



Southeast  
Alabama

## HYBRID RV & MH PARK

3 STARS

150-200 SITES

#05010460 | 06/27/24



**\$8,250,000**

TARGET PRICE

Skip to NDA 



*We have sold multiple properties and can honestly say that we couldn't be happier with the end result and work put forward by Yale Advisors. We look forward to working with Charles and Yale in the future and give them the highest recommendation.*

Todd B. - Owner

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# Thank you for your consideration



**CHARLES CASTELLANO**  
Director - Southeast

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305-978-0769

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# Critical Deadlines

**AUGUST 1<sup>ST</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.

**AUGUST 5<sup>TH</sup> - 8<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

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.



# Property Discussion



## Hybrid RV & MH Park

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The subject property is a Hybrid RV and MHC located on a spacious and scenic property in Southeast Alabama. The current owners completed several cap ex projects over the past year, most notably developing, infilling, and leasing 12 park model homes. They also improved the roads, added new signage and mailboxes, and landscaped throughout the property. The park features multiple lakes for fishing, a swimming pool, nature trails, mature trees, a recreational room, a laundry room, and on-site management.

The park models reached 100% occupancy shortly after completion, and there is room for 10 more directly adjacent to the existing 12. The new owner might consider selling them to reduce their basis or continue to rent them like the current ownership decided to do. Most of the RV sites are pull-through full hookup sites, with just a handful that do not have sewer.

The market boasts a diverse economy with prominent manufacturing companies, extensive agriculture companies, and a university with a large enrollment. They contribute to the local economy through spending on housing, food, and other services. Recent reports suggest many are expanding operations in the area, increasing the need for affordable housing and, in particular, short-term contract workers who provide reliable and consistent revenue for the park.



# Property Highlights

- Hybrid MH and RV Community

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- Diverse Local Economy

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- Sub-Metered Electricity

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- Expansion Opportunity

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- Scenic Property with Amenities

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# Property Overview

PURCHASE OVERVIEW			
 <b>TARGET PRICE</b>	<b>\$8,250,000</b>		
Home Inventory Price	\$250,000		
<b>Community Price</b>	<b>\$8,000,000</b>		
Down Payment	\$4,000,000		
Loan Amount	\$4,000,000		
PROPERTY DETAILS			
Property Type	Hybrid RV & MH Park		
Number of Sites	150 - 200 Sites		
Purchase Price Per Site	\$40,000 - \$53,350		
Income Per Site	\$5,500 - \$7,350		
Expenses Per Site	(\$2,250 - \$3,000)		
Flood Zone	None		
Acreage	70 +/- Acres		
UTILITY INFORMATION			
Utility Service	Provider	Meter	Paid By
Water	Municipal	None	Community
Sewer	Septic	None	Community
Trash	Dumpster	None	Community
Electric	Municipal	Submetered	Tenant

## PROPERTY AMENITIES



Swimming Pool



Cable TV



Fishing Ponds



Laundry



WiFi



Pet Friendly



Rec Hall



Camp Store



Propane





# Transaction Overview

## UNDERWRITING ASSUMPTIONS

Rental Rate Growth	5% Per Year Starting in Year 2
Lease Up	Leased 5 Tiny Home sites in Y1, 5 in Y2.
Pro Forma Utility Passthrough Income	Budgeted 85% recapture of Electric Expense in Y1, seller is delivering park with electric meters installed.
Other Income Growth Rate	5% Per Year
Expense Growth Rate	3% Per Year

## LOAN OVERVIEW

Total Equity Contribution	\$4,250,000
<b>Loan Amount</b>	<b>\$4,000,000</b>
Loan to Value	50%
Interest Rate	8.00%
Amortization	30 Years
Interest Only Period	5 Years
Loan Term	10 Years
Interest Only Payment	\$26,667
Amortization Payment	\$29,351
Financing Type	CMBS

## FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
<b>Effective Gross Income</b>	<b>1,100,286</b>	<b>1,258,926</b>	<b>1,382,154</b>
Less: Operating Expenses	(452,796)	(510,868)	(544,900)
Operating Expenses Ratio	41.2%	40.6%	39.4%
<b>Net Operating Income</b>	<b>647,489</b>	<b>748,058</b>	<b>837,254</b>
Less: Annual Debt Service	(320,000)	(320,000)	(320,000)
Debt Coverage Ratio	2.02	2.34	2.62
<b>Net Cash Flow</b>	<b>327,489</b>	<b>428,058</b>	<b>517,254</b>
Cap Rate on Cost	8.09%	9.35%	10.47%
Exit Cap Rate Assumption	8.00%	8.00%	8.00%
Economic Occupancy %	95.4%	100.0%	100.0%
Gross Rent Multiplier	7.3	7.4	7.6
<b>Cash on Cash Return</b>	<b>8.2%</b>	<b>10.7%</b>	<b>12.9%</b>
<b>Internal Rate of Return (IRR)</b>	<b>4.5%</b>	<b>16.8%</b>	<b>17.7%</b>



# Property Photos

DRONE VIEW



DRONE VIEW



DRONE VIEW



DRONE VIEW



STREET VIEW



STREET VIEW



# Property Photos

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



EXPANSION OPPORTUNITY



# 5 Year Pro Forma

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>INCOME</b>					
Potential Rental Income	1,027,477	1,027,477	1,077,169	1,128,889	1,182,901
Rent Increase Income		46,692	48,600	50,652	52,560
Lease Up	15,000	47,250	66,120	69,480	72,960
Pro Forma Utility Passthrough Income	120,509	124,124	127,848	131,683	135,634
Less: Vacancy	(60,000)	(60,000)	(63,000)	(66,120)	(69,480)
Less: Inventory Premium	(50,400)	(50,400)	(50,400)	(50,400)	(50,400)
Other Income	47,700	50,085	52,589	55,219	57,980
<b>Effective Gross Income</b>	<b>1,100,286</b>	<b>1,185,228</b>	<b>1,258,926</b>	<b>1,319,403</b>	<b>1,382,154</b>
<b>EXPENSES</b>					
Advertising	10,000	10,300	10,609	10,927	11,255
Ancillary Operational Expenses	300	309	318	328	338
Cable, Phone, Internet	16,775	17,278	17,797	18,330	18,880
Electric	141,775	146,028	150,409	154,921	159,569
General & Administrative	12,900	13,287	13,686	14,096	14,519
General & Administrative - CC Fees	25,000	26,930	28,605	29,979	31,404
Insurance	20,500	21,115	21,748	22,401	23,073
Licenses & Permits	125	129	133	137	141
Meals, Travel, & Entertainment	1,000	1,030	1,061	1,093	1,126
Off-Site Management Fees @ 4.0%	44,011	47,409	50,357	52,776	55,286
Payroll Expense	82,400	84,872	87,418	90,041	92,742
Professional Fees	3,000	3,090	3,183	3,278	3,377
Propane	23,550	24,257	24,984	25,734	26,506
Real Estate Taxes	4,560	4,697	4,838	4,983	5,132
Real Estate Taxes Reassessment		24,028	24,749	25,492	26,257
Repairs & Maintenance	31,800	32,754	33,737	34,749	35,791
Replacement Reserves	16,900	17,407	17,929	18,467	19,021
Supplies	50	52	53	55	56
Taxes - Other	450	464	477	492	506
Trash	4,775	4,918	5,066	5,218	5,374
Water & Sewer	12,925	13,313	13,712	14,123	14,547
<b>Total Expenses</b>	<b>452,796</b>	<b>493,666</b>	<b>510,868</b>	<b>527,619</b>	<b>544,900</b>
<b>Net Operating Income</b>	<b>647,489</b>	<b>691,562</b>	<b>748,058</b>	<b>791,784</b>	<b>837,254</b>
<b>Less: Annual Debt Service</b>	<b>(320,000)</b>	<b>(320,000)</b>	<b>(320,000)</b>	<b>(320,000)</b>	<b>(320,000)</b>
<b>Net Cash Flow</b>	<b>327,489</b>	<b>371,562</b>	<b>428,058</b>	<b>471,784</b>	<b>517,254</b>



# Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>RENTAL ACTIVITY ANALYSIS</b>					
Effective Rental Income	1,052,586	1,135,143	1,206,337	1,264,184	1,324,175
Other Income	47,700	50,085	52,589	55,219	57,980
<b>Effective Gross Income</b>	<b>1,100,286</b>	<b>1,185,228</b>	<b>1,258,926</b>	<b>1,319,403</b>	<b>1,382,154</b>
Less: Operating Expenses	(452,796)	(493,666)	(510,868)	(527,619)	(544,900)
OPERATING EXPENSES RATIO	41.2%	41.7%	40.6%	40.0%	39.4%
<b>Net Operating Income</b>	<b>647,489</b>	<b>691,562</b>	<b>748,058</b>	<b>791,784</b>	<b>837,254</b>
Less: Annual Debt Service	(320,000)	(320,000)	(320,000)	(320,000)	(320,000)
<b>Net Cash Flow</b>	<b>327,489</b>	<b>371,562</b>	<b>428,058</b>	<b>471,784</b>	<b>517,254</b>
<b>PROPERTY RESALE ANALYSIS</b>					
Projected Sales Price	8,093,618	8,644,525	9,350,721	9,897,302	10,465,673
Less: Selling Expenses	(242,809)	(259,336)	(280,522)	(296,919)	(313,970)
Less: Loan Balance	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
<b>Net Sale Proceeds</b>	<b>3,850,809</b>	<b>4,385,189</b>	<b>5,070,200</b>	<b>5,600,383</b>	<b>6,151,703</b>
<b>CASH SUMMARY</b>					
Net Cash Flow	327,489	371,562	428,058	471,784	517,254
Previous Years Net Cash Flow		327,489	699,051	1,127,109	1,598,893
Net Sale Proceeds	3,850,809	4,385,189	5,070,200	5,600,383	6,151,703
Down Payment	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
<b>Total Cash Generated</b>	<b>178,299</b>	<b>1,084,240</b>	<b>2,197,309</b>	<b>3,199,277</b>	<b>4,267,850</b>
<b>FINANCIAL MEASUREMENTS</b>					
Cap. Rate on Cost*	8.1%	8.6%	9.4%	9.9%	10.5%
Exit Cap. Rate Assumption	8.0%	8.0%	8.0%	8.0%	8.0%
Loan Constant	8.0%	8.0%	8.0%	8.0%	8.0%
Debt Coverage Ratio	2.02	2.16	2.34	2.47	2.62
Loan to Value Ratio*	49%	46%	43%	40%	38%
Gross Income Multiplier	7.3	7.3	7.4	7.5	7.6
<b>Cash on Cash Return*</b>	<b>8.2%</b>	<b>9.3%</b>	<b>10.7%</b>	<b>11.8%</b>	<b>12.9%</b>
<b>Internal Rate of Return (IRR)*</b>	<b>4.5%</b>	<b>13.2%</b>	<b>16.8%</b>	<b>17.5%</b>	<b>17.7%</b>

\*Return calculation is based only on the Community Price





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TOTAL  
PRODUCTION

**630+**  
TOTAL  
COMMUNITIES

**111,550+**  
TOTAL  
SITES



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- Up to 80% LTV
- Non-Recourse

## CMBS

- 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
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# Non Disclosure Agreement

Regarding Property: Offering #05010460 150-200 Site Hybrid RV & MH Park in Southeast AL

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 Charles Castellano (or any party designated by Charles Castellano) (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

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Sign, date, and send back to Broker: CHARLES CASTELLANO | FAX 941-827-7977 | Charles@yaleadvisors.com | TEL. 305-978-0769

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