

13.82% Leased Fee Ownership Interest Highlands Mobile Home Park, Santee, CA



- **\$943,906 Sales Price**
- **13.82% Ownership Interest**
- **24 Years Left on NNN Lease**
- **Huge Upside at End of Lease**
- **Leasehold Improvements-306 Space,
Five Star, Senior Manufactured
Housing Community**

For Further Information Contact:

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Park Brokerage Inc.

13.82% Ownership Interest-Leased Fee Interest		Price \$943,906	
Highlands Mobile Home Park, 306 Spaces 24 Year NNN Lease		Down Payment \$943,906	
Address/City 7467 Mission Gorge Road	County San Diego	State California	
Est. Vac. & Expense % Not Applicable	Age 1973	Loan Must be cash	
Capitalization Rate 5%	Est. Spendable Return	Total Return	
Parcel Size 47.73 Acres	No. Spaces 306	Map-Page	Zoning R-2/MHP
Listing Salesman John Grant (800) 987-3363		Office San Diego	
<p>DESCRIPTION AND TENANT INFORMATION: Separate 13.82% interest in land subject to a 24 year NNN lease terminating October/2026. The leasehold interest is owned by the tenant association of a 306 space, five star, senior manufactured housing community. The land was originally leased in 1971 to a developer that built the community in 1973. The leasehold was later sold to partnership that operated it as a typical "mobile home park" until 1988. The leasehold was then offered for sale and purchased by the tenant association. At the end of the lease in 24 years, the mobile home tenants will become "typical" renters again paying space rent directly to the owner of the land who will take over the property improvements at the end of the lease. The current lease payment to the 13.82% interest is \$3,932.67 or \$47,192/year, a 5% return on the asking price. The lease has an annual cpi increase which comes into effect March of each year. The March/2002 increase was 5.7%. A comparable manufactured housing community down the street charges an average space rent of \$630/month putting the value of Highlands (if not subject to the lease) at \$60,000/space or \$18,360,000 or \$2,537,352 to the 13.82% interest. Even if you use a very heavy discount factor to the reversion in 24 years, the present value is in excess of a 10% return. The triple net investment is almost completely passive during the term of the 24 years and then the huge upside in 24 years. The majority owner is a trust administered by Wells Fargo Bank. It is doubtful that they will sell in the future as it was set up to provide income to the beneficiaries. They make a great partner since they are a fiduciary and document every investment decision with appraisals and expert opinions. At this time they envision in 24 years of hiring professional mobile home park management and owning the community as a typical landlord. The seller is one of the family members and also a beneficiary of the trust. She is the only family member that owns an interest as a tenant in common with the trust and desires to sell her interest and invest in property in central Oregon where she lives. A tenant in common ownership interest is suitable for 1031 tax-deferred exchanges. The purchase is a minority interest and can not be financed.</p> <p>5% NNN, Passive Return (30 year bond is currently 4.87%)</p> <p>Huge Upside in 24 Years When Lease Ends-Will Partly Own First Class Property</p>			

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.**

