

PRESS RELEASE

LEMOORE, CALIFORNIA

FEBRUARY 28, 2003

CENTRAL VALLEY SENIOR COMMUNITY SELLS

The sale of the Magnolia Gardens Mobile Home Park located at 324 Magnolia Avenue in Lemoore, California was completed on February 28, 2003 for \$1,850,000. John Grant of Park Brokerage Inc. represented the buyer and seller in the sale.

The 55+ community was built in 1976 and contains 64 sites. It is a clean, 3½ star community built on 7.84 acres. Every space can accommodate a multisection home, and the community currently contains a slight majority of multisection homes. The property's amenities are a small clubhouse with an office, bathrooms, and laundry room, and a swimming pool. The community is serviced by city water and sewer systems. The property was in good condition at time of sale and had one vacant site.

The site rents were low at \$245 plus submetered gas utility service. The electricity is directly billed by the utility company, and the sewer, water, and trash utilities are included in the rent. There is no rent control in the City of Lemoore. Market site rents may be as high as \$295, but the buyer who owns several communities in the Central Valley and is very careful with rent increases, only plans a \$10 rent increase.

The community sold at a 6.0% capitalization rate. The buyer made a \$500,000 cash down payment, and the Seller carried a \$1,350,000 1st trust deed at 6% interest with monthly payments amortized over 30 years with a 10 year term. The price per site was \$28,906. The sale included one manager occupied manufactured home.

John Grant commented, "Senior, 55+ manufactured housing communities are very difficult to find to buy. The majority of buyers desire senior communities, but most communities are all ages. 55+ communities sell at expensive capitalization rates for the buyers, but the tradeoff is easier management and maintenance".

John Grant sells and finances manufactured housing communities and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 93 manufactured housing communities and RV parks in the last 15 years and financed over 100. John can be reached at 800-987-3363.