

PRESS RELEASE

SAN JACINTO, CALIFORNIA

March 7, 2001

INVESTOR SNAPS UP UNDERPERFORMING COMMUNITY AT 10% CAP

The sale of the Grandview Mobile Home Park located at 351 E. Seventh Street, San Jacinto, CA was completed on March 7, 2001. John Grant of Park Brokerage Inc. represented both parties in the sale.

The all ages community consists of singlewide mobile homes. The 58 space community was built in the 60's on 4.49 acres. Amenities include a rec room and laundry room. The space rents are \$230-\$235 plus submetered gas, electric, water, sewer, cable tv, and trash utilities. There is no rent control in the City of San Jacinto. The purchase price included approximately \$25,000 in mobile home installment notes.

The buyer made a \$212,500 down payment, and the lender provided a new 1st trust deed of \$637,500 at an adjustable interest rate of 8.50%. The property had been mismanaged and suffered an approximate 20% vacancy and uncollectible rate in 2000. Despite the vacancy, the capitalization rate was 10%.

John Grant commented, "San Jacinto and the rest of the Inland Empire area of Southern California have suffered from very weak housing markets since the last recession begun almost ten years. The areas have finally begun to recover. As housing prices in the metropolitan areas become more and more expensive, more people are being pushed to the secondary markets to live".

"The buyers understood that San Jacinto now has stronger demand for housing and the community should enjoy stronger occupancy and higher rents in the future. The sellers had mismanaged the property by not properly qualifying new residents, allowing residents to consistently pay late or in partial payments, and not consistently enforcing rules and regulations. The buyers believe that housing demand will continue to increase in San Jacinto, and with stronger management and better marketing, the community should enjoy 95%+ occupancy".

"\$14,655/space and a 10% capitalization rate for a middle quality community should seem like a strong buy in the future".

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