



Carlsbad-Artesia,
NM MSA

MOBILE HOME PARK


3 STARS | 30-40 SITES | #04317253 | 10/16/24



\$1,700,000

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



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Property Discussion



Mobile Home Park

Subject Property represents a rare opportunity to acquire a 3-star manufactured housing park that offers significant potential for rapid lease-up and long-term stability. Within a steadily expanding market, Carlsbad, NM is experiencing the fastest growth rate in New Mexico at 15.8% in 2023. Driven by economic drivers including oil and gas, potash mining, and nuclear storage, alongside a thriving tourism industry, Subject Property is an ideal investment. A 30-40 site + 1 SFR Park spanning 5 +/- acres positioned perfectly to benefit from increasing demand for affordable housing, quick tenant acquisitions, and long-term rental income growth.

The owner has exclusively engaged Yale Advisors to solicit offers for Subject Property in Carlsbad, NM. The park's current vacancy rate is 26.5%, presenting a substantial upside for leasing up the sites. The vacant single-family residence (SFR), is available immediately. Despite being a multi-park owner since the mid-1990s, the California-based owner has operated the park as a remote, passive investment, underscoring its ease of management and underestimated full value.

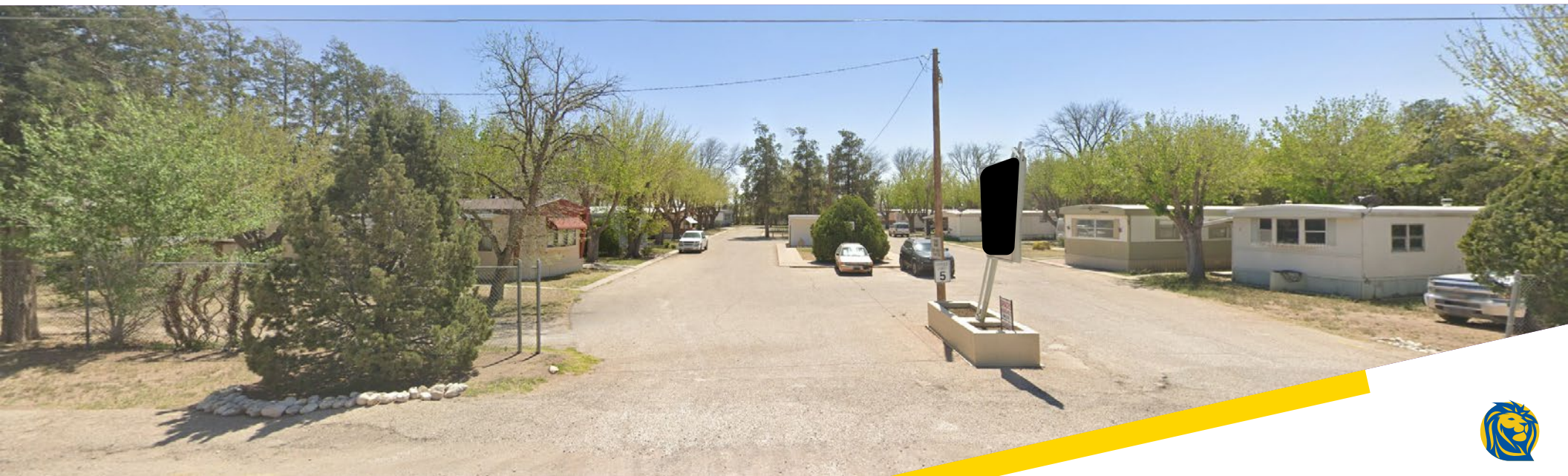
The property's expenses have been normalized to exclude owner-related expenditures, focusing only on standard park operations. It's serviced with electricity by Excel Energy, septic system, and municipal water. The average home sales price in Carlsbad, NM is \$310K, up 20% since last year. Two-bedroom apartments rent for \$1,500 per month, showing the favorable economic conditions and ongoing growth in the area. The current seller also owns two other mobile home parks in Southern California, presenting an opportunity to acquire a larger portfolio of well-performing assets.

All inquiries should be directed to Yale Advisors.



Property Highlights

- Significant upside with lease-up potential and long-term stability
- Outsized effective gross income projected to rise from \$199K to \$316K in 5 years
- Advantageously located to meet New Mexico's rising need for affordable housing
- Internal Rate of Return (IRR) is projected to achieve 27.1% by Year 5
- Single-family residence available immediately for on-site management or rental



Property Features

PURCHASE OVERVIEW

 TARGET PRICE	\$1,700,000
Home Inventory Price	\$150,000
Community Price	\$1,550,000
Down Payment	\$740,000
Loan Amount	\$810,000

PROPERTY DETAILS

Property Type	MHP
Number of Sites	30 - 40 Sites
Purchase Price Per Site	\$38,750 - \$51,650
Income Per Site	\$4,950 - \$6,600
Expenses Per Site	(\$1,750 - \$2,350)
Acreage	5 +/- Acres
Flood Zone	None

UTILITY INFORMATION

Utility Service	Provider	Meter	Paid By
Water	Municipal	None	Community
Sewer	Septic	None	Community
Trash	Dumpster	None	Community
Electric - MH	Excel Energy	Direct Billed	Tenant
Electric - RV	Excel Energy	Submetered	Tenant

PROPERTY AMENITIES



On-Site Management



Compacted Dirt Roads



Off-Street Parking



Transaction Overview

UNDERWRITING ASSUMPTIONS

Rental Rate Growth	Due to assumed closing in October 2024 and rent increase anniversary January 1st, captured 10 months of 1/1/2025's 5% rent increase. Budgeted 5% increases annually after. Last rent increase was 1/1/24 for \$3.
Lease Up	Leased 3 homes/sites annually Y1-Y3
Other Income Growth Rate	5% Per Year
Expense Growth Rate	3% Per Year

LOAN OVERVIEW

Total Equity Contribution	\$890,000
Loan Amount	\$810,000
Loan to Value	52%
Interest Rate	7.87%
Amortization	30 Years
Interest Only Period	None
Loan Term	10 Years
Interest Only Payment	None
Amortization Payment	\$5,870
Financing Type	Bank - Recourse

FINANCIAL MEASUREMENTS

	YEAR 1	YEAR 3	YEAR 5
Effective Gross Income	198,657	273,743	315,724
Less: Operating Expenses	(70,756)	(93,478)	(103,537)
Operating Expenses Ratio	35.6%	34.1%	32.8%
Net Operating Income	127,900	180,265	212,187
Less: Annual Debt Service	(70,443)	(70,443)	(70,443)
Debt Coverage Ratio	1.82	2.56	3.01
Net Cash Flow	57,457	109,822	141,744
Cap. Rate on Cost*	8.25%	11.63%	13.69%
Exit Cap. Rate Assumption	8.50%	8.50%	8.50%
Economic Occupancy %	75.1%	95.1%	100.0%
Gross Income Multiplier	7.8	7.7	7.9
Cash on Cash Return*	7.8%	14.8%	19.2%
Internal Rate of Return (IRR)*	N/A	28.7%	27.1%

*Return calculation is based only on the Community Price



Property Photos

STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



STREET VIEW



Pro Forma Growth Assumptions

Start Date & Hold Period

- **Pro Forma Start Date:** 11/1/2024
- **Projected Hold Period:** 5+ Years

Rental Revenue Growth

	Year 1*	Year 2	Year 3	Year 4	Year 5
Rent Increase (%)	4.2%	5.0%	5.0%	5.0%	5.0%

*Due to assumed closing in October 2024 and rent increase anniversary January 1st, captured 10 months of 1/1/2025's 5% rent increase.

Lease Up Schedule

	Year 1	Year 2	Year 3	Year 4	Year 5
Lease Up Schedule	3.00	3.00	3.00	-	-

Lease Up Operational Expense

- Budgeted at 20% of Lease Up Income. Includes increases in Electric, Gas, Trash, and W&S, net of recapture.

Off-Site Management Fees

- Budgeted at 4% of EGI.

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 179%+ after sale.
- **Tax Reassessment Liability:** We estimate taxes will increase by ~\$4.7K in year 2 of ownership.

Disposition Assumptions

- **Exit Capitalization Rate:** 8.5%
- **Selling Expenses:** 3.0%

PROPOSED FINANCING OVERVIEW

Interest Rate	Loan Amount	Amortization	Interest Only Period	Loan Term	Financing Type
7.87%	\$810,000	30 Years	None	10 Years	Bank - Recourse



5 Year Pro Forma

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOME					
Potential Rental Income	243,648	253,440	265,680	278,328	291,792
Rent Increase Income	7,200	9,000	9,300	9,900	10,200
Lease Up	12,612	39,456	68,550	85,824	89,496
Less: Vacancy	(73,080)	(75,672)	(78,912)	(82,260)	(85,824)
Other Income	8,277	8,690	9,125	9,581	10,060
Effective Gross Income	198,657	234,914	273,743	301,373	315,724
EXPENSES					
Advertising	1,500	1,545	1,591	1,639	1,688
Cable, Phone, Internet	1,250	1,288	1,326	1,366	1,407
Electric	9,750	10,043	10,344	10,654	10,974
General & Administrative	1,975	2,034	2,095	2,158	2,223
Insurance	3,400	3,502	3,607	3,715	3,827
Licenses & Permits	1,000	1,030	1,061	1,093	1,126
Meals, Travel, & Entertainment	1,000	1,030	1,061	1,093	1,126
Natural Gas	900	927	955	983	1,013
Off-Site Management Fees	7,946	9,397	10,950	12,055	12,629
Payroll Expense	15,000	15,450	15,914	16,391	16,883
Professional Fees	3,000	3,090	3,183	3,278	3,377
Real Estate Taxes	2,628	2,707	2,788	2,872	2,958
Real Estate Taxes - Non-Ad Valorem	85	87	90	92	95
Real Estate Taxes Reassessment		4,718	4,859	5,005	5,155
Repairs & Maintenance	8,500	8,755	9,018	9,288	9,567
Replacement Reserves	3,400	3,502	3,607	3,715	3,827
Supplies	1,450	1,494	1,538	1,584	1,632
Trash	2,725	2,807	2,891	2,978	3,067
Water & Sewer	2,725	2,807	2,891	2,978	3,067
Lease Up Operational Expense	2,522	7,891	13,710	17,165	17,899
Total Expenses	70,756	84,101	93,478	100,102	103,537
Net Operating Income	127,900	150,813	180,265	201,271	212,187
Less: Annual Debt Service	(70,443)	(70,443)	(70,443)	(70,443)	(70,443)
Net Cash Flow	57,457	80,370	109,822	130,828	141,744



Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RENTAL ACTIVITY ANALYSIS					
Effective Rental Income	190,380	226,224	264,618	291,792	305,664
Other Income	8,277	8,690	9,125	9,581	10,060
Effective Gross Income	198,657	234,914	273,743	301,373	315,724
Less: Operating Expenses	(70,756)	(84,101)	(93,478)	(100,102)	(103,537)
OPERATING EXPENSES RATIO	35.6%	35.8%	34.1%	33.2%	32.8%
Net Operating Income	127,900	150,813	180,265	201,271	212,187
Less: Annual Debt Service	(70,443)	(70,443)	(70,443)	(70,443)	(70,443)
Net Cash Flow	57,457	80,370	109,822	130,828	141,744
PROPERTY RESALE ANALYSIS					
Projected Sales Price	1,504,710	1,774,270	2,120,766	2,367,892	2,496,317
Less: Selling Expenses	(45,141)	(53,228)	(63,623)	(71,037)	(74,889)
Less: Loan Balance	(803,057)	(795,548)	(787,425)	(778,640)	(769,138)
Net Sale Proceeds	656,512	925,494	1,269,717	1,518,214	1,652,289
CASH SUMMARY					
Net Cash Flow	57,457	80,370	109,822	130,828	141,744
Previous Years Net Cash Flow		57,457	137,827	247,649	378,477
Net Sale Proceeds	656,512	925,494	1,269,717	1,518,214	1,652,289
Down Payment	(740,000)	(740,000)	(740,000)	(740,000)	(740,000)
Total Cash Generated	(26,031)	323,321	777,367	1,156,692	1,432,510
FINANCIAL MEASUREMENTS					
Cap. Rate on Cost*	8.25%	9.73%	11.63%	12.99%	13.69%
Exit Cap. Rate Assumption	8.50%	8.50%	8.50%	8.50%	8.50%
Loan Constant	8.7%	8.7%	8.7%	8.7%	8.7%
Debt Coverage Ratio	1.82	2.14	2.56	2.86	3.01
Loan to Value Ratio*	53%	45%	37%	33%	31%
Gross Income Multiplier	7.8	7.6	7.7	7.9	7.9
Cash on Cash Return*	7.8%	10.9%	14.8%	17.7%	19.2%
Internal Rate of Return (IRR)*	N/A	20.5%	28.7%	29.0%	27.1%

*Return calculation is based only on the Community Price





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TOTAL
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Regarding Property: Offering #04317253 30-40 Site MHP in Carlsbad-Artesia, NM MSA

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.

(d) I understand that should I, two of my affiliates, or a related entity invest in, acquire, or otherwise become connected with consummating either: (A) a Potential Transaction introduced to me by Broker or Yale within two (2) years of Broker or Yale introducing such Potential Transaction to me or two of my Representatives, or (B) a transaction with a Seller other than a Potential Transaction (a "Referral Transaction") that occurs within two (2) years of Broker or Yale introducing such Seller to me, **I shall compensate Broker with a fee that is equal to two point five percent (2.5%) of the Total Enterprise Value of such Potential Transaction or Referral Transaction (the "Transaction Fee")**. The "Total Enterprise Value" is defined as (i) the aggregate cash consideration paid by me or my affiliate in connection with consummating the Potential Transaction or Referral Transaction, (ii) the principal amount of all funded indebtedness for borrowed money that I assume in connection with consummating the Potential Transaction or Referral Transaction at closing, and (iii) any seller notes and deferred and/or contingent payments. I shall pay 100% of the Transaction Fee at the time of the closing of the Potential Transaction or Referral Transaction. I may request that Seller pays the Transaction Fee, but in the event that Seller refuses to pay such Transaction Fee, I will be responsible for paying the Transaction Fee to Broker. The Transaction Fee shall constitute the only fee I am obligated to pay to Broker or Yale.

1. 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 dtwo 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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