



Marcus & Millichap  
ESTERSON MHC TEAM

A 37 Lot Manufactured Home  
Community Redevelopment  
Investment Opportunity

108 Fairgrounds Rd  
Moncks Corner SC 29461  
Charleston SC MSA



# Fairground MHC

*(a redevelopment project)*

# 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	
Property Address	<a href="#">108 Fairgrounds Rd Moncks Corner SC 29461</a>
County	Berkeley
Metro Area	Charleston, SC
Parcel Number(s)	142-08-01-042
Site Description	
Purchase Price	\$1,200,000
Total Rental Units	37
Mobile Home Lots	35
Commercial/Retail	0
Total Land Area	3.61
Year Built	1978
Zoning	Paved
Flood Zone	No
Opportunity Zone	Yes
Mechanical	
Water	Public-Tenants Pay (Submeters)
Sewer	Public-Tenants Pay (Submeters)
Electrical	Public - Direct Billed
Gas	Public - Direct Billed
Trash	Landlord
Cable	Public - Direct Billed
Landscape	Landlord
Snow Removal	N/A

## STEP 1

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**

## STEP 3

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

1. Letter of Intent:  
[CLICK HERE](#)

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

# Property Description

This park is a re-development opportunity located in an opportunity zone with Day-1 income in place and is located in the Moncks Corner area of the Charleston, SC MSA.

The Moncks Corner area has experienced a booming 30% population increase since 2010, with the metro area experiencing 15.9% population growth and total population of roughly 750,000. This asset is 45 minutes from downtown Charleston.

Fairground MHC currently has 35 MH lots and 2 individual apartments (one is occupied, one is used as storage and would need a CO to be able to rent to tenant). There are 25 tenants total, with 1 apartment tenant, 23 lot renters, and 1 POH tenant. Lot rent is \$330 per month.

The new proposed development plan would completely redo the park and result in 42-44 new lots. The city is requiring the park to be fully brought up to code and conform to proper zoning. This has resulted in current ownership revising the site plan to include a completely new layout with proper set backs and green space. The existing tenant base is not allowed to be replaced in its current layout. There is no definitive timeline on when the park must be revamped however we anticipate that the park will need to be in full compliance within a couple years.

The city is willing to work with ownership in creating a new MHC of up to 44 units, or an apartment development of up to 49 units. A landscaping plan has already been approved for the 44 unit park. The new owner will need to bring in all new homes and and adhere to the new approved landscaping plan which should correlate with a lot rent averaging \$500+.

Fairground MHC is a year-round, all-ages community that has all public utilities. Water and sewer is sub-metered and billed back to the tenants. Electricity is directly billed to the tenants. The roads are in below average condition and will need to be replaced as designed in the new approved plan.



## Highlights & Known Issues

### Investment Highlights

- Redevelopment Opportunity
- Opportunity Zone
- 37 Lots, Expandable to 44 Lots (or 49 Apartment Units)
- Approved Site & landscaping Plan
- Can also build up to 49 low income apartment units
- Public water & sewer
- Current Tenant base is all lot renters

### Known Issues

- Park must be redeveloped in order stay open
- TOH are aged and many are pre-HUD
- Can't re-rent any upcoming vacancies

# Rental Units & Investment Summary

Click on the following links for additional property information:

[Mar 2020 Rent Roll](#) [Jan 2020 P&L](#) [Future Site Plan](#) [Parcel Map](#) [Other Materials](#)

Unit Breakdown		
		Pro Forma
Total Rental Units	37	
Total Tenants	25	42
Total Mobile Home Lots	35	42
Total RV Lots	0	0
Tenant Owned Homes	23	42
Abandoned Homes	0	0
Vacant Lots	10	0
Rent to Own POHs	0	0
Rented POHs	1	0
Vacant POHs	1	0
Average Lot Rent	\$330	\$500
Average RTO Payment	\$0	\$0
Average POH Rent	\$170	\$0
Total Commercial / Retail Units	0	0

## Local Mobile Home Park Rents

[CLICK HERE FOR JLT REPORT](#)

Rent Comps	Lot Rent	POH Rent	Utility Info
Fairground MHP	\$330	\$170	Public- Bill Back
The Gables of Charleston	\$469	\$830 - \$1,285	Public- Direct
Wind Gate MHP	\$463	\$0	Public- Direct
Deerhaven MHP	\$450	\$0	Public- Direct
Shannonwood MHC	\$373	\$836 - \$1,181	Public- Direct
Sunrise MHP	\$454* new section	\$0	Public- Direct

## Comments

In the Charleston, South Carolina MSA area, the average adjusted monthly homesite rent in the “All Ages” communities is \$359, an increase of \$16 (4.7%) from the previous year. The average adjusted monthly homesite rent in the “55+” communities is \$396, an increase of \$14 (3.7%) from the previous published report. 23 communities implemented or announced rent increases during the last twelve months. The market rent increases ranged from \$6 to \$145. A majority of the market increases ranged from \$14 to \$16. The average market increase was \$20.



## Capitalized Revenues & Investment Summary

	Actuals	Normalized	Pro Forma
Total Gross Income	\$123,890	\$121,845	\$288,381
Lot Revenue	\$95,040	\$95,040	\$252,000
RV Revenue	\$0	\$0	\$0
Single Family Home & Apartment Revenue	\$7,200	\$7,200	\$0
Commercial/Retail Revenue	\$0	\$0	\$0
Self Storage Revenue	\$0	\$0	\$0
Other Income	\$19,610	\$19,610	\$41,421
Capitalized Income	\$121,850	\$119,805	\$288,381
Capitalized Expenses	\$58,505	\$66,016	\$116,257
Net Operating Income (excludes POH income)	\$63,345	\$53,790	\$172,124

## Park Owned Home Revenues - Not Capitalized

Total Uncapitalized Gross Income	\$123,890	\$121,845	\$288,381
Total POH Revenue	\$2,040	\$2,040	\$0
POH & RTO Expenses	\$0	\$1,020	\$0
POH / RTO Net Income	\$2,040	\$1,020	\$0
Per POH Value	\$0	\$0	\$0
Total POH Value	\$0	\$0	\$0

## Investment Metric Table

Lot Rent Cap Rate			14.48%
Gross Cap Rate (includes POH I&E)			14.48%
Cash On Cash Levered			29.89%
Total Return			29.89%
Price Per Lot	\$31,316	\$31,316	\$31,316
Price Per Occupied Lot	\$47,600	\$47,600	\$47,600



# Property Expenses

	Actuals	Normalized Actuals	Pro Forma
Total Revenue	\$121,850	\$119,805	\$288,381

Expense Category	Note On Expense Item	POH Expenses	CAPEX	Actuals	Normalized Actuals	Pro Forma
Property Taxes	Estimated at 2.5% of Real Estate Value Allocation	\$0	\$0	\$18,905	\$18,905	\$29,750
Property Insurance	PH insurance Adjusted for 44 lots	\$0	\$0	\$2,728	\$2,790	\$3,422
Repairs & Maintenance	PF = \$175 per lot/year	\$0	\$0	\$7,086	\$7,500	\$7,700
Mowing & Landscaping	35 lots x \$71.5 per lot	\$0	\$0	\$0	\$2,400	\$2,453
Public Water & Sewer	Assumes \$62 per tenant/month (42 tenants)	\$0	\$0	\$18,470	\$18,470	\$31,248
Trash	Assumes \$18 per tenant/month (42 tenants)	\$0	\$0	\$5,400	\$5,400	\$9,072
Electricity		\$0	\$0	\$552	\$552	\$1,200
Internet	Normalized Equals Seller's Disclosure. 2.2% Pro Forma Increase	\$0	\$0	\$1,081	\$1,081	\$1,105
Employee Salaries	\$10 per lot/month plus free \$500 lot rent	\$0	\$0	\$0	\$6,840	\$15,240
Payroll Taxes & Expenses	10% of Total Payroll	\$0	\$0	\$0	\$684	\$1,524
3rd Party Management	PF = 3.5% Revenues	\$0	\$0	\$3,426	\$0	\$10,093
Office Supplies & Expenses	Broker Estimate	\$0	\$0	\$0	\$250	\$600
Legal Fees	Broker Estimate	\$0	\$0	\$857	\$857	\$1,200
Accounting Fees	Broker Estimate	\$0	\$0	\$0	\$500	\$1,200
Licenses / Permits / Dues	Broker Estimate	\$0	\$0	\$0	\$150	\$250
CAPEX	Normalized Equals Seller's Disclosure. 2.2% Pro Forma Increase	\$0	\$3,790	\$0	\$0	\$0
Total Expense		\$0	\$3,790	\$58,505	\$66,379	\$116,056
Expense Ratio				48.01%	55.41%	40.24%
Net Operating Income (Excluding POH Income)				\$63,345	\$53,426	\$172,324
Capitalization Rate (lot rent only)						14.48%
Net Operating Income (Including POH Income)				\$65,385	\$54,447	\$172,325
Capitalization Rate (lot rent & park owned home income)						14.48%
Debt Service Loan 1 (65% LTV of total buildout and purchase, 5% Interest Only, 2 Year Note)				\$38,675	\$38,675	\$47,821
Cash Flow				\$26,710	\$15,772	\$124,504
Debt Service Coverage Ratio				1.69	1.41	3.60
Cash-On-Cash Return						29.89%
Total Return						29.89%

# Local Market Information

The city of Moncks Corner in the Charleston, SC MSA has experienced significant growth since 2010, with a 30% increase in the population. The Charleston, SC MSA has experienced a 15.9% population growth since 2010. The Charleston-North Charleston, SC MSA has a thriving and balanced economy, with large sections of the population working in construction (6.9%), manufacturing (9.9%), retail trade (11.5%), professional and technical services (7.5%), educational services (8.2%), healthcare services (13.4%), and accomodation and food services (9.2%).

In addition to a healthy economy, Charleston, SC has emerged as one of the premiere tourist destinations in the world. Travel and Liesure Magazine has ranked Charleston as the #1 city to visit in the U.S. every year since 2013. They ranked Charleston as the #1 city in the world to visit in 2017. Whether for work or travel, there is something for everyone.



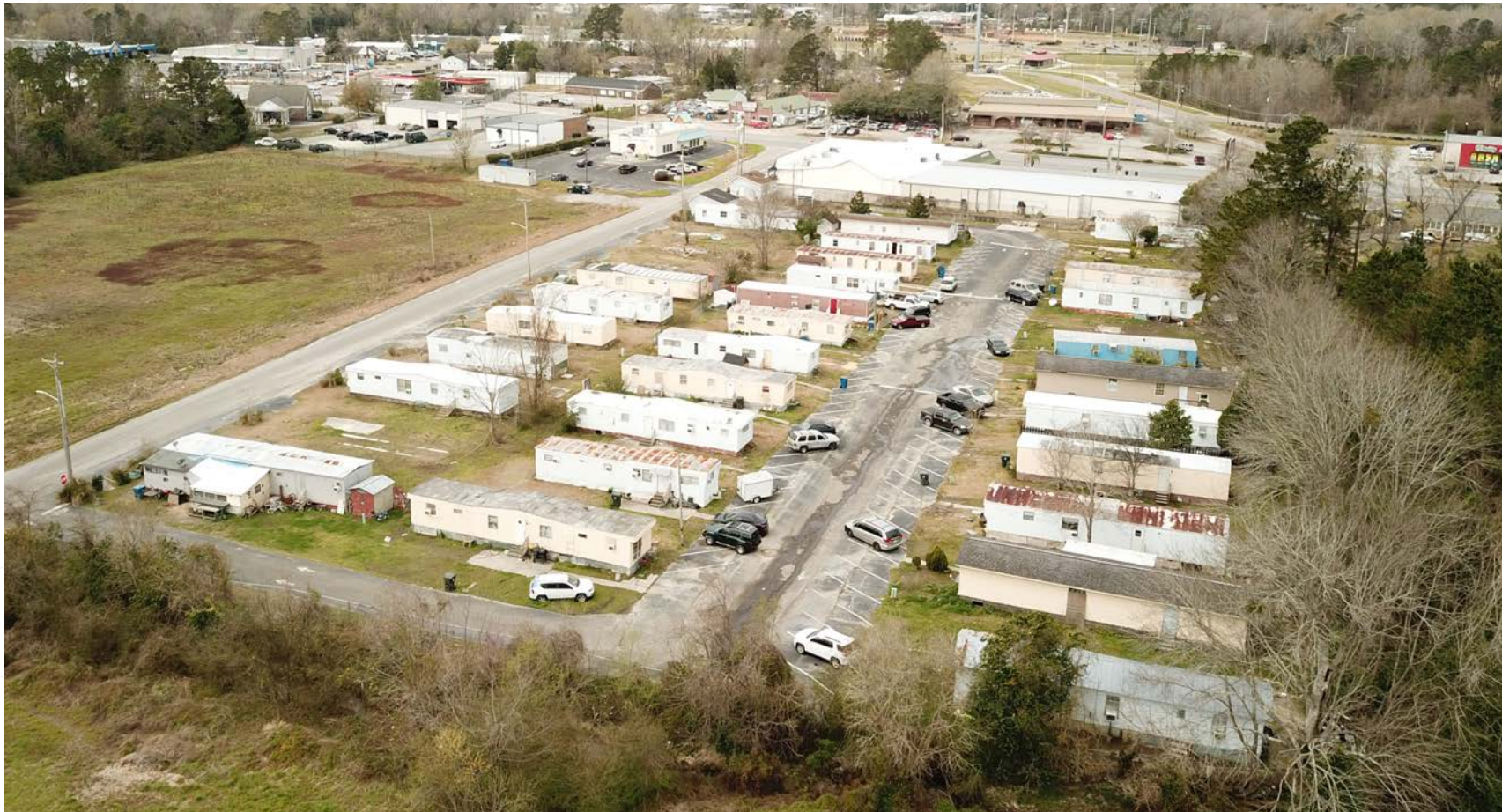
Local Market Statistics			
	29461	Berkeley	Charleston, SC
Population	9,759	204,632	744,195
Growth %	+30% since	+20.5% since	+15.9% since
Medium Home Price	215,500	208,400	250,400
Average Apartment Rent	\$940	\$1,118	\$1,118
Median Income	\$44,828	\$51,844	\$52,517
Unemployment Rate	3.20%	3.20%	3%



# Property Photos

[Click here for additional property photos](#)

[Watch Video](#)

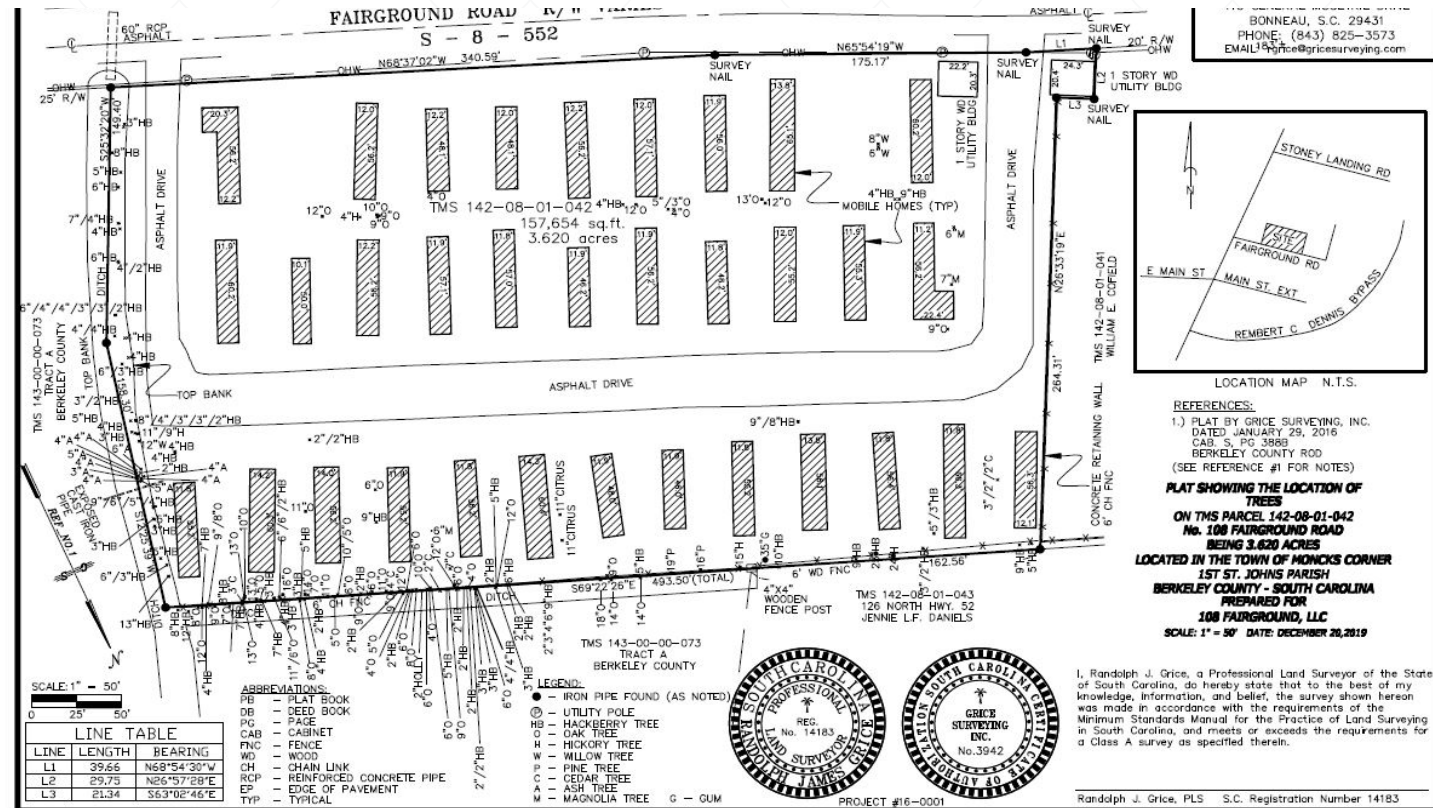
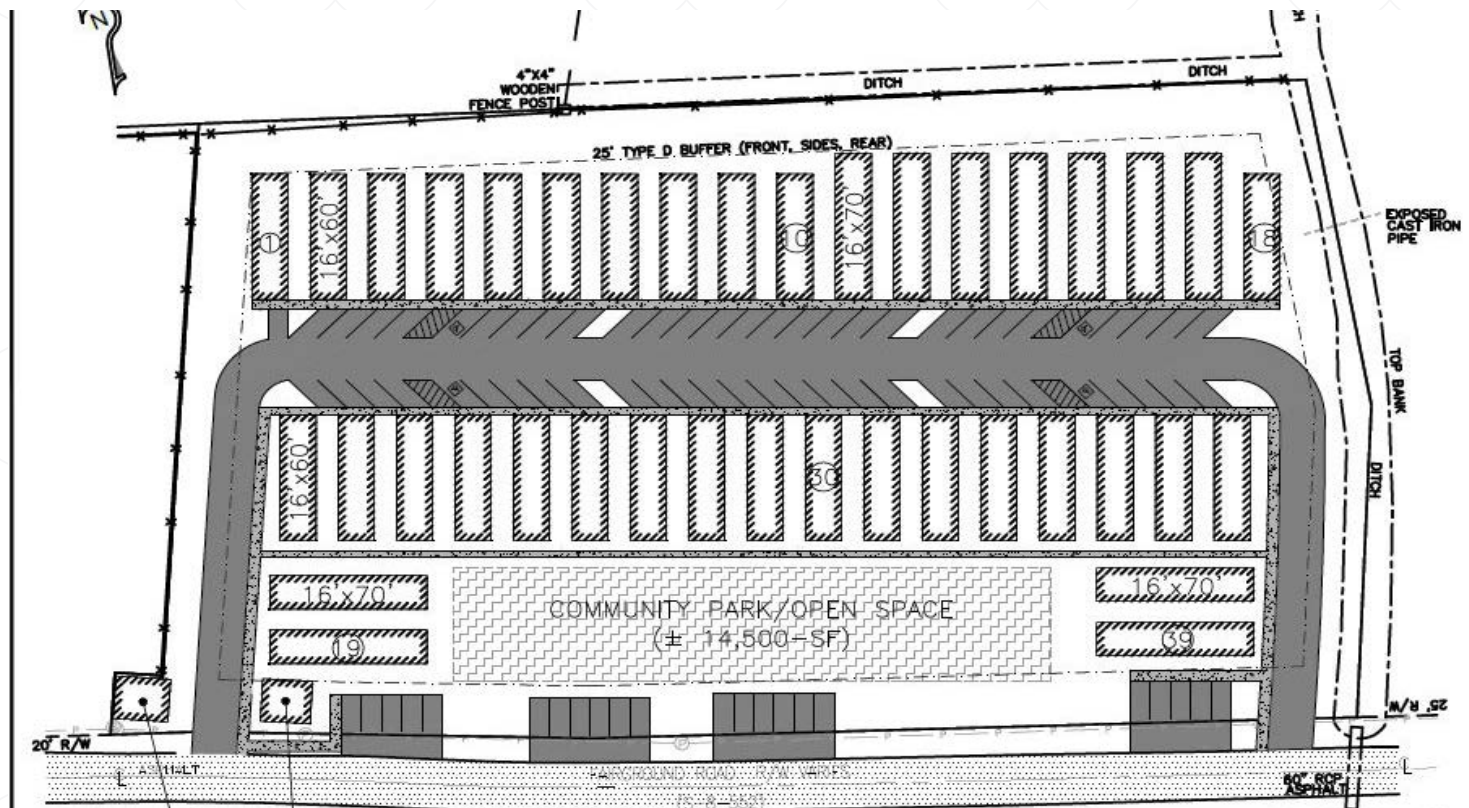
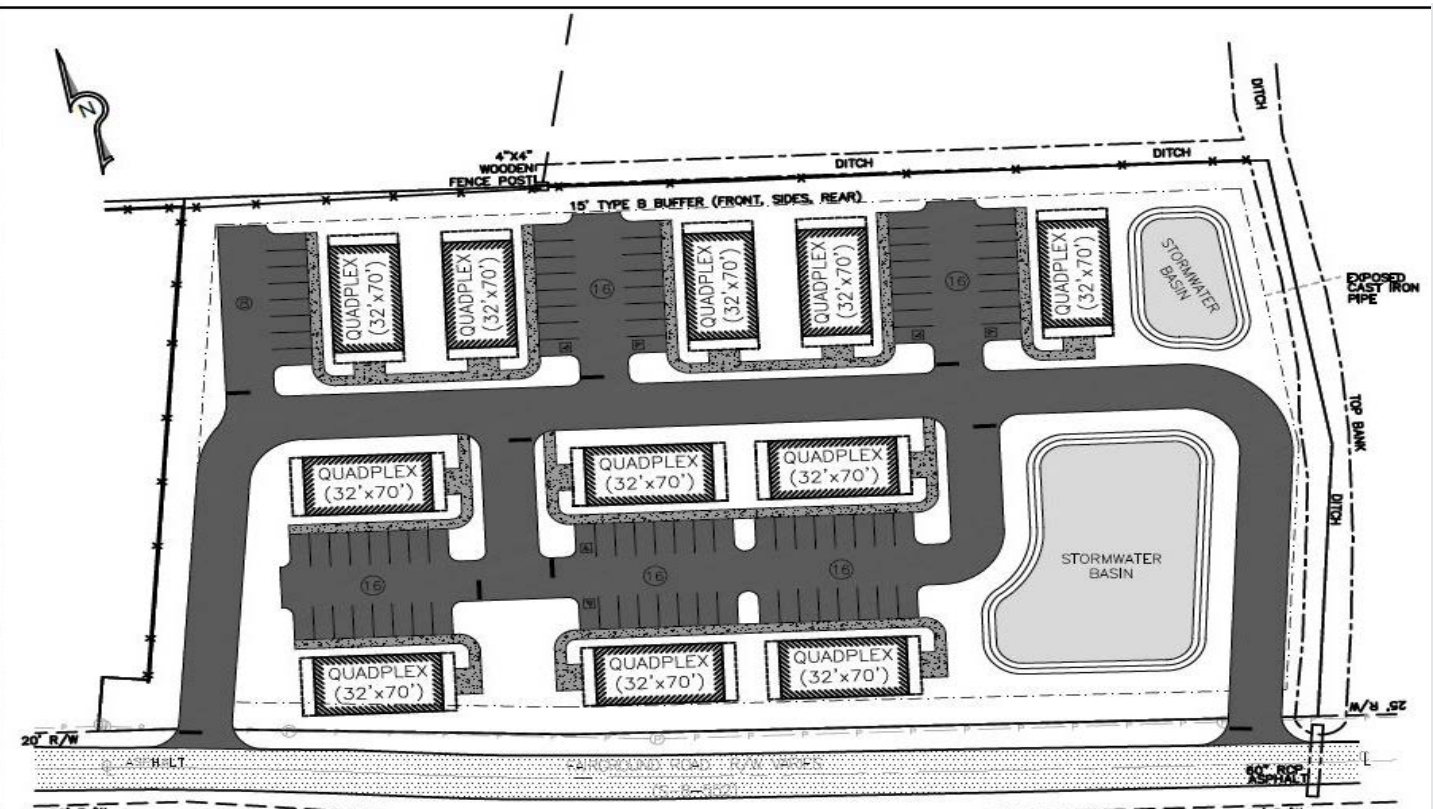
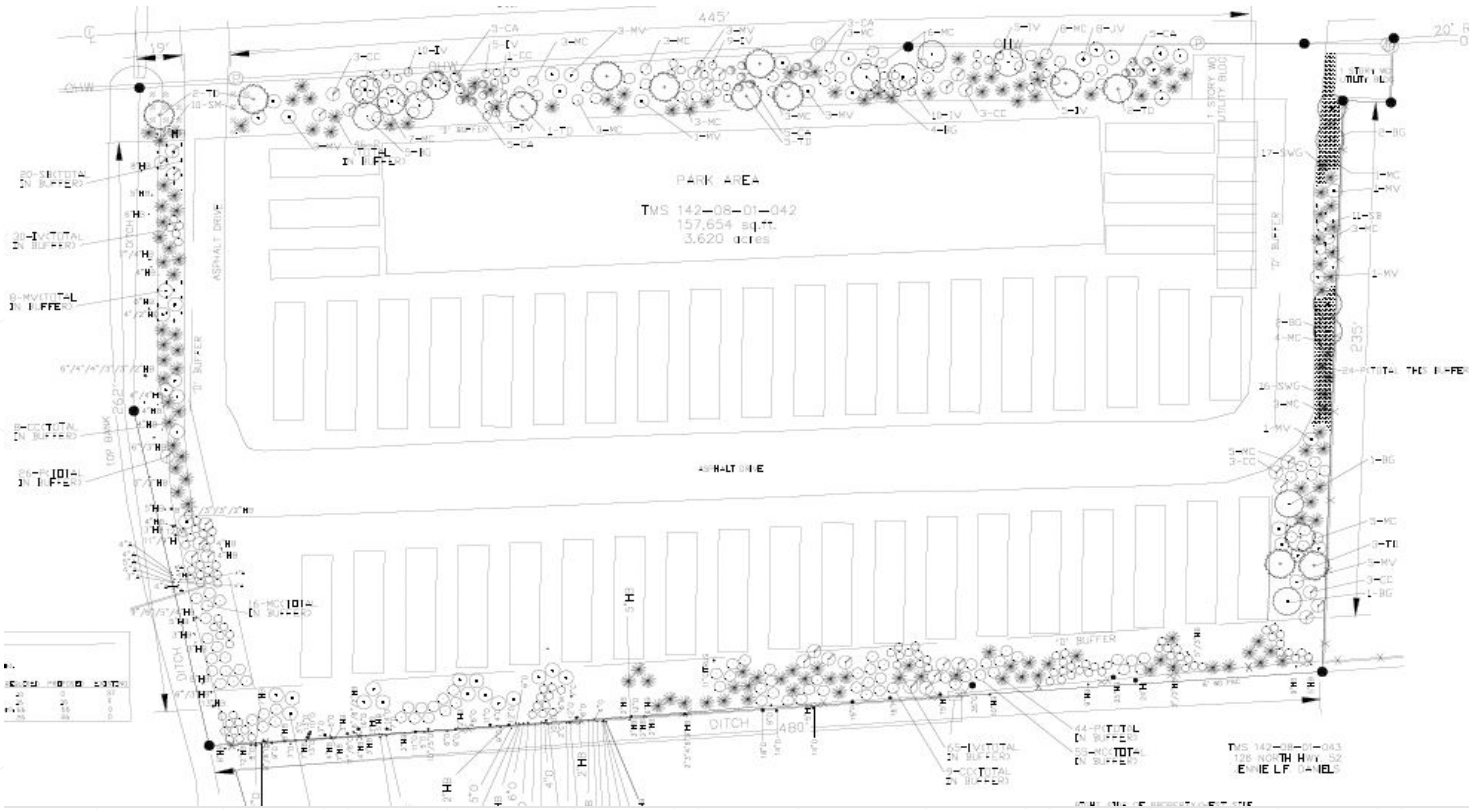




# Property Conceptuals

[Click here for additional property photos](#)

- Left Top: Approved Landscape Plan
- Left Below: Conceptual 39 Lot MH Park (fits eleven 16x70 foot homes)
- Right Top: Conceptual 44 unit 4Plex affordable housing apartment complex
- Right Bottom: As Built Site Plan





# Brokerage Team



## Dylan Hellberg

LISTING AGENT

Dylan Hellberg graduated Sierra Nevada College in 2016 with a Bachelor of Science degree in Entrepreneurship. Quickly finding an aptitude for sales, he spent two years in the automotive industry as a salesperson and internet sales manager, gaining the skills and knowledge to close large sales efficiently and professionally.

Dylan was brought into Marcus and Millichap to join Glenn Esterson and the MHP Expert team in July, 2019. With a focus on the South Carolina and regional market, Dylan provides clients with an unmatched level of market knowledge and insights. His dedicated work ethic and capability mean clients get the best outcome possible in any transaction.



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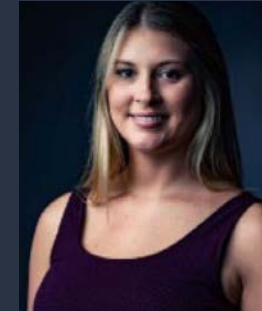
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Marcus & Millichap  
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## Marcus & Millichap ESTERSON MHC TEAM

Offices throughout the U.S. and Canada

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**Ben Yelm**

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# Fairgrounds MHC

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