

PRESS RELEASE

BARSTOW, CALIFORNIA

MAY 12, 2000

OLD TRAILER PARK SELLS AT DEPRESSED PRICE

The sale of the Desert Moon Mobile Home Park located at 2371 E. Main Street, Barstow, CA, closed May 12, 2000 for \$350,000. John Grant of Park Brokerage Inc. handled the transaction.

Desert Moon is an older, 61 space park with mostly old singlewides and permanent travel trailers, and a few old doublewides. The park was probably first built more as a RV park as it is located on the old Route 66. The space rents are \$195 plus submetered electric and \$14.00 trash and \$11.50 city sewer. It is an all ages community, and its only amenities are a pool and laundry room.

The park sold with a 50% vacancy rate and deferred maintenance. The streets are in very poor condition and no cosmetic work has been performed in a long time. During the mid 1980's, Desert Moon had sold for \$490,000.

The buyer owns several other older parks comparable to Desert Moon and in weaker markets like Barstow. He plans on bringing in used mobile homes and reselling them on contracts to new residents.

The Buyer made a \$75,000 down payment and the Seller carried very attractive financing of a \$275,000 AITD at 7½% interest for 12 years, 9 months. The monthly payment is \$2,800. The park sold at a 10% capitalization rate. The Buyer plans on paving the streets and renovating the community.

John Grant commented, "Barstow is a very weak market and the older trailer parks have suffered with high vacancy. However, even the tertiary markets like Barstow are beginning to improve with the overflow from the great real estate market in the metro areas of Southern California".

Grant added, "There are no secrets on how to make an older trailer park profitable. Owners need to make their park as attractive as possible, market to attract permanent RV tenancy, and bring in mobile homes to fill vacancies. There is no dealer activity in Barstow and no potential tenants looking to move their mobile homes. An owner must make the market".

John Grant sells and finances manufactured housing community and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 70 communities and parks in the last twelve years with over 100 financed. For further information you can contact John at 800-987-3363.