



Eastern  
Pennsylvania

## MANUFACTURED HOUSING COMMUNITY

3.5 STARS

| 125 +/- SITES

| #03386320 | 02/07/24



**\$7,800,000**

TARGET PRICE



*So much was involved with our prospective sale, but Harrison was very capable in handling whatever came up. We recommend Harrison to anyone who might ask for a reference.*

Sandy S. - Former Community Owner





# Thank you for your consideration



**HARRISON BELL**  
Director - Mid-Atlantic

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# Critical Deadlines

**MARCH 14<sup>TH</sup>, 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.

**MARCH 18<sup>TH</sup> - 21<sup>ST</sup>, 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

## BEGINNING OF APRIL 2024



### Targeted PSA Deadline

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

## BEGINNING 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.

## BEGINNING 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 Discussion



## Manufactured Housing Community

The subject property is a high-quality community in Eastern Pennsylvania with significant upside. The market has several comps, all of which have less than 5% vacancy, if any. Meanwhile, this property has roughly 15% vacancy as the owners are out-of-state and have not placed orders for new homes to be brought on-site. Furthermore, the current rents are at least 20% below market, so there is a lot of potential with this investment opportunity.

The property is serviced by well water and a WWTP, both of which are in good condition. The existing WWTP operator is being compensated at \$3,600 per month, so a group with properties in the area could lower the existing OpEx substantially. In addition, the trash expense is almost double what we've seen in this region of the country at over \$30 per can per month. As such, the existing OpEx of close to 46% should drop considerably as occupancy improves and the property is run more efficiently.

As for sales comps, we have sold several communities in this region over the past 24 months and this would be by far the lowest price per pad. Other sales have been in the \$80k-\$100k+ per pad with no significant differences in location, size, or quality. This is a great opportunity for both regional and national owners to acquire an institutional asset with tremendous upside.






# Property Highlights

- Agency Quality Community
- ~20% Below Market Rents
- 90% Tenant Owned Homes
- ~15% Vacancy in Market with Less than 5% Vacancy



# Property Overview

## PURCHASE OVERVIEW

 <b>TARGET PRICE</b>	<b>\$7,800,000</b>
Home Inventory Price	\$250,000
<b>Community Price</b>	<b>\$7,550,000</b>
Down Payment	\$3,250,000
Loan Amount	\$4,300,000

## PROPERTY DETAILS

Property Type	MHC
Number of Sites	125 +/- Sites
Purchase Price Per Site	\$50,350 - \$75,500
Income Per Site	\$5,100 - \$7,600
Expenses Per Site	(\$2,000 - \$2,950)
Acreage	150 +/- Acres

## UTILITY INFORMATION

Utility Service	Provider	Meter	Paid By
Water	Well	None	Tenant
Sewer	WWTP	None	Community
Trash	Curbside	None	Community

## PROPERTY AMENITIES



Fishing Pond



Pavilion



Playground



Basketball Court



Off-Street Parking



Paved Roads





# Transaction Overview

## UNDERWRITING ASSUMPTIONS

Rental Rate Growth \$50 10/1/24, 5% Annually 2025+

Lease Up 6 Sites Y1, 6 Sites Y2

Other Income Growth Rate 5% Per Year

Expense Growth Rate 3% Per Year

## LOAN OVERVIEW

Total Equity Contribution \$3,560,000

**Loan Amount \$4,300,000**

Loan to Value 57%

Interest Rate 6.50%

Amortization 30 Years

Interest Only Period 5 Years

Loan Term 10 Years

Interest Only Payment \$23,292

Amortization Payment \$27,179

Financing Type Agency

## FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
<b>Effective Gross Income</b>	<b>761,774</b>	<b>961,514</b>	<b>1,058,237</b>
Less: Operating Expenses	(296,880)	(327,909)	(351,117)
Operating Expenses Ratio	39.0%	34.1%	33.2%
<b>Net Operating Income</b>	<b>464,894</b>	<b>633,604</b>	<b>707,119</b>
Less: Annual Debt Service	(279,500)	(279,500)	(279,500)
Debt Coverage Ratio	1.66	2.27	2.53
<b>Net Cash Flow</b>	<b>185,394</b>	<b>354,104</b>	<b>427,619</b>
Cap Rate on Cost*	6.11%	8.33%	9.29%
Exit Cap Rate Assumption	7.00%	7.00%	7.00%
Economic Occupancy %	90.0%	97.5%	97.5%
Gross Rent Multiplier	9.7	10.2	10.4
<b>Cash on Cash Return*</b>	<b>5.6%</b>	<b>10.7%</b>	<b>12.9%</b>
<b>Internal Rate of Return (IRR)*</b>	<b>N/A</b>	<b>18.2%</b>	<b>18.6%</b>

\*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



STREET VIEW



# 5 Year Pro Forma

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>INCOME</b>					
Potential Rental Income	778,670	836,270	885,422	927,662	972,206
Rent Increase Income	50,850	43,392	37,290	39,324	41,358
Lease Up	19,974	63,378	88,464	92,640	97,032
Pro Forma Utility Passthrough Income		43,920	46,350	47,741	49,173
Less: Vacancy	(93,120)	(99,870)	(105,630)	(110,580)	(115,800)
Less: Inventory Premium	(35,750)	(35,750)	(35,750)	(35,750)	(35,750)
Other Income	41,150	43,208	45,368	47,636	50,018
<b>Effective Gross Income</b>	<b>761,774</b>	<b>894,548</b>	<b>961,514</b>	<b>1,008,673</b>	<b>1,058,237</b>
<b>EXPENSES</b>					
Advertising	1,500	1,545	1,591	1,639	1,688
Cable, Phone, Internet	2,900	2,987	3,077	3,169	3,264
Electric	34,800	35,844	36,919	38,027	39,168
General & Administrative	4,500	4,635	4,774	4,917	5,065
General & Administrative - CC Fees	350	411	442	463	486
Insurance	21,900	22,557	23,234	23,931	24,649
Licenses & Permits	1,700	1,751	1,804	1,858	1,913
Natural Gas	2,100	2,163	2,228	2,295	2,364
Off-Site Management Fees @ 4.0%	30,471	35,782	38,461	40,347	42,329
Payroll Expense	30,000	31,500	33,075	34,729	36,465
Professional Fees	5,000	5,150	5,305	5,464	5,628
Real Estate Taxes	39,812	39,812	41,006	42,236	43,503
Repairs & Maintenance	22,250	22,918	23,605	24,313	25,043
Replacement Reserves	6,400	6,592	6,790	6,993	7,203
Trash	37,500	38,625	39,784	40,977	42,207
Water & Sewer	53,700	55,311	56,970	58,679	60,440
Lease Up Operational Expense	1,997	6,338	8,846	9,264	9,703
<b>Total Expenses</b>	<b>296,880</b>	<b>313,920</b>	<b>327,909</b>	<b>339,301</b>	<b>351,117</b>
<b>Net Operating Income</b>	<b>464,894</b>	<b>580,628</b>	<b>633,604</b>	<b>669,371</b>	<b>707,119</b>
<b>Less: Annual Debt Service</b>	<b>(279,500)</b>	<b>(279,500)</b>	<b>(279,500)</b>	<b>(279,500)</b>	<b>(279,500)</b>
<b>Net Cash Flow</b>	<b>185,394</b>	<b>301,128</b>	<b>354,104</b>	<b>389,871</b>	<b>427,619</b>





# Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>RENTAL ACTIVITY ANALYSIS</b>					
Effective Rental Income	720,624	851,340	916,146	961,037	1,008,219
Other Income	41,150	43,208	45,368	47,636	50,018
<b>Effective Gross Income</b>	<b>761,774</b>	<b>894,548</b>	<b>961,514</b>	<b>1,008,673</b>	<b>1,058,237</b>
Less: Operating Expenses	(296,880)	(313,920)	(327,909)	(339,301)	(351,117)
OPERATING EXPENSES RATIO	39.0%	35.1%	34.1%	33.6%	33.2%
<b>Net Operating Income</b>	<b>464,894</b>	<b>580,628</b>	<b>633,604</b>	<b>669,371</b>	<b>707,119</b>
Less: Annual Debt Service	(279,500)	(279,500)	(279,500)	(279,500)	(279,500)
<b>Net Cash Flow</b>	<b>185,394</b>	<b>301,128</b>	<b>354,104</b>	<b>389,871</b>	<b>427,619</b>
<b>PROPERTY RESALE ANALYSIS</b>					
Projected Sales Price	6,641,344	8,294,682	9,051,492	9,562,448	10,101,707
Less: Selling Expenses	(199,240)	(248,840)	(271,545)	(286,873)	(303,051)
Less: Loan Balance	(4,300,000)	(4,300,000)	(4,300,000)	(4,300,000)	(4,300,000)
<b>Net Sale Proceeds</b>	<b>2,142,104</b>	<b>3,745,841</b>	<b>4,479,947</b>	<b>4,975,575</b>	<b>5,498,656</b>
<b>CASH SUMMARY</b>					
Net Cash Flow	185,394	301,128	354,104	389,871	427,619
Previous Years Net Cash Flow		125,394	426,522	780,626	1,170,498
Net Sale Proceeds	2,142,104	3,745,841	4,479,947	4,975,575	5,498,656
Down Payment	(3,250,000)	(3,250,000)	(3,250,000)	(3,250,000)	(3,250,000)
<b>Total Cash Generated</b>	<b>(982,502)</b>	<b>922,363</b>	<b>2,010,573</b>	<b>2,896,072</b>	<b>3,846,773</b>
<b>FINANCIAL MEASUREMENTS</b>					
Cap. Rate on Cost*	6.1%	7.6%	8.3%	8.8%	9.3%
Exit Cap. Rate Assumption	7.0%	7.0%	7.0%	7.0%	7.0%
Loan Constant	6.5%	6.5%	6.5%	6.5%	6.5%
Debt Coverage Ratio	1.66	2.08	2.27	2.39	2.53
Loan to Value Ratio*	65%	52%	48%	45%	43%
Gross Rent Multiplier	9.7	9.9	10.2	10.3	10.4
<b>Cash on Cash Return*</b>	<b>5.6%</b>	<b>9.1%</b>	<b>10.7%</b>	<b>11.8%</b>	<b>12.9%</b>
<b>Internal Rate of Return (IRR)*</b>	<b>N/A</b>	<b>13.5%</b>	<b>18.2%</b>	<b>18.5%</b>	<b>18.6%</b>

\*Return calculation is based only on the Community Price





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**610+**  
TOTAL  
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TOTAL  
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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.

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Signature

---

Date

---

Printed Name

---

Email

---

Company

---

Phone

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

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