



South Central  
West Virginia

## TWO MHC PORTFOLIO


2.5 STARS | 125 +/- SITES | #03480167 | 03/27/24



**\$4,500,000**

TARGET PRICE

Skip to NDA 



*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

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# Presented by



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# Critical Deadlines

**MAY 2<sup>ND</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.

**MAY 6<sup>TH</sup> - 9<sup>TH</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

**MIDDLE OF  
MAY 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  
JUNE 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  
JULY 2024**



## Closing Period

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



# Portfolio Discussion



## Two MHC Portfolio

The subject properties are located less than an hour apart in South Central West Virginia. They are both approximately 85% occupied and connected to city utilities that are direct-billed to the residents. The owners have recently received appraisals on the properties that are well above the asking price.

Several of the parks in the area are currently charging 20%+ more than the existing lot rent at the subject properties. As such, there is upside in the rents at both properties in addition to the value-add opportunity from leasing up the remaining vacancy. At the asking price, investors should see immediate cash-on-cash returns in the double digits and an IRR north of 20% over a 5-7 year holding period.

This is a great opportunity for a regional or local owner to acquire two properties within an hour drive. If purchased together, these properties would qualify for a CMBS loan. However, the owners will consider selling the properties separately if a buyer desires to carve one of the communities out of the deal.



# Portfolio Highlights

- Direct billed city utilities

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- 85%+ occupied and 90% tenant owned

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- Two parks located less than an hour from each other

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- Recent appraisal for well above target price

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- Management group willing to continue post-sale

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# Portfolio Overview

## PURCHASE OVERVIEW

 <b>TARGET PRICE</b>	<b>\$4,500,000</b>
Home Inventory Price	\$150,000
<b>Community Price</b>	<b>\$4,350,000</b>
Down Payment	\$1,300,000
Loan Amount	\$3,050,000

## PORTFOLIO OVERVIEW

Property Type	MHC
Age Restriction	All Age
Number of Sites	125 +/- Sites
Purchase Price Per Site	\$29,000 - \$43,500
Income Per Site	\$3,100 - \$4,650
Expenses Per Site	(\$900 - \$1,350)
Acreage	40 +/- Acres

	PROPERTY #1	PROPERTY #2
Property Acreage	30 +/- Acres	10 +/- Acres
Flood Zone	Zone X	Zone X
Average Site Rent	\$378	\$317
<b>UTILITIES</b>		
Water	City - Direct Billed	City - Direct Billed
Sewer	City - Direct Billed	City - Direct Billed
Trash	Curbside Pickup - Direct Billed	Curbside Pickup
<b>AMENITIES</b>		
Off-Street Parking	✓	✓
Paved Roads	✓	✓





# Transaction Overview

## UNDERWRITING ASSUMPTIONS

Rental Rate Growth	- <b>Property #1:</b> 3% per year - <b>Property #2:</b> 5% per year
Lease Up	- <b>Property #1:</b> 3 Sites per year from Year 1 – Year 3. - <b>Property #2:</b> 3 Sites before Year 1.
Other Income Growth Rate	5% Per Year
Expense Growth Rate	3% Per Year

## LOAN OVERVIEW

Total Equity Contribution	\$1,450,000
<b>Loan Amount</b>	<b>\$3,050,000</b>
Loan to Value	70%
Interest Rate	7.00%
Amortization	30 Years
Interest Only Period	2 Years
Loan Term	10 Years
Interest Only Payment	\$17,792
Amortization Payment	\$20,292
Financing Type	Local Bank

## FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
<b>Effective Gross Income</b>	<b>466,965</b>	<b>537,806</b>	<b>585,002</b>
Less: Operating Expenses	(134,427)	(152,284)	(162,136)
Operating Expenses Ratio	28.8%	28.3%	27.7%
<b>Net Operating Income</b>	<b>332,538</b>	<b>385,522</b>	<b>422,866</b>
Less: Annual Debt Service	(213,500)	(243,501)	(243,501)
Debt Coverage Ratio	1.56	1.58	1.74
<b>Net Cash Flow</b>	<b>119,038</b>	<b>142,021</b>	<b>179,365</b>
Cap Rate on Cost*	7.64%	8.86%	9.72%
Exit Cap Rate Assumption	8.00%	8.00%	8.00%
Economic Occupancy %	88.3%	94.6%	95.9%
Gross Rent Multiplier	9.3	9.0	9.0
<b>Cash on Cash Return*</b>	<b>9.2%</b>	<b>10.9%</b>	<b>13.8%</b>
<b>Internal Rate of Return (IRR)*</b>	<b>N/A</b>	<b>17.9%</b>	<b>20.2%</b>

\*Return calculation is based only on the Community Price



# Property #1 Photos

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



# Property #2 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	548,520	566,688	586,284	605,880	625,968
Rent Increase Income	15,564	16,788	16,788	17,208	18,432
Lease Up	12,906	34,020	50,040	59,364	61,452
Less: Vacancy	(72,180)	(74,784)	(77,592)	(80,400)	(83,280)
<b>Effective Gross Income</b>	<b>466,965</b>	<b>504,931</b>	<b>537,806</b>	<b>564,408</b>	<b>585,002</b>
<b>EXPENSES</b>					
Advertising	3,000	3,090	3,183	3,278	3,377
Electric	1,800	1,854	1,910	1,967	2,026
General & Administrative	4,670	4,810	4,954	5,103	5,256
Insurance	9,520	9,806	10,100	10,403	10,715
Licenses & Permits	1,450	1,494	1,538	1,584	1,632
Off-Site Management Fees	18,679	20,197	21,512	22,576	23,400
Payroll Expense	36,000	37,080	38,192	39,338	40,518
Professional Fees	6,000	6,180	6,365	6,556	6,753
Real Estate Taxes	13,784	14,198	14,624	15,062	15,514
Real Estate Taxes Reassessment		7,742	7,974	8,213	8,459
Repairs & Maintenance	23,800	24,514	25,249	26,007	26,787
Replacement Reserves	5,950	6,129	6,312	6,502	6,697
Trash	8,150	8,395	8,646	8,906	9,173
Water & Sewer	1,625	1,674	1,724	1,776	1,829
<b>Total Expenses</b>	<b>134,427</b>	<b>147,160</b>	<b>152,284</b>	<b>157,271</b>	<b>162,136</b>
<b>Net Operating Income</b>	<b>332,538</b>	<b>357,771</b>	<b>385,522</b>	<b>407,137</b>	<b>422,866</b>
<b>Less: Annual Debt Service</b>	<b>(213,500)</b>	<b>(213,500)</b>	<b>(243,501)</b>	<b>(243,501)</b>	<b>(243,501)</b>
<b>Net Cash Flow</b>	<b>119,038</b>	<b>144,271</b>	<b>142,021</b>	<b>163,636</b>	<b>179,365</b>



# Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>RENTAL ACTIVITY ANALYSIS</b>					
Effective Rental Income	465,690	503,592	536,400	562,932	583,452
Other Income	1,275	1,339	1,406	1,476	1,550
<b>Effective Gross Income</b>	<b>466,965</b>	<b>504,931</b>	<b>537,806</b>	<b>564,408</b>	<b>585,002</b>
Less: Operating Expenses	(134,427)	(147,160)	(152,284)	(157,271)	(162,136)
OPERATING EXPENSES RATIO	28.8%	29.1%	28.3%	27.9%	27.7%
<b>Net Operating Income</b>	<b>332,538</b>	<b>357,771</b>	<b>385,522</b>	<b>407,137</b>	<b>422,866</b>
Less: Annual Debt Service	(213,500)	(213,500)	(243,501)	(243,501)	(243,501)
<b>Net Cash Flow</b>	<b>119,038</b>	<b>144,271</b>	<b>142,021</b>	<b>163,636</b>	<b>179,365</b>
<b>PROPERTY RESALE ANALYSIS</b>					
Projected Sales Price	4,156,720	4,472,132	4,819,020	5,089,208	5,285,823
Less: Selling Expenses	(124,702)	(134,164)	(144,571)	(152,676)	(158,575)
Less: Loan Balance	(3,050,000)	(3,050,000)	(3,019,018)	(2,985,796)	(2,950,172)
<b>Net Sale Proceeds</b>	<b>982,018</b>	<b>1,287,968</b>	<b>1,655,432</b>	<b>1,950,736</b>	<b>2,177,076</b>
<b>CASH SUMMARY</b>					
Net Cash Flow	119,038	144,271	142,021	163,636	179,365
Previous Years Net Cash Flow		119,038	263,308	405,329	568,965
Net Sale Proceeds	982,018	1,287,968	1,655,432	1,950,736	2,177,076
Down Payment	(1,300,000)	(1,300,000)	(1,300,000)	(1,300,000)	(1,300,000)
<b>Total Cash Generated</b>	<b>(198,945)</b>	<b>251,276</b>	<b>760,761</b>	<b>1,219,701</b>	<b>1,625,406</b>
<b>FINANCIAL MEASUREMENTS</b>					
Cap. Rate on Cost*	7.6%	8.2%	8.9%	9.4%	9.7%
Exit Cap. Rate Assumption	8.0%	8.0%	8.0%	8.0%	8.0%
Loan Constant	7.0%	7.0%	8.0%	8.0%	8.0%
Debt Coverage Ratio	1.56	1.68	1.58	1.67	1.74
Loan to Value Ratio*	73%	68%	63%	59%	56%
Gross Rent Multiplier	9.3	8.9	9.0	9.0	9.0
<b>Cash on Cash Return*</b>	<b>9.2%</b>	<b>11.1%</b>	<b>10.9%</b>	<b>12.6%</b>	<b>13.8%</b>
<b>Internal Rate of Return (IRR)*</b>	<b>N/A</b>	<b>9.6%</b>	<b>17.9%</b>	<b>20.0%</b>	<b>20.2%</b>

\*Return calculation is based only on the Community Price





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MIDWEST	JAMES MCCAUGHAN	305-588-5302
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FL/NATIONAL	JAMES COOK	386-623-4623

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- Non-Recourse

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- 30 Year AM, up to Full-Term Interest-Only
- Up to 80% LTC
- Non-Recourse

## Bank Loans

- 5 to 10 Year Terms
- Up to 30 Year AM, Partial Interest-Only
- Up to 80% LTC
- Recourse or Partial Recourse

## Bridge Loans

- 2 to 4 Year Terms
- Interest-Only
- Up to 80% LTC Including Cap-Ex
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- Sourcing Single Investor Funds for Proven MHC and RV Operators/Developers
- Development, Portfolio Expansion, Recapitalizations
- Flexible Deal Structure; Common, Preferred and Joint Venture Equity



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# Non Disclosure Agreement

Regarding Property: Offering #03480167 125 +/- Site Two MHC Portfolio in South Central West Virginia

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 Mitch Gonzalez (or any party designated by Mitch Gonzalez) (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

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