

MOBILE HOME PARK (Manufactured Housing)

Project Name:	Oxnard Village Mobile Home Community			
Property Address:	12345 Oxnard Ave., Anwhere, CA.			
Requested Loan Program	18 month Bridge Loan	Rate	8.990%	Amort
Borrowing Entity:	XYZ LLC			
Individuals/Principals:	John Smith-Jones			



PURCHASE

REFINANCE

Sales Price:	\$2,900,000		Date Acquired:	1/1/2013	Est Value	\$0
Cash Down:	\$1,160,000	40.00%	Original Cost:	\$0	Rehab:	\$0
Requested Financing (1st TD):	\$1,740,000	60.00%	Existing Debt:	\$0		
Subordinate Financing:	\$0	0.00%	New 1st TD:	\$0	#DIV/0!	
Total Financing:	\$1,740,000	60.00%	Subordinate Debt:	\$0	#DIV/0!	
Total Cash Down Payment:	\$1,160,000	40.00%	Total Financing:	\$0	#DIV/0!	
Source of Down Payment:			Net Proceeds:	\$0		
Comments:						
Estimated Amount of Rehab if Bridge Loan			Existing Lender:			
Estimated Value after stabilization						
Estimated # months to stabilization						

MOBILE HOME PARK PROPERTY DESCRIPTION

Total Number of MHP Spaces	100		Monthly Income	\$30,000
# of Single-Wide Spaces	60	60.00%	Laundry Income	\$500
# of Double-Wide Spaces	40	40.00%	Utility Reimbursement	\$0
Are the roads Paved?	Yes		Storage	\$0
What Class is MHP	4 Star		Other	\$0
# of Park Owned Homes	5	5.00%	Total Monthly Income	
# of RV Spaces	0	0.00%	Total Annual Income	\$0
# of Vacant Spaces	33	33.00%		
Year Built	1977			
Amenities (Pool, Clubhouse, etc.)	Laundry facility, clubhouse and pool.			
Other				

TRANSACTION SUMMARY

The purpose of this transaction is to purchase the subject property with short term interest only Bridge loan with no prepayment penalty. The borrower is very experienced in turn around mobile home park acquisitions and owns several apartment buildings in the local area. Copy of borrower's financial statement, schedule of real estate (SREO) and property management resume is available.

INCOME & EXPENSES

	Actual	Proforma		
Gross Scheduled Annual Income	\$360,000	\$360,000	Real Estate Taxes	\$36,250
Laundry Income	\$6,000	\$6,000	Other Taxes-Assesments	\$0
Utility Reimbursement	\$0	\$0	Licenses-Business Tax	\$2,000
Storage	\$0	\$0	Property Insurance	\$0
Other	\$0	\$0	Trash	\$0
Gross Potential Income	\$366,000	\$366,000	Utilities-undetailed	\$0
Less: Physical Vacancy %	33.00%	7.00%	Maintenance & Repairs	\$10,000
	(\$120,780)	(\$25,620)	Cleaning	
Less: Concessions & Delinquency	0.00%	3.00%	Supplies	\$2,500
	\$0	(\$10,980)	Pool	\$0
Total Economic Vacancy	(\$120,780)	(\$36,600)	Gardening	\$0
Total Economic Vacancy %	33.00%	10.00%	Payroll (Janitorial, Security, etc.)	\$0
Effective Gross Income (EGI)	\$245,220	\$329,400	Payroll Taxes	\$0
Less Operating Expenses	(\$87,072)	(\$87,072)	Telephone & Communication	\$0
Net Operating Income (NOI)	\$158,148	\$242,328	Legal & Professional Fees	\$2,500
1st TD Debt Service	(\$156,448)	(\$121,850)	General & Administrative	\$2,500
DSCR 1st TD	1.01	1.99	Advertising & Marketing	\$5,000
2nd TD Debt Service	\$0	\$0	Off Site (Professional Mgt)	\$16,470
Combined Debt Service(1st & 2nd)	(\$156,448)	(\$121,850)	Resident Mgr Salary	\$1,200
Combined DSCR (1st & 2nd)	1.01	1.99	Res Mgr Apt Allowance	\$1,200
Cash Flow	\$1,700	\$120,478	Contract Services	\$0
			Miscellaneous expenses	\$2,452
			Other 1	\$0
GRM (Gross Rate Multiplier)	7.92	7.92	Other 2	\$0
Cap Rate	5.45%	8.36%	Replacement Reserves	\$5,000
Average Rent Per MHP Space	\$300	\$300	Total Operating Expenses	\$87,072
% Rental Upside		0.00%	Expenses / %EGI	35.51%
ROE (cash flow / equity)	0.15%	10.39%	Expenses / Per Unit	\$871
Value per MHP Space	\$29,000			
Loan per MHP Space	\$17,400			

ACQUISITION & EXIT STRATEGY

Purpose of Transaction (Proposed Financing):

Actual (AS IS) Rents:

Proforma (AS stabilized) Rents:

Stabilized Value:

Interior & Exterior Rehab (IF Bridge Loan Financing Structure)

Exit Strategy for borrower if Bridge Loan:

Actual (AS IS) Rents / Proforma (As Stabilized) Market Rents

Actual Rents DCR Sizer	
NOI	\$158,148
NOI for DS	\$121,652
Minimum DCR	1.300
Max Loan / DCR	\$1,734,152
Interest Rate	5.000%
Amortization	25
Loan to Value	59.80%

Market Rents DCR Sizer	
NOI	\$242,328
NOI for DS	\$186,406
Minimum DCR	1.300
Max Loan / DCR	\$2,657,218
Interest Rate	5.000%
Amortization	25
Loan to Value	91.63%

Actual (AS IS) Rents: Actual rents support \$1,734,000 (59% LTV) at prevailing rates (4.25% to 5.00%) for Portfolio Bank financing with 1.30 DCR and 5.00% minimum underwriting floors using 25 year amortization.

Proforma (AS stabilized) Market Rents support \$2,657,000 (91% LTV) at prevailing rates (4.25% to 5.00%) for Portfolio Bank financing with 1.30 DCR and 5.00% minimum underwriting floors. The maximum loan to value per guidelines is 75% to 80%.

Agency financing is un available per current guidelines requiring 4 to 5 Star Parks with 60% minimum doublewide spaces required. Stabilized operating history for 12 to 24 months is also required.

Actual Rents Cap Rate Calculator	
NOI	\$158,148
Cap Rate	5.45%
Value	\$2,900,000

Market Rents Cap Rate Calculator	
NOI	\$242,328
Cap Rate	7.50%
Value	\$3,231,037

Actual (AS IS) Rents: Actual Cap Rate is 5.45% with current occupancy. Underwriting based on current actual rents (\$30,000) with 33% actual vacancy and operating expenses of \$87,072 (36.88% of Stabilized EGI) / \$871 per unit.

Market Rents: Cap Rate is estimated at 7.50% based upon recent sales comparables. Estimated stabilized value is \$3,231,000. Underwriting based on market rents (\$30,000) with 10% vacancy and collection loss and operating expenses of \$87,072 (36.88% of Stabilized EGI) / \$871 per unit.

COMMENTS

The borrower's estimated time to achieve market rents and stabilized occupancy is 12 to 18 months. Conventional financing (exit strategy) financing will require 6 to 12 months of stabilized occupancy and operating statements. See attached acquisition to stabilization plan with estimated cost breakdown for cosmetic exterior improvements.

ADDITIONAL PHOTOS

