

ORANGE GROVE MOBILE HOME PARK

19548 Cypress Ave., Covina, CA



- \$3,012,000 Sales Price
- 44 Sites + Cottage
- Great San Gabriel Valley/LA Location
- Reasonable Rents, No Rent Control
- City Utilities, Pool + Laundry Room
- 3 Rental Mobile Homes + \$50k Notes
- Well Maintained + Managed

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 \$3,012,000	
Orange Grove Mobile Home Park 44 Sites + Cottage + 3 Mobile Homes + 3 MH Notes		Down Payment \$753,000	
Address/City 19548 Cypress Avenue, Covina	County Los Angeles	State California	
Est. Vac. & Expense % See Proforma Attached	Age Older	Loan Buyer to obtain	
Capitalization Rate 5.6%	Est. Spendable Return .02%	Total Return 3.8%	
Parcel Size 2.012 Acres	No. Spaces 44 + Cottage	Water City	Sewer City
Listing Salesman John Grant (800) 987-3363		Price per Space: \$65,478	
<p>DESCRIPTION AND TENANT INFORMATION: Very clean, well maintained and managed older park in the excellent rental area of Covina in the San Gabriel Valley area of Los Angeles. All ages community with a mix of 7 doublewides, 17 singlewides, 6 park models, and 14 permanent RV's. Site rents range from \$465-\$480 plus submetered gas, electric, and water and flat rate \$7.97 for trash and \$4.21 for sewer. All rents going to \$480+ in 2007. Park is located in the unincorporated area of Covina in Los Angeles County and there is no rent control. Rents are very reasonable and see attached rent survey. While Orange Grove is inferior to the parks listed, market rent in the area is \$750+ and at a large spread from the \$480 for Orange Grove. The one bedroom/one bath cottage rents for \$900. Amenities include a swimming pool and laundry room. Included in the sale are the manager mobile home at space 8 and two rental mobile homes. Three mobile home installment notes for approximately \$50,000 included in the sales price with monthly payments of \$836.63. Property is in very good condition with newly replastered swimming pool and conversion to a salt water system in 2006, and asphalt streets had slurry seal in 2005.</p> <p>Seller desires nine month escrow to find uleg exchange property. In the event Seller finds uleg property sooner, after the expiration of Buyer's contingency period, Seller to be able to give Buyer a 60 days notice to close sooner.</p>			
TOTAL ESTIMATED NET INCOME BEFORE DEBT SERVICE		\$168,813	
LOAN INFORMATION		TOTAL ANNUAL PRIN. & INTEREST PAYMENT	
Buyer to obtain new bank financing. Broker estimates a new loan at a 75% loan to value or \$2,259,000 at a 6.25% fixed interest rate for 3 years then fully amortized over the next 27 years at the 11 th district + 2.75%, monthly payment \$13,909.05		EST. ANNUAL PRE-TAX CASH FLOW (SPENDABLE)	
		\$1,904	
		PLUS PRINCIPAL REDUCTION YEAR ONE	
		\$26,400	
		TOTAL RETURN	
		\$28,304	

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	ACTUAL Year End 2005	ACTUAL Year End 2006	Broker's Proforma	
REVENUES				
Rent	202,455	227,567	242,869	← 45 mh sites have staggered \$15 rent increase thru the year. \$20,190 Feb/07 rent plus \$15 rent increases and 3% vacancy rate. House and mh rentals at Dec/06 rent is \$1,865.83 at 5% vacancy rate
Coach/Apt/House Rent	17,084	21,825	19,140	
Rent Subsidy	-25	-226	0	
Electric	16,117	16,534	16,534	
Gas	10,202	10,726	10,726	
Sewer and Water	10,167	10,829	10,829	
Refuse	3,643	3,877	3,877	
Laundry	3,379	2,950	2,950	
Misc. Service Charges	3,610	3,451	3,451	
TOTAL REVENUE	266,632	297,533	310,376	
EXPENSES				
Misc. Repairs	0	-44	13,800	← All Repairs and Maintenance expense categories at the industry average of \$300 per site per year.
Strt/Drv/Deck Repair	32,139	200	0	
Landscape Maint/Design	390	0	0	
Janitor/Cleaning	302	292	0	
Painting	0	1,400	0	
Plumbing	485	1,142	0	
Pool Maint/Repair	3,308	12,467	0	
Electrical Repairs	1,389	449	0	
Fire/Liab Insurance	5,310	4,963	4,963	WMA preferred 8.65%
Workers' Comp Insurance	4,116	4,723	2,546	← workman's comp rate
Property Management	15,948	19,851	12,143	← 5% of Rents only
Contract Labor	0	1,140	0	
Wages and Salaries	17,661	29,429	29,429	
Payroll Taxes	2,350	3,247	3,247	
Electricity	17,189	17,255	17,255	
Gas	7,247	7,305	7,305	
Water	0	0	0	
Refuse	4,313	4,861	4,861	
Telephone	2,093	1,739	1,739	
Office	10,420	4,625	4,625	
Advertising	775	1,637	1,000	
Dues and Subscriptions	400	0	450	
Licenses and Permits	1,471	430	1,000	
Gas System Compliance	0	676	0	
Pest Control	0	195	0	
Legal and Accounting	5,216	1,442	2,000	
Meals and Entertainment	105	633	0	
Travel	1,256	0	0	
Supplies	6,688	5,408	0	← In Repairs + Maintenance above
Property Taxes	13,760	14,639	34,000	
Franchise Tax	800	800	800	
Tenant/Dir Incentives	400	425	400	
Tenant Entertainment	25	283	0	
Rent/Lease Pmts	951	137	0	
TOTAL EXPENSES	122,992	140,748	141,563	
NET INCOME	143,640	156,785	168,813	← Net income used for valuation

RENTAL SURVEY						
Park Name	Address	City	# of Sites	Rent	Vacancies	
Arrow Glen Manor	19850 E. Arrow Hwy	Covina	102	\$710	0	
Royal Palms	21210 E. Arrow Hwy	Covina	164	\$749	0	
Starlite Mobile Estates	1045 N. Azusa Ave	Covina	248	\$600-\$805	0	
Rancho San Jose	21310 E. Covina Blvd	Covina	61	\$715	0	
Mobile Aire	716 N. Grand Ave	Covina	103	\$795	0	
Rainbow MHE	2131 W. San Bernardino	West Covina	108	\$725-\$775	0	
Friendly Village	3033 E. Valley Blvd	West Covina	157	\$676-\$710	0	
SALES COMPARABLES						
				Sales Price	Cap Rate	Closing Date
Skylark MHP	9113 E. Rosecrans	Bellflower	45 + Apt	\$3,425,000	5.47%	Dec-06
Glenair MHP	1700 S. Glendora Ave	Glendora	50	\$3,894,250	4.87%	May-06
Blue Star MHP	12401 Filmore St	Pacoima	186	\$16,000,000	5.20%	Dec-05
Friendly Village MHP	5450 N. Paramount	Long Beach	182	\$14,400,000	4.99%	Sep-05
Pioneer Village MHP	16123 Pioneer Blvd	Norwalk	53	\$4,110,000	4.60%	Mar-06

