

# Head Acres Mobile Park

31084 Crabapple Way  
Gold Beach, Oregon



A 39 Space "All Ages" Manufactured Home Park  
Plus Four Single Family Homes and One "Manager" apartment

**January 2011**

**For Additional Information Contact:**

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Portland, OR 97224

# Head Acres MHP

Gold Beach, OR

## TERMS OF SALE

Sales Price:	\$ 1,700,000
Down Payment:	425,000
Balance to be Financed:	<u>\$ 1,275,000</u>

**Financing:** Seller to provide financing on the sale through a land sales contract based on approval of Purchaser. The contract terms to be 6.25% interest, amortized over 30 year schedule and contract payable in full at the end of year 10.

	<u>Financing</u>
<i>Principal</i>	\$ 1,275,000
<i>Amortization Term (mos.)</i>	360
<i>Interest</i>	6.25%
<i>Monthly Payments</i>	\$ 7,850
<i>Annual Payments</i>	\$ 94,200

### Investment Summary

<i>Price per Space</i>	\$38,636
<i>Capitalization Rate</i>	7.0%
<i>Net Operating Income</i>	\$118,300
<i>Cash Flow</i>	\$24,100
<i>Return on Cash Invested</i>	5.7%

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## Pro Forma of Income and Expenses

<u>Income</u> <sup>(1)</sup>		<u>Rent</u>	<u>Current</u> <u>Income</u>
39 MH Spaces	@	\$285	\$ 133,380
1 Apartment	@	\$500	6,000
1 5 Bed., 3 Bath Home	@	\$850	10,200
2 3 Bed., 2 Bath Home	@	\$600	14,400
1 4 Bed., 2 Bath Home	@	\$700	8,400
<hr/>			
44 Space Rental Income			172,380
Vacancy		3.0%	(5,171) <sup>(2)</sup>
Gross Effective Income			<hr/> \$ 167,209

### Expenses

Property Taxes		10,032	<sup>(3)</sup>
Insurance - 2009 Actual		5,468	
Septic Maintenance		2,500	<sup>(6)</sup>
Water Testing		1,200	<sup>(7)</sup>
Electricity - Budget		2,700	
<u>On-Site Manager Fees</u>	<sup>(4)</sup>		
Salary		6,000	
Space Rent		6,840	
Payroll Expense		1,926	
Repair/Maintenance - Budget		8,360	<sup>(5)</sup>
Office Expenses		1,500	
Legal and Accounting		1,000	
<b>Total Operating Expenses - 28.4%</b>			<hr/> 47,526

<b>Net Operating Income</b>	\$	119,683
<b>Debt Service</b>		94,200
<b>Before Tax Cash Flow</b>	\$	<hr/> 25,483

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## Pro Forma of Income and Expenses

### Notes

1. Current income accounts for Seller rent increase of \$20.00 per month effective 8/1/2010.
2. The mobile home park operates at 100% occupancy in general. The only vacancies have been made to upgrade the community with newer homes. The apartment is used by the owner and is intentionally left vacant.
3. Current taxes reflect actual in 2009/2010 for subject properties. Market value for the property is \$1,899,380.
4. The current on-site manager (#31) receives free space rent for the collection of rents and rule enforcement. The maintenance is handled by a tenant (#18) who receive \$500.00 per month compensation plus free space rent to monitor.
5. The majority of the maintenance in the park is completed by the on-site management employee. The rental homes have been upgraded and are rented to long-term tenants. Budgeted at 5% of gross income.
6. There are multiple septic tanks and drainfields located throughout the community that are pumped on a regular schedule. The newer 14 spaces to the south of the park are served by a RGF system operating under a Oregon DEQ WPCF permit.
7. Budget to cover annual and 3-year testing as required by Oregon DOH.

## **PROPERTY DESCRIPTION**

- GENERAL DESCRIPTION:** Head Acres is an established, 39-space, low density/large lot, rural mobile home park located just south of the Rogue River, approximately three miles east of Gold Beach, Oregon. In addition to the 39 spaces the offering includes four rental houses and a one bedroom, one bath apartment for a manager. ***See enclosed vicinity map.***
- COMMUNITY:** Gold Beach is a small coastal community of approximately 1900 residents located in Curry County. Curry County is the most southerly Oregon coastal county and has a population of approximately 22,500 residents. Gold Beach and Curry County are the center of a wide range of recreational activities including fishing, hiking, hunting, rafting and jet boat excursions on the Rogue River. The population has shown steady, sustained growth but still retains the character of a rural/ country life style. Gold Beach is the county seat of Curry County.
- SW/DW RATIO:** Thirteen (13) of the thirty nine (39) spaces are currently occupied by single wide homes. All spaces are large enough to accommodate a double wide home.
- SPACE SIZE:** Space sizes vary throughout the park but are all large enough to accommodate a full size double wide home. Spaces vary in width from 50 to 100 feet wide by 80 to 135 feet deep.
- MANAGEMENT:** On-site management/maintenance responsibilities are currently split between two residents who live in their own homes. Administrative duties are performed by a tenant

who receives free space rent in return for collecting and depositing rents, distributing tenant notices and handling issues involving the tenants. Maintenance duties, including collecting water and septic samples along with routine maintenance of the grounds, is performed by a tenant who receives free space rent and is paid \$500 per month. These individuals are not treated as employees; payroll taxes and W/C insurance are not paid or withheld.

- FAIR HOUSING STATUS:** Head Acres is designated as an "all ages" community, however there are no children living in the park and only four (4) residents under 55 years of age.
- AGE:** 25 Spaces in 1960. 14 new spaces in 1998. The houses were all built in the 1950's but have been remodeled.
- PARCEL SIZE:** 12.09 Acres
- ZONING:** R-2. A mobile home park is a legal, conforming use in the R-2 zone.
- FLOOD PLAIN STATUS:** Head Acres is located in flood zone "X". Zone "X" refers to "areas determined to be outside the .2% annual chance floodplain". Flood insurance is not required in this zone. There are no wetlands on the property.

**PROPERTY IMPROVEMENTS:**

- **STREETS:** Interior streets are 14-16 feet wide and are in average condition.
  
- **OFF STREET PARKING:** Off street parking is typically on gravel driveways/parking pads. Some tenants paved their driveways.
  
- **STORM DRAINAGE:** Storm water is collected by catch basins and drainage ditches that collect surface water and divert to a drainage ditch located along the county road that extends across the front of the property.
  
- **FIRE PROTECTION:** Public water extends across the front of the property; a fire hydrant is located adjacent to the west entrance in the public right of way.
  
- **INTERIOR LIGHTING:** Several overhead street lights are located throughout the property.
  
- **FENCES:** Most spaces are enclosed with four foot high chain link fences which were installed by the park but are maintained by the residents.
  
- **CARPORTS:** Carports are optional. All carports in the community are tenant owned and maintained.
  
- **STORAGE SHEDS:** Storage sheds are tenant owned and maintained.
  
- **UTILITY BUILDINGS:** Two wood frame utility/storage buildings are located on the property and are used for storage of park equipment, miscellaneous tools and supplies, etc.

## **UTILITY SYSTEMS:**

- **SEWER:**

The community sewer system is a private system with most spaces being served by either concrete or steel septic tanks with separate drain fields. Typically one or two homes are connected to a 1,000 or 1,500 gallon tank with its own drain field. The fourteen spaces that were developed in 1998 are served by a re-circulating gravel filter (RGF) system which incorporates five concrete septic tanks and 1,500 linear feet of drain field. This system operates under a DEQ operating permit that requires regular monitoring and reporting to insure system performance. An annual permit (\$650) is issued by the DEQ. The other systems are inspected and pumped on a regular basis. The soils in the area are well drained and function well for waste water disposal. Sewer lines are constructed of a combination of ABS plastic or Orangeburg Pipe, based on the date a given portion of the park was developed.

- **WATER SYSTEM:**

Four separate wells provide domestic water to the park. Each well is separately monitored for water quality. Two of the wells have ultra violet light treatment equipment; the owner is installing UV filter systems on the remaining wells in the near future. Each well system includes four 85 gallon bladder type pressure tanks to maintain uniform water pressure throughout the community-60 PSI. Park water lines are constructed of PVC plastic.



• **ELECTRICITY:**

Each space is served with 200 amp electrical service. The service is typically underground except in those cases where the age of the home provides for an overhead connection. Overhead power lines are located in the older section of the park closest to the county road.

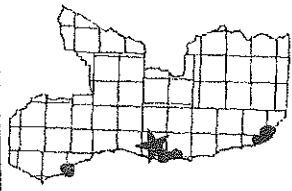
**EQUIPMENT:**

A Kubota tractor with back hoe attachment as well as two large riding lawn mowers and various landscape power tools are included with the sale.

**2009/2010 REAL PROPERTY TAX INFORMATION:**

<b>Account #</b>	<b>2009/2010 Taxes</b>	<b>Total Assessed Value</b>	<b>Acres</b>	<b>Market Value</b>
R11945	\$1,327.55	\$133,630	1.35	\$221,190
R12008	\$260.13	\$27,550	0.19	\$57,710
R12190	\$1,051.85	\$111,440	0.50	\$161,850
R12250	\$342.43	\$36,270	0.31	\$70,520
R12724	\$1,959.59	\$231,520	5.00	\$323,540
R12311	\$417.01	\$44,180	0.27	\$84,350
R12434	\$260.13	\$27,560	0.27	\$59,670
R12493	\$369.51	\$39,150	0.27	\$77,080
R12556	\$260.13	\$27,560	0.19	\$58,380
R12623	\$710.64	\$75,290	0.38	\$120,140
R12681	\$699.13	\$74,070	0.23	\$115,590
R12743	\$351.38	\$37,230	0.56	\$81,720
R12805	\$260.13	\$27,560	0.28	\$60,170
R12866	\$260.13	\$27,560	0.28	\$60,170
R12929	\$293.35	\$31,080	0.19	\$61,120
R12991	\$340.34	\$67,840	0.82	\$141,310
R13118	\$868.19	\$91,980	1.00	\$144,870
<b>Total</b>	\$10,031.62	\$1,111,470	12.09	\$1,899,380

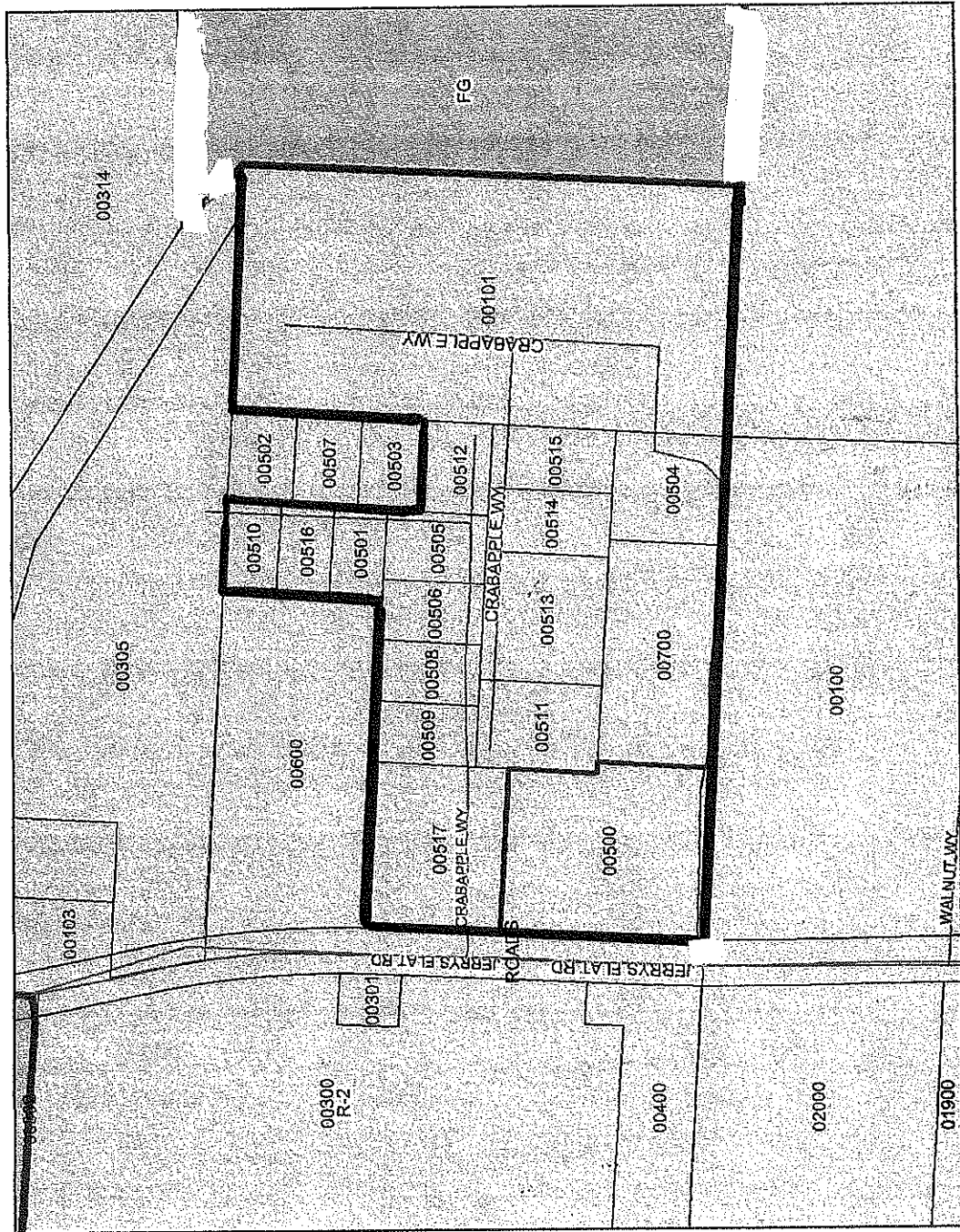
# Curry County Enterprise GIS



**Legend**

- ROADS MAP
- ROADS ORTHO CORRECTED
- PARCELS
- URBAN GROWTH BOUNDARY
- SDE.CURRY.ZONING\_COUNTY\_1

AFD	FG	FGIR2	I	I2R	I2R	INH	NH/R2	SI	MPA	GMA	NOT ZONED	PF	PF/INH	7PF	R-1	R-1-6	R-2	R-3	3R	RC	RC-10
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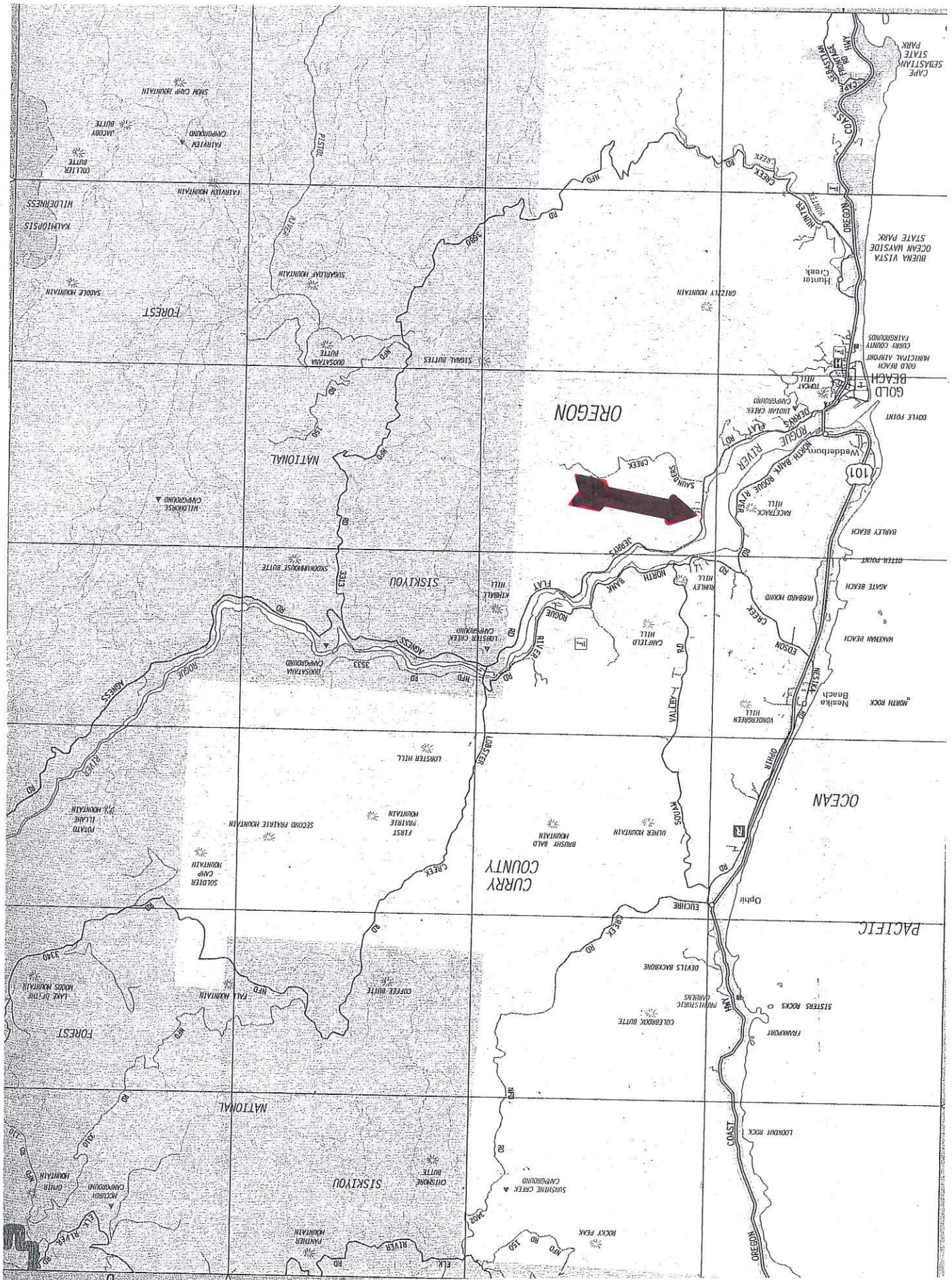
Map center: 42° 27' 14.0" N, 124° 22' 7.0" W



This map is a public resource of general information. Use this information at your own risk. Curry County makes no warranty of any kind, expressed or implied, including any warranty of merchantability, fitness for any particular purpose or any other matter.

Scale: 1:2,626









31084 Crabapple Way, Gold Beach, OR 97444

Image State of Oregon

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