

HORIZON TRAILER VILLAGE

3575 E. Palm Canyon Dr., Palm Springs, CA



- **\$5,250,000 Sales Price**
- **165 Sites + 4 Apts + Condo Sublease**
- **18 Year Leasehold**
- **Low Rents, No Rent Control**
- **Pool, Spa, Rec Building, RV Storage**
- **12.5% Proforma Cap Rate**

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MANUFACTURED HOUSING COMMUNITY		Price \$5,250,000	
Horizon Mobile Village 165 Sites + 4 Apartments on 18 Year Ground Lease		Down Payment \$5,250,000	
Address/City 3575 E. Palm Canyon Dr., Palm Springs	County Riverside	State California	
Est. Vac. & Expense % See Proforma Attached	Age Built 1955-1960	Loan	
Capitalization Rate Proforma 12.5%	Est. Spendable Return	Total Return	
Parcel Size 25 Acres, Park on 12.5 Acres	No. Spaces 165 + 4 Apartments	Water City	Sewer City
Listing Salesman John Grant (800) 987-3363, email john.grant@earthlink.net			
<p>DESCRIPTION AND TENANT INFORMATION: 165 mobile home sites plus four apartments with a fantastic location on prestigious Palm Canyon Drive in the City of Palm Springs. The property is on a lease with 18 years remaining that expires June 30, 2023. Leasehold also includes a sublease to 51 Rimcrest condominiums above the park that pay \$810 each per year with a scheduled \$81 annual increase in 2012. Leasehold also includes an easement to an exclusive hilltop area where Bob Hope, Steve McQueen, William Holden and others built homes. The easement expires in 2010 and will have to be renegotiated. The leasehold also includes about three vacant acres of land, which together with adjacent land, was engineered for 17 lots. The lease payments are based on 10% of the space rents plus 10% of the net of utilities plus 30% of sublease rent to condominiums. The 55+, senior park contains 23 doublewides with the balance mostly singlewides with expandos and addon rooms. The park also has 2 one bedroom apartments, one 2 bedroom apartment, and one manager 2 bedroom apartment. Amenities include a large swimming pool, spa, 1,800 sf exercise room adjacent to the pool, 1,800 sf recreation building with a recently remodeled kitchen and two bathrooms, set of bath houses, 1,080 sf office and manager apartment, 1,800 sf supplemental office plus a coffee, tv, and library rooms with two large storage areas, covered shuffleboard, four musical groups that live in the park, and the great location is nearly wind free (a big amenity in the desert). The park also has 20 spaces for RV storage with 10 having electric and sewer hookups. The sellers have owned the park for 40 years and the space rents are very low. The current space rents are \$255-\$325 plus a flat \$40 charge for the sewer, water, and trash utilities and submetered gas and electric utilities. It is the broker's opinion that market is at least \$495. Since the land is owned by an Indian, it is generally agreed that rent control laws do not apply to this land. THE OWNER OF THE LAND HAS NO INTEREST IN SELLING THE LAND. You must buy this leasehold based on its remaining 18 year term.</p> <p>Rent Survey (Please note that there are few "market rate" rent comps in the greater Palm Springs area as most of the parks are subject to very onerous rent control): Rancho Mirage RV and MHP, 70210 Hwy 111, Rancho Mirage, \$495-\$525, Parkview Mobile Estates, 393 W. Mesquite, Palm Springs, \$550, Safari Park, 3865 E. Palm Canyon Dr., Palm Springs, \$438, Palm Canyon Mobile Club, 1880 S. Palm Canyon Dr., Palm Springs, \$490-\$510, greater Palm Springs RV parks are \$500-\$1,000 per month during the winter season.</p>			
TOTAL ESTIMATED NET INCOME BEFORE DEBT SERVICE (See 2003 and 2004 actuals and Broker Proforma attached)		\$654,910	

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.**

HORIZON MOBILE VILLAGE

	ACTUAL Year End 2003	ACTUAL Year End 2004	Broker's Proforma	
TOTAL REVENUE	710,044	749,605	1,100,000	← Broker believes market rent is \$495 per month or higher. Property is on Indian land and is not subject to rent controls
EXPENSES				
Advertising	1,819	1,481	1,481	
Auto and Travel	5,067	5,527	2,000	
Insurance	18,154	26,691	20,000	With only 18 years left on lease, Broker does not anticipate any Buyer making any large capital improvements.
Legal and Accounting	5,754	5,533	3,000	
Repairs	90,028	13,089	25,000	← Repairs at \$150/space/year
Property Taxes	46,816	50,167	50,167	←
Utilities	143,031	144,104	144,104	Property taxes not increased for leaseholds less than 30 years
Wages and Salaries	93,989	101,980	80,000	←
Dues and Subscriptions	3,308	2,396	2,396	
Employee Benefits	26,030	31,019	0	← Salaries are high and Broker has reduced expense
Licenses	4,002	3,331	3,331	
Office	8,600	5,296	3,000	
Supplies	24,680	23,919	0	
Rent-Land Lease	60,525	63,316	100,000	
Bank Service Charges	118	169	169	
Painting and Decorating	3,944	930	930	
Telephone	4,479	5,033	3,000	
Computer Billing	1,828	3,862	3,862	
Equipment Rentals	86	823	823	
Contract Services	1,588	1,254	1,254	
Meals	1,380	573	573	
TOTAL EXPENSES	545,226	490,493	445,090	
NET INCOME	164,818	259,112	654,910	

