

## PRESS RELEASE

YUMA, ARIZONA

OCTOBER 13, 1998

### INVESTOR BUYS ANOTHER SNOWBIRD RV PARK IN YUMA

The sale of the Windhaven RV Park located at 6580 E. Highway 80 in Yuma completed October 13, 1998 for \$1,275,000. John Grant of Park Brokerage Inc. represented the seller in the transaction.

The snowbird RV park contains a total of 130 spaces. 63 spaces are in the "old" section built approximately 25 years ago and renovated five years ago. 66 spaces and the clubhouse, office, pool, and spa facility were built in 1993. All of the spaces in the "new" section are large, park model size spaces. The park currently has 30 park models, 90 annuals, and six rental units. The sale also included a newer, 1,580 square foot doublewide manufactured home for the manager.

Annual rental rates are \$1,350-\$1,695. Daily rental rates are \$23, weekly \$120, and monthly \$275 + electric. The park also has a large amount of propane and water sales income. Like most snowbird RV parks, the park is almost 100% occupied during the November 1<sup>st</sup>-April 1<sup>st</sup> winter season, and mostly vacant the balance of the year. The old section is serviced by a septic sewage system, and the new section has a package sewage treatment plant. The park is serviced by county water.

The buyer obtained a new 1<sup>st</sup> trust deed of \$320,000 from La Jolla Bank of Arizona at a 9% interest rate, and assumed an existing 2<sup>nd</sup> trust deed of \$577,000. The existing 2<sup>nd</sup> trust deed has very advantageous interest rates of 6% through 1999, 6½% through 2004, 8% through 2009, and then adjusts at the 11<sup>th</sup> district cost of funds + 3% for the next 15 years. The capitalization rate was 9.1% using the Sellers' 1997 net income. However for a smaller RV park, the onsite and offsite management costs of \$55,000 were very high. Using a more reasonable cost of \$35,000 for onsite and offsite management, the net income is 10.7%. With the excellent 2<sup>nd</sup> trust deed financing, the buyer's cash on cash return is approximately 18%.

John Grant commented, "The buyer bought his first RV park in Yuma a year and a half ago, and has been very pleased with his investment. The snowbird market in Yuma continues to improve. The year round population of Yuma is 40,000, but 100,000 snowbirds visit Yuma each winter season. Yuma RV park owners have enjoyed very high occupancy rates during the winter season, and increasing rental rates."

John Grant sells and finances manufactured housing communities and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 57 parks in the last ten years with dozens and dozens financed. For further information contact John at 619-586-9400.