

BLUE STAR MOBILE HOME PARK **12401 Filmore Street, Los Angeles, CA**



- **\$16,500,000 Sales Price**
- **186 Sites, 4 Star, All Ages, Doublewides**
- **Clubhouse, Pool, Entry Gate**
- **Low Rents, No Rent Control 156 Sites**
- **Extensive Utility and Property Upgrades**
- **Terraced 17.12 Acres**
- **5.0% Capitalization Rate with Upside**

For Further Information Contact:
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MANUFACTURED HOUSING COMMUNITY		Price \$16,500,000	
Blue Star Mobile Home Park 186 Sites, Pool, Clubhouse, Entry Gate		Down Payment	
Address/City 12401 Filmore Street, Los Angeles	County Los Angeles	State California	
Est. Vac. & Expense % See Proforma Attached	Age mid 50's-1963	Loan Buyer to Obtain	
Capitalization Rate 5.0%	Est. Spendable Return	Total Return	
Parcel Size 17.12 Acres	No. Spaces 186	Water City	Sewer City
Listing Salesman John Grant (800) 987-3363		Price Per Site: \$88,710	
<p>DESCRIPTION AND TENANT INFORMATION: Very well maintained, four star, all ages manufactured housing community located in the San Fernando Valley community of Sylmar in Los Angeles. The property is adjacent to the intersection of the 210 and 118 freeways. The community is terraced and consists of mostly doublewide homes. Amenities include a clubhouse, pool, and entry gate. 156 sites are located in the County of Los Angeles with no rent control, and 30 of the sites are located in the City of Los Angeles which has rent control of annual increases at 100% of cpi with a 3% floor, 10% vacancy decontrol, and full decontrol on a vacant site. Site rents range from \$326.40-\$624.75 with a \$505 average plus submetered gas, electric, and water utilities and \$6.53 for sewer and \$8.38 for trash. Broker manages an inferior 3 star, senior park about 5 miles away with turnover rents of \$700 and feels market rents at Blue Star are at least \$800. 138 five year long term leases with annual rent increases at 100% cpi with a 5% minimum and pass thrus for everything including property taxes. Most of the 5 year leases expire 2005-2007. 21 of the 30 City of LA sites subject to rent control are on 5 year leases. The sewer and water are on city utility systems with the sewer being converted from septic to city in 2002. Extensive replacements and repairs of the original utility systems have been completed over the years (see description attached) and the streets were completely removed and installed new in 2002. Seller is just installing a brand new 2 bedroom plus office, 2 bath new Fleetwood manufactured home for the manager next to the clubhouse that is included in the sale. Property is in an alquist-priolo earthquake zone. The lenders that Broker has contacted (GE Capital, Wells Fargo, Union Bank) say the zone does not affect their ability or terms to lend on the property.</p>			
TOTAL ESTIMATED NET INCOME BEFORE DEBT SERVICE		\$831,165	
LOAN INFORMATION			

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 which your tax advisor and/or legal counsel should evaluate. **THE PROSPECTIVE BUYER SHOULD CAREFULLY VERIFY EACH ITEM OF INCOME, EXPENSE, AND ALL OTHER INFORMATION CONTAINED HEREIN.**

BLUE STAR PARK

COMMON AREA IMPROVEMENTS:

GRADED FILL South side of First and Second Streets is fill - some fill on Third and Fourth Streets. Balance of Park is cut.

ROADS.....Complete removal and replacement of all asphalt road surfaces and road slurry in 2002. Unit driveways are original.

COMMUNITY BUILDING. Repaint interior and exterior of building in 2002. New carpet was installed in 2002. Swimming pool plaster was removed and replaced in 2005.

“OLD” LAUNDRY BLDGS. Repaint exterior of all buildings in 2004. New roof installed on Fifth Street building in 2004. Buildings are disconnected from the sewer system and are not in use.

DRIVE GATE.....New automatic main drive gate (with electronics) installed in 1999.

STREET LIGHTS.....New street lights installed in 2001.

MANAGER HOME.....New home was delivered on 9/2005. Set-up and awnings are now being completed.

ELECTRICAL SYSTEM:

The Park electrical system is currently under repairs and replacements. Completion is expected by yearend. The county spaces (156) will have all of the existing meter “dog houses” relocated (except for one which will be replaced) into the various existing laundry buildings. Runs to the laundry buildings will include new wire, new meters, and mostly new conduits. Electrical runs from the old “dog houses” to the individual spaces are combinations of new and old wiring with original conduits. The city spaces (30) are the original direct burial aluminum wiring and pedestals.

SEWER SYSTEM:

Extensive repairs and replacements were completed on the Park sewer system. Construction was completed in 2002. The entire Park was connected to the city sewer system and the abandoned cesspools were disconnected. “As built” plans and video are available for review. A brief street by street description is as follows:

BLUE STAR PARK

SEWER SYSTEM continued:

Main Street	New 4", 6" or 8" main line entire length of street
First Street	Original with some repairs & replacements
Second Street	North side of street original with repairs – South is new
Third Street	Original with some repairs & replacements
Fourth Street	Original with some repairs & replacements
Fifth Street	New main in street – laterals original with some repairs
Sixth Street	Original with some repairs & replacements
Seventh Street	New main in street – laterals original with some repairs
Eight Street	Original with some repairs & replacements

WATER SYSTEM:

The water system has been repaired and replaced as follows:

First Street	New plastic water lines installed in 1994
Second Street	New plastic water lines installed in 1994
Third Street	New plastic water lines installed in 1994
Fourth Street	New plastic water lines installed in 1994
Fifth Street	Original galvanized water lines
Sixth Street	Original galvanized water lines
Seventh Street	Original galvanized water lines
Eight Street	Original galvanized water lines

GAS SYSTEM:

New plastic gas lines were installed in the first four streets in 1994. Balance of the Park is the original metal gas lines. In 1999 a new cathodic metal gas line protection system was installed. The Park is current in all required inspections and passed the PUC inspection in 08/2005.

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Fourth Street	New plastic gas lines installed in 1994
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Sixth Street	Original metal gas lines
Seventh Street	Original metal gas lines
Eight Street	Original metal gas lines

NOTE: The above information is believed to be accurate to the best of owner's knowledge. The Park has been exposed to the earthquakes of 1971 & 1994.

BLUE STAR MOBILE HOME PARK

		ACTUAL Year End 2003	ACTUAL Year End 2004	Broker's Proforma	
REVENUE					
	Rental	974,623	1,054,252	1,128,000	Current rent roll annualized at \$94,000 per month. Rent increases are staggered throughout the year except for the 9 sites on rent control.
	Utility	146,774	158,438	158,438	
	Water	32,851	34,345	34,345	
	Laundry	4,375	3,595	3,595	
	Trash	15,629	18,891	18,891	
	Sewer	9,095	12,582	12,582	
	TOTAL REVENUE	1,183,347	1,282,103	1,355,851	
EXPENSES					
	Operating Supplies	16,424	11,497	11,497	
	Computer Service	2,606	1,947	1,947	
	Salary-President	9,600	9,600	0	
	No. Bay Mgt Service	163,168	157,738	0	
	Payroll	0	0	72,000	
	Professional Management	0	0	33,840	3% of Rents.
	Rent	243,656	263,563	0	Internal Seller expense
	Seminar	349	720	720	
	Telephone	3,154	3,305	3,305	
	Utilities	153,241	172,049	172,049	
	Gardening	23,226	18,416	18,416	
	Plumbing	14,144	19,111	0	
	Painting	24,271	10,425	0	
	Electrical Repairs	24,271	49,483	0	
	Repairs + Maintenance	28,158	20,902	41,850	Repairs + Maintenance at industry average of \$225/space/year
	Trash	15,305	21,089	21,089	
	Pool Service	3,465	3,028	3,028	
	Roof Repairs	0	3,794	0	
	Security Gate Repairs	2,031	3,363	0	
	Security Service	31,291	36,604	36,604	
	Promotion	762	934	934	
	Advertising	0	575	575	
	Insurance	22,352	28,697	28,697	
	Dues and Subscriptions	3,693	2,840	2,840	
	Payroll Taxes	840	917	11,520	
	Real Estate Tax	33,790	34,539	43,000	Broker anticipates Buyer passing thru the increase in property taxes upon purchase. All but 9 sites are on a 5 year lease with a property tax pass thru or do not have rent control. Anticipated monthly pass thru \$64.
	Franchise Tax	3,530	3,980	3,980	
	Business Taxes + Licenses	5,236	4,406	4,406	
	Car and Delivery	3,730	3,836	3,836	
	Accounting	11,245	11,285	3,000	
	Legal	5,050	2,315	5,000	
	Credit Check	1,396	553	553	
	Miscellaneous	63	-140	0	
	TOTAL EXPENSES	850,047	901,371	524,686	
	NET INCOME	333,300	380,732	831,165	

