

PRESS RELEASE

TUCSON, ARIZONA

OCTOBER 22, 2002

HIGH QUALITY, TUCSON, 55+ COMMUNITY SELLS FOR 7.9% CAP RATE

The sale of the Friendly Village Estates manufactured housing community located at 1202 W. Miracle Mile Road in Tucson, Arizona was completed on October 22, 2002 for \$3,700,000. John Grant of Park Brokerage Inc. represented the buyer in the sale.

The 55+ community was built in 1972 and has 97 large, multi-section sites. It is a high quality, four star community with a majority of multisection homes. All the homes are set at ground level "no step" giving the community superior eye appeal and ensuring the permanency of the homes. The property's amenities are a large clubhouse, pool, spa, RV storage, and gated entry. The community is situated on 12.26 acres and has beautiful desert landscaping with many large palm trees. The community is serviced by city water and sewer systems. The community was in very good condition at time of sale.

The site rents were \$318-\$330 plus submetered electric. The gas service was directly billed by the utility company. The sewer, water, and trash utilities were included in the rent. There was one vacant space the three vacant park owned homes at the close of escrow. There is no rent control in the State of Arizona.

The community sold at a 7.9% capitalization rate. The price per site was \$38,144. The buyer obtained new financing for \$2,775,000 at an initial adjustable interest rate of 5.62% fully amortized over 30 years.

John Grant commented, "Friendly Village Estates is the high quality, multi-section, senior community that most investors desire. The buyer may have paid the highest price per space ever in the City of Tucson at \$38,144. However, at a 7.9% capitalization rate and a 5.62% initial interest rate on the financing, the buyer had an initial cash on cash return of 10.4% on their cash down payment of \$975,000".

Grant added, "We are in a very hot real estate market. Low interest rates are allowing investors to pay aggressive capitalization rates for quality communities and still receive desirable cash on cash returns. Real estate has become extremely desirable because of the plunging stock market and lack of yield in the bond and money markets. There currently is \$5 of investor money chasing every \$1 of real estate for sale".

John Grant sells and finances manufactured housing communities and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 89 manufactured housing communities and RV parks in the last 14 years and financed over 100. John can be reached at 800-987-3363.