

Washington Square Mobile Home Park
1111 SW Washington Avenue
Kennewick, Washington



A 48-space "All-Ages" Community

December 2008

For further information contact:

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7007 S.W. Cardinal Lane, Suite 185
Portland, Oregon 97224

**Washington Square Mobile Home Park
Kennewick, Washington**

Terms of Sale

Price:	\$1,750,000
Down Paymer	600,000
Financing:	<u>\$1,150,000</u>

Financing: The debt service in the pro forma is based on a loan with Washington Federal based on a 5-year fixed rate loan amortized over 30 years with the following terms:

	<u>5-Year Fixed</u>
Principal	\$ 1,150,000
Amortization Term (mos.)	360
Interest	6.50%
Monthly Payments	\$ 7,269
Annual Payments	\$ 87,228

Investment Summary

Price per Space	\$ 36,458
Capitalization Rate	7.0%
Net Operating Income	\$ 122,505
Cash Flow	\$ 35,277
Return on Cash Invested	5.9%

**Washington Square Mobile Home Park
Kennewick, Washington**

Pro Forma of Income and Expenses

	<u>Rent</u>	<u>Current Income</u>
Income ⁽¹⁾		
48 Spaces @	\$299	\$ 172,224
Less Vacancy Credit @ 5% ⁽²⁾		<u>(8,611)</u>
Rental Income		\$ 163,613
Miscellaneous Income		
* RV storage/Other ⁽³⁾		1,680
* Water/sewer collections ⁽³⁾		<u>8,918</u>
Total Misc. Income		10,598
 Total Gross Income		 \$ 174,211
 Expenses		
2008 Property Taxes ⁽⁵⁾		13,010
Insurance		1,180
Water/Sewer ⁽³⁾		12,426
Garbage - by tenant		-
Electricity ⁽³⁾		3,199
On-Site Manager		
* Salary @ \$350/mo.		4,200
* Space Rent		3,588
* Payroll Taxes & W/C ⁽³⁾		948
Maintenance @ 5% ⁽⁴⁾		8,181
Office and Miscellaneous ⁽³⁾		4,243
Professional Fees ⁽³⁾		<u>731</u>
Total Operating Expenses		\$ 51,706
 Net Operating Income		 \$ 122,505
Debt Service		87,228
Before Tax Cash Flow		\$ 35,277
% of Return		5.9%

Notes

1. Seller has put in effect a rent increase of \$10.00 effective March 1, 2009.
2. There are currently three vacant spaces in the park.
3. Represents actual 2007 figures.
4. Actual 2007 expenses repair and maintenance expenses were \$5,865.
5. Based on the current tax rate, the adjusted property taxes could be increased to \$21,399 based upon the sales price of \$1,750,000. The values were last assessed in 2008 and are reassessed every five years.

PROPERTY DESCRIPTION

- GENERAL DESCRIPTION:** Washington Square is an older, well-maintained, 48 space, "all-ages" manufactured home community containing a mix of both older and newer doublewide and singlewide manufactured homes.
- LOCATION:** Washington Square is located within the city limits of Kennewick, Washington, on the east side of Washington Avenue. A second entrance is located off 10th avenue, just east of the intersection of Washington Street and 10th avenue. (see enclosed vicinity map). The immediate neighborhood is improved with both new and older average, quality, single-family residential homes. Tenth Avenue is improved with numerous commercial businesses; a local hospital is located a few blocks west of Washington Square MHP.
- Kennewick, Washington is one of the cities comprising the Tri-Cities, the other two sister cities being Richland and Pasco. The Tri-Cities boast a population of 191,822 according to the 2000 census. The economic base of the area is tied to high-tech firms such as Westinghouse, Battelle-NW, and Exxon Nuclear serving the nuclear reservation at Hanford. The local economy is also bolstered by a growing agricultural business sector that includes farming, ranching and food processing. Several chemical industries are also established in the area.
- AGE:** 1970's (estimated)
- PROPERTY SIZE:** 5.28 acres. The property owner is in the process of partitioning a single family home off from the park; the exact acreage of the parcel after the partition is completed is unknown at this time.
- ZONING:** Residential Trailer Park. Washington Square is a legal conforming use within the RTP Zone.
- FAIR HOUSING STATUS:** Washington Square is designated as a family, all-ages community. Eleven spaces are occupied by senior tenants; 13 spaces are occupied by adult tenants

without children. The remaining spaces are occupied by families with children.

SW/DW RATIO:

At the present time, 12 spaces are occupied by double wide homes. Two of the three vacant spaces will accommodate a double wide home. The remaining 33 spaces are occupied by single wide homes.

SPACE SIZE:

Space sizes vary throughout the park. Individual spaces are aligned at varying angles as opposed to being perpendicular to the street. See enclosed site plan. Single wide spaces measure 30-35 feet wide by 65-100 feet deep; typical double wide spaces measure 45-48 feet wide by 70 to 85 feet deep.

FLOOD PLAIN STATUS:

The property is located in flood zone "C", areas corresponding to areas outside the 1% chance of flooding. Flood insurance is not required in these areas. Reference: FEMA panel # 530011 0008F.

MANAGER:

The on site manager lives in their own home and has been serving as park manager for over four years.

IMPROVEMENTS:

- ◆ Street Design/Construction: Interior streets vary in width throughout the park. The main drive is 24 feet wide; side streets measure 16 to 20 feet wide. The street surfaces are in fair condition. The streets are bordered by 18" wide concrete sidewalks.
- ◆ Off Street Parking: Most spaces are provided with off street parking on asphalt or concrete driveways/parking pads for two vehicles. Some spaces are restricted on cul de sacs are restricted to on street parking.
- ◆ Interior Lighting: Individual low height yard lights are located on each space adjacent to the driveway. Overhead street lights are also located throughout the park.

- ◆ Perimeter Fencing: The property is enclosed with various types of screening. Most of the perimeter is enclosed with an old wood fence in poor condition. A portion of the perimeter is enclosed with an arborvitae hedge. Two sides of the RV storage area are enclosed with a 6 foot high chain link fence.

- ◆ Carports/Storage Units: Carports are optional; storage sheds are owned and maintained by the individual homeowners.

- ◆ Home Improvements: Most homes have awnings or covered patios.

OTHER IMPROVEMENTS:

- ◆ Park-owned Homes: All homes are tenant owned. There are no rental homes in the park.

- ◆ RV Storage Area: A small dirt/graveled RV storage area is located at the rear of the park and is large enough to store 4-5 vehicles. Two sides of the perimeter are enclosed with a 6 foot high chain link fence.



- ◆ Storage Shed: A wood storage shed measuring approximately 8' by 16' is located adjacent to the RV storage area.

UTILITIES:

- ◆ Electricity: 200-amp underground electrical service is provided to each space. Each homeowner pays the utility provider, Benton County PUD, directly for electrical service.
- ◆ Cable TV/Telephone: Underground telephone and cable TV service is provided to each space. Each homeowner pays for these services directly to the utility providers.
- ◆ Water System: Public water is provided to the park and is metered by the park to each space. The water system is constructed of PVC plastic. Water usage is billed back to each tenant on a monthly basis.
- ◆ Fire Protection: A fire hydrant is located on Washington Street in front of the park.
- ◆ Sewer System: Public sewer is provided to the park and is billed back to each tenant on a monthly basis along with water usage. Water and Sewer are provided by the City of Kennewick.
- ◆ Natural Gas: Natural Gas is provided to many of the spaces. The gas lines are owned and maintained by the local gas company.
- ◆ Garbage Service: Garbage service is provided by Waste Management and is billed directly to each tenant by the garbage provider.
- ◆ Irrigation System: A private well and separate irrigation system provides irrigation water to each tenant space.

2008 PROPERTY TAXES:

Acct. #	Value - Land	Value – Imp.	Total	2008 Taxes
107802000041001	\$155,410	\$664,340	\$819,750	\$10,025.49
107802000089000	\$47,410	\$190,840	\$238,250	\$2,985.54
Total	\$202,820	\$855,180	\$1,058,000	\$13,011.03

Note: The property tax values and taxes listed above include tax value and taxes for a three bedroom, two bath single family home currently located on the property. The property owner is in the process of legally separating the house from the mobile home park. This effort will be completed prior to the sale. New, adjusted tax values and taxes will not be known until after the legal segregation is completed.

Washington St



RM-6
BK 121 LT

1211

4 B 11th

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12

14

16

18

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26

32

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102

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106

108

1026

RTP

BK 30 LT

1024

11

1111

S Washington

9 E 11th

13

17

1022

1016

1012

1008

1005

1009

1004

1000 S Alder Pl

1011

1013

1021

1023

1025

1029

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1024

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BK 24 LT

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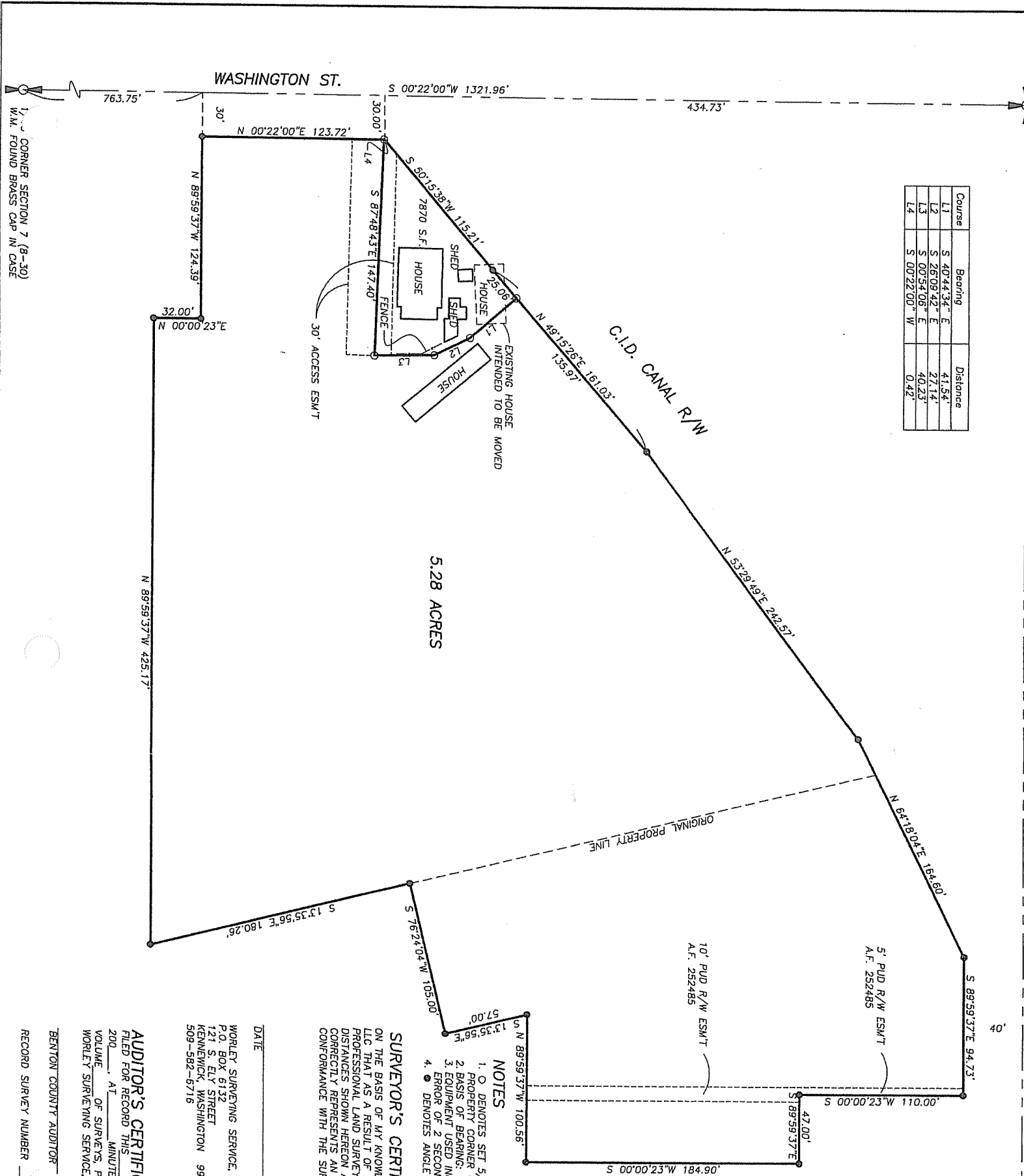
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RM-6

BK 31 LT

205

Course	Bearing	Distance
L1	S 40°44'34" E	41.54'
L2	S 26°09'42" E	27.14'
L3	S 00°54'06" E	40.23'
L4	S 00°22'00" W	0.42'



5.28 ACRES



- NOTES**
1. O DENOTES SET 5/8" IRON PINS WITH PROPERTY CORNER UNLESS NOTED OTHERWISE
 2. BASIS OF BEARING: RECORDED SURVEY 2962
 3. EQUIPMENT USED INCLUDED A LEICA TPS
 4. ERROR OF 2 SECONDS AND 5 MM ± S.F
- DENOTES ANGLE POINT, P.C., P.T OR B.I

SURVEYOR'S CERTIFICATE

ON THE BASIS OF MY KNOWLEDGE, INFORMATION, I LLC THAT AS A RESULT OF A SURVEY MADE TO PROFESSIONAL LAND SURVEYORS PRACTICING IN THE DISTANCES SHOWN HEREON ARE AS STAKED ON THE CORRECTLY REPRESENTS AN ACTUAL FIELD SURVEY CONFORMANCE WITH THE SURVEY RECORDING ACT.

DATE _____

WORLEY SURVEYING SERVICE, INC., P.S.
 P.O. BOX 6132
 121 S. ELY STREET
 KENNEWICK, WASHINGTON 99336
 509-582-6716

AUDITOR'S CERTIFICATE

FILED FOR RECORD THIS _____ DAY OF _____ AND VOLUME _____ OF SURVEYS, PAGE _____ AT THE WORLEY SURVEYING SERVICE, INC., P.S.

BENTON COUNTY AUDITOR _____

RECORD SURVEY NUMBER _____

1/4 CORNER SECTION 7 (8-30)
 W.M. FOUND BRASS CAP IN CASE

WASHINGTON ST.

C.I.D. CANAL R/W

30' ACCESS ESM/T

10' PUD R/W ESM/T
A.F. 252485

5' PUD R/W ESM/T
A.F. 252485

763.75'

434.73'

30'

32.00'

N 89°59'37"W 425.17'

N 89°59'37"W 124.39'

N 00°00'23"E

N 00°22'00"E 123.72'

S 00°22'00"W 1321.96'

S 87°48'43"E 147.40'

30.00'

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Date Prepared 11/17/2008 - Mobile Home Park Survey - Benton County, Washington

<u>NAME/LOCATION</u>	<u># SPACES</u>	<u>YEAR BUILT</u>	<u>AMENITIES</u>	<u>BASE RENT</u>	<u>EXTRA TENANT CHARGES</u>	<u>DATE/AMOUNT LAST INCREASE</u>	<u>VACANCY</u>
Sun Meadows MHC 3324 W. 19th Ave. Kennewick	193	1975	Rc, SP F	\$365	w,s,g,c	6/05 \$25	27 4/08
Alyson Manor 2021 Stevens Dr. Richland	126	1971	F, RC,	\$350	w,s,g,c	1/08 on ann \$20	4 4/08
Desert Pines MHP 312 S Columbia Center Blvd Kennewick	118	1975	SR,	\$375	w,s,g,c	1/07 \$15	2 4/08
Columbia M. Village 4901 W. Clearwater Kennewick	159		F, RC		w,s,c		
GreenBriar Village 7901 w. Clearwater Kennewick	103	1973	SR,	\$350		1/08 \$10	4 4/08
Sunset Estates 2101 N. Steptoe Kennewick	169	1979	F, RC	\$341	g,c	1/08 \$8	7 4/08
Cherry Hill 2917 W. 19th Ave.	166	1985	F, RC	\$350	w,s,g,c	1/08 \$10	0 5/08
Richland MHP 40 Apollo Blvd. Richland	311		F, RC, P	\$355 to \$380	w,s,g	1/08 \$10	8 4/08

Benton County, Wa rent survey - 1 - 11/17/2008; R = Rec Bldg; RV = Recreational vehicle Parking; S = Seniors; F = Family; Extra Charges: water/sewer/garbage/cable; XO = Extra Occupant; SP = Swimming Pool; T = Tennis; SW = Single wide; DW = Double Wide; C

Washington Square MHP - Kennewick, WA



Washington Square MHP - Kennewick, WA

