



Marcus & Millichap
ESTERSON MHC TEAM

A 472 Lot Manufactured Home Community
Investment Opportunity

5 Park Portfolio
Palm Bay FL MSA
(Space Coast)

WE COOPERATE WITH BROKERS!

(restrictions may apply)

WELCOME!

Note to the reader, you will find links throughout the OM pages containing important information, we advise that you click on these links to learn more.

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Table of Contents

Index

Welcome Page	02
Project Overview	03
Rental Units and Investment Summary	04
Property Revenue & Expense	05
Property Photos	06
Esterson MHC Team Info	07

Guidelines

The offering is being distributed exclusively by Marcus & Millichap REIS to the investment community. Following the initial bids, the owner will select an investor to purchase the property or request from a group of investors to submit a best and final offer, from which one will be selected. The selection will be based on a variety of factors including purchase price, contract terms, financial strength, ability to close, timing and experience in closing similar transactions.

All offers must be presented in writing and include:

- Price
- Source of capital
- Proof of funds
- Relevant experience
- Proposed schedule of due diligence and closing
- Amount of earnest money
- List of contingencies including committee approvals, possible 1031 exchanges, etc.

All interested investors are encouraged to schedule a property tour to visit the community and the surrounding market with an approved representative to fully appreciate its market position, quality and strong fundamentals

Property Overview

Property Location

Property Address	1481 N US HWY 1 Titusville FL 6786 Mangrove Dr Merritt Island FL 3305 Frankie Ln Cocoa FL 340 Mallets Bay Ln Cocoa FL 1310 W Rosewood Ave. St. Cloud FL
County	4 x Brevard 1 x Osceola
Metro Area	4 x Palm Bay 1 x Orlando

Site Description

Purchase Price	\$38,800,000
Total Rental Units	472 (plus 55 undeveloped MH lots)
Active MH/RV Lots	470
Total Other Unit Types	SFH x 1 APT x 1
Flood Zone	4 Parks (click for flood maps)
Opportunity Zone	No

Mechanical

Water	3 x Public Bill Back 2 x Well
Sewer	4 x Public 1 x WWTP
Electrical	Direct Bill
Gas	N/A
Trash	Curbside x 4 Dumpster x 1
Cable	Direct Bill
Landscape	Landlord
Snow Removal	No Snow Region

STEP 1

1. View broker's excel sheet:
[CLICK HERE](#)

STEP 2

Schedule a call with Listing Agent:
[\(720\) MHP-4YOU](#)

STEP 3

Make an offer (use our template or use your own):

1. Letter of Intent:
[CLICK HERE](#)

Send offers to:

**EstersonMHCteam@
MarcusMillichap.com**

Property Description

Well located, 470 active MH lots, five park manufactured home community portfolio with upside in occupancy, lot rent and 55 lot expansion area.

The portfolio is a stabilized with upside opportunity with 5 mostly land-lease communities in strong market. The portfolio has 470 active MH lots with 361 lot rent only tenants each paying an average lot rental rate of \$475 per month. There are 15 park owned home tenants and 12 vacant park owned homes that can be brought online. 59 tenants are on a rent to own type contract which mostly expires in 2021 & 2022. There are 21 active vacant lots. 63 MH lots are used for long-term RV tenants. These lots would support a modest single wide home. Additionally, there is a rented Single Family Home at Intercoastal MHC and a rented 3 bedroom apartment in Cypress MHC. Current occupancy is roughly 93% on active lots. There are additional 55 undeveloped lots.

All parks are year-round, all-ages communities and has city water at 3 parks that is billed back to the tenant. 2 Parks use a well and city water is available at one of them. 4 communities use public sewer and 1 park utilizes a waste water treatment plant that has a renewed 5 year permit and has no known deferred maintenance.

The tenant owned units are an older vintage but in above average condition. Roads are paved and in mostly average condition as our offering price suggests. 4 parks are partially in flood-zones. All parks are located in excellent locations near all amenities.

This portfolio is being offered as a value-add investment with a 4.25% CAP on current lot rent only using a 38.4% expense ratio on sellers adjusted actuals. The cash-on-cash starts at 7% and goes to 12% after expansion.



Highlights & Known Issues

Investment Highlights

- Mid to upper teens 10 Year Levered IRR
- Below Market Rents
- Below Market Occupancy
- 55 Additional To Be Developed Lots
- Public Water & Sewer at 4 Parks
- Clubhouse, Swimming Pool, Laundry Facilities

Known Issues

- Road & landscaping capital improvements
- 4 Parks Located in Partial Flood Zone

Rental Units & Investment Summary

Click on the following links for additional property information:

[Jan-21 Rent Roll](#)

[2020 P&L](#)

[Other Materials](#)

Unit Breakdown	
Total Rental Units	472 Active 527 Total
Total Tenants	437
Undeveloped Lots	55
Tenant Owned Homes	361
Abandoned Homes	0
Vacant Lots	21
Rent to Own POHs	60
Rented POHs	16
Vacant POHs	12
Average Lot Rent	\$475
Average RTO Payment	\$284
Average POH Rent	\$239
Total Other Units	1 SFH 1 APT

	Intercoastal	Colony	Cypress	Cocoa	Runnymede
Address	1481 N US	6786 Mangrove	3305 Frankie	340 Mallets	1310 W Rosewood
City	Titusville	Merritt Island	Cocoa	Cocoa	St. Cloud
State	FL	FL	FL	FL	FL
County	Brevard	Brevard	Brevard	Brevard	Osceola
Metro	Palm Bay	Palm Bay	Palm Bay	Palm Bay	Orlando
Dev. Lots	110	143	98	45	76
Water	Well	Public	Public	Public	Well
Sewer	Public	Public	Public	Public	WWTP
Trash	Curbside	Curbside	Curbside	Curbside	Dumpster
Electric	Public	Public	Public	Public	Public
Amenities	Club, Laundry	Office, 55 Undev. Lots	Pool, office, laundry	Zoned for 74 Lots	Pool, Laundry, Lake Access
Roads	Paved	Paved	Paved	Paved	Paved

Capitalized Revenues | Investment Summary

	P&L 1	P&L 2	P&L 3	P&L 4
	Normalized	Easy Upside	Intrinsic	Expansion
Lot Revenue	\$2,488,440	\$3,017,280	\$3,158,400	\$3,528,000
Water & Sewer Revenue	\$160,468	\$165,609	\$173,320	\$193,516
Fee Income	\$49,769	\$60,346	\$63,168	\$70,560
Capitalized Income	\$2,645,624	\$3,174,316	\$3,321,736	\$3,707,836
Capitalized Expenses	\$1,016,809	\$1,248,410	\$1,264,472	\$1,411,815
Net Operating Income	\$1,628,815	\$1,925,906	\$2,057,264	\$2,296,021

Park Owned Home Revenues | (Not Capitalized Income)

Total Gross Income	\$2,895,740	\$3,474,832	\$3,622,252	\$4,008,352
Total POH & RTO Revenue	\$250,116	\$300,516	\$300,516	\$300,516
POH & RTO Expenses	\$100,046	\$120,206	\$120,206	\$120,206
POH / RTO Net Income	\$150,070	\$180,310	\$180,310	\$180,310
Total POH Value	\$298,817			

Investment Metric Table

	P&L 1	P&L 2	P&L 3	P&L 4
Lot Rent Cap Rate	4.25%	5.03%	5.37%	6.00%
Cash On Cash Levered	7.0%	9.3%	10.3%	12.0%
Price Per Lot	\$82,203			
Price Per Occupied Lot	\$88,787			

Local Market Statistics

	Brevard County	Osceola County
Population	568,183	325,168
Growth (since 2010)	+5.1%	+25.8%
Medium Home Price	\$210,700	\$221,800
Average 2-Bed Apartment Rent	\$1,000	\$1,190
Median Income	\$48,483	\$44,551
Unemployment Rate	3.5%	3.6%

[Click Here For Full Sale & Rent Comp Report](#)

Rent Comps	Total Lots	Sale Price	Price Per Lot	Sale Year	Lot Rent	Utility Info
Spring Field Communities Portfolio	470	\$38,800,000	\$82,203	2021	\$475	Mostly Public
Plantation Grove MHP - Bradenton, FL	267	\$21,600,000	\$80,899	2018	\$668	Public
Crystal River Village - Crystal River, FL	234	\$25,017,000	\$106,910	2018	\$466	Public
The Waters - Melbourne Beach, FL	126	\$22,250,000	\$176,587	2019	\$985	Public
River's Edge MHP - North Fort Myers, FL	70	\$6,900,000	\$98,571	2019	N/A	Public
Palm Shores MHP - Port Orange, FL	48	\$5,500,000	\$114,583	2019	\$559	Public

Property Revenue & Expense

Revenue Expense Categories	P&L 1	P&L 2	P&L 3	P&L 4	Comments
	Normalized	Easy Upside	Intrinsic	Expansion	
Lot Rent Revenue	\$2,488,440	\$3,017,280	\$3,158,400	\$3,528,000	P&L 2 & 3 Based on a Market Lot Rent of \$560
Water & Sewer Revenue	\$160,468	\$165,609	\$173,320	\$193,516	Same recapture rate carried forward through 3 P&Ls
Fee Revenue (RE)	\$49,769	\$60,346	\$63,168	\$70,560	2% of Total Revenue
Collections Loss/Bad Debt	\$74,653	\$90,518	\$94,752	\$105,840	3% of Total Revenue
Total Revenue	\$2,645,624	\$3,174,316	\$3,321,736	\$3,707,836	
Property Tax	\$268,019	\$476,000	\$476,000	\$531,466	PL1: Actual PL2&3: Per Municipality
Insurance Expense	\$50,102	\$50,102	\$50,102	\$55,940	PL1: Actual PL2&3: \$80 Per Lot/Year
Repairs & Maintenance Services	\$65,550	\$65,550	\$65,550	\$73,188	\$150 Per Lot/Year
Mowing & Landscaping Services	\$39,484	\$39,484	\$39,484	\$44,085	PL1: Actual PL2&3: Adjusted Lot/Month
Snow & Ice Services	\$0	\$0	\$0	\$0	No Snow
Water Services	\$101,731	\$104,990	\$109,879	\$122,682	PL1: Actual PL2&3: Adjusted for occupancy
Sewer Services	\$140,475	\$144,975	\$151,726	\$169,406	PL1: Actual PL2&3: Adjusted for occupancy
Trash Services	\$11,275	\$11,275	\$11,275	\$12,589	PL1: Actual Runnymede Only 4 Parks included W/Tax
Electric Services	\$65,013	\$65,013	\$65,013	\$72,589	Actual
On-Site Management	\$141,600	\$141,600	\$141,600	\$158,100	\$25 Per Lot/Month
Payroll Expense	\$16,992	\$16,992	\$16,992	\$18,972	12% of On-Site Management
3rd Party Management	\$79,369	\$95,229	\$99,652	\$111,264	3% of Total Revenue
Office Expense	\$11,273	\$11,273	\$11,273	\$12,587	Actual
Legal Expense	\$12,500	\$12,500	\$12,500	\$13,957	\$2,500 per park
Accounting Expense	\$5,000	\$5,000	\$5,000	\$5,583	\$1,000 per park (EOY Entity Tax Prep) - Bookkeeping a part of 3rd
Licenses / Permits / Dues	\$8,426	\$8,426	\$8,426	\$9,408	Actual
Total Expenses	\$1,016,809	\$1,248,410	\$1,264,472	\$1,411,815	
Expense Ratio	38.43%	39.33%	38.07%	38.08%	
Net Operating Income	\$1,628,815	\$1,925,906	\$2,057,264	\$2,296,021	
Cap Rate at Asking	4.25%	5.03%	5.37%	6.00%	Blended cap-rate: 5.16%
POH/RTO Income	\$250,116	\$300,516	\$300,516	\$300,516	
POH/RTO Expenses	\$100,046	\$120,206	\$120,206	\$120,206	40% Expense Ratio
Net POH/RTO Income	\$150,070	\$180,310	\$180,310	\$180,310	
Cash Flow Before Debt	\$1,778,884	\$2,106,216	\$2,237,574	\$2,476,331	
1st Position Debt Service	\$808,962	\$808,962	\$808,962	\$808,962	
Net Cash Flow	\$969,922	\$1,297,254	\$1,428,612	\$1,667,369	
Cash on Cash Return	7.0%	9.3%	10.3%	12.0%	Interest Only

Advertised Pricing	P&L 1	Per Unit	Comments		
Real Estate Value	\$38,294,063	\$81,131	4.25% Cap Rate		
POH Value	\$298,817	\$11,067	27 Park Owned Homes		
RTO Value	\$207,120	\$3,511	59 RTO Contracts		
Total Value	\$38,800,000				
Upside Value	P&L 4	Per Unit	Comments		
Real Estate Value	\$46,426,367	\$88,431	Includes Expansion		
Unit Types	Count	Avg Rent	Comments		
Tenant Owned Home	361	\$475			
Rented Park Owned Home (POH)	16	\$239	Average POH Rent		
Rent to Own Mobile Home (RTO)	60	\$284	Average payment only Buyer to verify all RTO notes		
Vacant Park Owned Home (POH)	12	\$350	Included in P&L 2 & 3 Pro Forma Rent		
Abandoned Home	0				
Vacant Mobile Home Lot	21		Included in P&L 3 (To Display Infill Upside)		
Total Active Mobile Home Units	472				
Infrastructure	Intercoastal	Colony	Cypress	Cocoa	Runnymede
Water System	Well	Public	Public	Public	Well
Sewer System	Public	Public	Public	Public	WWTP
Trash	Curbside	Curbside	Curbside	Curbside	Curbside
Electric Services	Public	Public	Public	Public	Public
Uses of Capital	Amount	% of Purchase			
Total Purchase Price	\$38,800,000	100.00%			
1st Position Loan	\$24,891,141	64.15%			
POH Loan	N/A	0.00%			
Cash to Close	\$13,908,859	35.85%			

Property Photos

[Click here for additional property photos](#)

Drone Video

[Click here for for short drone video](#)



Brokerage Team



Glenn D. Esterson

TEAM LEADER

In the 19 years Glenn has been in commercial real estate he has brokered hundreds of millions of dollars worth of affordable housing apartments, manufactured housing and RV communities throughout the United States. He has successfully transacted more than 300 times for his clients in over 17 states. In addition to his work as a broker, Glenn has owned and operated mobile home communities, run a number of small businesses and owned other commercial real estate investment assets.

Most recently Glenn has authored and published the industry's newest book called ["The Mobile Home Park Manifesto"](#).

Glenn was recruited by Marcus & Millichap in 2019 to build a national team focused on manufactured housing and RV communities. The Esterson MHC Team is quickly gaining a reputation as one of the top brokerage teams in the industry.

Glenn is married to his lovely wife, Cassidy, and has three children. Glenn resides in Wilmington, NC.

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Ryan Nee

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