

PRESS RELEASE

YUMA, ARIZONA

FEBRUARY 21, 1997

**CLEAN RV PARK WITH SELLER FINANCING IN BOOMING MARKET PROVIDES  
FOR AN EXCELLENT COMBINATION**

The sale of the Foothill Village RV Park located at 12705 S. Frontage in Yuma, Arizona was completed on February 21, 1997, for \$1,200,000. John Grant and Vince Reynolds of Business Real Estate Brokerage Company represented both parties in the transaction.

The park was built in 1978 and contains 140 full hook-up spaces with concrete pads, and 40 spaces without concrete pads. The property is located on 7.0 acres. The park contains 83 annual tenants with balance being seasonal and monthly tenants. The park has annual rents of \$1,100, seasonal of \$925, and monthly rents of \$185. Amenities include a billiard room, pool, spa, and rec. hall. The park is almost 100% occupied during the November 1st-April 1st winter, "snowbird" season.

The sales price worked out to a 10% capitalization rate and a 15% cash on cash return. The buyer put down \$350,000, the seller carried \$850,000 at 8% amortized over 30 years; due in 10 years.

Vince Reynolds commented, "The seller had not increased rents for three years, and they were 30% below market. Comparable parks have annual rents that are approximately \$1,400. The Yuma market is having its best season in years, and because of the aging of the baby boom generation, it looks as if the strong upward trend will continue."

John Grant added, "When we first listed this property for sale, the owner really wanted an all cash transaction. As we started negotiations the seller realized that he either had to do a 1031 exchange or pay some heavy capital gains tax. By carrying the financing he was able to qualify for an installment sale, avoid the tax consequences, receive a nice monthly payment, and receive a higher price for the property."

Grant and Reynolds have sold five parks in Yuma since January 1995, and are very bullish on snowbird RV parks. "More and more snowbirds are going to Yuma because of the excellent weather, better rental rates, proximity to Mexico for prescriptions and services, and less congestion than in Phoenix. The year round population of Yuma is 40,000, and 80,000+ snowbirds visit every winter season. During the peak months of January and February, there are no vacant spaces in the entire town," said Reynolds.

John Grant and Vince Reynolds of Business Real Estate sell and finance mobile home and RV parks exclusively throughout the states of California, Arizona, and Nevada. They have sold 39 parks in the last eight years with dozens financed. For further information contact John or Vince at (619) 546-5400.