

PRESS RELEASE

JULIAN, CALIFORNIA

NOVEMBER 7, 1995

INVESTOR PLANS TO ADD MOBILE HOME SPACES TO EXISTING PARK

The sale of the Gold Nugget Mobile Home Park located at 2485 Washington Street in Julian was completed November 7, 1995 for \$500,000. Julian is a historic mountain community in northeast San Diego county. The park is well located just off Main Street.

The park was built in the mid 60's and contains 19 all doublewide mobile home spaces. The property is 7.43 acres, and 5 acres are vacant with a vested major use permit from 1973 allowing 30 additional mobile home spaces. The buyer plans on adding the spaces as soon as practical.

The buyer placed a down payment of \$200,000, and the seller carried a \$300,000 1st td at 8% fully amortized over 5 years. The payment on the 1st td is approximately twice the amount of the monthly net income from the property. The buyer owns a number of mobile home parks with large cash flows that will compensate for the negative cash flow. The park sold for a 8% capitalization rate on its existing income from the 19 spaces.

John Grant, who handled the transaction commented, "The park has a very attractive location in a market with no additional mobile home parks. The area has few affordable housing options, and in addition many San Diegans maintain second homes in Julian. The buyer wants to capture the strong demand for affordable housing in the area, and second homes." Vince Reynolds, who with Grant completed the transaction commented, "This purchase reflects the trend in California in developing new mobile home spaces. Most new spaces built in California are additions to existing mobile home parks. It is rare to see entirely new mobile home parks being built."

John Grant and Vince Reynolds, both of Business Real Estate Brokerage Company in San Diego, sell and finance mobile home and RV parks exclusively throughout the states of California and Arizona. They have sold 30 parks in the last seven years with dozens financed.

For further information contact John or Vince at (619) 546-5400 or (800) 794-1660.