



Southern
California

SOUTHERN CALIFORNIA TWO MHP PORTFOLIO

3 STARS

| 100-125 SITES

| #04051411 | 06/24/24

 **\$12,800,000**

TARGET PRICE

Skip to NDA 



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

Thank you for your consideration



DAN COOK
Director - Pacific Southwest

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NON-ENDORSEMENT & DISCLAIMER

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Critical Deadlines

AUGUST 8TH, 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.

AUGUST 12TH - 15TH, 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

END OF
AUGUST 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
SEPTEMBER 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
OCTOBER 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 portfolio represents a rare opportunity to acquire two 3-star manufactured housing parks in Southern California. Located in Lake Isabella and Apple Valley, the parks combined have over 100 sites with no rent control offering significant upside through rapid lease-up, sale of park-owned homes, and seller financing. Both properties are located in regions that benefit from economic stability and growth.

Lake Isabella is known for its picturesque setting and outdoor recreational activities with an economy supported by local businesses. Apple Valley, part of the economically diverse San Bernardino County, boasts a robust economy driven by logistics, healthcare, and an extensive transportation network. A recent approval for the all-electric Brightline high-speed rail system will connect Los Angeles to Las Vegas over 218 miles. Property #2 is conveniently located between two planned stations, Apple Valley and Hesperia.

Yale Advisors has been exclusively engaged to solicit offers for Subject Properties with the owner willing to provide financing at 5% interest only for five years. Subject Property #1 includes paved roads, off-street parking, and well-maintained infrastructure contributing to its attractiveness and ease of management. Subject Property #2 features amenities such as a swimming pool, clubhouse, and off-street parking, with paved roads ensuring a comfortable living environment. Both properties have park-owned homes that can be sold to increase revenue and are not subject to rent control, allowing for strategic rent increases over time.

The current owner has operated both properties since the mid-1990s providing first-hand experience and management oversight. The sale of these properties presents an opportunity to acquire well-positioned assets with seller financing in strong economic markets, considerable potential for revenue growth through lease-ups, and sales of park-owned homes. Additionally, the owner's willingness to carry back financing provides flexible financing options for an investor.



Portfolio Highlights

- No Rent Control: Allows for strategic rent increases without restrictions
- Attractive Financing: Owner willing to finance at 5% interest only for 5 years
- Significant Lease Up Potential: Vacancies offer rapid lease up income growth
- Park Owned Homes: Multiple homes for sale, providing additional revenue
- Infrastructure Development: Expansion of transport networks and train stations



Portfolio Features

PURCHASE OVERVIEW

 TARGET PRICE	\$12,800,000
Home Inventory Price	\$3,725,000
Home Inventory Down Payment	\$1,862,500
Home Inventory Loan Amount	\$1,862,500
Community Price	\$9,075,000
Community Down Payment	\$4,537,500
Community Loan Amount	\$4,537,500
PORTFOLIO OVERVIEW	
Property Type	MHP Portfolio
Number of Sites	100 - 125 Sites
Purchase Price Per Site	\$60,500 - \$90,750
Income Per Site	\$6,300 - \$7,900
Expenses Per Site	(\$2,350 - \$3,550)
Acreage	15 - 20 Acres

	PROPERTY #1	PROPERTY #2
Property Acreage	7.5 +/- Acres	10 +/- Acres
Age Restriction	55+	All Ages
Flood Zone	Zone X	Zone D
Average Site Rent	\$693	\$768
UTILITIES		
Water	City - Flat Fee	City - Included
Sewer	Septic - Included	Septic - Included
Trash	Dumpster - Included	Dumpster - Flat Fee
AMENITIES		
Clubhouse		✓
Swimming Pool		✓
Off-Street Parking	✓	✓
Asphalt Roads	✓	✓



Transaction Overview

UNDERWRITING ASSUMPTIONS

Rental Rate Growth	- Property #1: 10% 2025–2026, 5% 2027+ - Property #2: 5% 2025+ Due to assumed closing in October 2024, captured 10 months of 1/1/25's rent increases.
Lease Up	- Property #1: 10 homes leased up in Y1 and 8 sites leased up in Y2 - Property #2: 10 homes leased up prior to Y1 and 5 sites leased up in Y2
Market Conversion Rate	- Property #2: Brought 10 sites/homes to market rate of \$780 upon turnover annually. Grew this at 5% annually.
Other Income Growth Rate	5% Per Year
Expense Growth Rate	3% Per Year

LOAN OVERVIEW

Loan	Community	Home Inventory
Total Equity Contribution	\$4,537,500	\$1,862,500
Loan Amount	\$4,537,500	\$1,862,500
Loan to Value	50%	50%
Interest Rate	5.00%	5.00%
Amortization	30 Years	30 Years
Interest Only Period	5 Years	5 Years
Loan Term	5 Years	5 Years
Interest Only Payment	\$18,906	\$7,760
Amortization Payment	\$24,358	\$9,998
Financing Type	Seller	Seller

FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
Effective Gross Income	789,327	1,116,710	1,258,981
Less: Operating Expenses	(353,844)	(419,209)	(449,361)
Operating Expenses Ratio	44.8%	37.5%	35.7%
Net Operating Income	435,482	697,501	809,621
Less: Annual Debt Service*	(227,000)	(227,000)	(227,000)
Debt Coverage Ratio	1.92	3.07	3.57
Net Cash Flow	208,482	470,501	582,621
Cap Rate on Cost*	4.80%	7.69%	8.92%
Exit Cap Rate Assumption	6.13%	6.16%	6.15%
Economic Occupancy %	77.3%	96.9%	96.8%
Gross Rent Multiplier	11.5	10.1	10.5
Cash on Cash Return*	4.6%	10.4%	12.8%
Internal Rate of Return (IRR)*	N/A	19.1%	19.8%

*Return calculation and debt service is based only on Community Price.



Property Photos

- Property #1

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



Property Photos

- Property #1

DRONE VIEW



DRONE VIEW



DRONE VIEW



DRONE VIEW



Property Photos

- Property #2

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW





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



5 Year Pro Forma

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOME					
Potential Rental Income	998,163	1,046,835	1,108,947	1,160,307	1,211,283
Rent Increase Income	33,444	42,600	36,420	36,540	38,532
Lease Up	83,580	235,014	306,288	320,724	335,952
Pro Forma Income from Conversion to Market	6,338	20,034	35,089	51,502	69,273
Less: Turnover & Collections Factor	(22,354)	(28,586)	(32,269)	(34,290)	(36,436)
Less: Vacancy	(256,608)	(271,836)	(291,348)	(306,288)	(320,724)
Less: Rental/LTO Premium	(119,768)	(119,768)	(119,768)	(119,768)	(119,768)
Other Income	66,532	69,859	73,351	77,019	80,870
Effective Gross Income	789,327	994,151	1,116,710	1,185,745	1,258,981
EXPENSES					
Advertising	4,500	4,635	4,774	4,917	5,065
Cable, Phone, Internet	1,600	1,648	1,697	1,748	1,801
Electric	5,675	5,845	6,021	6,201	6,387
General & Administrative	7,275	7,493	7,718	7,950	8,188
Insurance	11,600	11,948	12,306	12,676	13,056
Licenses & Permits	3,950	4,069	4,191	4,316	4,446
Meals, Travel, & Entertainment	2,000	2,060	2,122	2,185	2,251
Natural Gas	32,300	33,269	34,267	35,295	36,354
Off-Site Management Fees	31,573	39,766	44,668	47,430	50,359
Payroll Expense	70,000	72,100	74,263	76,491	78,786
Professional Fees	6,000	6,180	6,365	6,556	6,753
Real Estate Taxes	13,505	13,910	14,327	14,757	15,200
Real Estate Taxes - Non-Ad Valorem	7,115	7,328	7,548	7,774	8,008
Real Estate Taxes Reassessment	54,515	56,150	57,835	59,570	61,357
Repairs & Maintenance	29,000	29,870	30,766	31,689	32,640
Replacement Reserves	11,600	11,948	12,306	12,676	13,056
Supplies	10,500	10,815	11,139	11,474	11,818
Taxes - Other	700	721	743	765	788
Trash	14,875	15,321	15,781	16,254	16,742
Water & Sewer	23,025	23,716	24,427	25,160	25,915
Lease Up Operational Expense	12,537	35,252	45,943	48,109	50,393
Total Expenses	353,844	394,044	419,209	433,993	449,361
Net Operating Income	435,482	600,107	697,501	751,752	809,621
Less: Annual Debt Service*	(226,875)	(226,875)	(226,875)	(226,875)	(226,875)
Net Cash Flow	208,607	373,232	470,626	524,877	582,746

*Debt service is based only on Community Price.



Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RENTAL ACTIVITY ANALYSIS					
Effective Rental Income	722,795	924,293	1,043,359	1,108,726	1,178,111
Other Income	66,532	69,859	73,351	77,019	80,870
Effective Gross Income	789,327	994,151	1,116,710	1,185,745	1,258,981
Less: Operating Expenses	(353,844)	(394,044)	(419,209)	(433,993)	(449,361)
OPERATING EXPENSES RATIO	44.8%	39.6%	37.5%	36.6%	35.7%
Net Operating Income	435,482	600,107	697,501	751,752	809,621
Less: Annual Debt Service*	(226,875)	(226,875)	(226,875)	(226,875)	(226,875)
Net Cash Flow	208,607	373,232	470,626	524,877	582,746
PROPERTY RESALE ANALYSIS					
Projected Sales Price	7,109,019	9,758,334	11,329,379	12,214,875	13,159,528
Less: Selling Expenses	(213,271)	(292,750)	(339,881)	(366,446)	(394,786)
Less: Loan Balance*	(4,537,500)	(4,537,500)	(4,537,500)	(4,537,500)	(4,537,500)
Net Sale Proceeds	2,358,249	4,928,084	6,451,997	7,310,929	8,227,242
CASH SUMMARY					
Net Cash Flow	208,607	373,232	470,626	524,877	582,746
Previous Years Net Cash Flow		208,607	581,839	1,052,466	1,577,342
Net Sale Proceeds	2,358,249	4,928,084	6,451,997	7,310,929	8,227,242
Down Payment*	(4,537,500)	(4,537,500)	(4,537,500)	(4,537,500)	(4,537,500)
Total Cash Generated	(1,970,644)	972,423	2,966,963	4,350,771	5,849,830
FINANCIAL MEASUREMENTS					
Cap. Rate on Cost*	4.80%	6.61%	7.69%	8.28%	8.92%
Exit Cap. Rate Assumption	6.13%	6.15%	6.16%	6.15%	6.15%
Loan Constant*	5.0%	5.0%	5.0%	5.0%	5.0%
Debt Coverage Ratio*	1.92	2.65	3.07	3.31	3.57
Loan to Value Ratio*	64%	46%	40%	37%	34%
Gross Income Multiplier	11.5	9.8	10.1	10.3	10.5
Cash on Cash Return*	4.6%	8.2%	10.4%	11.6%	12.8%
Internal Rate of Return (IRR)*	N/A	10.4%	19.1%	19.6%	19.8%

*Return calculation and debt service is based only on Community Price.





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An award-winning, collaborative **national team** of **industry experts** that provide tailored service to our clients in their dedicated markets.



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\$6.27B+
TOTAL
PRODUCTION

630+
TOTAL
COMMUNITIES

111,550+
TOTAL
SITES



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YALE REALTY

A map of the United States is shown in blue with yellow borders. Various regions are labeled with callouts pointing to specific team members. Each callout includes a circular portrait of the individual and a yellow box with their name and phone number.

Region	Name	Phone Number
PACIFIC NORTHWEST	CHAD LEDY	424-228-6200
PACIFIC SOUTHWEST	DAN COOK	818-474-1031
ROCKY MOUNTAINS	BRIAN MCDONALD	720-636-6551
SOUTHWEST	DANA SMITH	303-323-5649
UPPER MIDWEST	KEN SCHEFLER	312-858-8906
MIDWEST	JAMES MCCAUGHAN	305-588-5302
MID-ATLANTIC	HARRISON BELL	985-373-3472
SOUTHEAST	CHARLES CASTELLANO	305-978-0769
FL/NATIONAL	JAMES COOK	386-623-4623

YALE CAPITAL MARKETS

Four team members for Yale Capital Markets are shown in circular portraits with callouts. Each callout includes their name, phone number, and title.

Name	Phone Number	Title
CHRIS SAN JOSE	305-760-9060	PRESIDENT OF LENDING
GREG RAMSEY	904-864-3978	VICE PRESIDENT OF LENDING
JAKE LEVIN	917-847-2304	DIRECTOR OF EQUITY CAPITAL MARKETS

YALE DEVELOPMENT

One team member for Yale Development is shown in a circular portrait with a callout. The callout includes their name, phone number, and title.

Name	Phone Number	Title
MITCH GONZALEZ	734-447-6952	DIRECTOR OF LAND SALES & DEVELOPMENT

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

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- 5 to 10 Year Terms
- 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
- Non-Recourse, Flexible/No Prepayment Penalty

Equity

- 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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Regarding Property: Offering #04051411 100-125 Site Southern California Two MHP 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 Dan Cook (or any party designated by Dan 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: DAN COOK | FAX 941-827-7977 | Dan@yaleadvisors.com | TEL. 305-773-3211

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