

## **Regal Mobile Estates**

2700 Fruitvale Blvd.

Yakima, WA



An established, 78 space senior 55+ community plus single family home used as the manager's residence and the park office

January 2009

Offered by:

**Commonwealth**  
Commercial Brokerage Company

7007 SW Cardinal Lane, Suite 185  
Portland, OR 97224

For Further Information Contact:

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### **Terms of Sale**

Price:	\$ 2,675,000
Down Payment:	950,000
Balance:	<u>\$ 1,725,000</u>

**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 a quote received from First Mutual with the following terms:

	<b><u>5-Year Fixed</u></b>
<b>Principal</b>	\$ 1,725,000
<b>Amortization Term (mos.)</b>	360
<b>Interest</b>	6.50%
<b>Monthly Payments</b>	\$ 10,903
<b>Annual Payments</b>	\$ 130,836

<b><u>Investment Summary</u></b>	<b><u>Annual Income 12/08</u></b>	<b><u>Stabilized Income</u></b>
Price per Space	\$ 34,295	
Capitalization Rate	7.3%	7.5%
Net Operating Income	\$ 194,635	\$ 200,150
Cash Flow	\$ 63,799	\$ 69,314
Return on Cash Invested	6.7%	7.3%

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## Pro Forma of Income and Expenses

<u>Income</u> <sup>(1)</sup>	<u>Rent</u>	<u>Annual Income 12/08</u>	<u>Stabilized Income</u>
2 Spaces @	\$325	\$ 7,800	\$ 7,800
7 Spaces @	\$330	27,720	27,720
67 Spaces @	\$335	269,340	269,340
1 Asst. Mgr. Space @	\$335	4,020	4,020
1 Mgr. House @	\$335	4,020	4,020
<hr/>		<hr/>	<hr/>
78 Rental Income		312,900	\$ 312,900
Other Income		2,820 <sup>(2)</sup>	2,820
Less: Vacancy/Credit Loss-Budget		(24,710) <sup>(5)</sup>	(3,129) <sup>(1%)</sup>
Gross Effective Income		<hr/> <b>\$ 291,010</b>	<hr/> <b>\$ 312,591</b>
 <b><u>Operating Expenses</u></b>			
Property Taxes	19,298 <sup>(6)</sup>		35,364
Personal Property Tax	517		
Insurance	2,716		
Electricity	6,498 <sup>(3)</sup>		
Gas	2,040 <sup>(3)</sup>		
Garbage	3,198 <sup>(3)</sup>		
Utility Billing Expense	2,426 <sup>(3)</sup>		
<u>On-Site Manager Fees</u>			
Salary	16,071		
Space Rent	8,040		
Payroll Expense	2,356 <sup>(3)</sup>		
Repair/Maintenance	19,557 <sup>(3)</sup>		
Septic Service	6,543 <sup>(3)</sup>		
Office Expenses	5,990 <sup>(4)</sup>		
Legal and Accounting	1,125 <sup>(3)</sup>		
<b>Total Operating Expenses</b>		<hr/> <b>96,375</b>	<hr/> <b>112,441</b>
 <b>Net Operating Income</b>		 <b>\$ 194,635</b>	 <b>\$ 200,150</b>
<b>Debt Service</b>		<b>130,836</b>	<b>130,836</b>
<b>Before Tax Cash Flow</b>		<hr/> <b>\$ 63,799</b>	<hr/> <b>\$ 69,314</b>

### Notes

1. Rents increased by \$15.00 effective 12/1/08.
2. Other Income includes revenue received from laundry, RV storage and water sales to a neighboring home located outside of the park.
3. The pro forma reflects actual YTD 2008 income pro rated for 12 months.
4. Office expenses include telephone, advertising, payroll processing and other administrative expenses. The pro forma reflects actual YTD 2008 income pro rated for 12 months.
5. There are currently 4 vacancies. Two of the vacancies are RV spaces; the other two vacancies are short single wide spaces. the Owners are placing homes on vacant
6. 2008 property taxes reflect an assessed value of \$1,547,150. Projected "stabilized" expenses represents the estimated 2010 property taxes using the current millage rate of \$12.4739/\$1,000 multiplied by an assessed value of \$2,835,000.

# Regal Mobile Estates

Yakima, WA

## PROPERTY DESCRIPTION

**GENERAL DESCRIPTION:** Regal Mobile Estates is an established 55 and older mobile home park located in the central Washington city of Yakima. Regal Mobile Estates features 74 manufactured home spaces plus 4 RV spaces as well as a recreation room with laundry facilities and office. A 1,284 square foot, single family home is also located on the property and is used as the manager's residence.

Yakima has an estimated 2008 city population of 84,300 and a metropolitan area population of close to 250,000, Yakima is the 10<sup>th</sup> largest city in Washington. Yakima is located approximately 135 miles east of the Seattle area. Although there is a strong recreational and retirement draw due to the weather and the city's proximity to some of the most beautiful wilderness areas in the U.S., Yakima is most famous for its' farming. The area produces 75% of all hops grown in the U.S. and is one of the best apple growing regions in the world. More recently, the Yakima Valley has become home to some of the best Northwest wineries. Because of its' climate relative to the rest of the state, Yakima has been referred to as "The Palm Springs of Washington".

**AGE:** 1968.

**PROPERTY SIZE:** 8.17 acres

**ZONING:** R-3 Multifamily Residential - High Density. Regal Mobile Estates is a pre-existing, conforming use within the R-3 zone. Regal Estates was annexed into the city of Yakima in 1996.

**FAIR HOUSING STATUS:** Regal Mobile Estates is designated as a 55 and older community.

**FLOOD PLAIN STATUS:** The property is located in flood zone "x". Flood zone "x" refers to locations outside the 500 year flood

plain. The property is identified on FEMA map/Panel Number 5303110004B.

**SPACE SIZES:**

Typical spaces measure 42-45 feet wide by 60-66 feet deep. Double wide homes are located on spaces that measure 42-48 feet wide. Single wide spaces vary in width from 30-42 feet wide by 51-60 feet deep. The RV spaces measure 20 feet wide by 33 feet deep.

**SW/DW RATIO:**

There are currently 26 doublewide homes in the park. Four spaces are size limited and will only accommodate RVs. The remaining spaces are occupied by single wide homes.

**IMPROVEMENTS:**

- ◆ Interior Streets: Interior streets are 22'-27' wide and are in fair to average condition. Some sections of the streets have cracks and areas of "alligatoring".
- ◆ Interior Lighting: Overhead streetlights are located throughout the community.
- ◆ Perimeter Fencing: The park is surrounded by a combination of chain link and farm-type fencing.
- ◆ Off-Street Parking: Each space is provided with off-street parking for one or two vehicles on concrete or asphalt driveways/parking pads. Two spaces have gravel driveways.
- ◆ Carports/Storage Units:
- ◆ RV Storage: A small, fenced, graveled RV storage area is located at the rear of the park and is available for resident use. The storage area can accommodate 7-8 vehicles.
- ◆ Fire Suppression: Fire hydrants are located throughout the park.
- ◆ Recreation Building/office: A 1,000 sq. foot cement block building located near the rear of the park contains a small kitchen with adjacent meeting room. The building also contains a separate office and laundry facilities.
- ◆ Laundry Facility: The laundry area is co-located with the kitchen and contains two park owned washing machines and dryers.

- ◆ Park owned Home A 1,284 square foot two bed room, one bath, single family home is located at the rear of the property and serves and the manager's residence.

## **UTILITIES:**

- ◆ Sewer: The sewage disposal system is private and consists of 19 concrete septic tanks with adjacent drain fields. All septic tanks are pumped on a regular, annual schedule.  
  
There is no separate drain field repair area on site; however, a city sewer main line is located adjacent to the park on Castlevale Road. According to conversations with the city, the community would be able to connect to the city sewer system with no connection fee by extending the city main from Castlevale to Fruitvale down 28<sup>th</sup> Ave. which is approximately 800 feet. The interior sewer lines of the community might need to be upgraded as well to accommodate the modification.
- ◆ Electricity: The spaces are served by either 100, 150 or 200 amp electrical service. The service is provided by Pacific Power and billed directly to each homeowner. Most of the spaces are served from overhead power lines. The RV spaces are served by 50 amp power.
- ◆ Natural Gas: Natural gas is provided by NW Natural Gas and billed directly to each homeowner.
- ◆ Cable TV and Telephone: Cable TV and telephone service are provided by a private vendor and billed directly to each homeowner.
- ◆ Water: Domestic water is provided by two wells, one of which is in a standby mode and is not "on line" with the active well. The pressure system consists of five 81 gallon "bladder type" tanks. The water system has an automatic chlorinator. A 16" municipal water main runs along the south side of the property on Castlevale Ave. and would be available if required in the event the wells were not able to meet the water needs of the park. As of December, 2008, the connection fees associated with tying to the City of Yakima water lines would \$16,000 for a 3" master

water meter. Water lines are made of galvanized iron. According to the manager, water pressure is good throughout the park.

- ◆ Irrigation Water: Irrigation water is supplied by a local irrigation district. There are two irrigation pumps. The park owns shares in the local irrigation water association ensuring a long term supply of irrigation water to the community.
- ◆ Storm Sewer: There is no storm sewer system in the park. Streets are flat; storm water drains onto tenant lawns/spaces.
- ◆ Garbage: Individual can garbage cans service and recycling is provided by Yakima Waste Disposal. Residents pay for their own garbage service. The garbage expense listed in the pro forma relates to garbage service for the park manager and disposal of yard debris from maintenance of the common areas and park landscaping.
- ◆ Park Owned Homes There are two park owned homes that are set up and are offered for sale. A short double wide is located on space 70; a small RV is located on space 34, a short single wide space. These homes are not included in the sale.
- ◆ Rental Homes There are no park owned rental homes or non tenant owned homes in the park
- ◆ Carports/Storage Sheds Tenant owned and maintained carports and storage sheds are located on most spaces.

**2008 REAL PROPERTY TAX INFORMATION:**

<u>PARCEL</u> <u>NUMBER</u>	<u>LAND</u> <u>VALUE</u>	<u>IMPROVEMENT</u> <u>VALUE</u>	<u>TOTAL VALUE</u>	<u>TAXES</u>
181314-31088	\$533,850	\$1,013,300	\$1,547,150	\$19,298.59

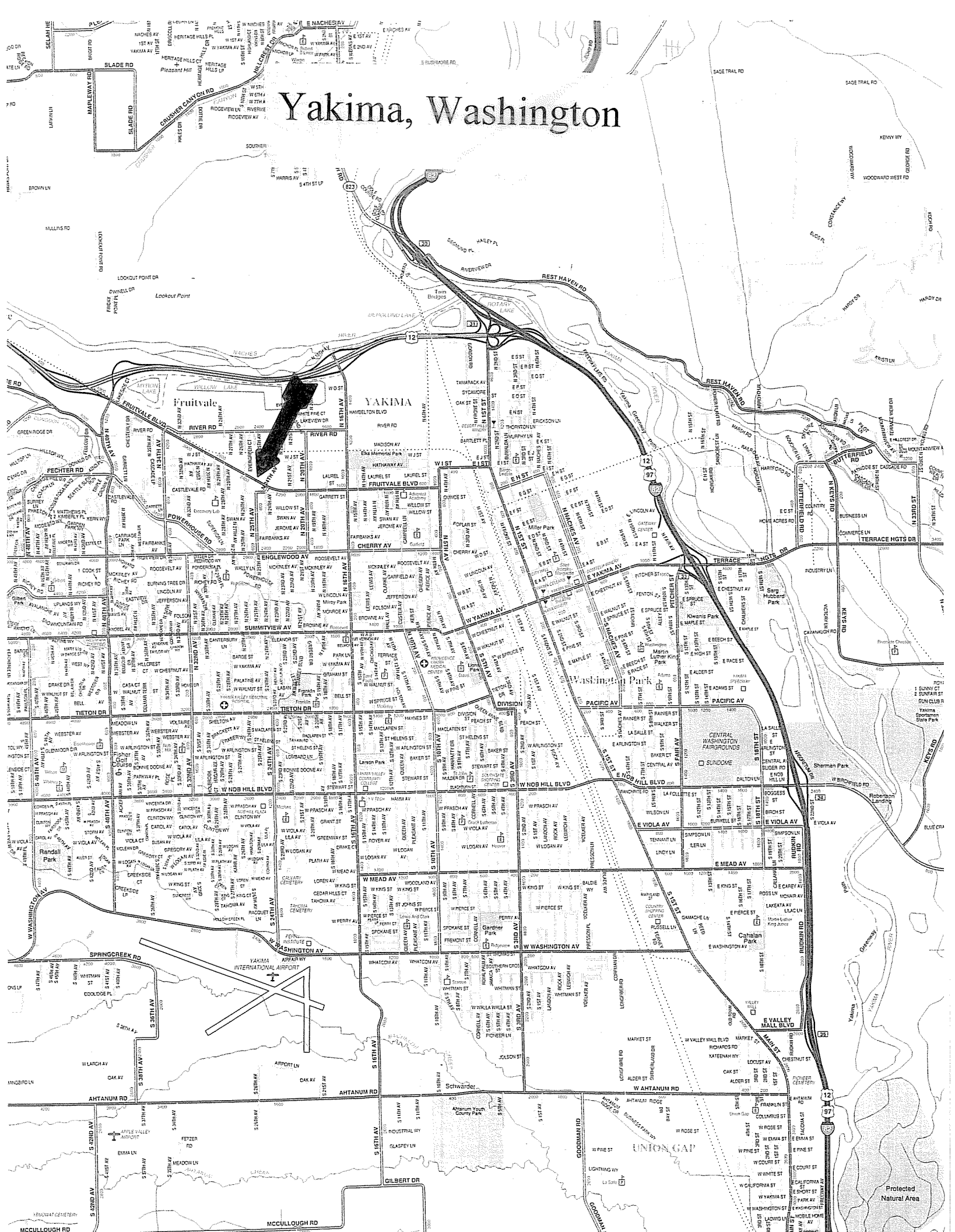
**UNDERLYING FINANCING:** Regal Mobile Estates is encumbered by a loan with First Mutual Bank. The loan has a current balance of approximately \$1,224,000 and will be paid off by the Seller at closing.







# Yakima, Washington



# Regal Estates - Yakima, WA



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