

# MIRAGE ESTATES MH COMMUNITY

## 220 S. Elk Street, Hemet, CA



- \$3,950,000 Sales Price
- Only \$24,534 Per Site
- 161 Sites, Clubhouse, Pool, Spa, Two Playgrounds, Half Doublewides
- 53 New Manufactured Homes Installed 2003-2011, 12.42 Acres
- 29% Vacancy-Huge Upside
- 7.7% Cap Rate As Is, Assumable Financing

***For Further Information Contact:***  
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<b>MANUFACTURED HOUSING COMMUNITY</b>		<b>Price</b> <b>\$3,950,000</b>	
Mirage Estates Manufactured Housing Community 161 Sites, All Ages Manufactured Housing Community Existing 7.7% Cap Rate & Value Added Opportunity with 29% Vacancy		<b>Down Payment</b> <b>Cash to existing loan or</b> <b>Submit</b>	
<b>Address/City</b> 220 S. Elk Street, Hemet	<b>County</b> Riverside	<b>State</b> California	
<b>Capitalization Rate</b> 7.7%	<b>Age</b> Built 1963, Renovated 2000+2001	<b>Loan</b> Assumable	
<b>Parcel Size</b> 12.42 Acres	<b>No. Spaces</b> 161	<b>Water</b> City	<b>Sewer</b> City
<b>Listing Salesman</b> John Grant (858) 586-9400, www.parkbrokerage.com		Price per Site: \$24,534	
<p><b>DESCRIPTION AND TENANT INFORMATION:</b> 161 spaces, all ages manufactured housing community with potential for huge upside to fill 47 vacant sites at very high 29% vacancy rate. Excellent location in downtown Hemet near all services. Upgraded community built by Travelodge with a pool, spa, 3,113 square feet clubhouse with two offices, rec room, tv room, kitchen and bathrooms. Separate 1,096 square feet laundry room and maintenance building, and beautiful wrought iron gated entry. Clubhouse remodel completed in 2004 along with two playgrounds and landscaping improvements. Space rents are \$450 with some new residents at home purchase incentive rents of \$195 year 1, \$295 year 2, and \$395 year 3, plus submetered gas, electric, and water charges, and flat rate of \$20.92 sewer and \$11.72 trash. City sewer and water utilities and 50 amp electric. Approximately half doublewide manufactured homes and half singlewide homes. Almost all the sites can accommodate doublewide homes. Park installed 51 new manufactured homes during the boom 2004-2007 years and 20 homes went repo during the downturn. Ownership bought a number of lender repos and have three newer homes and three under homes sold under lease/option contracts with rents between \$625-\$800. Park has sold twenty manufactured homes carrying notes of approximately \$600,000 at 10% interest with monthly payments amortized over 15 years and due in 3 years. The market has stabilized and the repos have almost ended. The homes owned by the park sold under lease/option contracts are included in the sale and the \$600,000 in manufactured home notes can also be purchased. Strong rental demand and a new owner can make huge upside by installing new 3 bedroom manufactured homes for rent at \$1,000 per month. See attached excel spread sheet. For more information, visit the community's web site at <a href="http://www.mirageestates.com">www.mirageestates.com</a>. <b>GREAT UPSIDE, ASSUMABLE FINANCING, CITY UTILITIES, BEAUTIFUL AMENITIES, ONLY \$24,534/SITE!!!</b></p>			
<b>TOTAL ESTIMATED NET INCOME BEFORE DEBT SERVICE</b>		\$ 303,983	
<b>LOAN INFORMATION</b>  Assumable 1 <sup>st</sup> Trust Deed: \$1,928,000 at 6.07% with monthly payments of \$12,081.17 with \$2,003.12 to principal. Loan is due June, 2018. Loan does not allow secondary financing but Seller may carry financing secured by another property of Buyer.	<b>TOTAL ANNUAL PRIN. &amp; INTEREST PAYMENT</b>		\$144,974
	<b>EST. ANNUAL PRE-TAX CASH FLOW (SPENDABLE)</b>		\$159,009
	<b>PLUS PRINCIPAL REDUCTION YEAR 1</b>		\$30,000
	<b>TOTAL RETURN</b>		\$189,009

The information contained herein has either been given to us by the owner or the property or obtained from sources that we deem reliable. We have no reason to doubt its accuracy but we do not guarantee it. Vacancy factors used herein are an arbitrary percentage used only as an example. It does not necessarily relate to actual vacancy, if any. The value of this investment is dependent upon these estimates and assumptions made above, as well as the investment income, the tax bracket and other factors

MIRAGE ESTATES MANUFACTURED HOUSING COMMUNITY

		<b>ACTUAL</b> Year End 2008	<b>ACTUAL</b> Year End 2009	<b>ACTUAL</b> Year End 2010	<b>ACTUAL</b> Year End 2011	<b>Broker</b> <b>Proforma</b>					
<b>REVENUES</b>											
	Credit Check	1,050	735	910	944	944					
	Electric	90,086	88,021	80,710	82,466	82,466					
	Gas	51,166	35,283	37,781	34,299	34,299					
	Laundry	1,959	1,258	1,170	1,113	1,113					
	Rental	621,376	654,421	629,395	548,516	548,516					
	Sewer	27,924	28,421	30,215	28,384	28,384					
	Trash	18,014	17,814	17,217	16,209	16,209					
	Cable TV	33,000	32,670	26,224	0	0	←	Park cable tv service has been discontinued. Residents now contract directly.			
	Water	41,782	46,078	47,696	49,225	49,225					
	<b>TOTAL REVENUES</b>	<b>886,357</b>	<b>904,701</b>	<b>871,318</b>	<b>761,156</b>	<b>761,156</b>					
<b>EXPENSES</b>											
	Automobile	676	629	416	680	680					
	Bank Charges	708	1,064	1,234	1,020	1,020					
	Brochures	0	0	145	0	0					
	Dues & Subscriptions	6,152	5,921	1,986	6,611	3,000					
	Insurance-Employee	972	1,376	0	0	0					
	Insurance-Health	11,243	9,492	10,152	8,258	4,000					
	Insurance-Liability	9,576	11,691	9,717	13,477	13,477					
	Insurance-WC	6,131	4,916	6,460	3,828	3,828					
	Insurance-Tenant Discrim.	1,386	0	0	0	0					
	Land Lease	15,558	12,226	18,472	23,274	15,688	←	Property is subject to a land lease that expires January/2052 at a rental payment of 11% of space rents only. However, Seller owns 74.165% of the land ownership and has a controlling interest in the underlying land.			
	Licenses & Permits	3,189	3,786	3,660	8,918	4,000					
	Management Fees	30,939	32,586	31,854	29,868	29,868					
	Payroll	76,751	69,853	58,238	55,129	60,000					
	Professional Fees	5,125	11,552	7,230	7,467	7,467					
	Repairs	63,423	36,600	32,392	40,163	40,163					
	Repairs-Streets + Driveway	4,880	32,825	4,080	4,080	4,080					
	Landscaping	392	1,879	15,636	17,515	17,515					
	Remove Old Mobile Homes	10,500	11,300	6,510	8,300	3,000					
	Security	1,630	0	300	900	900					
	Advertising	0	123	2,950	953	953					
	Marketing & Promotion	389	441	0	0	0					
	Security Deposit Refund	0	261	0	0	0					
	Returned Check	5,522	5,389	1,810	3,276	3,276					
	Web Service	0	2,023	480	1,410	1,410					
	MH Registrations	606	89	871	0	0					

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Equipment	1,858	71	300	636	636		
Telephone	3,127	2,927	2,980	2,988	2,988		
Contribution	6,420	160	160	1,160	0		
Filing Fees	245	0	0	100	100		
Credit Check	2,148	2,092	1,640	1,825	1,825		
Postage	333	243	257	661	661		
Copying & Reproduction	325	190	102	22	22		
Education & Seminars	648	669	742	613	613		
Keys & Locks	343	382	1,641	505	505		
Office Supplies	2,725	1,472	3,554	3,350	3,350		
Property Taxes	21,844	42,000	43,630	44,000	44,000	←	Anticipated new property taxes per Prop. 13 at \$4.8M price
State Taxes	3,300	5,800	3,300	3,300	3,300		
Tenant Activities	5,065	3,598	2,243	3,290	3,290		
Meals & Entertainment	0	0	393	625	625		
Meter Reading	3,545	2,983	2,393	2,309	2,309		
Water Service	624	546	468	546	546		
Cable TV	41,444	44,296	38,714	0	0		
Electric	84,006	77,441	74,380	76,831	76,831		
Gas	36,119	19,892	22,720	16,260	16,260		
Water, Sewer & Trash	105,440	74,736	85,638	84,987	84,987		
<b>TOTAL EXPENSES</b>	<b>575,307</b>	<b>535,520</b>	<b>499,848</b>	<b>479,135</b>	<b>457,173</b>		
<b>NET INCOME</b>	<b>311,050</b>	<b>369,181</b>	<b>371,470</b>	<b>282,021</b>	<b>303,983</b>		
Add 47 New Manufactured Homes to Rent					451,200	←	
<b>POTENTIAL NET INCOME</b>					<b>755,183</b>		
<p>Broker Proforma is an estimate and used only as an example.                      The Seller and Broker do not guarantee it and Buyer to make independent investigation and evaluation of the potential revenue, expenses, and occupancy streams for the property.</p>							

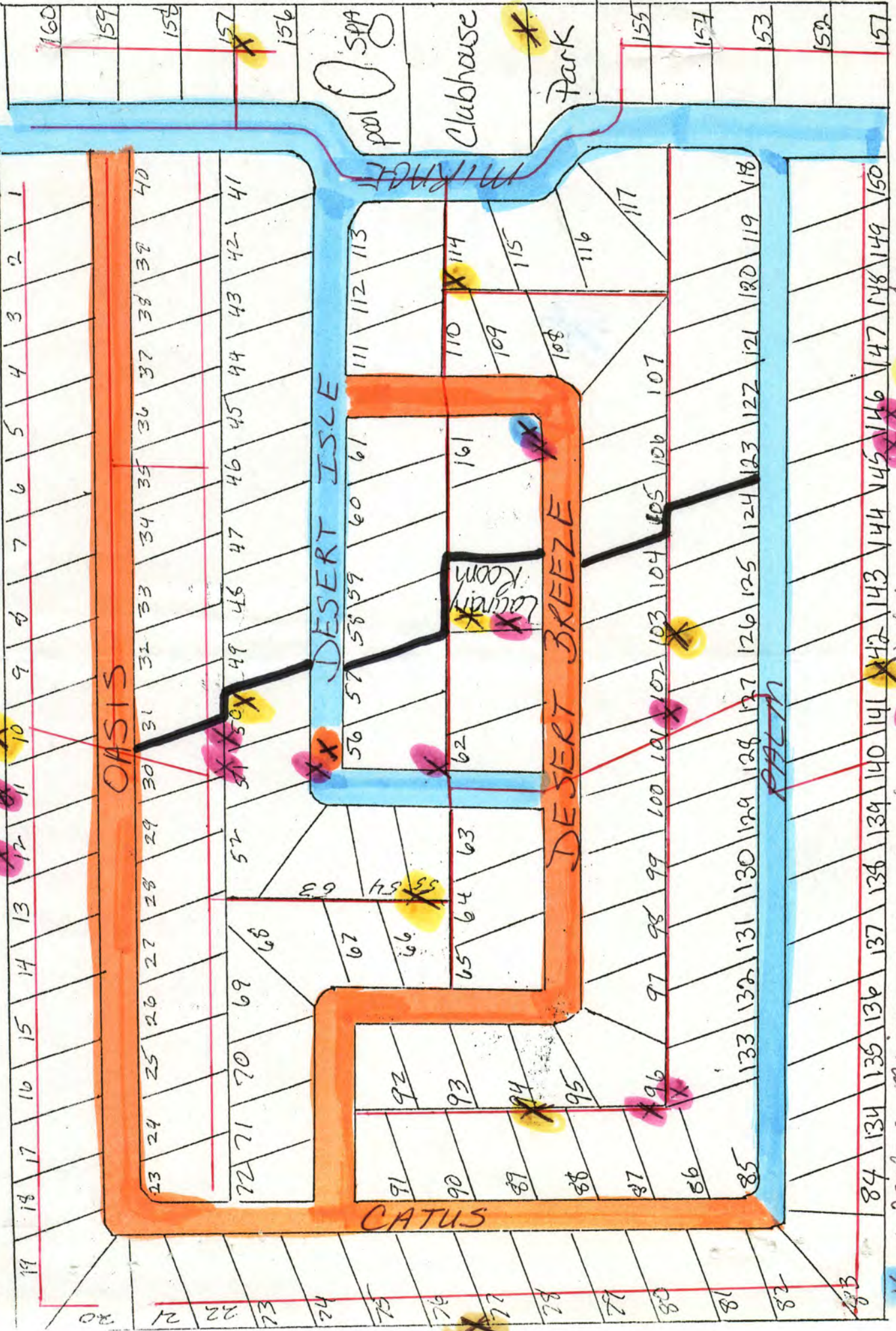
The park has 47 vacant spaces. The large manufactured housing community real estate investment trusts are taking advantage of the increasingly strong rental market (and weak sales market because of stringent loan conditions) and filling their parks with new manufactured homes. A 3 bedroom/2 bath manufactured home in Hemet will rent for \$1,000 per month. 47 new homes X 1,000 per month X 12 months = \$564,000. Use 10% for vacancy and 10% for additional home expenses reduces the net to \$451,200. 47 new manufactured homes X a cost of \$65,000 each = \$3,055,000. \$451,200 additional net income divided by the \$3,055,000 cost = a return of 14.8% and a full and beautiful community.

Byes Lines

7M Usage

Estates

Main shut gas shut X off



X water - Main Sidewalk X water Shut offs  
 X Shut offs X Shut offs

