

DESERT PALMS MOBILE HOME PARK

3450 N. Flowing Wells Road, Tucson, AZ



- **\$2,275,000 Sales Price**
- **71 MH Sites, All Ages**
- **Clubhouse and Pool**
- **Direct Bill Gas + Electrical Utilities**
- **North Tucson**
- **No Rent Control**
- **6.2% Capitalization Rate with Upside**

For Further Information Contact:
John Grant/Park Brokerage Inc.
11580 Petenwell Road, San Diego, CA 92131
(800) 987-3363, fax (858) 530-2368
email: john.grant@earthlink.net



MANUFACTURED HOUSING COMMUNITY		Price \$2,175,000 Plus \$100,000 Park Owned Mobile Homes + MH Notes	
Desert Palms Mobile Home Park 71 MH Sites, Pool, Clubhouse		Down Payment \$568,750	
Address/City 3450 N. Flowing Wells Road, Tucson	County Pima	State Arizona	
Est. Vac. & Expense % See Proforma Attached	Age Older, Looks Newer	Loan Buyer to Obtain	
Capitalization Rate 6.2%	Est. Spendable Return 3.4%	Total Return-MH Notes +Rental: 6.3%	
Parcel Size Approximately 5-6 Acres	No. Spaces 71	Water City	Sewer City
Listing Salesman John Grant (800) 987-3363		Price Per Site: \$30,634	
<p>DESCRIPTION AND TENANT INFORMATION: Very well maintained and managed 3 Star, 71 sites, all ages manufactured housing community located in north Tucson. Site rents are \$260-\$270 plus city water, sewer, and trash charges. The gas and electric utilities are directly billed by the utility companies. There is no rent control in the State of Arizona. 9 doublewides with the balance of sites containing singlewide homes. Many of the sites can accommodate doublewide homes. The community is in excellent condition with newer gas and electric utility systems installed in 1992 and an asphalt overlay on the streets in 2002. Amenities include a swimming pool, clubhouse with a kitchen, billiards, office, storage, bathrooms, and laundry, masonry wall, and attractive desert landscaping. Park rents out vacant sites to RV's during the winter season. Sale includes five mobile home notes, five rental or for sale mobile homes, and a manager mobile home combined worth approximately \$125,000 that have been discounted in this offer to \$100,000 (see attached schedule). Mobile home notes pay \$917 per month and three of the five mobile homes are rented at an additional \$450 per month.</p> <p>VERY ATTRACTIVE, ALL AGES COMMUNITY, NEWER DIRECT BILL GAS + ELECTRIC UTILITY SYSTEMS, EXCELLENT STREETS, REASONABLE RENTS, NO RENT CONTROL</p>			
TOTAL ESTIMATED NET INCOME BEFORE DEBT SERVICE		\$135,729	
LOAN INFORMATION Buyer to obtain a new 1 st trust deed at 75% loan to value or \$1,706,250 at 5.5% fixed for 5 years then rolling to an adjustable rate for another 25 years, monthly payment \$9,687.90	TOTAL ANNUAL PRIN. & INTEREST PAYMENT		\$116,255
	EST. ANNUAL PRE-TAX CASH FLOW (SPENDABLE)		\$19,474
	PLUS MH RENTS AND NOTES		\$16,404
	TOTAL RETURN		\$35,878

The information contained herein has either been given to us by the owner or the property or obtained from sources that we deem reliable. We have no reason to doubt its accuracy but we do not guarantee it. Vacancy factors used herein are an arbitrary percentage used only as an example. It does not necessarily relate to actual vacancy, if any. The value of this investment is dependent upon these estimates and assumptions made above, as well as the investment income, the tax bracket and other factors which your tax advisor and/or legal counsel should evaluate. **THE PROSPECTIVE BUYER SHOULD CAREFULLY VERIFY EACH ITEM OF INCOME, EXPENSE, AND ALL OTHER INFORMATION CONTAINED HEREIN.**

DESERT PALMS MOBILE HOME PARK

	ACTUAL Year End 2003	ACTUAL Year End 2004	Broker's Proforma	
REVENUES				
Space Rent	195,215	194,515	227,160	← Current rent roll at 100% occupancy.
Less 5% Vacancy			-11,358	
RV Rent	4,737	7,665	0	
Late Fee/NSF	749	1,991	1,991	
Electric	536	546	546	
Gas	252	0	0	
Water	5,829	6,550	6,550	
Trash	0	2,402	2,402	← Trash passed thru beginning in 2004
Sewer Charges	3,926	4,693	4,693	
RV Storage/Parking	0	705	705	
Laundry	2,875	2,150	2,150	
MH Rent	5,801	6,249	0	
Misc. Service Charges	615	1,522	1,522	
MH Notes/Lease Option	4,951	6,512	0	
Pets	85	485	485	
Expense Reimbursements	1,297	1,049	1,049	
Mobile Home Sales	2,000	5,000	0	
Coke/Vending	33	0	0	
TOTAL REVENUE	228,901	242,034	237,895	
EXPENSES				
Payroll	37,366	41,259	30,000	← Payroll high for smaller park
Misc. Repairs	5	0	0	
MH Repairs	2,722	3,762	0	
MH Setup	0	5,163	0	
Auto Repair/Insurance	0	580	0	
Repairs and Maintenance	10,526	8,844	8,844	
Pool Supp/Serv/Repairs	2,209	4,094	2,000	
Streets + Driveways	3,867	0	0	
Tree Maintenance	623	0	0	
Fencing	0	336	0	
Signage	30	0	0	
Janitorial + Supplies	264	0	0	
Carpet Cleaning	69	0	0	
Plumbing Repairs	1,032	1,103	1,103	
Laundry Machine Repairs	582	224	224	
Electrical Repairs	211	0	0	
Carpentry Repairs	3,187	0	0	
Roofing Repairs	966	2,483	0	
Fire/Liability Insurance	3,607	3,224	3,224	
MH Insurance	0	881	0	
Workers Comp Insurance	952	1,144	900	
Health Plan	129	0	0	
Property Management	12,673	13,259	11,817	← 5% of gross
Contract Labor	638	0	0	
Electricity	7,570	8,010	8,010	
Gas	4,563	5,198	5,198	
Water	5,345	5,969	5,969	

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Sewer	4,035	3,777	3,777			
Trash	377	2,402	2,402			
Telephone	3,704	3,015	1,200			
Cable TV	387	0	0			
Office	2,835	1,877	1,000			
Advertising	854	770	770			
Dues and Subscriptions	601	533	533			
Education/Training	30	209	209			
Permits/Fees/Licenses	181	300	300			
Legal	2,408	45	45			
Accounting	1,417	1,269	1,269			
Meals/Entertainment	260	280	280			
Travel	1,526	1,768	500			
Postage	218	46	46			
Office Supplies	0	284	284			
Equipment	951	1,112	0			
Property Taxes	6,879	11,182	11,182			
Mobile Home Prop Tax	536	670	0			
RV Taxes	197	566	566			
Responsible Person	200	0	0			
Credit Check Fees	378	506	506			
Bank Charges	17	8	8			
TOTAL EXPENSES	127,127	136,152	102,166			
NET INCOME	101,774	105,882	135,729	←	Net income used for valuation	

Desert Palms: Homes Owned or Financed

Homesite Number	Key	Balance on Lien on Sept 1	Comments	Approx Value of Home
107	HO	\$4,967.20	Note	\$8,000.0
109	POR		Rental	\$14,900.0
203	HO	\$11,242.93	Note	\$13,900.0
205	HO	\$5,032.90	Note	\$10,000.0
211	HO	\$3,868.48	Note	\$14,000.0
302	POR		Rental	\$14,000.0
306	PO		VACANT	\$6,500.0
314	HO	\$8,464.13	Note	\$9,995.0
316	PO		VACANT	\$7,900.0
318	POR		Rental	\$8,000.0
320	PO		Manager lodging	\$18,000.0
Totals		\$33,575.64		\$125,195.0
Key: PO = Park Owned POR = Park owned and rented HO = Park is lien holder on note O = Owned by tenant (none shown)				

