



New Haven.
CT MSA

ALL-AGE CONNECTICUT MHC

3 STARS

50-75 SITES

#03073846 | 02/28/24



\$4,700,000

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

MARCH 28TH, 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.

APRIL 1ST - 4TH, 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
APRIL 2024**



Targeted PSA Deadline

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

**END 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.

**END 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

- 100%+ Occupied & 100%+ Tenant Owned Homes
- High-Quality, Riverfront Community
- Limited Affordable Housing in the Area
- Opportunity to Convert Commercial Space into Apartments
- Located near New Haven, Waterbury, & Danbury



Property Discussion



Connecticut All-Age MHC

The subject property is a well-maintained, well-located community in Southern Connecticut. The property consists of entirely tenant owned homes and a strong historical occupancy rate of 95%+. Due to the lack of affordable housing options in the area, there is always strong demand for units in the community and the owner has been able to increase rents every summer albeit by choice they have never increased them as much as the market could bare. As such, there is still rent growth potential at the property of at least 10-15%.

The community is serviced by public water and septic sewer and the infrastructure is in good condition. Current ownership has taken good care of the property and attracted a very good tenant base. As such, there are strong collections and very little turnover at the property. There is also a vacant commercial space that could either be leased as-is for \$1,000+ per month or converted to two apartments that would bring in roughly \$3,000 per month combined. We estimate that the permitting and build-out for the conversion would cost approx. \$100k, which makes it well worth it to do; however, we have not factored this into the returns at the target price for this offering.

This is a great opportunity for a regional or national owner to acquire a turnkey asset in a very desirable market. The property will qualify for non-recourse debt and at the target price, it will immediately provide high-single-digit cash-on-cash returns.



Property Overview

PURCHASE OVERVIEW



TARGET PRICE

\$4,700,000

Down Payment \$1,250,000

Loan Amount \$3,450,000

PROPERTY DETAILS

Property Type MHC

Age Restriction All-Age

Number of Sites 50-75 Sites

Property Type MHC

SW/DW % 100% SW

Occupancy Rate 98.4%

Purchase Price Per Site \$62,650 - \$94,000

Income Per Site \$6,500 - \$9,750

Expenses Per Site (\$2,050 - \$3,100)

Acreage 5-10 AC.

Flood Zone Partial Zone AE

UTILITY INFORMATION

Utility Service	Provider	Meter	Paid By
Water	Municipal	None	Community
Sewer	Septic	None	Community
Trash	Curbside	N/A	Community
Snow Removal	3rd Party	N/A	Community
Lawn Maintenance	N/A	N/A	Tenant

PROPERTY INFRASTRUCTURE

Type	Material	Last Improvement
Water Line Material	Copper	-
Sewer Line Material	Mix of PVC & Cast Iron	-
Road Surface	Asphalt	2018
Electrical Amperage	50/100 Amps	-

PROPERTY AMENITIES



On-Site Office



Maintenance Garage



Off-Street Parking



Paved Roads



Transaction Overview

UNDERWRITING ASSUMPTIONS

Rental Rate Growth	-MH Site Rent: 5% per year -Apartments: 5% per year -Garage: \$200 in Yr 1
Lease Up	1 commercial site leased in Yr 2
Other Income Growth Rate	5% Per Year
Expense Growth Rate	3% Per Year

PROPOSED FINANCING OVERVIEW

Total Equity Contribution	\$1,250,000
Loan Amount	\$3,450,000
Loan to Value	73%
Interest Rate	6.75%
Amortization	30 Years
Interest Only Period	10 Years
Loan Term	10 Years
Interest Only Payment	\$19,406
Amortization Payment	\$-
Financing Type	CMBS

FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
Effective Gross Income	487,320	548,997	603,368
Less: Operating Expenses	(155,348)	(189,955)	(202,360)
Operating Expenses Ratio	31.9%	34.6%	33.5%
Net Operating Income	331,972	359,042	401,007
Less: Annual Debt Service	(232,875)	(232,875)	(232,875)
Debt Coverage Ratio	1.43	1.54	1.72
Net Cash Flow	99,097	126,167	168,132
Cap Rate on Cost	7.06%	7.64%	8.53%
Exit Cap Rate Assumption	7.00%	7.00%	7.00%
Economic Occupancy %	97.6%	100.0%	100.0%
Gross Rent Multiplier	10.0	9.9	10.0
Cash on Cash Return	7.9%	10.1%	13.5%
Internal Rate of Return (IRR)	N/A	15.1%	19.2%



Property Photos

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



AERIAL STREET VIEW



AERIAL STREET VIEW





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



Pro Forma Growth Assumptions

Start Date & Hold Period

- **Pro Forma Start Date:** 7/1/2024
- **Projected Hold Period:** 5+ Years

Rental Revenue Growth

	Year 1	Year 2	Year 3	Year 4	Year 5
MH Site Rent	5.0%	5.0%	5.0%	5.0%	5.0%
Apartments	5.0%	5.0%	5.0%	5.0%	5.0%
Garage	\$200	-	-	-	-
Vacant Commercial Space	-	5.0%	5.0%	5.0%	5.0%

Lease Up

- Vacant commercial space leased up in year 2.

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 could potentially increase by ~50% after sale. This assumes a 20% goodwill & personal property allocation, a just value adjustment of 80% to market value of the real estate, and a state assessment ratio of 70%.
- **Tax Reassessment Liability:** We estimate taxes will increase by \$25k in year 2 of ownership.

Disposition Assumptions

- **Exit Capitalization Rate:** 7.0%
- **Future Selling Expenses:** 3.0%

PROPOSED FINANCING OVERVIEW

Interest Rate	Loan Amount	Amortization	Interest Only Period	Loan Term	Financing Type
6.75%	\$3,450,000	30 Years	10 Years	10 Years	CMBS



5 Year Pro Forma

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOME					
Potential Rental Income	470,820	495,720	519,624	545,028	571,260
Rent Increase Income	24,900	23,304	24,768	25,572	27,036
Lease Up		12,600	13,236	13,896	14,592
Less: Vacancy	(12,000)	(12,000)	(12,600)	(13,236)	(13,896)
Other Income	3,600	3,780	3,969	4,167	4,376
Effective Gross Income	487,320	523,404	548,997	575,427	603,368
EXPENSES					
Advertising	1,500	1,545	1,591	1,639	1,688
Cable, Phone, Internet	300	309	318	328	338
Electric	1,700	1,751	1,804	1,858	1,913
General & Administrative	2,663	2,743	2,826	2,910	2,998
Insurance	18,500	19,055	19,627	20,215	20,822
Licenses & Permits	1,650	1,700	1,750	1,803	1,857
Meals, Travel, & Entertainment	500	515	530	546	563
Off-Site Management Fees @ 4.0%	19,493	20,936	21,960	23,017	24,135
Payroll Expense	28,000	28,840	29,705	30,596	31,514
Professional Fees	3,000	3,090	3,183	3,278	3,377
Real Estate Taxes	39,542	40,728	41,950	43,208	44,505
Real Estate Taxes Reassessment		23,171	23,866	24,582	25,319
Repairs & Maintenance	12,800	13,184	13,580	13,987	14,407
Replacement Reserves	6,000	6,180	6,365	6,556	6,753
Taxes - Other	500	515	530	546	563
Trash	11,500	11,845	12,200	12,566	12,943
Water & Sewer	7,700	7,931	8,169	8,414	8,666
Total Expenses	155,348	184,038	189,955	196,052	202,360
Net Operating Income	331,972	339,366	359,042	379,376	401,007
Less: Debt Service	(232,875)	(232,875)	(232,875)	(232,875)	(232,875)
Net Cash Flow	99,097	106,491	126,167	146,501	168,132



Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RENTAL ACTIVITY ANALYSIS					
Effective Rental Income	483,720	519,624	545,028	571,260	598,992
Other Income	3,600	3,780	3,969	4,167	4,376
Effective Gross Income	487,320	523,404	548,997	575,427	603,368
Less: Operating Expenses	(155,348)	(184,038)	(189,955)	(196,052)	(202,360)
OPERATING EXPENSES RATIO	31.9%	35.2%	34.6%	34.1%	33.5%
Net Operating Income	331,972	339,366	359,042	379,376	401,007
Less: Annual Debt Service	(232,875)	(232,875)	(232,875)	(232,875)	(232,875)
Net Cash Flow	99,097	106,491	126,167	146,501	168,132
PROPERTY RESALE ANALYSIS					
Projected Sales Price	4,742,457	4,848,087	5,129,176	5,419,653	5,728,678
Less: Selling Expenses	(142,274)	(145,443)	(153,875)	(162,590)	(171,860)
Less: Loan Balance	(3,450,000)	(3,450,000)	(3,450,000)	(3,450,000)	(3,450,000)
Net Sale Proceeds	1,150,184	1,252,645	1,525,301	1,807,064	2,106,817
CASH SUMMARY					
Net Cash Flow	99,097	106,491	126,167	146,501	168,132
Previous Years Net Cash Flow		99,097	205,588	331,755	478,256
Net Sale Proceeds	1,150,184	1,252,645	1,525,301	1,807,064	2,106,817
Down Payment	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)
Total Cash Generated	(719)	208,233	607,056	1,035,320	1,503,206
FINANCIAL MEASUREMENTS					
Cap. Rate on Cost	7.1%	7.2%	7.6%	8.1%	8.5%
Exit Cap. Rate Assumption	7.0%	7.0%	7.0%	7.0%	7.0%
Loan Constant	6.8%	6.8%	6.8%	6.8%	6.8%
Debt Coverage Ratio	1.43	1.46	1.54	1.63	1.72
Loan to Value Ratio	73%	71%	67%	64%	60%
Gross Rent Multiplier	10.0	9.8	9.9	9.9	10.0
Cash on Cash Return	7.9%	8.5%	10.1%	11.7%	13.5%
Internal Rate of Return (IRR)	N/A	8.3%	15.1%	17.9%	19.2%





Thank you for
your 
consideration



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Regarding Property: Offering #03073846 - 50-75 site, All-Age Connecticut 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 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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