



# Executive Summary Laurelwood Mobile Home Community Spartanburg, South Carolina



## Property Description

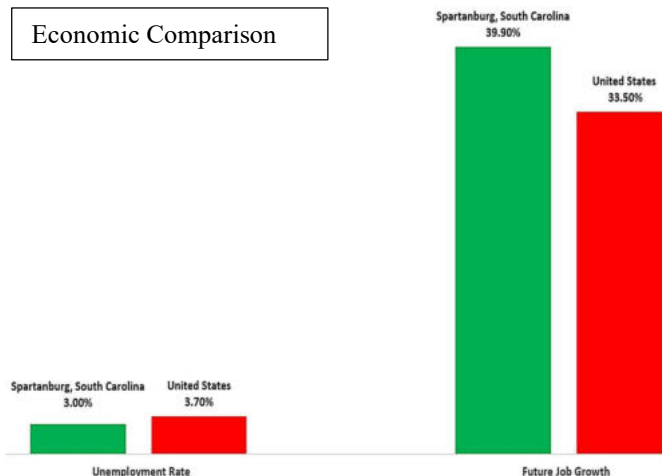
The Laurelwood Mobile Home Community is in the City of Spartanburg, South Carolina, and part of the Spartanburg MSA. The property has **eight lots** with public water and sewer billed back to tenants. This park is **90% occupied** with six tenant-owned homes, one park-owned home, and one vacant lot.

Without conducting any value-add activities, the park generates a positive cash flow upon acquisition. With minimal rent increases of only \$30 - \$50/year and an 8-year hold, this opportunity is projected to have a **15% IRR** using very conservative data modeling & underwriting. This acquisition has the following sound fundamentals:

- An initial Cap Rate of 10%
- Majority Tenant-Owned Homes
  - Fast Growing Market (County seat of Spartanburg County and close proximity to both Charlotte, NC and Greenville, SC)

## Local Market

Economic Comparison



## Deal Structure

Asking Price:	\$220,000
Sales Price (Cash Sale):	\$143,000

## Capital Raise

Cash Sale:	\$143,000
Due Diligence:	\$ 3,000
Closing Costs:	\$ 4,000
Acquisition Fee:	\$ 7,000
Value-Add:	\$ 10,000
Reserves:	\$ 12,000
<b>Total Capital Raise:</b>	<b>\$179,000</b>

## Return on Investment

Targeted IRR:	15%
Targeted Equity Multiple:	2.4x
Targeted Hold Time:	8 Years
Investment Type:	Equity

## Schedule of the Investor's Return of Capital

- *First:* 100% to Investors until a 10% preferred return is achieved
- *Second:* After a 10% preferred return is achieved, then 80% to Investors and 20% to Sponsor
- *Third:* After a 14% return is achieved, then 70% to Investors and 30% to Sponsor
- *Fourth:* After a 18% return is achieved, then 60% to Investors and 40% to Sponsor

## Timeline

The property is expected to close escrow on or before **August 18<sup>th</sup>, 2020**. All funds are to be remitted by **August 15<sup>th</sup>**.