

Marcus & Millichap

Three Park, 308 Lot  
Manufactured Home  
Community Investment  
Opportunity

13932-4256 North St Adams Center NY  
18119 Jefferson Court Cir Adams Center NY  
17481 US Route 11 Watertown NY



# Watertown NY MHC Portfolio

# WELCOME!

Note to the reader, you will find links throughout the OM pages containing important information, we advise that you click on these links to learn more.

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## Guidelines

The offering is being distributed exclusively by Marcus & Millichap REIS to the investment community. Following the initial bids, the owner will select an investor to purchase the property or request from a group of investors to submit a best and final offer, from which one will be selected. The selection will be based on a variety of factors including purchase price, contract terms, financial strength, ability to close, timing and experience in closing similar transactions.

## All offers must be presented in writing and include:

- Price
- Source of capital
- Proof of funds
- Relevant experience
- Proposed schedule of due diligence and closing
- Amount of earnest money
- List of contingencies including committee approvals, possible 1031 exchanges, etc.

All interested investors are encouraged to schedule a property tour to visit the community and the surrounding market with an approved representative to fully appreciate its market position, quality and strong fundamentals

# Property Overview

## Property Location

Woodland MHC	4256 North St Adams Center NY
Jefferson MHC	18119 Jefferson Court Cir Adams Center NY
Northland MHC	17481 US Route 11 Watertown NY
County	Jefferson County
Metro Area	Watertown NY MSA
Parcel Number(s)	<a href="#">225800 90.16-1-14.21   42044   41977</a> <a href="#">222089 108.09-1-16.1   100.17-1-3.253</a>

## Site Description

Purchase Price	\$13,500,000
Total Rental Units	308
Mobile Home Lots	307
Commercial/Retail	1
Total Land Area	0
Year Built	Seller estimate: 1965ish
Zoning	0
Flood Zone	No
Opportunity Zone	No

## Mechanical

Water	Public-Tenants Pay (Submeters)
Sewer	Septic
Electrical	Public - Direct Billed
Gas	Public - Direct Billed
Trash	Tenant
Cable	Tenant
Landscape	Landlord

### STEP 1

View underwriting sheet & seller documents: [CLICK HERE](#)

### STEP 2

Schedule a call with your Agent: [\(720\) MHP-4YOU](#)

### STEP 3

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

1. Verbal: Our team will write an LOI and present
2. Sale Contract: [Download here](#)
3. Lead Paint Disclosure: [Download here](#)

Send offers to:  
**Your Local M&M Agent**

# Property Description

The Watertown MHC portfolio consists of 3 mobile home parks all located in the Watertown, NY metropolitan area.

The portfolio consists of 307 mobile home pads and one small garage for a total of 308 rental units. The current occupancy of the portfolio is at 87.6% and there is upside available through the lease up/sale of 16 currently vacant park owned homes and the infill of 22 vacant lots. The average lot rent across the portfolio is \$442.

Northland MHC is the largest community in the portfolio at 218 units. Northland's water & sewer is provided by on-site private wells and a water treatment plant along with private septic (1 home per septic system). The two smaller communities, Woodlane Village (50 Units) and Jefferson Court (39 Units) are both on public water and septic (1 home per septic system). Water expenses are billed back to residents in both Woodlane Village and Jefferson Court.

The portfolio is priced competitively at \$13,500,000. The pricing represents a cap rate of 7.1% on normalized actuals using a 37.1% expense ratio. The portfolio meets the qualifications for both CMBS and Fannie Mae financing with interest rates ranging from 4-4.5% on a 30 year amortization. At a 70% LTV, the project at asking price is capable of achieving a 10+% cash on cash return.



## Highlights & Known Issues

### Investment Highlights

- #High quality assets
- Stabilized portfolio with upside
- Market scale (300+ units between 3 properties with 5 miles of each other)
- Upside available through leasing vacant units
- Strong sales market for new and used mobile homes within mobile home communities.
- #Professionally operated under an industry standard business model
- Well trained on-site staff

### Known Issues

- Northland Park Uses Water Treatment Plant
- All Parks on Shared Septic 2:1 (municipal sewer is available)

# Rental Units & Investment Summary

Click on the following links for additional property information:

- [Nov-19 Rent Roll](#)
[2019 P&L](#)
[List of POH inventory](#)
[Parcel Map](#)
[Other Materials](#)

**Offering Price:** \$13,500,000  
**Cap Rate (Lot rent Only):** 7.10%  
**Gross Cap Rate:** 7.14%  
**Price Per Lot:** \$43,831

Unit Breakdown		Pro Forma
Total Rental Units	308	
Total Tenants	270	286
Total Mobile Home Lots	307	307
Total RV Lots	0	0
Tenant Owned Homes	240	240
Abandoned Homes	0	0
Vacant Lots	22	22
Rent to Own POHs	22	22
Rented POHs	7	23
Vacant POHs	16	0
Average Lot Rent	\$442	\$456
Average RTO Payment	\$205	\$205
Average POH Rent	\$274	\$282
<b>Total Commercial / Retail Units</b>	<b>1</b>	<b>1</b>
Commercial / Retail - Occupied	1	1
Commercial / Retail - Vacant	0	0
Avg Commercial / Retail Rent	\$410	\$419

## Click For JLT Report

Rent Comps	Lot Rent	POH Rent	Source
<b>Northland, Woodlane, Jefferson</b>	<b>\$442</b>	<b>\$274</b>	<b>Nov 2019 Rent Roll</b>
Hanshaw Village	\$465	\$320	Nov 2019 Rent Roll
Saratoga Village MHP	\$470	\$0	JLT 3/2019
Glenville Manor Estates	\$475	\$0	JLT 3/2019
Canandaigua MHC	\$445	\$0	JLT 3/2019

## Comments

This portfolio is minutes from downtown Watertown has all the common city life amenities with easy access to shopping centers, hospitals, and restaurants. Northland MHC provides private water, private sewer and plowing the main park roads as part of the monthly lot rent. Woodland and Jefferson MHC have public water that is billed back to the tenant. Public water and sewer is available.



## Capitalized Revenues & Investment Summary

	Actuals	Normalized	Pro Forma
Total Gross Income	\$1,200,039	\$1,542,033	\$1,728,226
Lot Revenue	\$1,347,962	\$1,428,360	\$1,558,718
RV Revenue	\$0	\$0	\$0
Single Family Home & Apartment Revenue	\$0	\$0	\$0
Commercial/Retail Revenue	\$4,908	\$4,920	\$5,028
Self Storage Revenue	\$0	\$0	\$0
Other Income	\$24,596	\$45,852	\$48,007
Capitalized Income	<b>\$1,377,466</b>	<b>\$1,464,799</b>	<b>\$1,596,116</b>
Capitalized Expenses	\$555,725	\$543,863	\$673,915
<b>Net Operating Income (excludes POH income)</b>	<b>\$821,741</b>	<b>\$920,937</b>	<b>\$922,201</b>

## Park Owned Home Revenues - Not Capitalized

Total Uncapitalized Gross Income	\$1,200,039	\$1,542,033	\$1,728,226
Total POH Revenue	\$37,731	\$77,233	\$132,110
<b>POH &amp; RTO Expenses</b>	<b>\$33,607</b>	<b>\$33,607</b>	<b>\$57,485</b>
POH / RTO Net Income	\$4,124	\$43,627	\$74,625
Per POH Value	\$15,000	\$15,000	\$15,000
Total POH Value	\$345,000	\$345,000	\$345,000
Total RTO Value	\$179,329	\$179,329	\$179,329

## Investment Metric Table

Lot Rent Cap Rate	6.33%	7.10%	7.11%
Gross Cap Rate (includes POH I&E)	6.12%	7.14%	7.38%
Cash On Cash Levered	6.62%	10.04%	10.84%
Total Return	10.55%	13.98%	14.77%
Price Per Lot	\$43,831	\$43,831	\$43,831
Price Per Occupied Lot	\$50,000	\$50,000	\$50,000

# Property Expenses

	Actuals	Normalized Actuals	Pro Forma
<b>Total Revenue</b>	\$1,377,466	\$1,464,799	\$1,596,116

[Nov-19 Rent Roll](#)  
 [2019 P&L](#)  
 [List of POH inventory](#)  
 [Parcel Map](#)  
 [Other Materials](#)

Expense Category	Note On Expense Item					
		POH Expenses	CAPEX	Actuals	Normalized Actuals	Pro Forma
Property Taxes	Total taxes are roughly 2.1% of the value applied to real estate			\$155,493	\$155,493	\$272,489
Property Insurance	Adjusted to \$45 per unit / per year			\$11,793	\$13,889	\$14,194
Repairs & Maintenance	Adjusted to \$150 per unit / per year	\$14,710		\$30,038	\$46,550	\$47,574
Mowing & Landscaping	Estimate (common areas with tenants responsible for own lot)			\$1,375	\$10,000	\$10,220
Snow Removal	Subbing out snow removal may result in savings (not modeled)			\$30,423	\$30,423	\$31,092
Public Water & Sewer	Public Water on Billback at Adams Center Parks			\$43,909	\$43,909	\$46,324
Private Water Expenses	WTP at Nothland MHC			\$9,116	\$9,116	\$9,317
Private Sewer Expenses	Septic 1:1 at all parks, Sewer Available			\$58,324	\$58,324	\$59,607
Trash	Direct Bill at all three parks			\$1,224	\$1,224	\$1,251
Electricity	Direct Bill at all three parks	\$12,856		\$3,610	\$3,610	\$3,754
Gas	Direct Bill at all three parks			\$1,425	\$1,425	\$1,482
Telephone				\$443	\$443	\$453
Cable	Direct Bill at all three parks			\$1,213	\$1,213	\$1,240
Employee Salaries	Adjusted to \$25 per lot / per month			\$80,978	\$92,280	\$94,310
Payroll Taxes & Expenses	11% of total payroll			\$9,515	\$10,151	\$10,374
Worker's Comp		\$2,390		\$4,780	\$4,780	\$4,885
3rd Party Management	3% of Total Revenue	\$2,616		\$48,671	\$43,944	\$47,883
Office Supplies & Expenses	Brokers Adjusted Estimate			\$49,806	\$3,500	\$3,577
Legal Fees				\$9,053	\$9,053	\$9,252
Accounting Fees				\$2,945	\$2,945	\$3,010
Licenses / Permits / Dues				\$1,590	\$1,590	\$1,625
Credit Checks & Application Fees		\$1,036				
Not Applicable to Investment			\$433,372			
<b>Total Expense</b>		<b>\$33,607</b>	<b>\$433,372</b>	<b>\$555,725</b>	<b>\$543,863</b>	<b>\$673,915</b>

## Local Market Information

Watertown is located approximately 70 miles north of Syracuse and 30 miles south of Canada. Watertown, NY (pop. 26,705) is a small city located approximately 70 miles north of Syracuse and 30 miles south of Canada, it is the county seat and largest population center of Jefferson County (pop. 111,738)

Watertown has something for everyone! For the outdoorsman, picturesque scenery of the Adirondacks opens the way to the 1,000 Islands region and Lake Ontario. Boating, fishing, rafting, hiking, camping, and quaint rural atmosphere abounds.



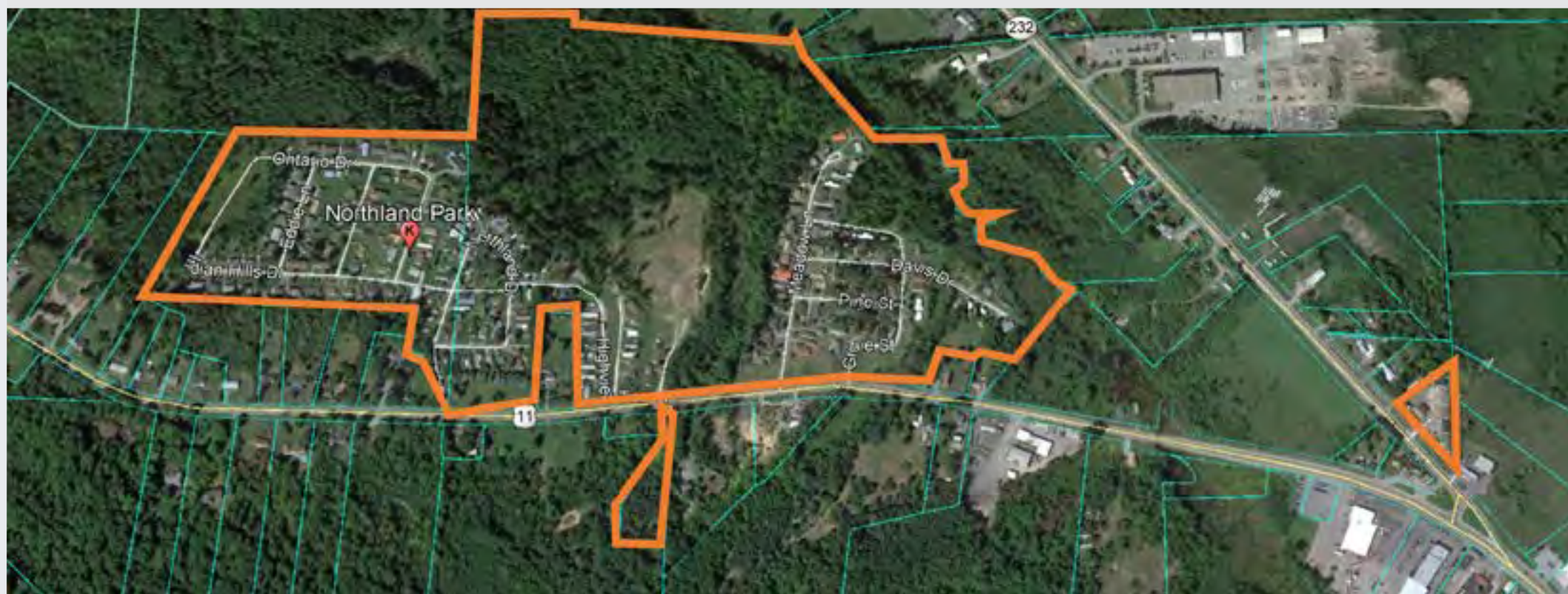
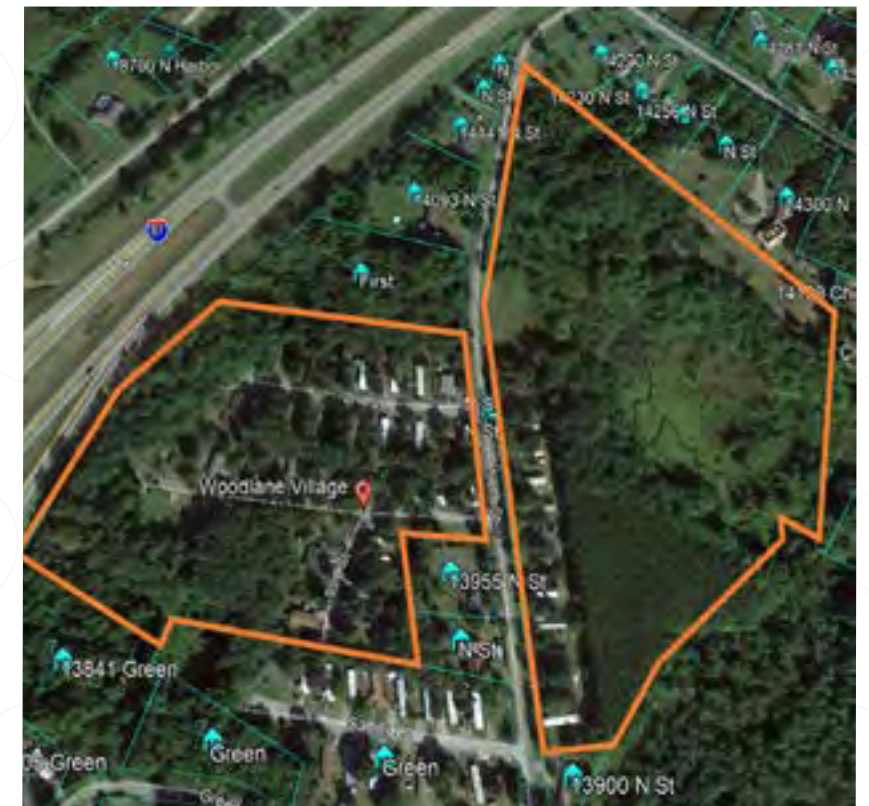
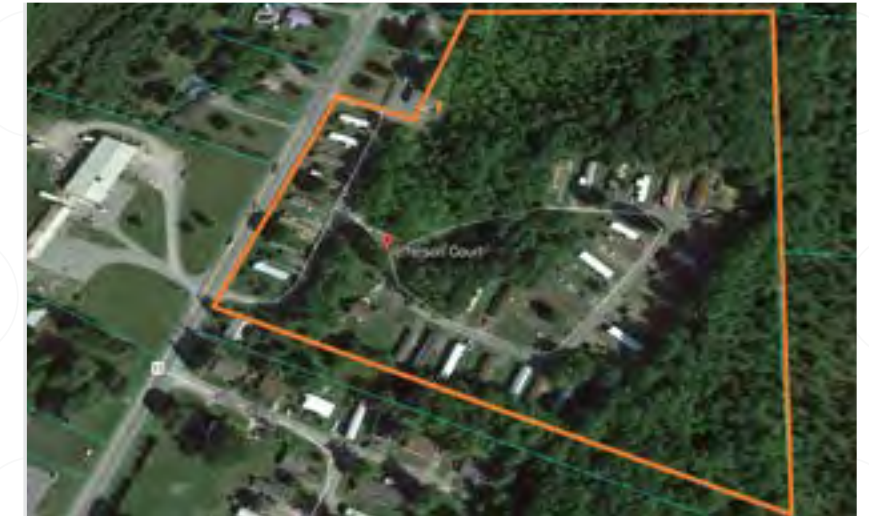
### Local Market Statistics

	Watertown	Jefferson County	Watertown MSA
Population	26,437	116,567	116,567
Medium Home Price	\$118,800	\$128,700	\$128,700
2bd Avg. Apartment Rent	41,090	\$1,164	\$1,164
Family Median Home	\$41,197	\$48,613	\$48,613
Unemployment Rate	5.3%	5.8%	5.8%

# Property Expenses

	Actuals	Normalized Actuals	Pro Forma
<b>Total Revenue</b>	\$1,377,466	\$1,464,799	\$1,596,116
<a href="#">Nov-19 Rent Roll</a>	<a href="#">2019 P&amp;L</a>	<a href="#">List of POH Inventory</a>	<a href="#">Parcel Map</a>
		<a href="#">Other Materials</a>	

<b>Total Expense</b>	\$33,607	\$433,372	\$555,725	\$543,863	\$673,915
Expense Ratio			40.34%	37.13%	42.22%
<b>Net Operating Income (Excluding POH Income)</b>			\$821,741.28	\$920,936.65	\$922,200.95
Capitalization Rate (lot rent only)			6.33%	7.10%	7.11%
<b>Net Operating Income (Including POH Income)</b>			\$825,866	\$964,563	\$996,826
Capitalization Rate (lot rent & park owned home income)			6.12%	7.14%	7.38%
<b>Debt Service Loan 1 (75% LTV, 5% Interest Rate, 25 Year Amortization)</b>			\$557,860	\$557,860	\$557,860
<b>Cash Flow</b>			\$268,006	\$406,703	\$438,966
Debt Service Coverage Ratio			1.48	1.73	1.79
Cash-On-Cash Return			6.62%	10.04%	10.84%
Total Return			10.55%	13.98%	14.77%



# Parcel Outline & Property Photos

[Click here for additional property photos](#)

**Offering Price:** \$13,500,000  
**Cap Rate (Lot rent Only):** 7.10%  
**Gross Cap Rate:** 7.14%  
**Price Per Lot:** \$43,831

Watertown is 25 miles south of the Thousand Islands Region of upstate New York, and thirty minutes from the Canadian border. You can enjoy outdoor activities at the New York State Zoo, Watertown's historic Thompson Park, Paddock Mansion history museum, Black River Rafting and several Golf Courses.





# Watertown NY MHC Portfolio

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