



Executive Summary

Mobile Home Park Portfolio

Walhalla, SC

This park is on the edge of the city’s revitalization efforts which are moving in that direction. With proximity to the downtown area and business districts, city officials, although reluctant to allow new homes to be moved into the park, predict rapid growth in the value of the property over the next several years.

Project Description

This Value-Add acquisition has the following sound fundamentals:

- **Shorter hold time**
- 100% occupied for a long period of time
- Upside in lot rents and transitioning away from park owned homes
- Seller financing with 35% down, 4% interest rate, 30- year amortization, 5-year balloon
- **Cap Rate at Purchase: 9%, 5-point spread.**
- Historically a 3-point spread produces a 20% return



Market Highlights

- Part of the growing Seneca Metro Area with 75,000+ in population
- Median home price of \$135,200 which indicates a strong demand for affordable housing
- Unemployment lower than the national average.
- Solid, diverse employers in the education, manufacturing, construction, utilities, and agricultural sectors
- Home appreciation in the last 12 months over-performed the national average by over 3% at 10.2%

Deal Structure & Raise Goals

Asking Price	\$395,000
Purchase Price	\$300,000
Financing	Seller-Financing
Down Payment	\$105,000
Due Diligence	\$5,000
Acquisition Fee	\$15,000
Closing Costs	\$4,500
Reserves	\$10,000
Value-Add	\$10,500
Raise	\$150,000

Return on Investment

Targeted IRR: 15% -20%
 Targeted Equity Multiple: 1.5x - 2.5x
 Targeted Hold Time: 5 Years

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 **December 31st, 2020**. All funds are to be remitted by **December 23rd, 2020**.