

**5 STAR SNOWBIRD RV RESORT SELLS FOR 8.0% CAP RATE TO ONSITE
ONWNER/OPERATOR**



The sale of the Havasu Falls RV Resort located at 3493 Highway 95 North, Lake Havasu City, Arizona sold June 8, 2012 for \$2,100,000 or \$16,154 per site. John Grant of Park Brokerage Inc. represented the Seller in the sale.

Havasu Falls was built in 1997 as a “Big Rig” RV resort with the intention to capture the booming, more transient, large motor home traveler during the winter, snowbird season. The 129 sites resort has 28 x 50 feet sites with a large concrete pad, 50 amp electric, telephone, and cable tv. There are 81 pull thru sites. The property is one of the nicer RV resorts in Arizona with a Trailer Life rating of 9.5/10/10. The property is on the main commercial corridor in Lake Havasu City on 9.48 acres and offers long term upside on commercially zoned land. Rental rates were Daily \$37, Weekly \$220, and Monthly \$480. The property is serviced by a sewage treatment plant and city water.

Amenities include a large clubhouse with bathrooms and showers, billiards, exercise room, and laundry, swimming pool, horseshoe pits, bocce ball courts, and a large office with manager apartment and two cars garage/shop.

The buyer made a \$175,000 cash down payment, Horizon Bank of Lake Havasu City provided a \$1,710,000 1st trust deed, and the seller carried a \$215,000 second trust deed for three months. When Horizon Bank obtains SBA loan approval, they will then increase their loan \$215,000 and pay the seller second trust deed. The capitalization rate was 8.2%, with onsite management cost, but the new owner will be eliminate the onsite management expense by being an owner/operator.

John Grant commented, “The availability of a local lender and their aggressive financing for Lake Havasu City properties allowed this RV resort to sells above market in my opinion. Most RV resorts today cannot obtain new bank financing and sell for 10% capitalization rates. However, the buyer will be onsite generating management savings and the property had no advertising or marketing. In addition to starting a marketing campaign, the property offers additional upside by adding park wide wifi and online reservations. This property sold far below replacement cost. It cost \$2.6 Million to build in 1997 and would cost much higher today”.

John Grant sells and finances manufactured housing communities and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 153 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: One year, 5 months, Escrow length: 5 Months