

LOS ANGELES, CALIFORNIA

DECEMBER 22, 2005

**186 SITE SAN FERNANDO VALLEY MHC SELLS FOR \$86,021 PER SITE**



The sale of the Blue Star Mobile Home Park located at 12401 Filmore Street in the San Fernando Valley area of Sylmar in Los Angeles closed on December 22, 2005 for \$16,000,000. John Grant of Park Brokerage Inc. represented both parties in the sale.

The all ages, three star community was built in the mid 1950's to the early 1960's and has 186 sites on 17.12 acres. The property is just north of the intersection of the 210 and 118 freeways. The community is terraced and contains mostly doublewide homes. Amenities include a clubhouse, pool, and entry gate. Extensive replacements and repairs of the original utility systems were completed in the last few years, including the septic sewer being converted to city sewer, and the asphalt streets were completely removed and installed new in 2002.

The site rents were very reasonable 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. Market rent is estimated at \$800. 156 sites are located in the County of Los Angeles and not subject to rent control and 30 sites are located in the City of Los Angeles with rent control at 100% of cpi plus 10% vacancy decontrol. 138 of the sites are on five year leases that expire by the end of 2007, and the long term leases contained a property tax pass thru.

The buyer paid all cash without financing but plans to finance the property shortly after the close of escrow. The property last transferred in 1937 and the sellers had a very low property tax basis. All but nine of the sites were either on a long term lease or not subject to rent control, and the buyer planned to immediately pass thru a property tax increase of approximately \$62 per month. After adding the property tax increase, the capitalization rate was 5.2%. The property was in good condition at time of sale.

John Grant commented, "The demand for quality manufactured housing communities in metropolitan locations continues to be very strong. The seller received two higher offers but decided to go with the Buyer because of their track record, ability to pay all cash without financing, and short escrow period".

John Grant sells and finances manufactured housing communities and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 121 manufactured housing communities and RV parks in the last 16 years and financed over 100. John can be reached at 800-987-3363. Market time:10 days, Escrow length:35 days