

PRESS RELEASE

EL CENTRO, CALIFORNIA

JANUARY 30, 1998

EL CENTRO MOBILE HOME PARK WITH DEFERRED MAINTENANCE SELLS

The sale of the Wheel Estates Mobile Home Park at 1101 N. Sixth Street in El Centro, California sold January 30, 1998 for \$750,000. John Grant of Park Brokerage Inc. represented the seller in the transaction.

The all ages, 2 star park has 68 spaces and was built in the mid 60's. The park has mostly doublewide lots and approximately a quarter of the mobile homes in the park are doublewide. The park is located on 10 acres, and there is a small vacant area to maybe add 5-7 spaces. Most of the tenancy is hispanic, and work in the agricultural market. The park had major deferred maintenance, and the buyer plans on resurfacing the streets, adding landscaping, painting, and building new fences.

The space rents had only been raised once in the last eight years, and were very low at \$170 and \$185 and included water. After renovating the park, the new buyer believes market space rents are \$225 with the residents paying for water.

The park sold with a \$175,000 cash down payment, and the Seller carried a \$575,000 AITD at 8% amortized over 30 years with a 15 year term. The capitalization rate was 11%.

John Grant commented, "This park is your typical older park where the Seller has neglected the park and kept rental rates low. Older parks with deferred maintenance in secondary markets almost always need to sell with long term owner financing. Investors buy these parks for their higher cash on cash yields and steady occupancy. Upside is provided by renovating the park and increasing the low rental rates."

Grant added, "Imperial County was not as affected by the Southern California recession and has been very steady. While most of the parks are very basic, blue collar parks, the mobile home parks in the market have experienced strong occupancy. The maquiladora industry and agriculture are the strong employment generators for the market."

John Grant of Park Brokerage Inc. sells and finances mobile home and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 49 parks in the last ten years with dozens financed. For further information contact John at (800) 987-3363.