

PRESS RELEASE

GRAND TERRACE, CALIFORNIA

September 18, 2001

BUYER LOOKS TO CAPTURE UPSIDE ON 50% VACANT COMMUNITY

The sale of the Grand Barton Mobile Home Park located at 21845 Grand Terrace Road in Grand Terrace, California was completed on September 18, 2001 for \$825,000. John Grant of Park Brokerage Inc. represented the seller in the transaction.

The all ages, manufactured housing community has 62 sites with rental rates of \$280-\$300 plus submetered gas, electric, and water charges plus sewer and trash. There is no rent control in the City of Grand Terrace. The community is on city and water utility systems. The community is located just east of Highway 215 next door to a shopping center and occupies 4.74 acres.

Grand Barton was 50% occupied at time of sale with major deferred maintenance. The buyer plans on putting in a new electrical system, repaving the streets, and landscaping the property.

The park sold for a 7% capitalization rate based on its current net income. The net income will increase 250% upon achieving 95% occupancy. The buyer assumed an existing \$295,000 1st trust deed at 7½% interest due July/2014, and the seller carried a \$204,000 2nd trust deed at 8% for five years. The purchase price included six manufactured homes worth approximately \$50,000.

John Grant commented, "Grand Terrace is a fairly desirable bedroom community in the Riverside/San Bernardino area. The property was in poor condition but local retailers had still sold four new manufactured homes into the community in the last year. After the buyer completes the property improvements, the community should rapidly fill as a retailer currently has two spec homes in the community and another retailer has a sales office right across the street".

Grant added, "Subtracting \$50,000 for the value of the park owned manufactured homes, the community sold for a very low \$12,500/site. The Southern California manufactured housing market has been very strong for the past few years, and it is getting very difficult to find communities in good areas that have vacant sites".

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 84 parks in the last 13 years and financed over 100. For further information contact John at 800-987-3363.