



Southeast
Alabama

HYBRID RV & MH PARK

3 STARS

| 150-200 SITES

| #05010460 | 08/15/24



\$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



Thank you for your consideration



CHARLES CASTELLANO
Director - Southeast

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305-978-0769

NON-ENDORSEMENT & DISCLAIMER

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Property Discussion



Hybrid RV & MH Park

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
- Diverse Local Economy
- Sub-Metered Electricity
- Expansion Opportunity
- Scenic Property with Amenities



Property Overview

PURCHASE OVERVIEW

 TARGET PRICE	\$8,250,000
Home Inventory Price	\$250,000
Community Price	\$8,000,000
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	\$5,300 - \$7,050
Expenses Per Site	(\$2,200 - \$2,950)
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
Loan Amount	\$4,000,000
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
Effective Gross Income	1,061,030	1,213,340	1,333,235
Less: Operating Expenses	(442,851)	(500,404)	(533,940)
Operating Expenses Ratio	41.7%	41.2%	40.0%
Net Operating Income	618,179	712,936	799,295
Less: Annual Debt Service	(320,000)	(320,000)	(320,000)
Debt Coverage Ratio	1.93	2.23	2.50
Net Cash Flow	298,179	392,936	479,295
Cap. Rate on Cost*	7.73%	8.91%	9.99%
Exit Cap. Rate Assumption	7.75%	7.75%	7.75%
Economic Occupancy %	95.2%	100.0%	100.0%
Gross Rent Multiplier	7.5	7.6	7.7
Cash on Cash Return*	7.5%	9.8%	12.0%
Internal Rate of Return (IRR)*	0.9%	15.1%	16.6%

*Return calculation is based only on the Community Price



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
INCOME					
Potential Rental Income	991,164	991,164	1,037,832	1,086,528	1,139,028
Rent Increase Income		43,668	45,576	49,140	51,048
Lease Up	15,000	47,250	66,120	69,480	72,960
Pro Forma Utility Passthrough Income	120,041	123,642	127,352	131,172	135,107
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	45,225	47,486	49,861	52,354	54,971
Effective Gross Income	1,061,030	1,142,811	1,213,340	1,272,154	1,333,235
EXPENSES					
Advertising	10,000	10,300	10,609	10,927	11,255
Ancillary Operational Expenses	300	309	318	328	338
Cable, Phone, Internet	16,650	17,150	17,664	18,194	18,740
Electric	141,225	145,462	149,826	154,320	158,950
General & Administrative	15,100	15,553	16,020	16,500	16,995
General & Administrative - CC Fees	28,150	30,320	32,191	33,751	35,372
Insurance	20,500	21,115	21,748	22,401	23,073
Licenses & Permits	25	26	27	27	28
Meals, Travel, & Entertainment	1,000	1,030	1,061	1,093	1,126
Off-Site Management Fees @ 4.0%	42,441	45,712	48,534	50,886	53,329
Payroll Expense	81,750	84,203	86,729	89,330	92,010
Professional Fees	3,000	3,090	3,183	3,278	3,377
Propane	26,050	26,832	27,636	28,466	29,320
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	15,300	15,759	16,232	16,719	17,220
Replacement Reserves	16,900	17,407	17,929	18,467	19,021
Supplies	175	180	186	191	197
Taxes - Other	400	412	424	437	450
Trash	4,800	4,944	5,092	5,245	5,402
Water & Sewer	14,525	14,961	15,410	15,872	16,348
Total Expenses	442,851	483,488	500,404	516,908	533,940
Net Operating Income	618,179	659,322	712,936	755,246	799,295
Less: Annual Debt Service	(320,000)	(320,000)	(320,000)	(320,000)	(320,000)
Net Cash Flow	298,179	339,322	392,936	435,246	479,295



Cash Flow Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RENTAL ACTIVITY ANALYSIS					
Effective Rental Income	1,015,805	1,095,324	1,163,480	1,219,800	1,278,263
Other Income	45,225	47,486	49,861	52,354	54,971
Effective Gross Income	1,061,030	1,142,811	1,213,340	1,272,154	1,333,235
Less: Operating Expenses	(442,851)	(483,488)	(500,404)	(516,908)	(533,940)
OPERATING EXPENSES RATIO	41.7%	42.3%	41.2%	40.6%	40.0%
Net Operating Income	618,179	659,322	712,936	755,246	799,295
Less: Annual Debt Service	(320,000)	(320,000)	(320,000)	(320,000)	(320,000)
Net Cash Flow	298,179	339,322	392,936	435,246	479,295
PROPERTY RESALE ANALYSIS					
Projected Sales Price	7,976,506	8,507,387	9,199,174	9,745,113	10,313,487
Less: Selling Expenses	(239,295)	(255,222)	(275,975)	(292,353)	(309,405)
Less: Loan Balance	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Net Sale Proceeds	3,737,211	4,252,165	4,923,199	5,452,760	6,004,082
CASH SUMMARY					
Net Cash Flow	298,179	339,322	392,936	435,246	479,295
Previous Years Net Cash Flow		298,179	637,502	1,030,438	1,465,684
Net Sale Proceeds	3,737,211	4,252,165	4,923,199	5,452,760	6,004,082
Down Payment	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Total Cash Generated	35,390	889,667	1,953,636	2,918,443	3,949,061
FINANCIAL MEASUREMENTS					
Cap. Rate on Cost*	7.7%	8.2%	8.9%	9.4%	10.0%
Exit Cap. Rate Assumption	7.8%	7.8%	7.8%	7.8%	7.8%
Loan Constant	8.0%	8.0%	8.0%	8.0%	8.0%
Debt Coverage Ratio	1.93	2.06	2.23	2.36	2.50
Loan to Value Ratio*	50%	47%	43%	41%	39%
Gross Income Multiplier	7.5	7.4	7.6	7.7	7.7
Cash on Cash Return*	7.5%	8.5%	9.8%	10.9%	12.0%
Internal Rate of Return (IRR)*	0.9%	10.9%	15.1%	16.1%	16.6%

*Return calculation is based only on the Community Price





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\$6.27B+
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TOTAL
COMMUNITIES

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TOTAL
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- Up to 80% LTC
- Non-Recourse

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

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- 2 to 4 Year Terms
- Interest-Only
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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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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

Phone

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

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