

LAS VEGAS, NEVADA

NOVEMBER 1, 2004

LAS VEGAS RV PARK SELLS FOR 7.3% CAP RATE AND \$22,444 PER SITE



The sale of the Holiday Travel Park located at 3890 S. Nellis Blvd. in the unincorporated area of Las Vegas in Clark County closed on November 1, 2004 for \$9,000,000. John Grant of Park Brokerage Inc. represented both parties in the sale.

The primarily snowbird, 55+ RV resort contains 401 sites and was built in 1979 and expanded in 1984 and 1989. The property is located just behind the Sam's Town Casino on Boulder Highway. All the sites are full hookup and have 50 amp electrical service. The resort is serviced by city water and sewer utilities. Amenities include a heated pool and spa, a 3,520 square foot clubhouse with exercise room, billiards, reading/games, and meeting/television rooms, picnic tables, bbq area, three separate bathhouses, and two laundry rooms.

The rental rates are daily \$20 + tax, and monthly basic sites \$315, superior sites \$335, and premium sites \$355. The park has approximately 130 year round tenants, 90 summer storage tenants (pay regular monthly rate during six month winter season and store RV onsite during the six month summer season for \$75 per month), 50 seasonal tenants for 3-6 months, and 45 park models/trailers. The park has 125 pull thrus at 30x60 feet and most of the other backin sites are 24X50.

The 22.74 acre property is zoned RV park but the land use plan is CR, regional commercial, which allows commercial or high density residential of either R3 (18/acre), R4 (25/acre), and R5 (50/acre). The county planner anticipates R4 because the property is surrounded by R4 on three sides. R4 would allow up to 568 apartment/condo units on the property. The Seller received several higher offers from publicly traded homebuilders, but the offers required long escrow periods to fully entitle the property before closing.

The capitalization rate was 7.3%. The buyer paid cash to a new loan of \$5,500,000. The property was in good condition at time of sale.

John Grant commented, "The RV resort offered significant rental upside. The rents are low (almost two years since the last rate increase), tenancy is restricted to senior, pets are not allowed, the park does not have cable tv, the park does not have a web page, the summer storage program could be discontinued and the sites rented at the full monthly rate (nearby competitor Road Runner is 75% occupied during the summer months at market rental rates), and park model tenancy can be marketed (the seller has not allowed park models into the park for many years)".

John Grant sells and finances manufactured housing communities and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 111 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: 3 weeks, Escrow length: 33 days