

PRESS RELEASE

TUCSON, ARIZONA

SEPTEMBER 28, 2001

**ROUGH, BLUE COLLAR PARK IN SOUTH TUCSON SELLS FOR 12% CAP**

The sale of the South Gate Mobile Home Park located at 6201 S. Randall Blvd., Tucson, Arizona closed September 28, 2001 for \$600,000. John Grant of Park Brokerage Inc. represented the Seller.

South Gate is a two star, all ages, blue-collar community in South Tucson. The community has 42 sites on 3.3 acres and contains mostly singlewide mobile homes with a few doublewides. Amenities are a swimming pool and laundry room. Site rents are \$205/month plus submetered gas, electric, water, and sewer charges. There is no rent control in the State of Arizona. The community is serviced by city water and sewer utilities. The seller installed a new gas system in 1999.

The community sold for a 12% capitalization rate and a 22% return on the buyer's cash down payment. The buyer obtained new financing of \$450,000 at an adjustable interest rate of 8%. Three mobile home installment notes of approximately \$8,000 were included in the sale.

Grant commented, "South Gate is located in the rougher south side of Tucson, but nevertheless, is a strong rental market. The property was in poor condition with a lot of deferred maintenance and did not show well".

Grant added, "A 12% capitalization rate and 22% cash on cash return are about the highest rates of returns manufactured housing communities will sell for in metropolitan areas. The south side of Tucson is a tougher sell and the price reflected the poor condition of the property".

John Grant sells and finances manufactured housing community and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 85 communities and parks in the last thirteen years. For further information you can contact John at 800-987-3363.