

SHORT SALE FOR RV PARK ON THE COLORADO RIVER

The short sale of the El Rio Waterfront Resort located at 1641 Highway 95 on the Colorado River in the City of Bullhead City, Arizona closed on August 16, 2011 for \$800,000. John Grant of Park Brokerage Inc. brokered the transaction.

The RV park contains 34 RV sites and 17 motel units. It was extensively renovated in 2005 with new utility systems, pool, spa, and park model cabins. It has 250 feet of Colorado River frontage, 7 luxury park model cabins, and a large manager 3br/2ba manufactured home/office. Amenities also include a dock and boat ramp, 50 amp electric, free wifi, sand beach with swimming area, exercise room and sauna, and a clubhouse with kitchen.

The RV sites rent for \$32 and \$35 daily and \$475 monthly, the RV park models for \$109-\$159 daily, and the motel units \$39-\$89 daily and \$495-\$795 monthly. The land is zoned high density residential and will be a very attractive development property in the future.

The buyer paid cash to a new loan of \$249,000. Including not receiving loan payments for about three years, the lender was owed approximately \$2,500,000, and the owner had about \$4,000,000 into the property. After paying back property taxes, an existing sewer lien, and back vendor payments, the bank received \$551,000 at the close of escrow. The property had a very limited operational effort and had a negative net income at the close of escrow. Broker believes the property can gross approximately \$300,000-\$350,000 (it had a \$228,000 gross in 2008) and net \$150,000.

The property was in poor condition at time of sale. A number of the motel units were red tagged and needed extensive renovation work, the rental park models needed reconditioning, and a strong advertising and marketing plan needed to be implemented.

Grant commented, "Bullhead City, Las Vegas, and many of the other hot, desert markets during the peak of the market have experienced very steep declines in property values. A large percentage of both commercial and residential properties are no longer worth the loan amount and lenders are allowing the owner to sell the property and accepting a discounted payoff of the bank's loan amount".

Grant added, "The new buyer is an experienced RV park owner and will be onsite during the snowbird, winter season. I am sure he will turn this property around, and with his very reduced cost basis, return it to a profitable and thriving business".

John Grant of Park Brokerage Inc. sells and finances manufactured housing communities and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 149 manufactured housing communities and RV parks and financed over 200. John can be reached at 800-987-3363.

Market time: 19 Months, Escrow length: 30 days