

VERDE PLAZA MOBILE HOME COMMUNITY

2424 S. Cottonwood Lane, Tucson, AZ



- \$5,750,000 Sales Price
- 193 Sites on 24 Acres
- Clubhouse, Pool, Spa, Tennis Court
- City Utilities, Large Sites, Playground
- Reasonable Rents, No Rent Control
- 22% Vacancy in 8% Market-Upside

For Further Information Contact:

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Information contained herein has been obtained from the owner of the property or from other sources that we deem reliable. We have no reason to doubt its accuracy but we do not guarantee it.







MANUFACTURED HOUSING COMMUNITY		Price \$5,750,000	
Verde Plaza Mobile Estates 193 Sites, 4 Star, Large Lots, 22% Vacancy		Down Payment Cash to Existing Loan or Submit	
Address/City 2424 S. Cottonwood Lane	County Pima	State Arizona	
Est. Vac. & Expense % See Actuals and Proforma Attached	Age Built 1974	Loan Assumable	
Capitalization Rate 6.0%, 95% Occupancy 8.1%	Est. Spendable Return 4.3%	Total Return 5.2%	
Parcel Size 24 Acres	No. Spaces 193 Rentable, 200 Permitted	Water City	Sewer City
Listing Salesman John Grant (800) 987-3363		Price Per Space: \$29,793	
<p>DESCRIPTION AND TENANT INFORMATION: Upside opportunity to fill very attractive, all ages, 4 star manufactured housing community located near downtown in the City of Tucson. Large lots that can accommodate doublewides and/or 16x80 homes. Very reasonable rents of \$296-\$300 being increased \$10 during 2008. No rent control in the City of Tucson. Gas, electric, sewer, and water utilities are submetered and trash is \$7 monthly. City sewer and water services. Amenities include a clubhouse with a rec room, office, and billiards room, pool, spa, tennis and basketball court, playground, and covered barbeque area. Community is permitted for 200 sites but 7 sites were turned into the recreational facility that is hardly ever used. The utilities are still available to those spaces. Currently 33 vacant sites and 9 park owned homes. Community has suffered from turnover of onsite managers for many years. JLT and Associates just completed their annual Tucson rental survey of communities over 100 sites in January/08. The average site rent is \$306 and the average occupancy rate is 92%. The community adjacent to the north, Silverlake Estates with 212 sites, has \$325 average rents and 94% occupancy. A community nearby to the south, Plaza del Sol Resort with 656 sites, has \$312 average rents with 96% occupancy. Please see the attached excel spread sheet with the profit and loss statements for 06 and 07 and the upside potential at 95% occupancy. The owner fills the vacant sites during the winter season with snowbird RV's. Two manager and any available park owned homes included in the purchase price. Property is located in a 100 year flood zone.</p> <p>Seller desires nine month escrow to find upleg exchange property. In the event Seller finds upleg property sooner, after the expiration of Buyer's contingency period, Seller to be able to give Buyer a 60 days notice to close sooner. Seller will discount purchase price for cash to the existing loan.</p> <p>OPPORTUNITY TO PURCHASE LARGE, METRO MHC WITH SIGNIFICANT UPSIDE IN FILLING VACANT SITES AND INCREASING REASONABLE RENT LEVELS, LARGE LOTS, ATTRACTIVE AMENITIES, CITY UTILITIES, GREAT CONDITION.</p>			
TOTAL ESTIMATED NET INCOME BEFORE DEBT SERVICE		\$344,425, 95% Occupancy \$466,992	
LOAN INFORMATION Buyer to assume existing 1 st trust deed with an approximate balance of \$1,575,000 at 8% interest until November, 2011 and then the interest changes to the 11 th district + 3% for another 15 years, monthly payment \$13,574.64 with \$3,100 to principal. 1 st trust deed has a 20% prepayment penalty until September, 2011. Sellers desires as much cash down as possible to complete exchange, but will consider carrying secondary financing at 6% that would be due November, 2011.		TOTAL ANNUAL PRIN. & INTEREST PAYMENT \$162,896	
		EST. ANNUAL PRE-TAX CASH FLOW (SPENDABLE) \$181,529	
		PLUS PRINCIPAL REDUCTION YEAR ONE \$37,200	
		TOTAL RETURN \$218,729	

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	ACTUAL Year End 2006	ACTUAL Year End 2007	Broker's Proforma	Broker's Proforma 95% Occupancy	
REVENUES					
Space Rent		510,039	555,000	555,000	←
Coach Rent		1,964	2,000	2,000	
RV Rent		13,539	15,000	5,000	←
Rent Subsidy/Promotions		-400	0	0	
Late Fee/NSF		10,469	10,469	10,469	
Electric		130,775	130,755	130,755	
Gas		71,912	71,912	71,912	
Water		32,278	32,278	32,278	
Sewer Charges		23,101	23,101	23,101	
Trash		10,250	12,000	12,000	
Laundry		1,470	1,470	1,470	
Misc. Service Charges		4,164	4,164	4,164	
Pets		1,861	1,861	1,861	
Expense Reimbursements		570	570	570	
Security Deposits		5,175	5,175	5,175	
MH Payments		5,424	0	0	
Returned Check		400	400	400	
Storage		360	360	360	
RENT 32 SITES AT \$300/MONTH				115,200	
TOTAL REVENUE	790,335	823,351	866,515	971,715	←
EXPENSES					
Payroll	114,828	61,299	61,299	61,299	
Repairs	68,663	59,443	57,900	57,900	←
MH Repairs		835	835	835	
Pool Supp/Serv/Repairs	2,263	8,024			
Street and Driveway Repair					
Landscaping	7,337	4,349	4,349	0	
File/Liability Insurance	6,739	4,349	4,349	4,349	
Property Management	3,600	38,348	27,250	27,250	
Contract Labor		13,018	13,018	0	
Electricity		143,743	143,743	143,743	
Utilities	213,098				
Gas		70,007	70,007	70,007	
Water and Sewer	11,651	56,492	56,492	56,492	
Trash	17,566	17,707	17,707	17,707	
Telephone	4,533	3,894	3,894	3,894	
Office	4,101	2,288	2,288	2,288	
Advertising		1,486	1,486	1,486	
Dues and Subscriptions		5	1,000	1,000	
Education/Training	99				
Permits/Fees/Licenses	1,369	1,427	1,427	1,427	

Current rent roll annualized plus staggered \$10 rent increases throughout year

Seller rents vacant spaces to snowbird RV's during winter. Strong market demand and the park is popular.

Gross income at 95% occupancy

All Repairs + Maintenance and Landscaping at the industry average of \$300 per space per year

