

PRESS RELEASE

LOS ANGELES, CALIFORNIA

SEPTEMBER 29, 1999

QUALITY, 55+ COMMUNITY SELLS AT REASONABLE VALUE

The sale of the Sylmar Mobile Manor located at 13120 Bradley Avenue in the Sylmar area of the City of Los Angeles closed September 29, 1999 for \$1,650,000. John Grant of Park Brokerage Inc. handled the transaction.

Sylmar is located in the San Fernando Valley area of the City of Los Angeles. The 55+ community was built in 1959 and 1965 and consists of 66 sites, and a two bedroom, 1,100 square foot house. The community contains approximately 50/50 doublewide and singlewide homes. Amenities include a pool, clubhouse, billiard room, and laundry facilities. The community is located on 7.84 acres and would probably be considered 3½ star. The original owners from 1959 sold the community and maintained a life estate in the house. The community is extensively landscaped and in very good condition.

Sylmar is subject to the City of Los Angeles rent control ordinance that limits rent increases to 100% of the local cpi with a 3% minimum and a 8% maximum. Vacancy decontrol is limited to a 10% increase on home turnover. Space rents were \$254-\$335 with a \$289 average plus submetered gas, electric, water and sewer utilities. The Sellers rented the house for \$550. Market space rents are \$400-\$500 for all age communities. Sylmar Mobile Manor is the only 55+ manufactured housing community in the marketplace.

The Buyer made a \$400,000 down payment and the Seller carried \$1,250,000 at 7.35% fixed for 15 years. The community sold at an 8.25% capitalization rate with the addition of onsite and offsite management expenses. The Buyer plans to petition the City of Los Angeles to pass through the increased property taxes, and onsite and offsite management expenses. Since the Seller lived on site, there were no onsite or offsite expenses in the historical financials.

John Grant commented, "Market rents for this community should be \$400+, and the community would then be worth approximately \$40,000/space. Since rent control held down the rents and the Seller was not aggressive in trying to obtain higher rents, the community sold for a very reasonable \$24,627/space. The Seller also carried very attractive 7.35% fixed rate financing."

Grant added, "This community is the quality most buyers desire. The owners lived on site and kept the community very clean and well maintained. Even though the community is older, it is a very attractive place to live."

John Grant sells and finances manufactured housing community and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 62 communities and parks in the last eleven years with over 100 financed. For further information you can contact John at 800-987-3363.