

Brentwood & Myrtle Crepe MHC

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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.

approved representative to fully appreciate its market position, quality and strong fundamentals

## 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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### Property Overview

Property Location				
Propery Address	409 Bether Church Rd. Angier NC 27501			
County	Harnett			
Metro Area	Raleigh NC MSA			
Parcel Number(s)	071602 0120 071602 0004 01			

Site Description			
Purchase Price	\$8,500,000		
Total Rental Units	144		
Mobile Home Lots	144		
Commercial/Retail	0		
Total Land Area	107.1 Acres		
Year Built	1980 estimate		
Zoning	residential 03		
Flood Zone	No		
Opportunity Zone	No		

Mechanical	
Water	Pubilc - Direct billed by Utility Co.
Sewer	Septic - 1 home per Septic
Electrical	Public - Direct billed by Utility Co.
Gas	N/A
Trash	Pubilc - Included in Rent
Cable	Pubilc - Direct billed by Utility Co.
Landscape	3rd Party - Included in rent
Snow Removal	N/A - No Snow Region

### **Property Description**

### STEP 1

Watch the Broker Investment Summarry Video: **CLICK HERE** 

View underwritting sheet & seller documents: **CLICK HERE** 

### STEP 2

Schedule a call with your Agent: (720) MHP-4YOU (720) 647-4968

### STEP 3

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

- 1. Verbal: Our team will write an LOI and present
- Letter of Intent:Download here
- 3. Agency Disclosure: **Download here**

Send offers to:
Your Local M&M Agent

Angier, NC (Raleigh MSA) Well located Mobile Home Community, located 24.5 miles from downtown Raleigh NC. Population has grown 25% since 2010.

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Brentwood MHP has a total of 111 spaces that consist of 26 lot rent only tenants, 77 POHs, 7 rent to own homes, and 1 vacant lot. Crepe Myrtle MHP has a total of 33 spaces that consist of 6 lot rent only tenants, 23 POHs, and 4 rent to own homes.

Together it is a total of 144 spaces with 143 tenants with 32 lot rent only tenants paying an average of \$340, 101 rented POHs paying an avg of \$338, 11 rent to own homes, and 1 vacant lot. Current occupancy is at 99%+-. The POHs are in above average condition with 50+ homes being 2005 or newer vintage. The overall average POH age is 1000.

Both parks are on public water, where the tenants are directly billed and on private septic. The parks are not in a flood zone.

This deal is being offered as a stabilized investment with a 6.4% normalized cap rate on current lot rent, and an 8.3% gross cap rate including POH income and expenses. The two parks are generating a gross revenue of \$1,072,065. At full price, using loan terms of 3.8% interest, 30 YR AM, 30% down payment: the total return is 24% on normalized numbers.



### Highlights & Known Issues

### Investment Highlights

- High quality park with high quality homes
- Great location in growing MSA
- Only 24.5 miles to downtown Raleigh
- Strong upside through POH conversion
- Newer POH in fantastic condition
- Parks located only a 2500' apart
- Public direct billed water

#### Known Issues

- Park has historically high late fees, but strong monthly collections by end of month
- Park could use some landscaping upgrades
- Park is heavy Park Owned Home Community
- Both parks are on septic, municipal sewer not available

### Rental Units & Investment Summary

Click on the following links for additional property information:

Mar2020 Rent Roll

List of POH inventory

Parcel Map

Other Materials

Offering Price: \$8,500,000
Cap Rate (Lot rent Only): 6.40%
Gross Cap Rate: 8.30%
Price Per Lot: \$47,195
Price Per Home: \$15,206

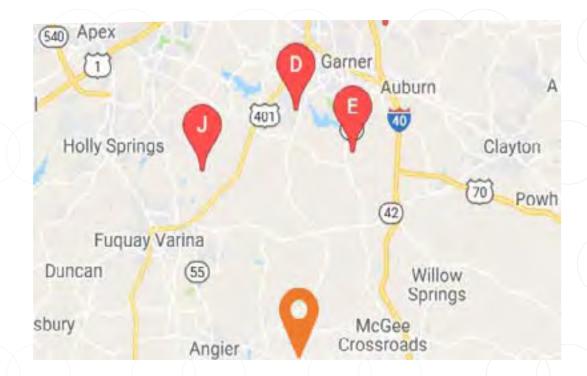
Unit Breakdown		
Total Rental Units	144	Pro Forma
Total Tenants	144	144
Total Mobile Home Lots	144	144
Total RV Lots	0	0
Tenant Owned Homes	32	32
Abandoned Homes	0	0
Vacant Lots	0	0
Rent to Own POHs	11	11
Rented POHs	101	101
Vacant POHs	0	0
Average Lot Rent	\$340	\$365
Average RTO Payment	\$317	\$317
Average POH Rent	\$338	\$349
Total POH & RTO Units	112	112
Average Vintage (Year) of POH	+1998	
RTO Balance Remaining	\$188K	
Total Double-Wide Units	34	

### Local Rent Comparables (Click for JLT Report)

Rent Comps	Lot Rent	POH Rent Utility Info		
Brentwood & Crepe Myrtle	\$340	\$475-\$975 (101 POH)	Direct Water   Septic	
Pleasant Grove	\$461	\$856 - \$990 (11 POH)	Public W/S - Inc.	
Green Spring Valley	\$502	\$781 - \$1,200 (77 POH)	Public W/S	
Indian Creek Overlook	\$475	\$800 - \$1,100 (97 POH)	Public W/S	

### Comments

JLT Report: January 2019: The survey includes 17 land lease communities. 17 are classified as "All Ages". There are 3,305 "All Ages" homesites. The average adjusted monthly homesite rent in the "All Ages" communities is \$432, The occupancy rate is 94%. This represents an opportunity to purchase a quality park within the fastest growing MSA in the US with substantially below market rents in both lot rent & park owned home rent. There is additional upside in converting the POH to TOH as the homes begin to age out.



Capitalized Revenues & Investment Summary					
	Actuals	Normalized	Pro Forma		
Total Gross Income	\$1,186,026	\$1,072,605	\$1,128,940		
Lot Revenue	\$574,479	\$588,000	\$630,720		
Other Income	\$44,943	\$44,943	\$46,307		
Capitalized Income	\$619,422	\$621,183	\$664,413		
Capitalized Expenses	\$71,847	\$186,198	\$213,891		
Net Operating Income	\$547,575	\$434,985	\$450,521		

Park Owned Home Revenues - Not Capitalized						
	Actuals	Normalized	Pro Forma			
Total POH & RTO Revenue	\$446,554	\$451,422	\$464,527			
POH & RTO Expenses	\$11,677	\$180,569	\$185,811			
POH Net Operating Income	\$434,877	\$270,853	\$278,716			
Per POH & RTO Value	\$15,206	\$15,206	\$15,206			
Total POH Value	\$1,535,760	\$1,535,760	\$1,535,760			
Total RTO Value	\$168,191	\$168,191	\$168,191			

8.06%	6.40%	6.63%
11.56%	8.30%	8.58%
34.14%	17.92%	19.30%
40.50%	24.28%	25.66%
\$47,195	\$47,195	\$47,195
\$47,195	\$47,195	\$47,195
	11.56% 34.14% 40.50% \$47,195	11.56% 8.30% 34.14% 17.92% 40.50% 24.28% \$47,195 \$47,195

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### Property Expenses

Actuals **Normalized Actuals** Pro Forma \$1,072,605 \$1,128,940 **Gross Revenue** \$1,186,026

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Expense Category	Note On Expense Item					
		POH Expenses	CAPEX	Actuals	Normalized Actuals	Pro Forma
Property Taxes	Estimated at 0.7% of Real Estate Value Allocation	\$1,321	\$0	\$25,101	\$25,101	\$47,572
Property Insurance	Normalized to Industry Averages. 2.2% Pro Forma Increase	\$0	\$0	\$0	\$7,200	\$7,358
Repairs & Maintenance	Normalized to Industry Averages. 2.2% Pro Forma Increase	\$7,721	\$12,164	\$12,772	\$21,600	\$22,075
Mowing & Landscaping	Normalized Equals Seller's Disclosure. 2.2% Pro Forma Increase	\$0	\$0	\$20,160	\$20,160	\$20,604
Public Water	Normalized Equals Seller's Disclosure. 5.5% Pro Forma Increase	\$0	\$0	\$372	\$372	\$392
Private Sewer Expenses	\$350 per pump x 20.5 pumps per year + \$10000 annual	\$0	\$0	\$2,100	\$17,175	\$18,120
Trash	Adjusted to 3rd party contract at \$10 per lot/month - Currently LL	\$0	\$0	\$2,838	\$17,280	\$17,660
Electricity	Broker Adjusted to \$300 per month for park and lights and misc elec	\$2,635	\$0	\$3,261	\$3,600	\$3,744
Internet	Broker Estimate	\$0	\$0	\$0	\$1,200	\$1,226
Telephone	Broker Estimate	\$0	\$0	\$0	\$1,200	\$1,226
Employee Salaries	PM gets \$20 per lot/month	\$0	\$0	\$0	\$34,560	\$35,320
Payroll Taxes & Expenses	6% of payroll   NC rate: 5.65%	\$0	\$0	\$0	\$2,074	\$2,119
3rd Party Management	3.5% of Total Revenue	\$0	\$0	\$0	\$21,741	\$23,254
Office Supplies & Expenses	\$1.5 per lot/month	\$0	\$0	\$0	\$2,592	\$2,649
Legal Fees	Normalized Equals Seller's Disclosure. 2.2% Pro Forma Increase	\$0	\$0	\$5,243	\$5,243	\$5,358
Accounting Fees	EOY Tax Prep / K1's	\$0	\$0	\$0	\$1,500	\$1,533
Licenses / Permits / Dues	Estimate for Dealer's Licence and related items - Pro Forma assu-	\$0	\$0	\$0	\$1,200	\$1,226
Advertising	Broker Estimate	\$0	\$0	\$0	\$1,200	\$1,226
Credit Checks & Application Fees	Broker Estimate	\$0	\$0	\$0	\$1,200	\$1,226
Total Expense		\$11,677	\$12,164	\$71,847	\$186,198	\$213,891
Expense Ratio				11.60%	29.97%	32.19%
Net Operating Income (Excluding PC	DH Income)			\$547,575.24	\$434,985.48	\$450,521.4
Capitalization Rate (Lot Rent Only)				8.06%	6.40%	6.63%
POH Rental / RTO Income				\$982,452	\$705,839	\$729,238
Net Operating Income (Including PO	H Income)			11.56%	8.30%	8.58%
Debt Service Loan #1 (75% LTV, 4.7	75% Interest Rate, 25 Year Amortization) - Land			\$332,694	\$332,694	\$332,694
Debt Service Loan #2 ( \$2,000,000	Note, 7% Interest Rate, Interest Only 3 Years) - Homes			\$67,489	\$67,489	\$67,489
Cash Flow				\$582,270	\$305,656	\$329,055
Debt Service Coverage Ratio				2.46	1.76	1.82
Cash-On-Cash Return				34.14%	17.92%	19.30%
Total Return				40.50%	24.28%	25.66%

### Local Market <u>Information</u>

Angier, NC is located just 24.5 miles from the center of downtown Raleigh. It has a population that has seen an increase of almost 25% since 2010 and a median home price of \$173,600.

Located in Harnett County, which has a population of 129,000 people and a current median home price of \$144,700.

Raleigh-Metro was the fastest growing in the entire US from 2000-2010 seeing a growth of 47% and is predicted to continue to be the fastest growing metro through 2025.



Local Market Statistics							
	<u>Angiers</u>	Harnett County	Raleigh MSA				
Population	5,151	128,753	2,156,253				
Population Change	24.40%	18.10%	17.03%				
Medium Home Price	\$173,600	\$169,200	\$216,066				
Average Apartment Rent	\$930	\$787	\$1,086				
Family Median Home	\$39,798	\$44,417	\$62,794				

Parcel Outline & Property Photos

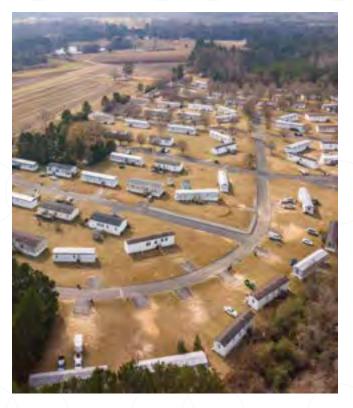
Marcus & Millichap Esterson MHC TEAM

Potfolio consists of 2 parks within 2500 feet of each other. Parks have a combinesd acerage of 107.1 acres. As you will see from the pictures the parks and the homes in the parks are all in above average condition. Be sure to click the link on the upper right to see many more photos.



### Click here for property photos









### Brokerage Team



Glenn D. Esterson

Senior Broker

In the 19 years Glenn has been in commercial real estate, He has successfully transacted more than 235 properties for his clients. In addition to his work as a broker, Glenn has owned and operated mobile home parks, runs a number of small businesses, and owned other commercial real estate assets.

Glenn re-joined Marcus & Millichap in 2019 with the vision of assisting buyers and sellers Nation wide 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.



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ESTERSON MANUFACTURED HOUSING TEAM

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#### Ben Yelm

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# Brentwood & Crepe Myrtle MHC