

165 MH SITES IN DESERT HOT SPRINGS SELLS FOR \$17,000/SITE



The sale of the Park West Mobile Home Park located at 64625 Pierson Blvd., in the unincorporated area of Desert Hot Springs, California closed on December 21, 2010 for \$2,800,000. John Grant of Park Brokerage Inc. represented the Seller in the sale.

The 165 mh sites, all ages, two-three star community was built in two phases with 103 sites built in 1964 with site sizes 30-35 wide X 60 feet deep, 50 amp electric, three doublewides and the balance singlewides, and 23 vacancies. 62 sites were built in the early 1970's with site sizes 35-50 feet wide X 65 feet deep, 100 amp electric, four singlewides with the balance doublewides, and two vacancies. Amenities include a clubhouse with office, swimming pool, large outdoor spa, indoor spa, laundry room and free RV storage.

Site rents were \$270-\$298 plus submetered gas, electric, and city water utilities. Septic sewer and trash were included in the rent. Site rents were low and are subject to the County of Riverside rent control ordinance allowing annual 100% cpi increases and some vacancy decontrol.

The capitalization rate was 8.4% and offered upside in filling the 15% vacancy rate and correcting inefficiencies in the submetering billing. The Buyer made a \$800,000 cash down payment and the Seller carried for ten years a \$2,000,000 1st trust deed at 5% interest years 1+2, and 6% years 3-10 with payments amortized over 30 years. The property was in fair-average condition at time of sale.

John Grant commented, "The property offered a very low price per site at \$17,000, great cash flow, excellent seller financing, and upside. Challenges are the property is older, most of the utility systems are original, septic sewer, and the front 103 sites can only accommodate a maximum of 16 wide homes".

Grant added, "In the current market, unless an owner has a very high quality community that Fannie Mae will finance, there is very little or no bank financing for manufactured housing communities. An owner that wants to sell must have assumable financing and/or be willing to carry seller financing

John Grant sells and finances manufactured housing communities and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 145 manufactured housing communities and RV parks in the last 20 years and financed over 200. John can be reached at 800-987-3363.

Market time: 120 days, Escrow length: 60 Days