

HOLMES HOT SPRINGS MHP

69530 Dillon Road, Desert Hot Springs, CA



- **\$1,790,000 Sales Price, 95 MH Sites**
- **55+ Senior Park, Reasonable Rents**
- **14.5 Vacant Acres-Development Potential, Booming Market Area**
- **Rec Center with Pool and Natural Spa**
- **35% Vacant-Strong Upside**
- **Only \$18,842/Site**

For Further Information Contact:

**John Grant
Park Brokerage Inc.
11580 Petenwell Road
San Diego, CA 92131
(800) 987-3363**



MANUFACTURED HOUSING COMMUNITY		Price \$1,790,000	
Holmes Hot Springs 95 Sites + 14.5 Acres Vacant Land		Down Payment \$990,000	
Address/City 69530 Dillon Road, Desert Hot Springs	County Riverside	State California	
Est. Vac. & Expense % See Proforma Attached	Age Older	Loan Buyer to obtain	
Capitalization Rate 7.0%	Est. Spendable Return 7.9%	Total Return 9.2%	
Parcel Size 9.16 Acres (MH Park), 4.5 Vacant Acres, 10 Vacant Acres	No. Spaces 95	Water County	Sewer Septic
Listing Salesman John Grant (800) 987-3363		Cost per Space: \$18,842	
<p>DESCRIPTION AND TENANT INFORMATION: 95 site, 55+ senior park located in the unincorporated area of Desert Hot Springs in Riverside County. Park has been run by a series of inept trustees and was very under maintained, managed and marketed. Current onsite manager and offsite managers started in 2003 and strong marketing and maintenance programs have been initiated. The 95 site mobile home park has 63 year round residents, 7 abandoned homes, and balance of the sites are rented during the winter season to RV's. The property also has an additional 4.5 acre parcel behind the RV park with 28 bootleg RV sites (10 full hookup, 4 electric only, and the rest dry) that the County of Riverside has just ordered closed. The property also includes an additional vacant 10 acre parcel behind the 4.5 acre parcel for potential future expansion. The vacant acreage can be improved with 7-14 units per acre. Mobile home site rents are \$251-\$300 plus submetered electric and water utilities. Site rents are subject to the County of Riverside rent control ordinance that limits annual increases to 100% of the cpi, increases on turnover, and capital expenditure pass thrus. However, 80% of the mobile home tenancy is snowbird and a new State law does not allow rent control for mh residences that are not the tenant's primary residence. RV rates are \$18-\$20 daily, \$100-\$120 weekly, and \$285-\$300 for full hookups. The park has 50 amp electric, county water, direct bill gas, and septic sewer. The septic sewage system is very old and a few septic tanks and leach lines have been replaced. The septic contractor has bid \$60,000 to replace/repair the balance of the system to bring it up to "good worker order". Amenities include a rec center with assembly room, kitchen, billiards, laundry, manager's office, large pool, and very large natural hot mineral spa. Of the 63 year round residents, approximately 15 are doublewides, a few RV's, and the balance singlewides. Approximately 25 doublewide sites with the balance being singlewide sites.</p> <p>HUGE UPSIDE IN FILLING VACANCY AND DEVELOPING VACANT LAND!!! LOW RENTS!</p>			
TOTAL ESTIMATED NET INCOME BEFORE DEBT SERVICE (See 2001 and 2002 actuals and Broker Proforma attached)		\$126,560	
LOAN INFORMATION Lenders have underwritten new loan of \$800,000 at an adjustable interest rate of 4.5% fully amortized over 30 years, monthly payment \$4,053.48, existing loan \$615,000	TOTAL ANNUAL PRIN. & INTEREST PAYMENT		48,642
	EST. ANNUAL PRE-TAX CASH FLOW (SPENDABLE)		77,918
	PRINCIPAL REDUCTION YEAR ONE		12,876
	TOTAL RETURN		90,794

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.**

HOLMES HOT SPRINGS MOBILE HOME PARK

	ACTUAL Year End 2001	ACTUAL Year End 2002	Broker Proforma	Proforma 95% Occupancy	
TOTAL REVENUE	234,091	255,493	275,000	375,000	<div style="border: 1px solid black; padding: 5px;"> No 2003 financials yet 66% occupancy year round plus seasonal RV tenancy. New onsite manager has lived in park 14 years and reports that occupancy (due to his efforts) is the highest in 10 years. 7 abandoned mobile home should be taken over by park and resold for additional \$25,000/year in rents. </div>
EXPENSES					
Auto and Travel	0	872	500	500	
Cleaning and Maintenance	8,110	6,258	2,000	2,000	
Insurance	5,394	17,095	7,000	7,000	
Legal and Professional	1,892	470	1,000	1,000	
Repairs	28,485	35,348	15,000	15,000	
Property Taxes	8,478	21,998	18,000	18,000	
Licenses and Permits	2,116	2,865	2,865	2,865	
Wages and Salaries	47,186	23,211	23,211	23,211	
Miscellaneous	0	2,972	1,000	1,000	
Pest Control	0	550	0	0	
Utilities	72,662	75,947	75,947	75,947	
Outside Services	0	3,088	0	0	
Dues and Subscriptions	0	917	917	917	
Signs	0	916	0	0	
Office Expense	0	1,912	1,000	1,000	
Security	2,435	308	0	0	
Total Expenses	176,758	194,727	148,440	148,440	
NET INCOME	57,333	60,766	126,560	226,560	<div style="border: 1px solid black; padding: 5px;"> Many electric meters were defective and are currently being replaced by new meters. Costs and/or reimbursements should be better for park. </div>

