

613 N Eye St  
Harlingen, TX 78550

Value-add, 68-unit MH and  
RV park centrally located in  
Harlingen, TX.

# Fair Park Estates

PROPERTY ADDRESS

INVESTMENT OPPORTUNITY



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.



# Welcome!

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## 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

<b>PARK NAME</b>	Fair Park Estates
<b>PROPERTY ADDRESS</b>	613 N Eye St, Harlingen, TX 78550
<b>COUNTY</b>	Cameron County
<b>METRO AREA</b>	Harlingen MSA
<b>PARCEL NUMBER(S)</b>	77630

Due Diligence Items



## Site Description

<b>PURCHASE PRICE</b>	<b>\$1,700,000</b>
<b>TOTAL RENTAL UNITS</b>	68
<b>MOBILE HOME OR RV LOTS</b>	64
<b>EXPANSION APPROVED</b>	No
<b>TOTAL OTHER UNITS</b>	4 (2 Apartments, 2 SFH)
<b>TOTAL LAND AREA</b>	3.19 Acres
<b>ROADS</b>	Private-Paved
<b>FLOOD ZONE</b>	No
<b>OPPORTUNITY ZONE</b>	No

## Mechanical Description

<b>WATER SYSTEM</b>	Public, Tenant Pays
<b>SEWER SYSTEM</b>	Public, Tenant Pays
<b>ELECTRIC SERVICES</b>	Public, Tenant Pays
<b>GAS/PROPANE SERVICES</b>	Public, Tenant Pays
<b>TRASH</b>	Dumpster, Landlord Pays
<b>CABLE SERVICES</b>	Public, Tenant Pays
<b>LAWNCARE SERVICES</b>	Landlord Mows Commons
<b>SNOW REMOVAL</b>	No Snow

# Property Description

Value-add, 68-unit MH and RV park located in downtown Harlingen, TX.

The Esterson MHC Team is pleased to present Fair Park Estates, a value-add investment opportunity consisting of 68 total units with significant upside. Fair Park Estates is located next to Amalie Koppel Memorial Park in downtown Harlingen. It is only 13 minutes to Valley International Airport, 7 minutes from the nearest Walmart, and 50 minutes to the beaches of South Padre Island.

With its proximity to the Port of Harlingen, Free Trade International Bridge, Valley international airport, and network of interstates and highways, Harlingen is a major transport and distribution hub for agriculture. There are over 400,000 people in the Brownsville-Harlingen MSA and a 6.8% population growth rate, making Harlingen a very attractive investment market.

The community has 68 total units with 64 lots able to accommodate mobile homes or RV's, 2 single family homes (SFH), and 2 apartments. Currently, there are 23 tenant owned mobile homes (TOH), 27 tenant owned RV's, 14 vacant MH/RV lots, 1 rented apartment, 1 vacant apartment, and 2 vacant SFH. The average MH lot rental rate is \$342, the average RV lot rental rate is \$326, and the apartment is rented for \$350 per month.

Fair Park Estates is a year-round, all-ages community that is serviced by public water, sewer, and electricity. Water and sewer are billed back to tenants at a flat rate. Trash is serviced by dumpsters and included in rent. North/south oriented roads in the park are public and maintained by the city. The east/west oriented roads are newly paved and maintained by the park. The park is not in a flood zone or opportunity zone.

We are asking investors to submit offers at or above \$1,700,000. At list price and upon entry, an investor can cash flow at roughly an 8% CAP rate and can achieve a 12% pro forma CAP rate by reaching \$365 lot rents, infilling 14 vacant lots, and improving the water/sewer expense recapture rate. This will allow for an exit of roughly \$2.6M+ modeled on an 8% exit cap rate.

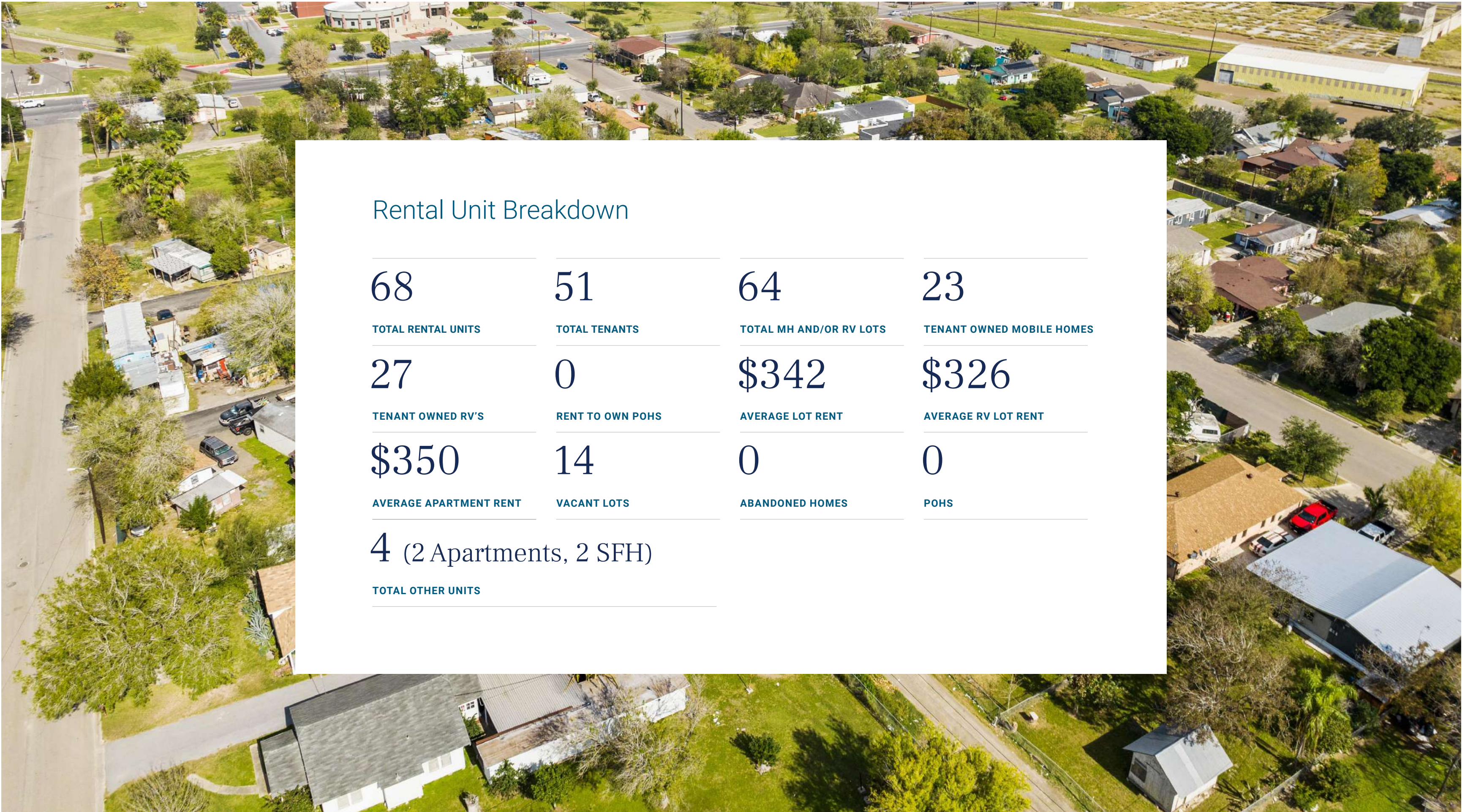
## ▶ HIGHLIGHTS

- Public water/sewer
- Opportunity to infill 14 vacant lots
- Park roads are newly paved
- Achievable 12%+ pro forma CAP rate
- Central Location
- Brownsville-Harlingen MSA has 400k+ population and 6.8% population growth

## ▶ KNOWN ISSUES

- Some MH/RV Lots will only accommodate small units
- Park could use aesthetic improvements
- High Density Community





### Rental Unit Breakdown

68	51	64	23
TOTAL RENTAL UNITS	TOTAL TENANTS	TOTAL MH AND/OR RV LOTS	TENANT OWNED MOBILE HOMES
27	0	\$342	\$326
TENANT OWNED RV'S	RENT TO OWN POHS	AVERAGE LOT RENT	AVERAGE RV LOT RENT
\$350	14	0	0
AVERAGE APARTMENT RENT	VACANT LOTS	ABANDONED HOMES	POHS
4 (2 Apartments, 2 SFH)			
TOTAL OTHER UNITS			





## Local Mobile Home Park Rent

■ LOT RENT 
 ■ POH RENT 
 ■ N/A

### Fair Park Estates

Utilities: Tenants pay W/S/E

### First Colony MHP

Utilities: Not Included

### Los Reyes Family Park

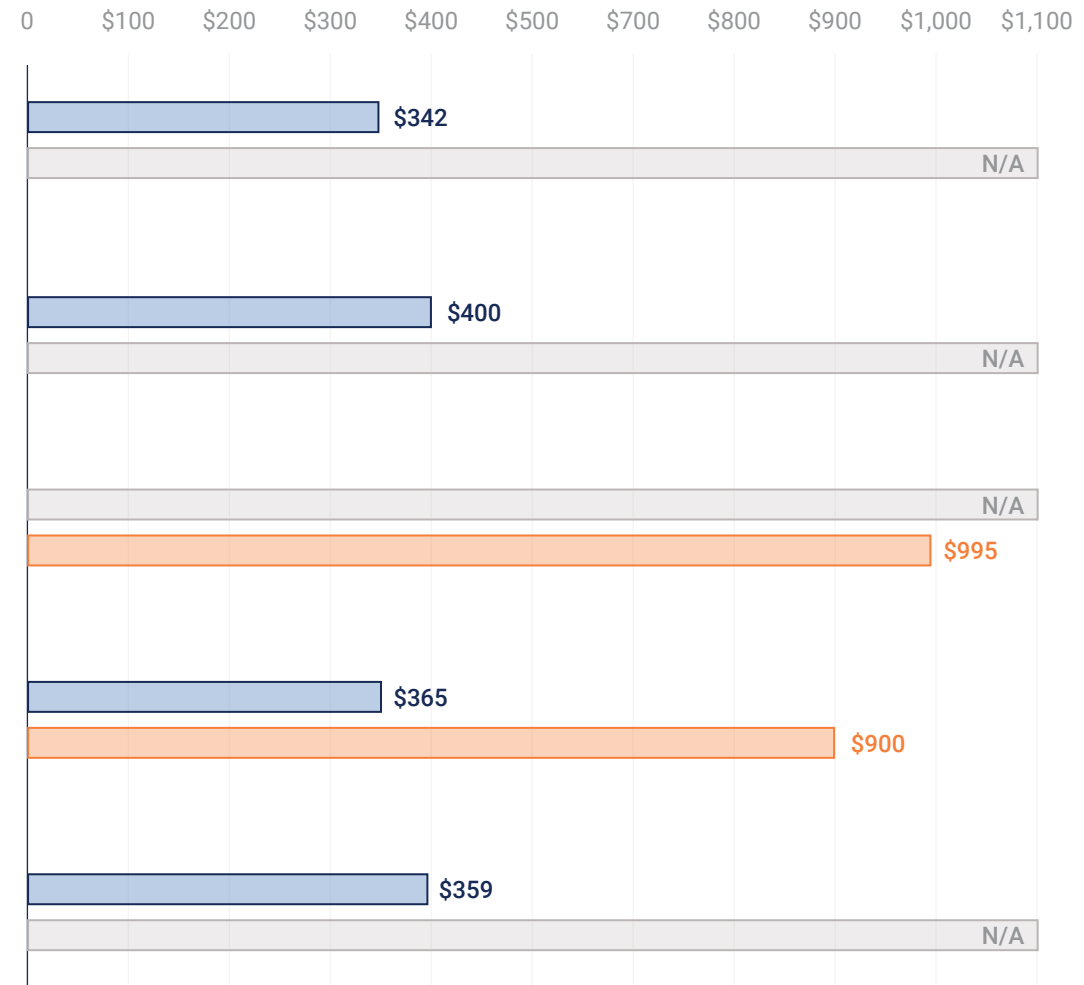
Utilities: Not Included

### The Oasis

Utilities: Not Included

### Eastgate RV and MHP

Utilities: Not Included



## Rent Comp Comments

Parks surveyed near Fair Park Estates seemed to have lot rents consistently in the \$350+ range and park owned home rents in the \$900+ range.

## Local Market Statistics

	City	County	MSA
	<b>HARLINGEN</b>	<b>CAMERON</b>	<b>BROWNSVILLE-HARINGLEN</b>
<b>POPULATION</b>	65,176	424,180	424,180
<b>GROWTH</b>	2%	6.80%	6.80%
<b>MEDIUM HOME PRICE</b>	\$129,700	\$129,000	\$132,100
<b>AVERAGE 2BD APARTMENT RENT</b>	\$763	\$803	\$803
<b>MEDIAN INCOME</b>	\$34,868	\$33,390	\$33,390

# Investment Summary

## Pricing

<b>OFFERING PRICE</b>	<b>\$1,700,000</b>
<b>CAP RATE (LOT RENT ONLY)</b>	8.0%
<b>PRICE PER LOT</b>	\$25,000
<b>PRO FORMA VALUE</b>	\$2,621,121

## Upside Comments

Fair Park Estates presents the opportunity to infill 14 vacant lots and bring rents to market. By infilling the lots, reaching \$365 lot rent, and improving the water/sewer recapture rate, and investor should see a 12%+ pro forma CAP rate and 16%+ pro forma cash on cash.

## Capitalized Revenues

### TOTAL GROSS INCOME

RENT REVENUE (MH, RV, TRAILERS)

SINGLE FAMILY HOME REVENUE

APARTMENT REVENUE

UTILITY REVENUE

FEE INCOME

COLLECTION LOSS/BAD DEBT

CAPITALIZED INCOME

CAPITALIZED EXPENSES

NET OPERATING INCOME

## P&L 1

Broker Normalized

**\$214,520**

Current Rents Per RR

75% Occupancy

Broker Adjusted Expense

\$199,980

\$0

\$4,200

\$19,278

\$2,235

\$11,173

\$214,520

\$79,080

\$135,440

## P&L 3

Maximized

**\$317,915**

Market Rents

100% Occupancy

Broker Adjusted Expense

\$280,320

\$14,553

\$10,584

\$25,704

\$3,312

\$16,558

\$317,915

\$108,225

\$209,690

## Investment Metrics

LOT RENT CAP RATE

CASH ON CASH LEVERED

## P&L 1

8.0%

7.5%

## P&L 3

12.3%

16.2%



# Property Revenue & Expense

	P&L 1 Broker Normalized CURRENT RENTS PER RENT ROLL 75% OCCUPANCY BROKER ADJUSTED EXPENSE	P&L 3 Maximized MARKET RENTS 100% OCCUPANCY BROKER ADJUSTED EXPENSE	Comments
LOT RENT REVENUE	\$94,500	\$162,060	PL1: Actual Per Rent Roll   PL3 Based on Market Lot Rent \$365
SINGLE FAMILY HOME REVENUE	\$0	\$14,553	PL1: Actual Per Rent Roll   PL3: Full Occupancy, Market Rent \$606
APARTMENT REVENUE	\$4,200	\$10,584	PL1: Actual Per Rent Roll   PL3: Full Occupancy, Market Rent \$441
RV, TRAVEL TRAILER OR 5TH WHEEL REVENUE	\$105,480	\$118,260	PL1: Actual Per Rent Roll   PL3 Based on Market Lot Rent \$365
UTILITY REVENUE (WATER & SEWER)	\$19,278	\$25,704	PL1&3: Actual \$31.50 per Tenant Split, Water & Sewer Recapture
FEE REVENUE (RE)	\$2,235	\$3,312	PL1&3: 1% of Total Revenue
COLLECTIONS LOSS/BAD DEBT	\$11,173	\$16,558	PL1&3: 5% of Total Revenue
<b>TOTAL REVENUE</b>	<b>\$214,520</b>	<b>\$317,915</b>	
PROPERTY TAX	\$5,768	\$11,900	PL1: Actual   PL3 Adjusted By Broker Estimate
INSURANCE EXPENSE	\$5,440	\$5,440	PL1&3: Broker Adjusted \$80 Per Unit/Year
REPAIRS & MAINTENANCE SERVICES	\$8,100	\$10,200	PL1&3: Broker Adjusted \$150 Per Tenant/Year
MOWING, LANDSCAPING & SNOW SERVICES	\$3,264	\$3,264	PL1&3: Broker Adjusted \$48/Unit/Year
WATER SERVICES	\$10,404	\$13,872	PL 1&3: Broker Adjusted \$17 Per Tenant/Month (Reported on Seller P&L with Sewer and Trash)
SEWER SERVICES	\$17,136	\$22,848	PL1&3: Broker Adjusted \$28 Per Tenant/Month (Reported on Seller P&L as Water)
TRASH SERVICES	\$4,896	\$6,528	PL1&3: Broker Adjusted \$8 Per Tenant/Month (Reported on Seller P&L as Water)
ELECTRIC SERVICES	\$2,385	\$3,181	PL1&3: Broker Adjusted \$4 Per Tenant/Month
ON-SITE MANAGEMENT	\$12,871	\$19,075	PL1&3: Actual - 6% Gross Revenue
3RD PARTY MANAGEMENT	\$6,436	\$9,537	PL1&3: Actual - 3% Gross Revenue
GENERAL & ADMIN SERVICES	\$2,380	\$2,380	PL1&3: Broker Adjusted \$35 Per Unit/Year
<b>TOTAL EXPENSES</b>	<b>\$79,080</b>	<b>\$108,225</b>	
EXPENSE RATIO	37%	34%	
<b>NET OPERATING INCOME (NOI)</b>	<b>\$135,440</b>	<b>\$209,690</b>	
CAP RATE	8.0%	12.3%	
CASH FLOW BEFORE DEBT	\$135,440	\$209,690	
DEBT SERVICE - NEW LOAN	\$72,091	\$72,091	
<b>NET INCOME</b>	<b>\$63,348</b>	<b>\$137,598</b>	
CASH ON CASH RETURN	7.5%	16.2%	
DEBT COVERAGE RATIO (DCR)	1.88	2.91	Based on Lot Rent Revenue Only



### Advertised Pricing

### P&L 1

### Per Unit

### Comments

REAL ESTATE VALUE	\$1,700,000	\$25,000
POH VALUE	\$0	\$0
<b>TOTAL VALUE</b>	<b>\$1,700,000</b>	

8% Cap Rate  
0 Park Owned Homes

### Upside Value

### P&L 3

### Comments

REAL ESTATE VALUE	\$2,621,121
POH VALUE	\$0
<b>TOTAL VALUE</b>	<b>\$2,621,121</b>

8.0% Cap Rate

### Unit Types

### Count

### Avg Rent

### Comments

TENANT OWNED MOBILE HOME	23	\$342
TENANT OWNED RV	27	\$326
RENTED APARTMENT	1	\$350
VACANT APARTMENT	1	\$0
VACANT SINGLE FAMILY HOME	2	
VACANT MH AND/OR RV LOT	14	
<b>TOTAL UNITS</b>	<b>68</b>	

### Loans

### New Loan

### Loan Info

### Comments

LOAN AMOUNT	\$850,000	Recourse
INTEREST RATE	7.00%	Community Bank
AMORTIZATION	25	Balloon

50% LTV



### Infrastructure

### Type

### Comments

WATER SYSTEM	Public	Tenant Pays
SEWER SYSTEM	Public	Tenant Pays
TRASH	Dumpster	Landlord Pays
ELECTRIC SERVICES	Public	Tenant Pays
GAS SERVICES	Public	Tenant pays

### Uses of Capital

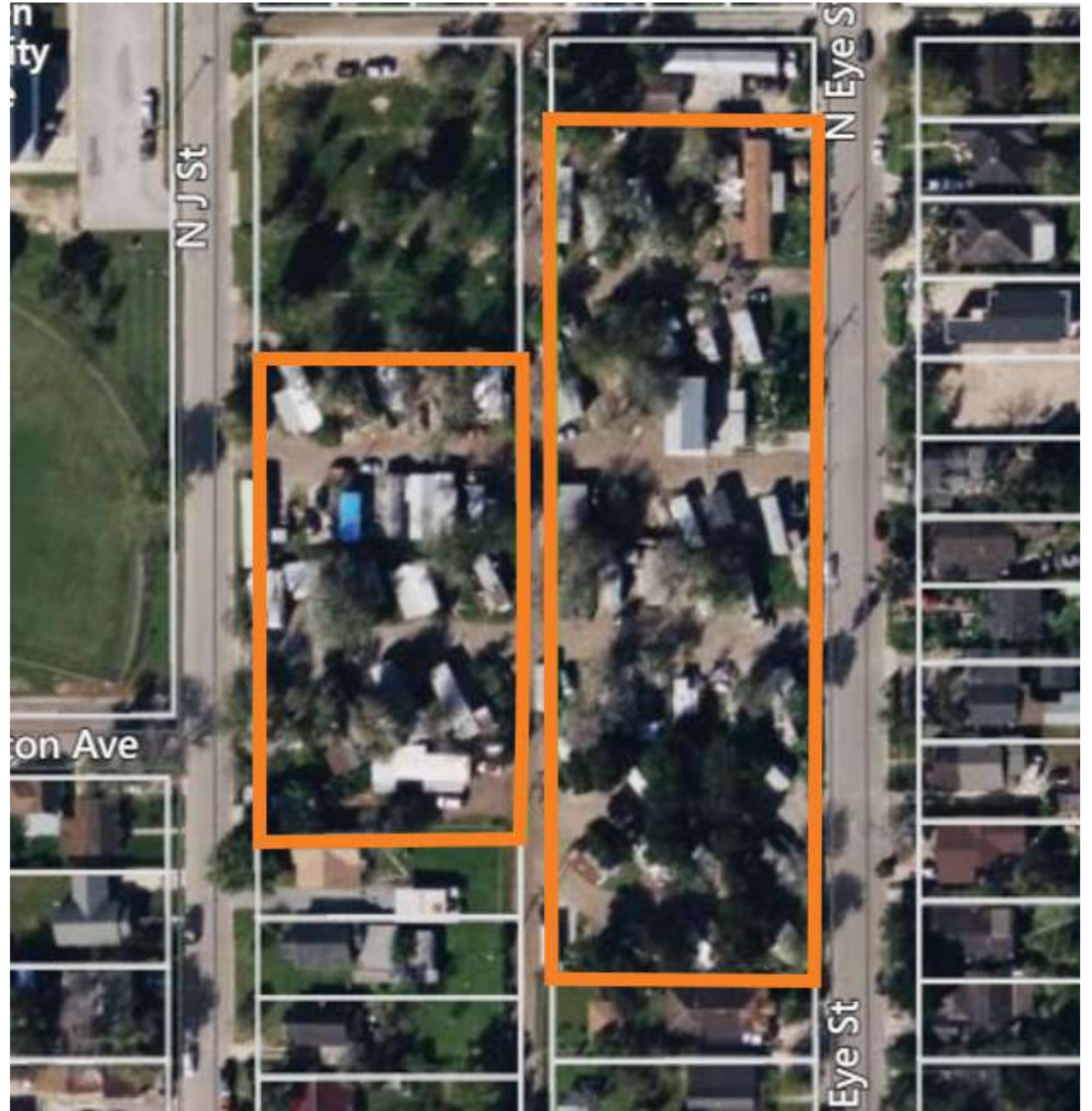
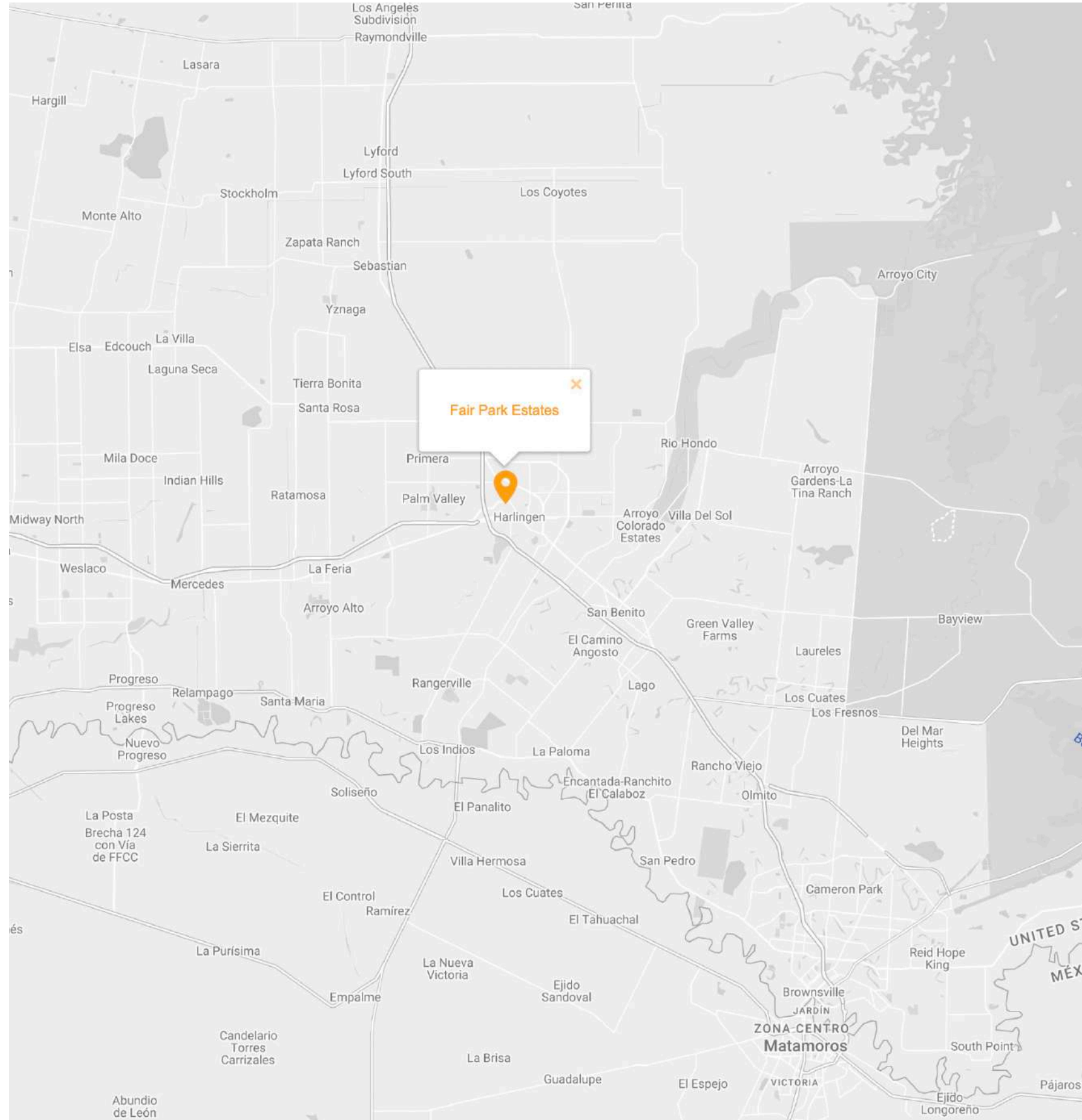
### Amount

### % of Purchase

TOTAL PURCHASE PRICE	\$1,700,000	100.0%
1ST POSITION LOAN	\$850,000	50.0%
CASH TO CLOSE	\$850,000	50.0%



► Property Parcel and Maps



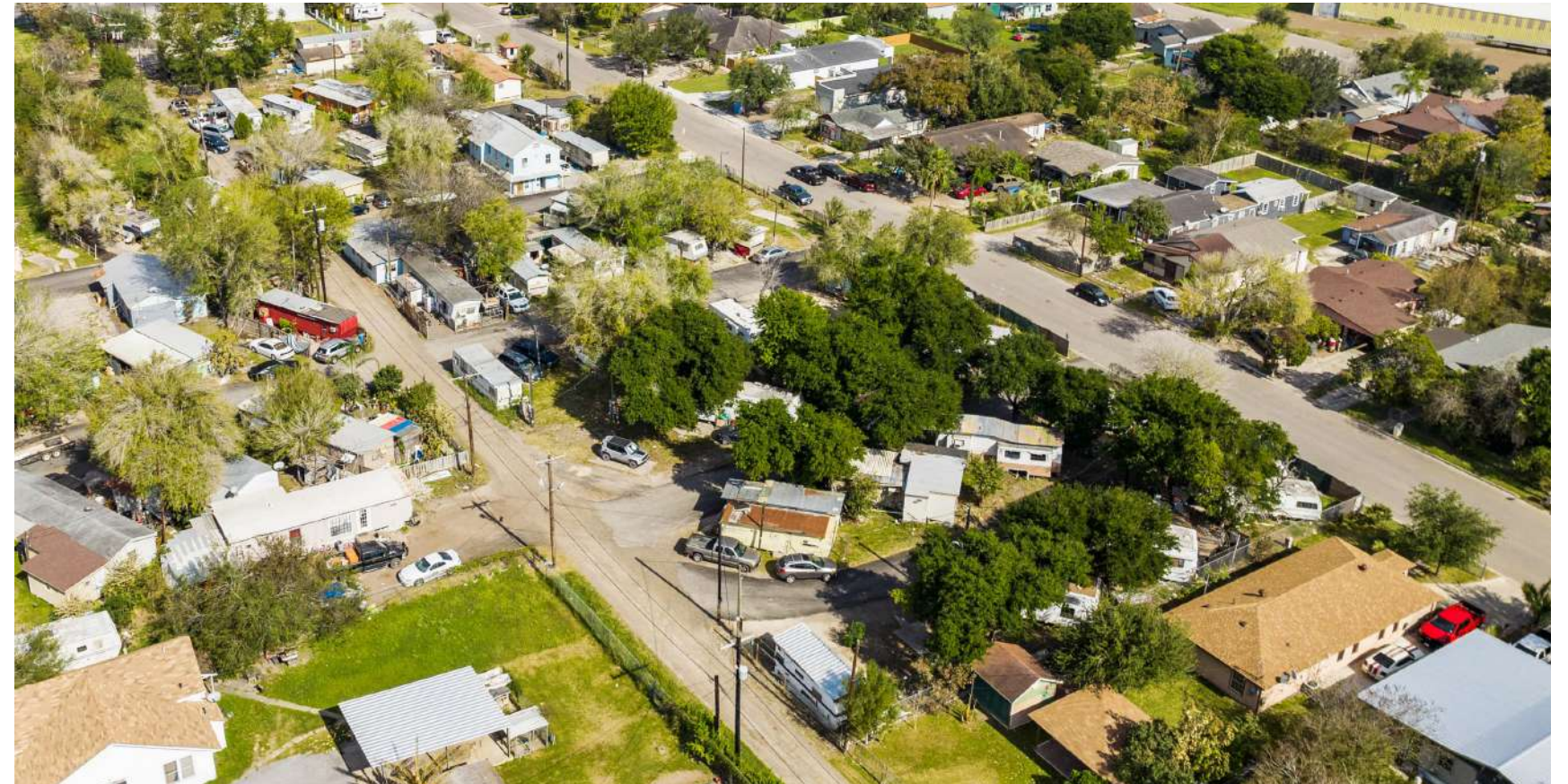
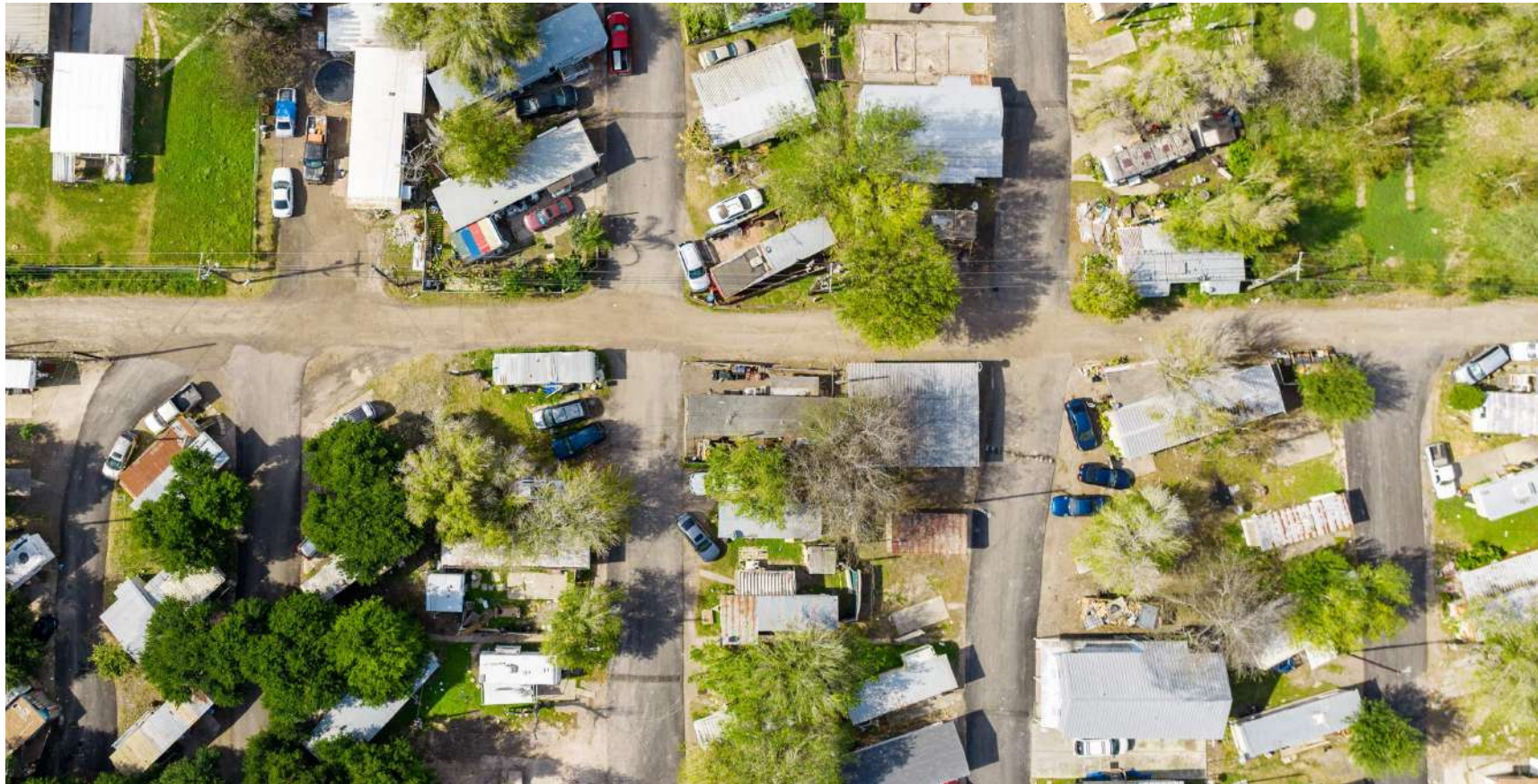


▶ Property Photos



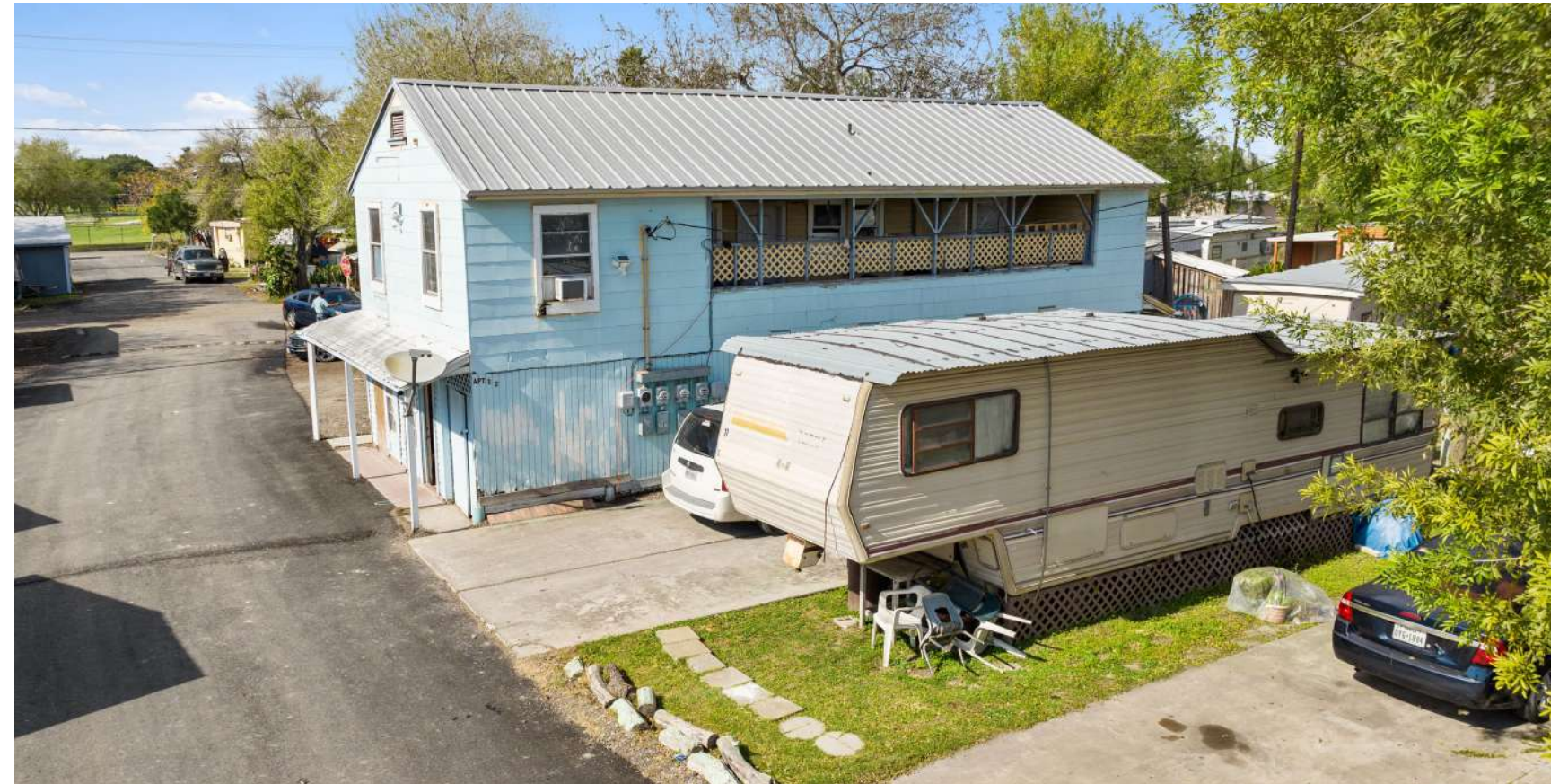
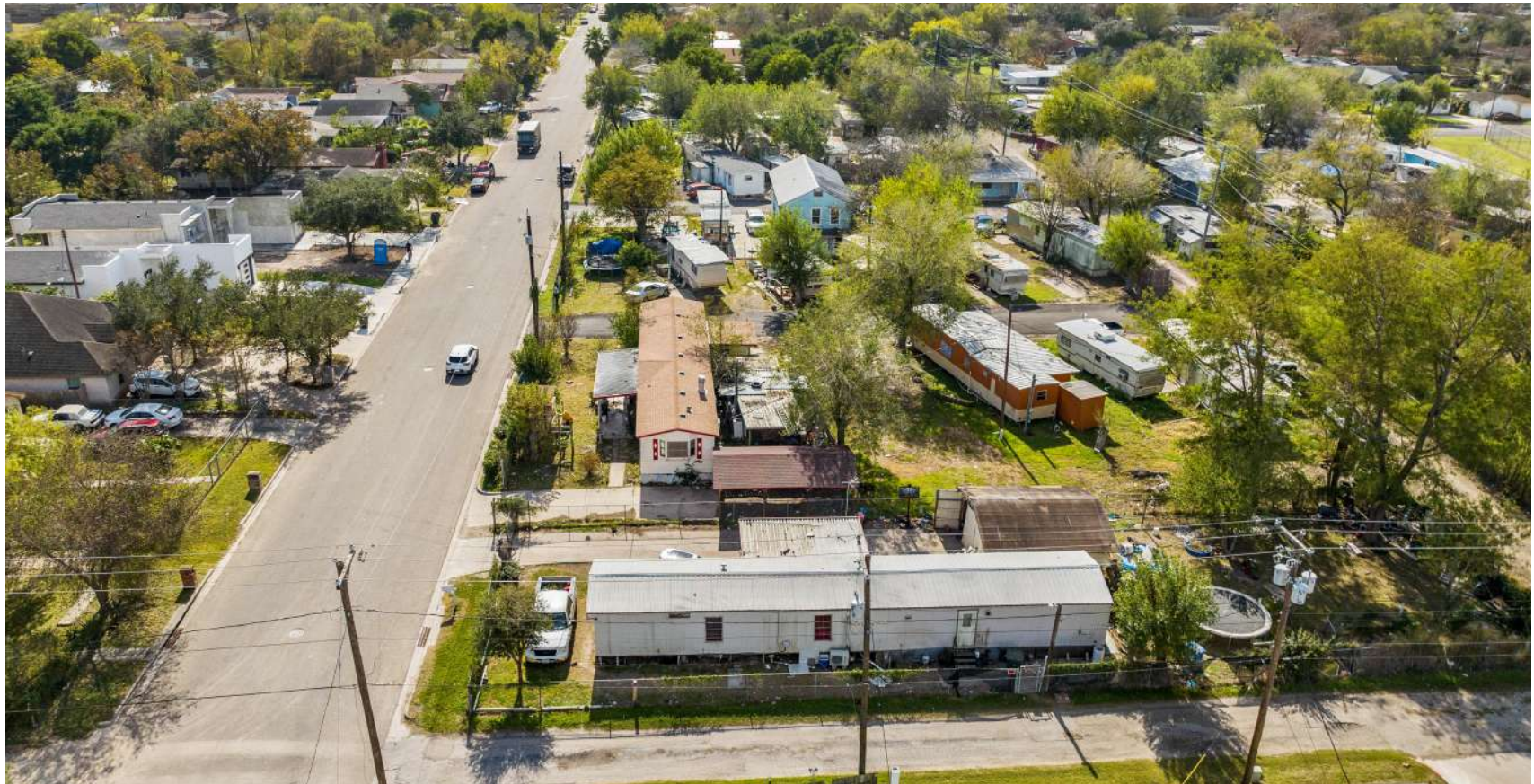


▶ Property Photos





▶ Property Photos





▶ Property Photos





# Brokerage Team

Dylan Hellberg graduated Sierra Nevada College in 2016 with a Bachelor of Science degree in Entrepreneurship. Quickly finding an aptitude for sales, he spent two years in the automotive industry as a salesperson and internet sales manager, gaining the skills and knowledge to close large sales efficiently and professionally.

Dylan was brought into Marcus and Millichap to join Glenn Esterson and the Esterson MHC team in July, 2019. Since then, Dylan has helped clients facilitate over \$86,000,000 in Mobile Home Park and RV Park sales across 9 different states. With a focus on the Southeast, Mid-Atlantic, and Mideast markets, Dylan provides clients with an unmatched level of market knowledge and insights. His dedicated work ethic and capability mean clients get the best outcome possible in any transaction.

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▶ **ESTERSON TEAM MHC**

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[www.themhpexpert.com](http://www.themhpexpert.com)

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**Glenn D. Esterson**  
 FIRST VICE PRESIDENT



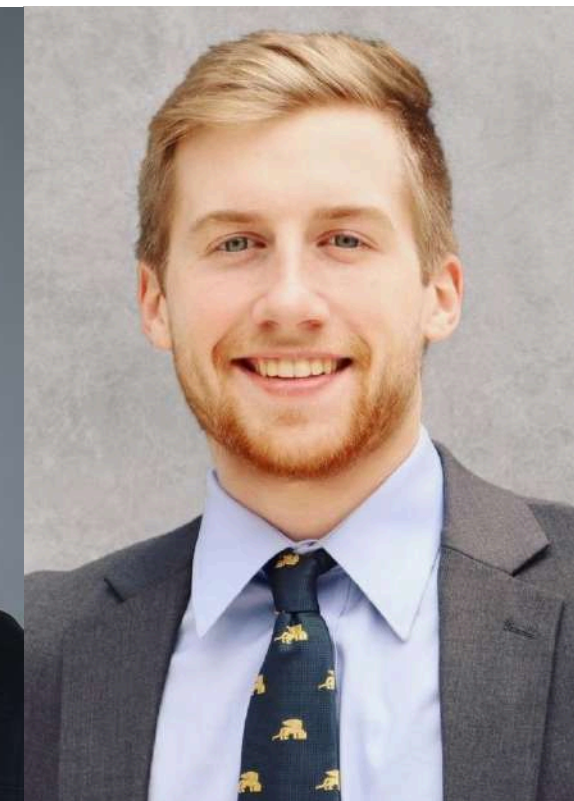
**James Dickens**  
 LEAD UNDERWRITER



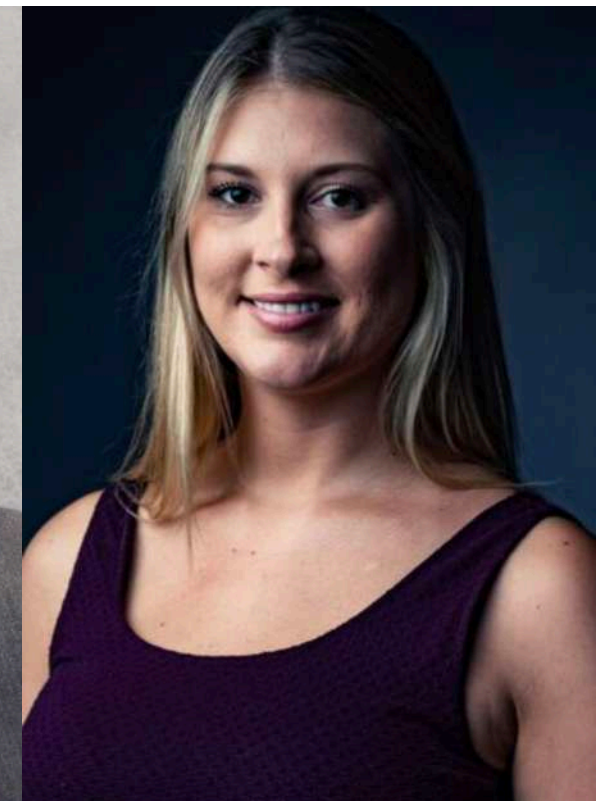
**Parker Kelly**  
 TEAM AGENT



**Dyland Hellberg**  
 TEAM AGENT



**Ryan Brands**  
 TEAM AGENT



**Sallie Whitehurst**  
 LICENSED ASSISTANT





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