

ALL CASH REQUIREMENT CAUSES REO RV RESORT TO SELL FOR LESS



The sale of the Bradshaw Mountain RV Resort located at 33900 S. Black Canyon Highway in Black Canyon City, Arizona sold September 28, 2012 for \$1,050,000. John Grant of Park Brokerage Inc. handled the sale.

Bradshaw Mountain RV Resort is located 25 miles north of Phoenix just off Highway 17 and was built in 1996. The resort contains 107 full hookup RV sites and a 2,800 square foot commercial building on 11 acres with over 350 trees. It is a winter, snowbird RV resort and has 40 annuals with 22 park models. It is a good quality RV resort and the Trailer Life rating is 9/8.5/8. Each RV site is 30X50 feet and has 50 amp electric. Amenities include a 3,960 square foot clubhouse with office, laundry, and showers and bathrooms, swimming pool, spa, cable tv, and 11 pull thrus. Attached to the clubhouse is a 1,000 square feet 2 bedroom/2 bath manager's apartment. The resort is serviced by county water and has its own sewage treatment plant. Rental rates are \$3,600-\$3,900 Annual, \$450 Monthly, and \$40 Daily.

As is typical for a bank REO sale, the buyer paid all cash without financing. The capitalization rate was 10% and there was approximately \$100,000 in deferred maintenance needed for the sewage treatment plant, tree trimming, asphalt streets, and clubhouse furnishings.

John Grant commented, "The resort sold September, 2009 for \$3,144,000 at its peak \$300,000 net income when it was full in the winter with snowbirds and full in the summer with construction workers. The income is significantly down from the peak because now it's back to a normal, snowbird RV resort. The resort also lost much of its snowbird RV resort business during the foreclosure process because it did not have good management, WIFI, an attractive web page, and online reservations. The buyer has rebranded the resort, Black Canyon Ranch RV Resort, and will add the improvements and strong management. This property has significant upside and I expect this property to be back up to a \$200,000 net income in a year or two".

John Grant sells and finances manufactured housing communities and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 155 manufactured housing communities and RV parks in the last 25 years and financed over 200. John can be reached at 800-987-3363.

Market time: 5 months, Escrow length: 10 Weeks