

Werner Hancock MHP

97 Werner Camp Rd Pittsburgh, PA 15238

A 73 Lot Manufactured Home Community Investment Opportunity

OFFERING MADE EASY!

Property Location

Property Address:	97 Werner Camp Rd Pittsburgh, PA 15238
County:	Allegheny
Metro Area:	Pittsburgh MSA
Parcel Number(s):	0441H00125000000 & 0441G00335000000

Site Description

Purchase Price	\$3,500,000
Total Rental Units:	76
Mobile Home Lots	73
Commercial/Retail	3
Total Land Area:	18.81 Acres
Year Built:	1950
Zoning:	Commercial

Mechanical

Water:	Public - Direct Billed by Utility Co.
Sewer:	Septic - Tenants Pay (1 Home per Septic)
Electrical:	Public - Direct Billed by Utility Co.

Water is public and direct billed with sewer provided by individual septic. Within the lease, the tenants are responsible for maintenance up to replacement. Trash is also direct billed by the trash provider.

Step 1

View Underwriting Sheet: [CLICK HERE](#)

Step 2

Schedule a Call with the Agent:
(720) MHP-4YOU

Step 3

Make an offer (Use our template or use your own)

- Verbal: Our Team Will Write an LOI and Present
- Sale Contract: [DOWNLOAD HERE](#)
- Agency Disclosure: [DOWNLOAD HERE](#)

Send offers to:

Sallie Whitehurst

Licensed Assistant

Sallie.Whitehurst@MarcusMillichap.com

PROPERTY DESCRIPTION

Well located riverfront cottage and mobile home community with additional income from a retail tool and machine rental building on a triple net lease. The park is a stabilized land-lease community with plenty of up-side in strong market.

The park has 73 lots with 70 lot rent only tenants each paying an average lot rental rate of \$446 per month. There are 3 commercial tenants and 2 tenants who pay for parking within the community. There are 3 vacant lots. Current occupancy is roughly 96%.

Werner-Hancock Farms is a year-round, all-ages community and has city water that is directly billed back to the tenant. The community uses a 1:1 septic system and each tenant is wholly responsible for all septic repairs. There are 0 park owned homes. The tenant owned units are in average shape. Tenants pay their rent quarterly. The privately maintained roads are paved and in below average condition as our offering price suggests. The park is NOT in a flood zone. Located in a excellent location near all amenities, just minutes to downtown.

This park is being offered as a stabilized investment with a 8.0% CAP on current lot rent only using a 34.9% expense ratio. We are looking for cash offers, however recourse bank debt should be available for this deal.

Investment Highlights

- Riverfront community in Pittsburgh, PA
- Stabilized park with long term tenants.
- No park owned homes
- First time park has been for sale – in family for over 70 years.
- 8.0% cap rate after normalizing expenses from 21% to 35%.
- Low operating costs - Direct billed water & trash & tenants are responsible for septic repairs

Known Issues

- Park could use some landscaping improvements
- Home are older – all tenant owned
- Roads need some improvement
- On septic

RENTAL UNITS & INVESTMENT SUMMARY

Offering Price: \$3,500,000

Pro Forma Value (8% Cap) \$3,941,770

Unit Breakdown & Rents		
		Pro Forma
Total Rental Units	76	73
Total Tenants	73	73
Total Mobile Home Lots	73	
Tenant Owned Homes	70	70
Abandoned Homes	0	0
Vacant Lots	3	3
Rent To Own POHs	0	0
Rented POHs	0	0
Vacant POHs	0	0
Average Lot Rent	\$446	\$511
Average RTO Payment	\$0	\$0
Average POH Rent	\$0	\$0
Total Commercial / Retail Units	3	
Commercial / Retail - Occupied	3	3
Commercial / Retail - Vacant	0	0
Avg Commercial / Retail Rent	\$1,608	\$1,644

Capitalized Revenues & Investment Summary

	Actuals	Normalized	Pro Forma
Lot Rent Revenue	\$372,831	\$374,280	\$429,240
Commercial/Retail Revenue	\$57,676	\$57,900	\$59,174
Parking Income		\$1,800	\$1,840
Total RE Rental Income	\$430,507	\$433,980	\$490,253
Vacancy & Credit Loss (1%)		\$4,340	\$4,903
Total Revenue (Not Including POH Revenue)	\$430,507	\$429,640	\$485,351
Operating Expenses (Next Page)	\$93,186	\$149,805	\$170,195
Net Operating Income	\$337,321	\$279,835	\$315,156
Capitalization Rate	9.64%	8.00%	9.00%

Park Owned Home Revenues - Not Capitalized

Total POH / RTO Revenue	\$0	\$0	\$0
POH / RTO Expenses	\$0	\$0	\$0
POH / RTO Net Income	NO POH	NO POH	NO POH

Comments

The owner currently shows a collections rate above 99% and is able to back this up with bank statements. For normalized, we reflected a new owner collecting slightly less revenue due to applying an industry standard credit loss.

For the Pro Forma, lot rents were increased to an average of \$511 from \$446. This was done to reflect a new owner getting tenants who pay a reduced rent up to a similar level as tenants who pay higher rents in the park. The current lot rent range is \$360-\$555 across the 73 lots.

The Pro Forma value is based on our BOV of the park if a new owner were to execute the business plan proposed and relist with our team in 2-3 years and uses the same exit cap rate as the investment's current entry cap rate. (No cap rate compression modeled in Pro Forma value)

PROPERTY EXPENSES

		Actuals	Normalized Actuals	Pro Forma
Total Revenue		\$430,507	\$429,640	\$485,351
Expense Category Notes on Expense Item		Actuals	Normalized Actuals	Pro Forma
Property Taxes	Estimated at 2.5% of Real Estate Value Allocation	\$71,174	\$71,174	\$87,500
Property Insurance	Normalized to Industry Averages. 2.2% Pro Forma Increase	\$11,978	\$5,249	\$5,364
Repairs & Maintenance	Normalized to Industry Averages. 2.2% Pro Forma Increase	\$4,850	\$17,600	\$17,987
Mowing & Landscaping	Estimation	\$1,078	\$3,250	\$3,322
Snow Removal	Normalized Equals Seller's Disclosure. 2.2% Pro Forma Increase	\$1,800	\$1,800	\$1,840
Public Water	Normalized Equals Seller's Disclosure. 5.5% Pro Forma Increase	\$88	\$88	\$93
Private Sewer Expenses	Tenants Responsible for R&M on Septic According to Leases	\$0	\$0	\$0
Trash	Direct Billed by provider	\$0	\$0	\$0
Electricity	Estimation (Seller shows no Electricity Costs)	\$0	\$1,000	\$1,040
Telephone	Normalized Equals Seller's Disclosure. 2.2% Pro Forma Increase	\$354	\$354	\$362
Employee Salaries	Normalized to Industry Averages. 2.2% Pro Forma Increase	\$0	\$23,587	\$24,106
Payroll Taxes & Expenses	10% of Total Payroll	\$0	\$2,359	\$2,411
3rd Party Management	5% of Total Revenue	\$0	\$21,482	\$24,268
Office Supplies & Expenses	Normalized Equals Seller's Disclosure. 2.2% Pro Forma Increase	\$663	\$663	\$678
Legal Fees	Normalized Equals Seller's Disclosure. 2.2% Pro Forma Increase	\$294	\$294	\$301
Accounting Fees	Normalized Equals Seller's Disclosure. 2.2% Pro Forma Increase	\$550	\$550	\$562
Credit Checks & Application Fees	Normalized Equals Seller's Disclosure. 2.2% Pro Forma Increase	\$356	\$356	\$364
Total Expenses		\$93,186	\$149,805	\$170,195
Expense Ratio		21.6%	34.9%	35.1%
Net Operating Income (Excluding POH Income)		\$337,321	\$279,835	\$315,156
Capitalization Rate		9.64%	8.00%	9.00%
Debt Service Loan 1 (75% LTV, 5% Interest Rate, 25 Year Amortization)		\$184,146	\$184,146	\$184,146
Net Income		\$153,175	\$95,689	\$131,010
Debt Service Coverage Ratio		1.83	1.52	1.71
Cash-On-Cash Return		17.5%	10.9%	15.0%
Total Return		23.7%	17.1%	21.2%

LOCAL MARKET INFORMATION

Werner Hancock MHP is a well-located park in the Harmar township in the Pittsburgh MSA near the suburbs of Oakmont and Cheswick. The property is on the Alleghany river and the many of the riverfront lots have boat docks for the residents.

The park is a short 2.5-mile drive to the famous Oakmont Country Club. Oakmont has hosted the US open nine times over its history, most recently in 2016, and is the oldest “top ranked” golf course in the United States.

Because of its location within Pittsburgh, Werner Hancock may become a redevelopment play sometime in the future. Currently, the park cash flows at its current pricing.

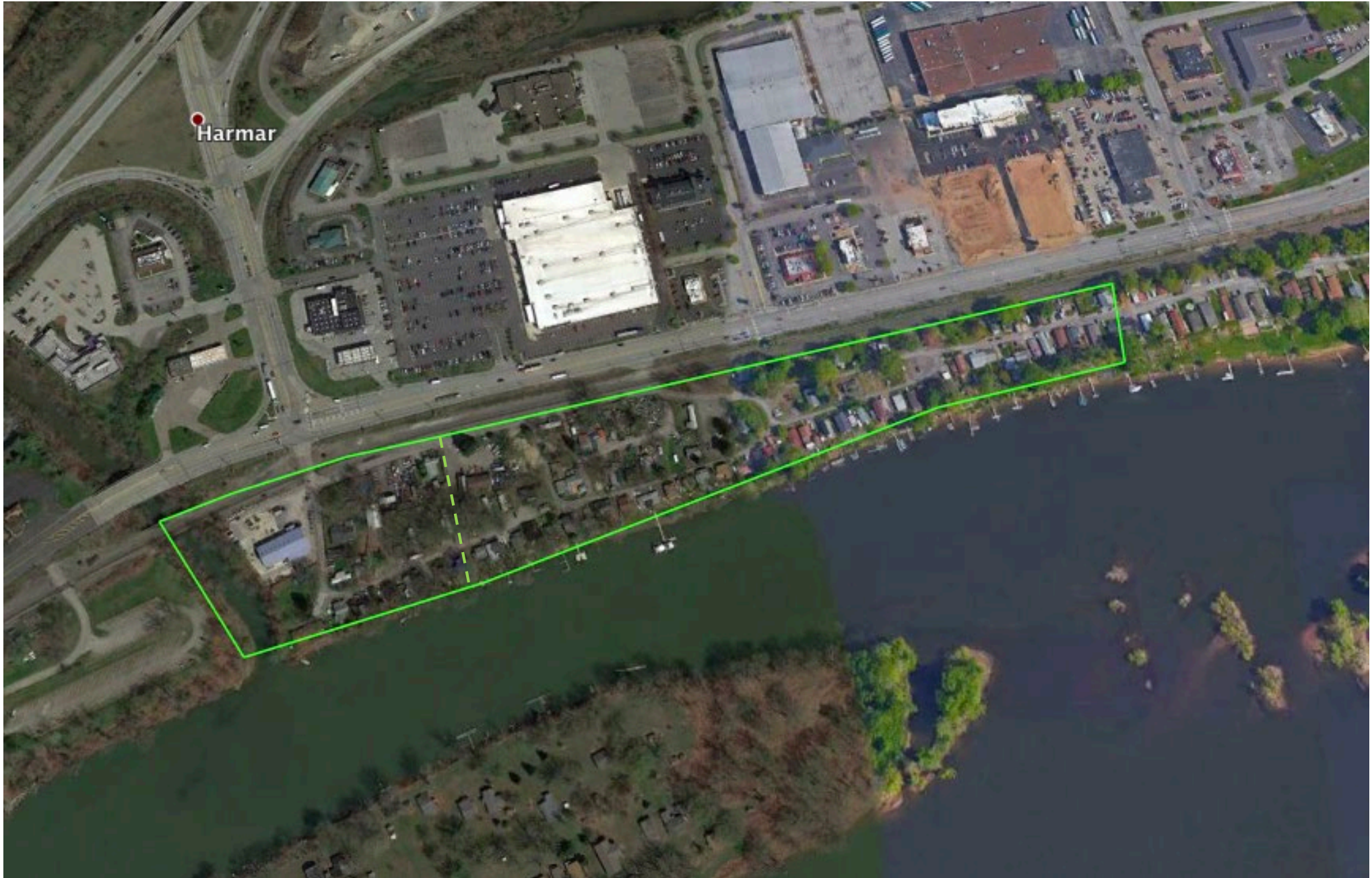


Ben Hogan at the US Open at Oakmont Country Club (1948)

Local Market Statistics

	<u>Pittsburgh</u>	<u>Allegheny County</u>	<u>Pittsburgh MSA</u>
Population	305,012	1,229,605	2,348,143
Medium Home Price	\$143,400	\$150,100	\$136,172
Average Apartment Rent	\$1,137	\$1,177	\$1,125
Family Median Income	\$62,081	\$78,431	\$74,705
Unemployment Rate	4.2%	4.1%	4.3%

PARCEL OUTLINE



PICTURES



Senior Agent



Glenn Esterson
Vice President

In the 18 years Glenn has been in commercial real estate, He has successfully transacted more than 235 properties for his clients. In 2018 alone, Glenn sold 36 mobile home communities as a solo broker. In addition to his work as a broker, Glenn has owned and operated mobile home parks, run a number of small businesses, and owned other commercial real estate assets.

Glenn joined Marcus and Millichap in 2019 with the vision of assisting buyers and sellers Nationwide with their manufactured housing transaction needs. His team is quickly gaining a reputation as one of the top brokerage teams in the industry.

Glenn is married to his lovely wife, Cassidy, and has three children. Glenn resides in Wilmington, NC.

Broker of Record (BOR)

Sean Beuche

Regional Manager, Philadelphia,

Lic. #RM424190

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