

# Oak Meadows MHC



# 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.

### WE COOPERATE WITH BROKERS!

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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	
Propery Address	3509 Arnall Drive Allenhurst GA 31301
County	Long
Metro Area	Hinesville
Parcel Number(s)	080 C 030

Site Description	
Purchase Price	\$550,000
Total Rental Units	31
Mobile Home Lots	31
Commercial/Retail	0
Total Land Area	5.32
Year Built	1991
Zoning	0
Flood Zone	No
Opportunity Zone	No

Mechanical	
Water	Well
Sewer	Septic
Electrical	Public - Direct Billed
Gas	N/A
Trash	Landlord
Cable	Tenant
Landscape	Landlord
Snow Removal	N/A

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#### STEP 1

- Watch short video from listing broker about this opportunity:
   CLICK HERE
- 2. View broker's excel sheet: **CLICK HERE**

#### STEP 2

Schedule a call with your Agent: (720) MHP-4YOU



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

- 1. Letter of Intent: **CLICK HERE**
- 2. State Required Disclosures: CLICK HERE

Send offers to:
Your Local M&M Agent

### **Property Description**

Well located MHP with plenty of up-side in a strong and rapidly growing market. This "mom & pop" park is well maintained and has below market rents.

The park has 31 lots, of which, 25 are park-owned homes tenants each paying rent at an average \$195 plus the average lot rent of \$200, and 6 vacant park owned homes that need to be renovated at about \$5,000 per home.

Oak Meadows Mobile Home Park is an all-ages community and has private septic and two private wells that is not included in rents. The privately maintained roads are in average condition as our offering price suggests. Located in a good location, in the Hinesville MSA. The Hinesville market has seen a lot of growth over the last 10 years and is home to Fort Stewart Military Base. Hinesville is 40 minutes from Savannah, GA and just 20 minutes or so to the Georgia Coastal areas.

This park is being offered as a stabilized investment with an 8.71% normalized cap rate on current lot rent using a 49.9% expense ratio. The price per lot is \$17,741. Each POH is priced at \$6,500 per home and they are all 1986 vintages. We are looking for cash offers, however, recourse bank debt may be available for this deal.

We are asking our investors to submit offers at or above \$550,000 for the entire park including POH. The potential return on investment for this park is a 17% cash on cash return.



#### Highlights & Known Issues

#### Investment Highlights

- Immediate upside : Below market rents
- Mostly long-term tenants
- Future upside: POH conversion, Infill & Bill-backs
- Fill 4 vacant units = 29.7% cash on cash return
- Good Location to Hinesville
- 40 Minutes to Savannah GA

#### Known Issues

- 6 vacant homes to renovate
- Private utilities
- All POH community
- 1986 vintage homes

## Rental Units & Investment Summary

2019 P&L

Click on the folloring links for additional property information:

Jan-20 Rent Roll

Parcel Map

Other Materials

 Offering Price:
 \$550,000

 Cap Rate (Lot rent Only):
 8.71%

 Gross Cap Rate:
 9.77%

 Price Per Lot:
 \$17,742

 Pro Forma Value
 \$700,000

Unit Breakdown		
Total Rental Units	31	Pro Forma
Total Tenants	25	29
Total Mobile Home Lots	31	31
Total RV Lots	0	0
Tenant Owned Homes	0	0
Abandoned Homes	0	0
Vacant Lots	0	0
Rent to Own POHs	0	0
Rented POHs	25	29
Vacant POHs	6	2
Average Lot Rent	\$200	\$200
Average RTO Payment	\$0	\$0
Average POH Rent	\$195	\$200
Total Commercial / Retail Units	0	0
Commercial / Retail - Occupied	0	0
Commercial / Retail - Vacant	0	0
Avg Commercial / Retail Rent	\$0	\$0

#### Local Mobile Home Park Rents

Rent Comps	Lot Rent	POH Rent	Utility Info
Oak Meadows	\$200	\$195	Private
Benton Bay	\$210	\$236	Private
South Haven	\$275	\$425	Public
Cypress Bend	\$275	\$415	Public
Shady Grove	\$275	\$245	Public
Glennbrook Village	\$275	\$232	Mixed

#### Comments

Based on currrent market data and local market rents, we beleive theier is an opportunity to raise the lot rent portion of the rents to about \$250 as-is. POH rentals should rent around the \$300 range. There is also the possibilty of transitioning the POH to TOH through a RTO program or selling out right.



Capitalized Revenues & Investment Summary					
	Actuals	Normalized	Pro Forma		
Total Gross Income	\$124,289	\$119,020	\$144,688		
Lot Revenue	\$60,000	\$60,000	\$69,600		
RV Revenue	\$0	\$0	\$0		
Single Family Home & Apartment Revenue	\$0	\$0	\$0		
Commercial/Retail Revenue	\$0	\$0	\$0		
Self Storage Revenue	\$360	\$0	\$0		
Other Income	\$1,840	\$1,840	\$6,880		
Capitalized Income	\$62,200	\$60,640	\$75,088		
Capitalized Expenses	\$30,086	\$30,266	\$31,713		
Net Operating Income (excludes POH income)	\$32,114	\$30,374	\$43,375		

Park Owned Home Revenues - Not Capitalized					
Total Uncapitalized Gross Income	\$124,289	\$119,020	\$144,688		
Total POH Revenue	\$58,380	\$58,380	\$69,600		
POH & RTO Expenses	\$39,824	\$35,028	\$41,760		
POH / RTO Net Income	\$18,556	\$23,352	\$27,840		
Per POH Value	\$6,500	\$6,500	\$6,500		
Total POH Value	\$201,500	\$201,500	\$201,500		

Investment Metric Table			
Lot Rent Cap Rate	9.22%	8.72%	12.45%
Gross Cap Rate (includes POH I&E)	9.21%	9.77%	12.95%
Cash On Cash Levered	14.74%	16.97%	29.69%
Total Return	20.49%	22.72%	35.44%
Price Per Lot	\$17,742	\$17,742	\$17,742
Price Per Occupied Lot	\$22,000	\$22,000	\$22,000



### Property Expenses

	Actuals	Normalized Actuals	Pro Forma
Total Revenue	\$62,200	\$60,640	\$75,088

Jan-20 Rent Roll

2019 P&L

Parcel Map Other Materials

Expense Category	Note On Expense Item					
		POH Expenses	CAPEX	Actuals	Normalized Actuals	Pro Forma
Property Taxes	Estimated at 1% of Real Estate Value Allocation	\$295	\$0	\$2,874	\$2,874	\$3,485
Property Insurance	Normalized to Industry Averages. 2.2% Pro Forma Increase	\$4,610	\$0	\$1,976	\$1,240	\$1,267
Repairs & Maintenance	Normalized to Industry Averages. 2.2% Pro Forma Increase	\$26,940	\$0	\$3,652	\$3,875	\$3,960
Mowing & Landscaping	Normalized Equals Seller's Disclosure. 2.2% Pro Forma Increase	\$0	\$0	\$3,695	\$3,695	\$3,776
Private Water Expenses	Normalized Equals Seller's Disclosure. 5.5% Pro Forma Increase	\$0	\$0	\$5,636	\$5,636	\$5,946
Private Sewer Expenses	Normalized Equals Seller's Disclosure. 5.5% Pro Forma Increase	\$0	\$0	\$883	\$883	\$931
Trash	Normalized Equals Seller's Disclosure. 2.2% Pro Forma Increase	\$0	\$0	\$1,367	\$1,367	\$1,397
Electricity	Street lights and POH renos	\$2,402	\$0	\$934	\$1,000	\$1,040
Telephone	Cut that out phone in office and cell phone for manager	\$0	\$0	\$924	\$0	\$0
Employee Salaries	Normalized to Industry Averages. 2.2% Pro Forma Increase	\$5,557	\$0	\$5,714	\$6,864	\$7,015
Payroll Taxes & Expenses	10% of Total Payroll	\$0	\$0	\$0	\$686	\$702
Office Supplies & Expenses	Normalized Equals Seller's Disclosure. 2.2% Pro Forma Increase	\$0	\$0	\$130	\$130	\$133
Legal Fees	Normalized Equals Seller's Disclosure. 2.2% Pro Forma Increase	\$0	\$0	\$694	\$694	\$709
Accounting Fees	Normalized Equals Seller's Disclosure. 2.2% Pro Forma Increase	\$0	\$0	\$1,022	\$1,022	\$1,044
Advertising	Broker Estimate	\$0	\$0	\$585	\$300	\$307
Cap. Ex.	Not Applicable	\$0	\$10,542	\$0	\$0	\$0
Total Expense		\$39,824	\$10,542	\$30,086	\$30,266	\$31,713
Expense Ratio				48.37%	49.91%	42.23%
Net Operating Income (Excluding	g POH Income)			\$32,114.42	\$30,374.20	\$43,375.4
Capitalization Rate (lot rent onl	у)			9.22%	8.72%	12.45%
Net Operating Income (Including	POH Income)			\$50,670	\$53,726	\$71,215
Capitalization Rate (lot rent & p	ark owned home income)			9.21%	9.77%	12.95%
Debt Service Loan 1 (75% LTV,	5% Interest Rate, 25 Year Amortization)			\$30,397	\$30,397	\$30,397
Cash Flow				\$20,273	\$23,329	\$40,818
Debt Service Coverage Ratio				1.67	1.77	2.34
Cash-On-Cash Return				14.74%	16.97%	29.69%
Total Return				20.49%	22.72%	35.44%

# Local Market <u>Information</u>

The city of Allenhurst (Long & Liberty counties) is adjacent to Hinesville (county seat of Liberty County). Located forty miles southwest of Savannah, the cities are adjacent to Fort Stewart, making it home to many soldiers from the base.

Hinesville is a small, but rapidly growing military town mainly supporting the large military installation at Fort Stewart, home to the U.S. Third Infantry. It is part of the greater Savannah GA MSA.



Local Market Statistics			
	Allenhurst	Long County	Hinesville MSA
Population	823	17,857	79,977
Growth %	+19.1% sin-	+35.9% since	+3.9% since
Medium Home Price	\$144,100	\$176,300	\$162,508
Average Apartment Rent	\$867	\$687	\$887
Family Median Income	\$46,250	\$49,317	\$44,133
Unemployment Rate	4.30%	4.00%	4.20%

### Property Photos

Offering Price: \$550,000 Cap Rate (Lot rent Only): 8.71% Gross Cap Rate: 9.77% Price Per Lot: \$17,742 Pro Forma Value \$710,000

Additional Documents	
Due Dilience Vault	CLICK HERE
Brokers Excel Sheet	CLICK HERE
Brokers Summary Video	CLICK HERE
Letter of Intent	CLICK HERE



#### Click here for additional property photos





### Brokerage Team



Parker Kelly

TEAM AGENT

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Parker Kelly started his career in real estate just as he returned home to Atlanta from finishing school at East Carolina University. He has worked as a land acquisitions broker, a new construction home sales agent, and has now joined Marcus & Millichap as an investment sales agent, specializing in manufactured housing & RV parks.

(720) MHP-4YOU

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#### Ben Yelm

Lic. # 303785 - Broker of Record Marcus & Millichap Real Estate Investment Services of Charleston, Inc.

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# Oak Meadows MHC