

Mobile Manor MHP
3314 96th St.
Lakewood, Washington



114-space all-age, Manufactured Housing Community

March 2013

For further information contact:

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Mobile Manor MHP

Lakewood, WA

Terms of Sale

Price:	\$ 4,800,000
Down Payment:	<u>1,200,000</u>
Balance:	\$ 3,600,000

Financing: Purchaser to secure a new loan on the best available terms. Any and all costs associated with securing the new loan shall be borne by Purchaser. The debt service appearing in the pro forma reflects the following terms:

	<u>7-year Fixed</u>
Principal	\$ 3,600,000
Amortization Term (mos.)	360
Interest	4.17%
Monthly Payments	\$ 17,542
Annual Payments	\$ 210,504

<u>Investment Summary</u>	<u>Current Income</u>
Price per Space	\$ 42,105
Capitalization Rate	6.2%
Net Operating Income	\$ 299,836
Cash Flow	\$ 89,332
Return on Cash Invested	7.4%

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Pro Forma of Income and Expenses

<u>Income</u> ⁽¹⁾	<u>Rent</u>	<u>Current Income</u>
54 Spaces @	\$410	\$ 265,680
58 Spaces @	\$430	299,280
1 Studio Apartment @	\$400	4,800
1 1-Bedroom Apartment @	\$700	8,400
114 Total Rental Income		578,160
Less: 2013 Rent Increase Credit		(16,500)
Less: Vacancy	3.0%	(17,345) ⁽²⁾
Gross Effective Income		\$ 544,315
<u>Operating Expenses</u> ⁽³⁾		
Property Taxes	51,899	
Property Insurance	2,577	
Water	24,077	
"Net" Sewer	5,108 ⁽⁴⁾	
Garbage	31,742	
"Net" Electrical	5,935 ⁽⁴⁾	
Natural Gas	1,385	
<u>On-Site Management</u> ⁽⁵⁾		
Management	42,000	
Space Rent	7,380	
Payroll Expense	7,560	
Professional Management (4%)	21,773 ⁽⁶⁾	
Repair/Maintenance (5%)	27,216 ⁽⁷⁾	
Office Expenses	13,626	
Legal and Accounting	2,201	
Total Operating Expenses - 44.9%		244,479
Net Operating Income		\$ 299,836
Debt Service		210,504
Before Tax Cash Flow		\$ 89,332

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Pro Forma of Income and Expenses

Notes

1. Rents are being increased between \$25.00 - \$35.00 starting 1/1/13 on the anniversary date. The sewer and electrical recoup rates are also being increased with increases from the provider. The base rent includes water and garbage.
2. There is currently one vacant space in the community and two homes in foreclosure.
3. Unless otherwise stated, the expenses shown reflect actual 2012 expenses.
4. The park recoups from the tenants for electrical and sewer usage. In 2012, the rate increase was missed resulting in a greater "net" expense. The "net" expense shown represents 5% of the total electrical bill and 10% of the total sewer bill.
5. There are five on-site employees at the park. The manager receives a salary and free use of the home. There is an assistant manager, two maintenance employees and a park security monitor. The pro forma figures shown represents a budget for similar communities. The actual 2012 payroll expenses were \$74,545.
6. There is not currently professional management in place at the park.
7. Actual repair and maintenance in 2012 was \$40,822.94 which included a major electrical improvement project and remodeling for homes resold in the park.

PROPERTY DESCRIPTION

- GENERAL DESCRIPTION:** This 112 space mobile home park comes with two additional one bedroom/one bath apartments and a park owned trailer. It is located in the city of Lakewood (a suburb of Tacoma with a population of over 200,000) which is approximately 35 miles south of Seattle and 20 miles north from Olympia. It is in close proximity to I-5 making this park a desirable location for commuters. In addition, the property is very close to the Lewis/McChord Joint Base.
- AGE:** Built in 1954 but substantial upgraded through the years. The majority of the homes are 70's and 80's vintage.
- ACREAGE:** Mobile Manor's two parcels comprise approximately 14.3 acres.
- FLOOD PLAIN STATUS:** The property is not located in any known floodplains and has no wetlands.
- LOT SIZE:** Spaces range between 40' and 50' wide and approximately 70' deep.
- FAIR HOUSING STATUS:** Mobile Manor is designated as an all-ages community.
- IMPROVEMENTS:**
- Interior Streets
The streets are 30' asphalt with no sidewalks or gutters that are in generally good condition. There is a section in the NE corner of the park showing significant alligating.
 - Off-street Parking
Majority of the spaces have asphalt driveway that accommodate two vehicles. The remaining spaces have gravel off street parking. There are various visitor parking areas around the community.
 - Interior Lighting
Overhead streetlights are located throughout the park.

- Playground Mobile Manor features a fenced playground area which includes a play structure, swing set and concrete half basketball court.

- Storage Fenced gravel storage area is located at the rear of the park. A portion of the storage area is fenced.

UTILITY SYSTEMS:

- Electricity The spaces within the park are serviced by 100 amp (approximately 25-30 spaces) and 200 amp underground electrical service. The electrical service is master-metered and sub-metered to each space. The park bills the tenants monthly based on usage.

- Water Water is provided by the City of Lakewood and included in the space rent.

- Sewer Sewer services are provided by the City of Lakewood and billed back to the tenants based on the city rates.

- Cable TV Billed directly to tenants by the cable provider.

- Garbage Weekly individual can garbage service is provided by the park and includes one 32-gallon container per resident. There is also a 6-yard dumpster for yard debris.

MANAGER’S HOME: The sale includes a double-wide manufactured home that serves as the park office and home for the resident manager.

Contracts: The Park currently owns nine contracts worth approximately \$75,000. These are to be purchased for a percentage of the remaining sum of the contracts at the time of closing.

TAX INFORMATION: 2011/2012 TAX YEAR:

<u>Parcel #</u>	<u>Assessed Value</u>	<u>2011/2012 Taxes</u>
0319062037	\$2,855,200	\$48,015.93

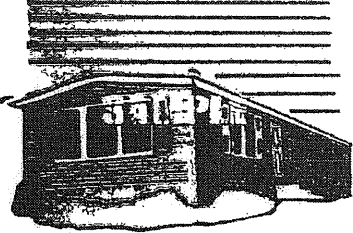
0319062043	272,700	3,883.35
TOTALS	\$3,127,900	\$ 51,899.28

FINANCING:

The underlying mortgage encumbering the community will be paid off at closing. The park will be sold free and clear of any encumbrances.

'96th Street South 60' R W

MOBILE MANOR M.H.P., LLC
3314 96TH ST. SOUTH
LAKEWOOD, WA 98409
PHONE: (253) 584-0889
FAX: (253) 588-4308



915	3411	3407	3403
105	106	107	108

02	104
06	103
10	102
14	101
18	100
22	99
26	98
30	97
02	96
06	95
10	94
14	93
18	92

84	9821	Mail Boxes
85	9825	9824 83
86	9829	9828 82
87	9901	9904 81
88	9905	9908 80
89	9909	9912 79
90	9913	9916 78
91	9917	9920 77

Managers Office 1

9608	2
9612	3
9616	4
9620	5
9629	6
9628	7
9632	8
9704	9
9708	10
9712	11
9718	12
9720	13
9724	14
9828	15
9732	16

46-A 9709
 34-A 9702
 21-A 9703

Statement Room
 114-A
 Maintenance Shop

17 9619
 18 9623
 19 9624
 20 9631
 22 9626

9618 37
 9622 36
 9626 43 RV
 9706 33

23 9715
 24 9719
 25 9723
 26 9727
 27 9731

9714 32
 9715 31
 9972 113-A
 9725 30
 9730 29 RV
 9734 28

38	9601
39	9603
40	9609
41	9613
42	9617
44	9701
45	9705
47	9713
48	9717
49	9721
50	9725
51	9729
52	9733
53	9813
54	9817
35-A	9614
55	9821
56	9825
57	9901
58	9905
59	9909
60	9913
61	9917

PLAY GROUND

RV Storage \$30.00 per month







bing Maps

3314 96th St S, Lakewood, WA 98499

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