

3549 Morgantown Rd,  
Smithfield, PA 15478

A Value-Add 63 Lot  
Manufactured Housing  
Community

# Morgantown Hills

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

PARK NAME	Morgantown Hills
PROPERTY ADDRESS	3549 Morgantown Rd, Smithfield, PA 15478
COUNTY	Fayette County
METRO AREA	Pittsburgh MSA
PARCEL NUMBER(S)	14-33-0028

Due Diligence Items



## Site Description

PURCHASE PRICE	\$2,400,000
TOTAL RENTAL UNITS	63
MOBILE HOME LOTS	58
EXPANSION APPROVED	No
TOTAL OTHER UNITS	5
TOTAL LAND AREA	13.9 Acres
ROADS	Private-Paved
FLOOD ZONE	No
OPPORTUNITY ZONE	No

## Mechanical Description

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

# Property Description

## A High-Quality, 63 Unit Value-Add Manufactured Housing Community

The Esterson MHC Team presents an opportunity to invest in Morgantown Hills, a value-add community located in Smithfield, Pennsylvania (Fayette County). With 63 units, this manufactured housing community offers multiple upside opportunities, including occupancy upside and rent growth.

Situated near Pittsburgh, residents enjoy a peaceful rural atmosphere while being in close proximity to a major metropolitan area. Pennsylvania’s population of over 13 million residents makes it the 5th most populated state in the US, and the Pittsburgh PA MSA, where Morgantown Hills is located, has a population of 2,366,544. Fayette County has a population of 129,443.

► **HIGHLIGHTS**

- Value-Add MHC
- Upside In Occupancy & Rents
- Seller Financing Available
- Stable Existing Tenant Base
- Strong Demand For Affordable Housing
- Public Water & Sewer

► **KNOWN ISSUES**

- Rural Location (South of Pittsburgh)
- 16 Vacant Lots
- Smaller Local Population (MSA Has 2M+ Population)

Morgantown Hills is strategically built to provide its tenants with a best-in-class lifestyle community near major population centers. This community has 63 units: 42 tenant owned homes (TOH), 1 single family home (SFH), 2 duplexes (4 units), and 16 vacant lots. All of the 16 vacant lots are home ready. The average lot rental rate per month is \$315. With the Pittsburg MSA market average lot rental rate of \$516 per month, and average 2 bedroom renting for \$1,090 per month, this park can support substantially higher lot rents and home rents based on the limited affordable housing supply and growing demand in this market.

Morgantown Hills is serviced by public water and sewer that are billed back to the tenant. Trash is serviced curbside and is billed back the tenants. Electricity is billed directly to tenants. All utility systems are in good working order. The roads are paved and in average condition. The park is not in a flood zone or an opportunity zone.

The park is priced at \$2,400,000. This is a value-add opportunity on a cash flowing asset upon entry. Seller financing available to qualified investors. Proposed terms: 70% LTV, 3 Year Term, Interest Only Payments, Y1: 4%, Y2: 5.5%, Y3: 7%. Conventional recourse and bridge lending should also be available for this community.





# Location Information

Fayette County, PA lies along Pennsylvania's southern border just south east of the Pittsburgh metropolitan area making it home to many residential communities! This county boasts quite a few picturesque towns each offering visitors quaint attractions ranging from shopping centers to restaurants plus multiple outdoor recreational facilities.

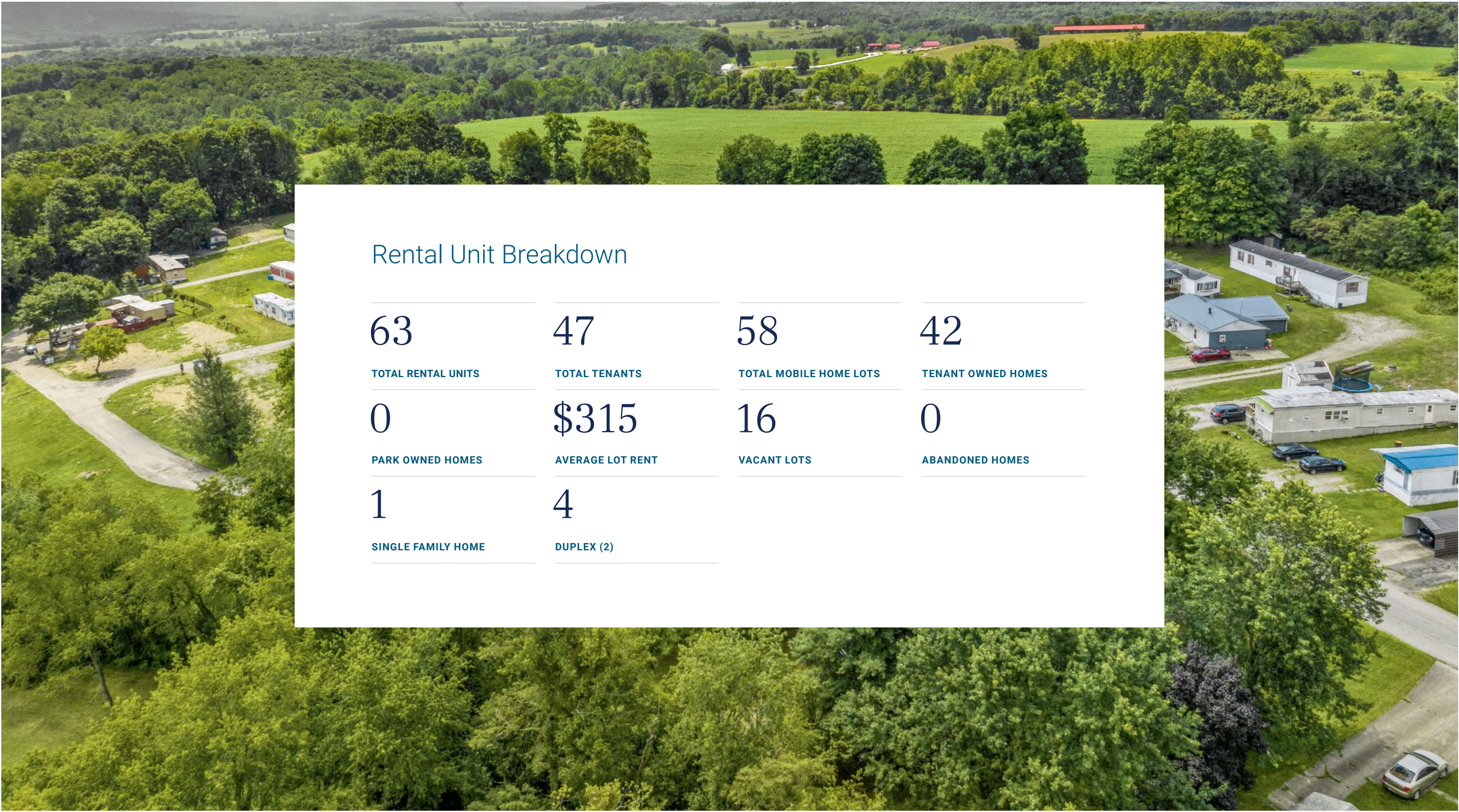
## The Rental Market In Fayette County, PA

- Renters make up 24.3% of the Fayette County, PA population
- 1.7% of houses and apartments in Fayette County are available to rent

According to bestplaces.net the population in Fayette County is 129,443 and in the Pittsburgh MSA it is 2,366,544. The median home cost in Fayette County is \$122,200. Home appreciation is up 9.5% YoY and in the last 10 years has increased 54.1%.







# Rental Unit Breakdown

63

TOTAL RENTAL UNITS

47

TOTAL TENANTS

58

TOTAL MOBILE HOME LOTS

42

TENANT OWNED HOMES

0

PARK OWNED HOMES

\$315

AVERAGE LOT RENT

16

VACANT LOTS

0

ABANDONED HOMES

1

SINGLE FAMILY HOME

4

DUPLEX (2)





# Local Mobile Home Park Rent

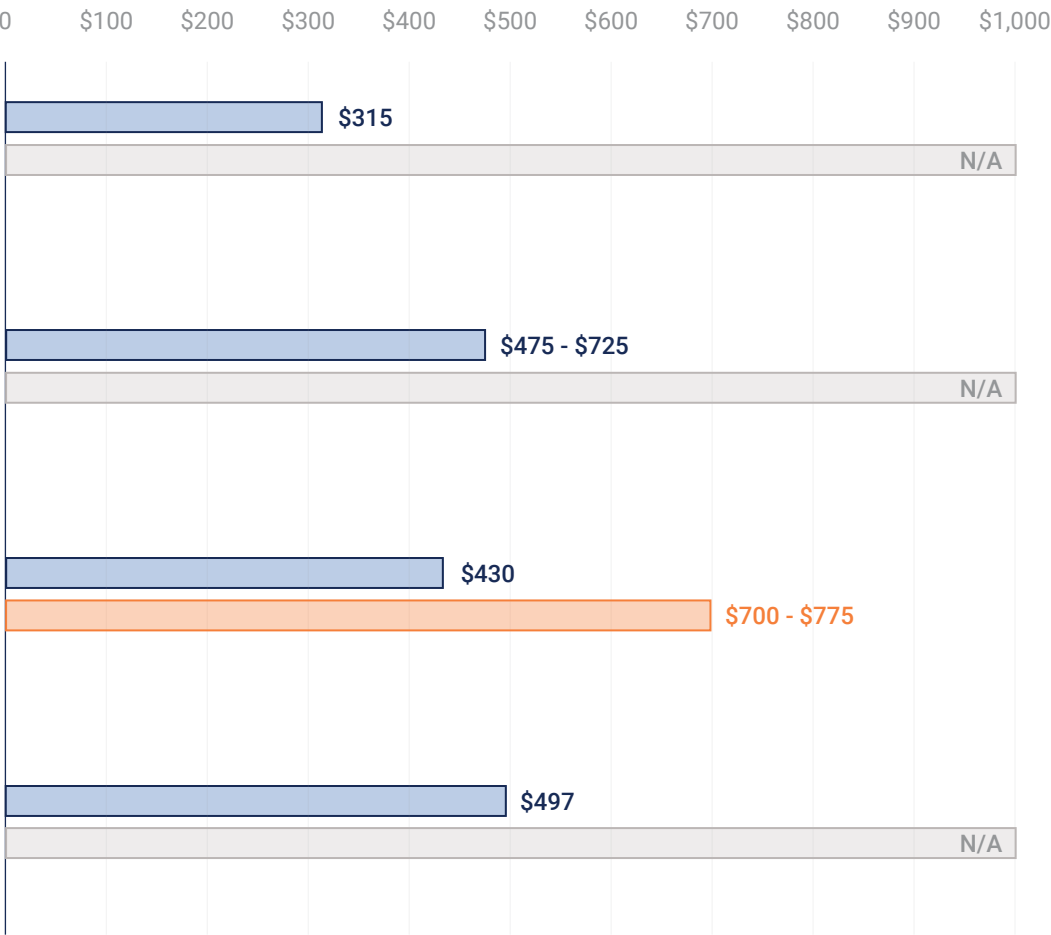
LOT RENT   POH RENT   N/A

**Morgantown Hills**  
Utilities: Public, Billed Back  
Address: 3549 Morgantown Rd,  
Smithfield, PA 15478

**Starline Mobile Homes**  
Utilities: N/A  
Address: 154 W Penna Ave,  
New Stanton, PA 15672

**Mount Pleasant Village**  
Utilities: N/A  
Address: 549 Chicory Lane,  
Mount Pleasant, PA 15667

**Locust Grove MHP**  
Utilities: N/A  
Address: 16 Kay St,  
Pittsburgh, PA 15223



## Rent Comp Comments

Parks surveyed in the Pittsburgh PA MSA ranged in lot rents from \$231 - \$592 per month according to the 2022 JLT Rent Report. Tenants were typically paying for utilities. Comparable nearby park owned home rental rates average \$1,079 - \$1,589, indicative of the lack of affordable housing inventory. The average 2 bedroom apartment rent in Fayette County PA is \$1,090 per month.

## Local Market Statistics

	City	County	MSA
	NORTH UNION TOWNSHIP	FAYETTE	PITTSBURGH MSA
POPULATION	11,902	129,443	2,366,544
MEDIUM HOME PRICE	\$131,100	\$122,200	\$195,500
AVERAGE 2BD APARTMENT RENT	\$910	\$1,090	\$1,090
MEDIAN INCOME	\$35,205	\$38,879	\$51,883



# Investment Summary

## Pricing

OFFERING PRICE	\$2,400,000
CAP RATE (LOT RENT ONLY)	4.7%
PRICE PER LOT	\$38,095
PRO FORMA VALUE	\$3,354,519

## Upside Comments

Ability to achieve higher rents on new lot leases, and 16 vacant lots that are home ready.

## Capitalized Revenues

	P&L 0	P&L 1	P&L 3
	Sellers Actuals	Broker Normalized	Maximized
TOTAL GROSS INCOME	\$222,368	\$241,536	\$392,126
	Actual Per Seller Records	Current Rents Per RR	Market Rents
	Revenue As Reported	74.6% Occupancy	100% Occupancy
	Expense As Reported	Broker Adjusted Expense	Broker Adjusted Expense
CAPITALIZED INCOME	\$222,368	\$241,536	\$392,126
CAPITALIZED EXPENSES	\$138,462	\$128,469	\$174,082
NET OPERATING INCOME	\$83,906	\$113,067	\$218,044

## Investment Metrics

	P&L 0	P&L 1	P&L 3
LOT RENT CAP RATE	3.5%	4.7%	9.1%
CASH ON CASH LEVERED (P&L 0,13: Using 5% I/O, 70% LTV)	0.0%	4.0%	18.6%
ACTUAL TERMS (Adjustable IR, 4%-5.5%-7%, I/O, 70% LTV)			





Property Revenue & Expense

Sellers Actuals

Broker Normalized

Maximized

Comments

	ACTUAL PER SELLER T-12	CURRENT RENTS PER RR	MARKET RENTS	
	REVENUE AS REPORTED	74.6% OCCUPANCY	100% OCCUPANCY	
	EXPENSE AS REPORTED	BROKER ADJUSTED EXPENSE	BROKER ADJUSTED EXPENSE	
LOT RENT REVENUE	\$159,492	\$158,760	\$278,400	P&L 0: Per T-12   P&L 1: Per Rent Roll   P&L 3: Market Lot Rent \$400
DUPLEX UNIT REVENUE	\$24,375	\$26,640	\$29,371	P&L 0: Per T-12   P&L 1: Per Rent Roll   P&L 3: Broker Adjusted
SINGLE FAMILY HOME REVENUE	\$0	\$5,700	\$6,284	P&L 0: Per T-12   P&L 1: Per Rent Roll   P&L 3: Broker Adjusted
UTILITY REVENUE	\$52,378	\$52,378	\$70,680	P&L 0,1: Per T-12   P&L 3: 90% Recapture
TRASH REVENUE	\$0	\$11,280	\$15,394	P&L 0: Per T-12   P&L 1: In Place   P&L 3: 95% Recapture
FEE REVENUE (RE)	\$6,988	\$7,643	\$12,004	P&L 0: Per T-12   P&L 1,3: 3% of Total Revenue
COLLECTIONS LOSS/BAD DEBT	\$20,865	\$20,865	\$20,006	P&L 0: Per T-12   P&L 1,3: 5% of Total Revenue
TOTAL REVENUE	\$222,368	\$241,536	\$392,126	
PROPERTY TAX	\$10,282	\$10,282	\$15,423	P&L 0,1: As Reported   P&L 3: Broker Adjusted
INSURANCE EXPENSE	\$4,048	\$4,048	\$4,048	P&L 0,1,3: As Reported
REPAIRS & MAINTENANCE SERVICES	\$9,694	\$9,694	\$11,025	P&L 0,1: As Reported   P&L 3: Broker Adjusted
MOWING, LANDSCAPING & SNOW SERVICES	\$4,925	\$4,925	\$4,925	P&L 0,1,3: As Reported
UTILITY SERVICES	\$68,581	\$58,588	\$78,533	P&L 0,1: As Reported   P&L 3: Broker Adjusted   Includes Water & Sewer
TRASH SERVICES	\$12,089	\$12,089	\$16,204	P&L 0,1: As Reported   P&L 3: Broker Adjusted
ELECTRIC SERVICES	\$906	\$906	\$1,214	P&L 0,1: As Reported   P&L 3: Broker Adjusted
MANAGEMENT	\$24,440	\$24,440	\$39,212	P&L 0,1: As Reported   P&L 3: Broker Adjusted
GENERAL & ADMIN SERVICES	\$3,497	\$3,497	\$3,497	P&L 0,1,3: As Reported
TOTAL EXPENSES	\$138,462	\$128,469	\$174,082	
EXPENSE RATIO	62%	53%	44%	
NET OPERATING INCOME (NOI)	\$83,906	\$113,067	\$218,044	
CAP RATE	3.5%	4.7%	9.1%	
CASH FLOW BEFORE DEBT	\$83,906	\$113,067	\$218,044	
DEBT SERVICE - NEW LOAN	\$84,000	\$84,000	\$84,000	
NET INCOME	N/A	\$29,067	\$134,044	
CASH ON CASH RETURN	0.0%	4.0%	18.6%	P&L 0,13: Using 5% I/O, 70% LTV   Actual (Adjustable IR, 4%-5.5%-7 %, I/O, 70% LTV)
DEBT COVERAGE RATIO (DCR)	1.00	1.35	2.60	
GLOBAL CAP RATE	3.5%	4.7%	9.1%	



Advertised Pricing	P&L 1	Per Unit	Comments
REAL ESTATE VALUE	\$2,400,000	\$38,095	4.7% Cap Rate
POH VALUE	\$0	\$0	No POH
RTO VALUE	\$0	\$0	No RTO
TOTAL VALUE	\$2,400,000		

Upside Value	P&L 3	Comments
REAL ESTATE VALUE	\$3,354,519	6.5% Cap Rate
POH VALUE	\$0	
RTO VALUE	\$0	
TOTAL VALUE	\$3,354,519	

Unit Types	Count	Avg Rent	Comments
TENANT OWNED HOME	42	\$315	
RENTED PARK OWNED HOME (POH)	0	\$0	No POH
RENT TO OWN MOBILE HOME (RTO)	0	\$0	No RTO
SINGLE FAMILY HOME	1	\$475	
DUPLEX (2)	4	\$555	
VACANT MOBILE HOME LOT	16		
TOTAL MOBILE HOME UNITS	58		
TOTAL RENTABLE UNITS	63		

Loans	New Loan	Loan Info	Comments
LOAN AMOUNT	\$1,680,000	Recourse	0.7 LTV
INTEREST RATE	4%, 5.5%, 7%	Seller Financed	3 Year Term
AMORTIZATION	Interest Only	Balloon	

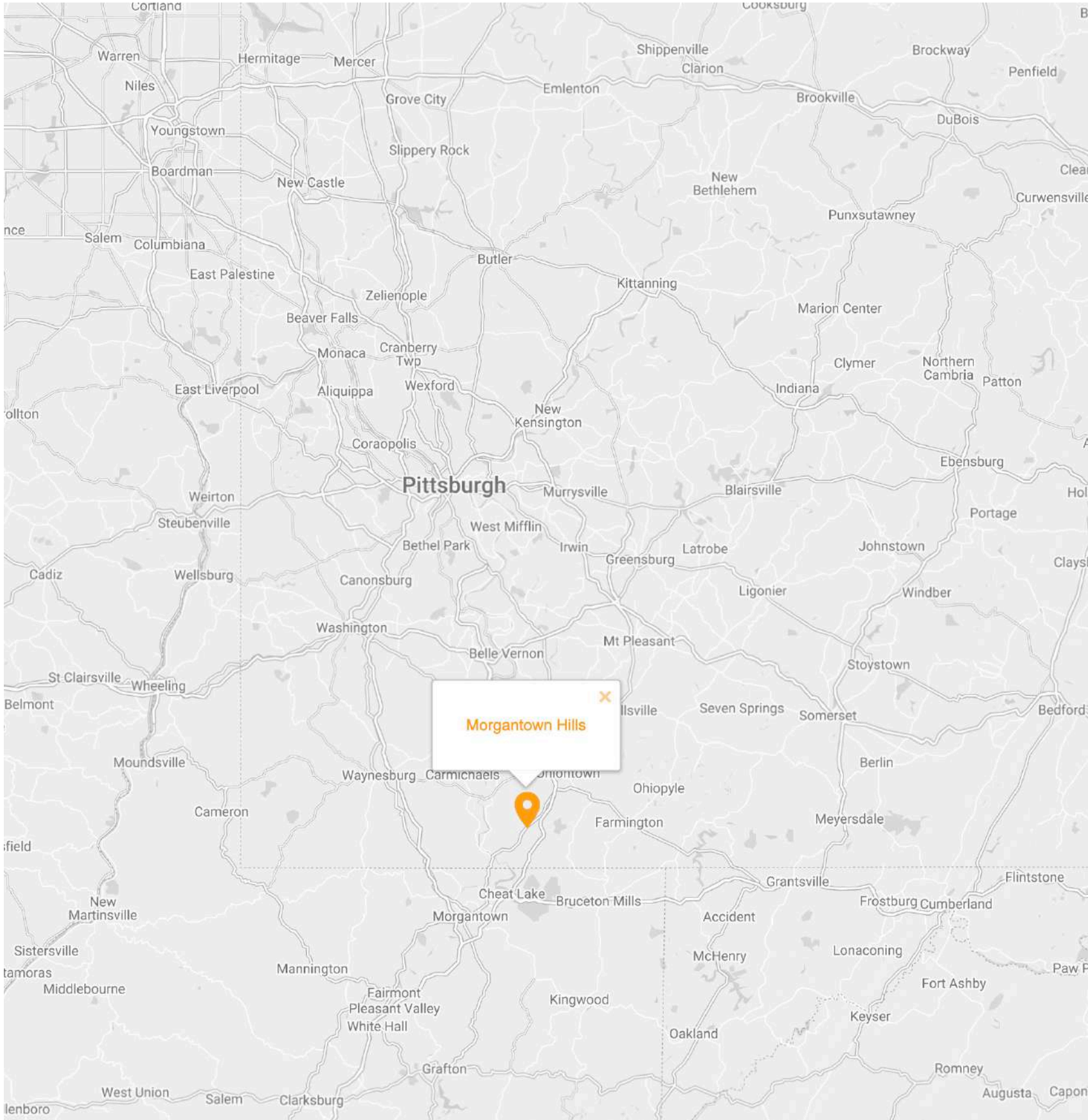


Infrastructure	Type	Comments
WATER SYSTEM	Public	Tenant Pays
SEWER SYSTEM	Public	Tenant Pays
TRASH	Curbside	Tenant Pays
ELECTRIC SERVICES	Public	Tenant Pays
GAS SERVICES	Public	Tenant Pays

Uses of Capital	Amount	% of Purchase
TOTAL PURCHASE PRICE	\$2,400,000	100%
1ST POSITION LOAN	\$1,680,000	70%
CASH TO CLOSE	\$720,000	30%



► Location Map and Property Parcel





► Property Photos





► Property Photos





► Property Photos





► Property Photos





► Property Photos





► Property Photos





# Brokerage Team

In the 20 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 350 times for his clients. 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 assets.



















Most recently Glenn has authored and published the industry's newest book called [\*The Mobile Home Park Manifesto\*](#). Glenn resides in Wilmington, NC.

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▶ **ESTERSON TEAM MHC**

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Marcus & Millichap, Lafayette, LA		Marcus & Millichap, Atlanta, GA		Marcus & Millichap, Tampa, FL	
					
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