

**ALL CASH BUYER TAKES ADVANTAGE OF UPSIDE OPPORTUNITY**

The sale of the Willow Oak Manufactured Housing Community and the Desert Willows RV Resort located at 12550 and 12624 W. Main Street, Hesperia, CA closed on June 2, 2011 for \$5,500,000. John Grant and David Rogers of Park Brokerage Inc. handled the sale.

The original, all ages 74 sites manufactured housing community was built in 1987 and are all large, doublewide, ground set homes and would be considered four and a half star. The seller added 104 new manufactured home sites at the end of 2007 at a cost of \$6,500,000. The new sites came online just as the housing market was collapsing and only five resident homes, two employee homes, and two models occupied the new sites. The sale also included the 174 RV sites Desert Willows RV Resort. The RV resort is the only modern RV park in the high desert communities of Hesperia, Victorville, and Apple Valley, and enjoys the great location on a I-15 offramp just off the freeway. The RV resort was mostly occupied by monthly tenancy and had significant upside by adding a web page, online reservations, adding wifi service, and marketing to more transient RV tenancies on the way to and from Los Angeles and Las Vegas. Amenities for the properties include a new 2,300 sf clubhouse with the mhc expansion with a swimming pool and spa, and the RV resort has a 4,163 sf clubhouse, a 2,730 sf administrative building with offices, fitness room, library, billiards, bathrooms, indoor spa, and laundry, and a swimming pool. The property is serviced by city water and sewer utilities and is located one-quarter mile east of Highway 15 and has a total of 47.12 acres.

The mhc site rents were \$495, and the RV rents were daily \$32-\$35, weekly \$200, and monthly \$415-\$475 + electric. All of the tenancies were month to month and there is no rent control in the City of Hesperia. Two new model manufactured homes and two newer employee manufactured homes were included in the purchase price.

The buyer paid all cash and closed in 30 days. The seller had an existing loan that was in excess of the purchase price that was coming due. Deducting \$200,000 for the four manufactured homes, the capitalization rate was 8.5%. The property was in good condition at time of sale.

John Grant commented, "There was no bank financing available for a mixed use property in a weak market area with the current financing market. The existing loan was coming due and the Sellers were motivated. The buyer was able to make a strong purchase with his ability to pay all cash and close quickly".

David Rogers added, "The property offers immediate upside in the RV resort and long term upside in filling the 96 vacant manufactured home sites".

John Grant and David Rogers sell and finance manufactured housing communities and RV parks exclusively throughout the states of California, Arizona, and Nevada. They have sold over 250 manufactured housing communities and RV parks in the last 23 years and financed over 200. John can be reached at 858-586-9400 and David at 909-337-6589

Market time: 90 days, Escrow length: 30 days