

King City MHP 612 W Vine, St Le Roy, IL

Price: \$475,000

Park Description

- | | | |
|-----------------------------|------------------|--------------------------------|
| • Total Park Owned Homes: 4 | 22 Spaces | • Total Tenant Owned Homes: 14 |
| • Total Occupied Homes: 4 | | • Total Rent to Own: 2 |
| • Total Vacant Homes: 0 | | • Total Vacant Lots: 2 |

Overview of Income and Expenses

Current Numbers

- Gross Income: \$ 102,319
- Expenses: \$46,248
- Net Income: \$ 56,071

Estimated Numbers after plan completion

- Estimated Capital needed to complete project \$20,000
- Projected Gross: \$119,983
- Projected Expenses: \$48,348
- Projected NOI : \$71,635
- Projected Net Cash Flow: \$62,035

Current Cap Rate: 11.8

$$\$56,071 \text{ (NOI)} \div \$475,000 \text{ (Sales Price)} = 11.8$$

Cap Rate After Phase 1: 12.5

$$\$475,000 \text{ (sales price)} + \$ 20,000 \text{ (capital)} = \$495,000 \text{ (Investment)}$$

$$\$62,035 \text{ (NCF after note payments)} \div \$495,000 = 12.5$$

*Remember each monthly payment on the mobile homes includes a large principal reduction that goes up significantly every year.

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Current Income and Expenses

Income	Monthly	Annual
Park owned homes	\$2,400	\$28,800
Space Rent	\$4,998	\$59,976
Rent To Own	\$370	\$4,440
Utility Income	\$1,500	\$18,000
Subtotal	\$9,268	\$111,216
Less approximately -8% delinquency and vacancy factor	\$741	\$8,897
Total Gross Income	\$8,527	\$102,319
Expenses	Monthly	Annual
Repairs and Maintenance	\$200	\$2,400
Management & Contract Labor	\$400	\$4,800
Taxes & Insurance	\$250	\$3,000
Meter Read Service	\$154	\$1,848
Water/Sewer	\$2,000	\$24,000
Electric	\$50	\$600
Misc/Other Expenses	\$100	\$1,200
Consulting Fee	\$700	\$8,400
Total Expenses - 54%	\$3,854	\$46,248
Net Operating Income	\$4,673	\$56,071

Current Cap Rate: 11.8

$$\text{\$56,071 (NOI)} \div \text{\$475,000 (Sales Price)} = 11.8$$

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*Estimated costs may not include any appliances and are approximate; additional funds may be required if utilities need to be added or replaced, more repairs are needed than originally estimated for, costs of materials increase, or any other unforeseen circumstance arises.

Phase 1

- Fill 2 vacant lots with new homes
 - Estimated cost to install each home \$10,000; \$20,000 total
 - Estimated cost per home \$45,000 (fully financed), with estimated payments of \$400 per home; \$800 total
- Rent 2 newly installed homes at \$750 each; \$1,500 total gross rent increase

Est. Totals for Phase 1:
Capital Needed: 20,000
Rent Value added: \$1,500

Proforma Phase 1* after completing items in phase 1 of project plan; estimated capital costs \$20,000*.

Income	Monthly	Annual
Park owned homes	\$3,900	\$46,800
Space Rent	\$4,998	\$59,976
Rent To Own	\$370	\$4,440
Utility Income	\$1,600	\$19,200
Subtotal	\$10,868	\$130,416
Less approximately -8% delinquency and vacancy factor	\$869	\$10,433
Total Gross Income	\$9,999	\$119,983
Expenses	Monthly	Annual
Repairs and Maintenance	\$225	\$2,700
Management & Contract Labor	\$400	\$4,800
Taxes & Insurance	\$300	\$3,600
Meter Read Service	\$154	\$1,848
Water/Sewer	\$2,100	\$25,200
Electric	\$50	\$600
Misc/Other Expenses	\$100	\$1,200
Consulting Fee	\$700	\$8,400
Total Expenses	\$4,029	\$48,348
Net Operating Income	\$5,970	\$71,635
less mobile home payments	\$800	\$9,600
Net Cash Flow	\$5,170	\$62,035

Phase 1 Cap Rate: 12.5

$\$62,035 \text{ (NCF after mh payments)} \div \$495,000 \text{ (price + capital)} = 12.5$