



# Executive Summary Westview Court Mobile Home Park Urbana, Iowa



### Property Description

The Westview Court Mobile Home Park is in Urbana, Iowa and is 23 miles northwest of Cedar Rapids along the Cedar River. The city of Urbana is part of the Cedar Rapids MSA which has a population over 260,000. The property consists of 3.49 acres with 20 lots on public utilities; all directly billed to the tenants. Currently, there are 17 tenant-owned homes, one park-owned home, one vacant lot and a rented barn.

Without filling the vacant lot, the park generates a positive cash flow upon acquisition and produces approximately an **18.43% IRR** with only minimal lot rent increases and a 3-year hold.

This Value-Add acquisition has the following sound fundamentals:

- Majority Tenant-Owned Homes (85%)
- Public Utilities Directly Billed to Tenants
- A Cap Rate of 10.5%
- A Short Holding Period



### Local Market

The recent Population Growth in the area is up 3.0% from 2010 and the median age in Urbana is 34. The average 2/3-bedroom apartment rent is \$755/month and the current average lot rent is \$266/month. The price-to-rent ratio is 19 which is indicative of a strong rental market.

### Deal Structure

Asking Price:	\$350,000
All Cash Offer:	\$330,000

### Capital Raise

Cash Offer:	\$330,000
Due Diligence:	\$3,500
Closing Costs:	\$1,500
Acquisition Costs:	\$16,500
Value-Add Budget:	\$12,000
Reserves:	\$1,500
<b>Total Capital Raise:</b>	<b>\$365,000</b>

### Return on Investment

Targeted IRR:	15%-19%
Targeted Equity Multiple:	1.57x
Targeted Hold Time:	3 Years
Investment Type:	Equity

### Schedule of the Investor's Return of Capital

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

### Timeline

The property is expected to close escrow on or before **May 28th, 2020**. All funds are to be remitted by **June 1st, 2020**. Investors will be admitted on a first come, first served basis.