reassessment		17,154	34,308	51,463	68,617
Repairs & Maintenance	45,750	47,123	48,536	49,992	51,492
Replacement Reserves	14,150	14,575	15,012	15,462	15,926
Trash	51,600	53,148	54,742	56,385	58,076
Water & Sewer	244,095	251,418	258,960	266,729	274,731
Total Expenses	738,374	783,317	826,162	869,591	913,128
Net Operating Income	1,171,525	1,324,832	1,412,869	1,499,592	1,573,100
Less: Annual Debt Service	(722,625)	(722,625)	(722,625)	(722,625)	(722,625)
Net Cash Flow	448,900	602,207	690,244	776,967	850,475



Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RENTAL CASH FLOW SUMMARY					
Effective Rental Income	1,597,944	1,780,596	1,895,100	2,008,056	2,107,044
Other Income	311,955	327,553	343,930	361,127	379,183
Effective Gross Income	1,909,899	2,108,149	2,239,030	2,369,183	2,486,227
Less: Operating Expenses	(738,374)	(783,317)	(826,162)	(869,591)	(913,128)
Operating Expense Ratio	38.7%	37.2%	36.9%	36.7%	36.7%
Net Operating Income	1,171,525	1,324,832	1,412,869	1,499,592	1,573,100
Less: Annual Debt Service	(722,625)	(722,625)	(722,625)	(722,625)	(722,625)
Net Cash Flow	448,900	602,207	690,244	776,967	850,475
PROPERTY RESALE ANALYSIS					
Projected Sales Price	16,736,077	18,926,166	20,183,837	21,422,743	22,472,850
Less: Selling Expenses	(334,722)	(378,523)	(403,677)	(428,455)	(449,457)
Less: Loan Balance	(11,750,000)	(11,750,000)	(11,750,000)	(11,750,000)	(11,750,000)
Net Sale Proceeds	4,651,356	6,797,642	8,030,161	9,244,288	10,273,393
CASH SUMMARY					
Net Cash Flow	448,900	602,207	690,244	776,967	850,475
Previous Years Net Cash Flow		398,900	1,001,107	1,691,351	2,468,318
Net Sale Proceeds	4,651,356	6,797,642	8,030,161	9,244,288	10,273,393
Projected CAPEX Investment	(50,000)				
Down Payment	(6,340,000)	(6,340,000)	(6,340,000)	(6,340,000)	(6,340,000)
Total Cash Generated	(1,289,744)	1,458,749	3,381,511	5,372,606	7,252,186
FINANCIAL MEASUREMENTS					
Cap. Rate on Cost*	6.5%	7.3%	7.8%	8.3%	8.7%
Exit Cap. Rate Assumption	7.0%	7.0%	7.0%	7.0%	7.0%
Mortgage Constant	6.2%	6.2%	6.2%	6.2%	6.2%
Debt Coverage Ratio	1.62	1.83	1.96	2.08	2.18
Loan to Value Ratio**	70%	62%	58%	55%	52%
Gross Rent Multiplier	10.6	10.2	10.6	10.9	10.9
Cash on Cash Return*	7.0%	9.4%	10.8%	12.2%	13.3%
Internal Rate of Return (IRR)*	N/A	11.2%	16.2%	18.1%	18.5%

*Return calculation is based on the Community Value and the Projected CAPEX Investment

**Calculation based only on Community Value



Thank you for your consideration



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Regarding Property: Offering #03382597 - Pennsylvania 4-MHC Portfolio

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

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Sign, date, and send back to Broker: HARRISON BELL | FAX 941-827-7977 | Harrison@yaleadvisors.com | TEL. 985-373-3472

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