

3 Park Port - Burlington, NC

See Full list of Addresses
on Property Overview Page

Excellent location, 142-
Unit, Stabilized With Upside
Manufactured Housing
Investment Opportunity

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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Property Overview	01
Property Description	02
Rental Unit Breakdown	03
Investment Summary	05
Property Revenue & Expense	06
Location Map & Property Parcel(s)	08

◀ Index

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

3 Park Port - Burlington, NC

PARK NAME	Hidden Valley	Hidden Valley North	Village
PROPERTY ADDRESS	1149 Wyatt Rd, Burlington, NC 27217	2111 NC-49, Burlington, NC 27217	1938 State Hwy 49, Burlington, NC 27217
COUNTY	Alamance County	Alamance County	Alamance County
METRO AREA	Greensboro-High Point Metro Area	Greensboro-High Point Metro Area	Greensboro-High Point Metro Area
PARCEL NUMBER(S)	160922	174109	154906

Due Diligence Items



Site Description

PURCHASE PRICE	\$8,250,000
TOTAL RENTAL UNITS	142
TOTAL MOBILE HOME LOTS	140
TOTAL SINGLE FAMILY HOME (SFH)	1
TOTAL COMMERCIAL UNITS	1
EXPANSION APPROVED	No
TOTAL OTHER UNITS	0
TOTAL LAND AREA	33.51 Acres
ROADS	All Private-Unpaved
FLOOD ZONE	All No
OPPORTUNITY ZONE	All Yes

Mechanical Description

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

Property Description

The Esterson MHC Team is pleased to present this 3-park, 142-unit manufactured housing portfolio, a stabilized with upside investment opportunity located in an excellent market.

Burlington, NC is strategically positioned between the major metropolitan areas of Greensboro and Raleigh-Durham. It serves as a pivotal economic hub in the region and benefits from excellent connectivity and access to key transportation arteries like interstate 40 and 85. Commonly known as the Research Triangle, the Raleigh-Durham-Chapel Hill MSA is experiencing rapid and sustained growth, with Raleigh-Durham named one of the top 25 fastest growing places in the US in 2023. The Greensboro-High Point MSA is also experiencing sustained growth and is home to major corporations like Volvo Trucks North America, Honda Aircraft Company, and the VF Corporation. With a diverse economy driven by manufacturing, healthcare, and education, population growth of 3.7%, and 2-bedroom apartment rents now over \$1,000, Burlington has an ever-growing need for affordable housing.

▶ HIGHLIGHTS

- Public water/sewer at all 3 parks
- 94% of all MH lots are tenant owned homes
- Located in one of the fastest growing regions of the United States
- All 3 parks in very close proximity to each other
- Below Market Rents
- Median Home Price in Burlington is \$196,000
- All 3 parks in opportunity zones

▶ KNOWN ISSUES

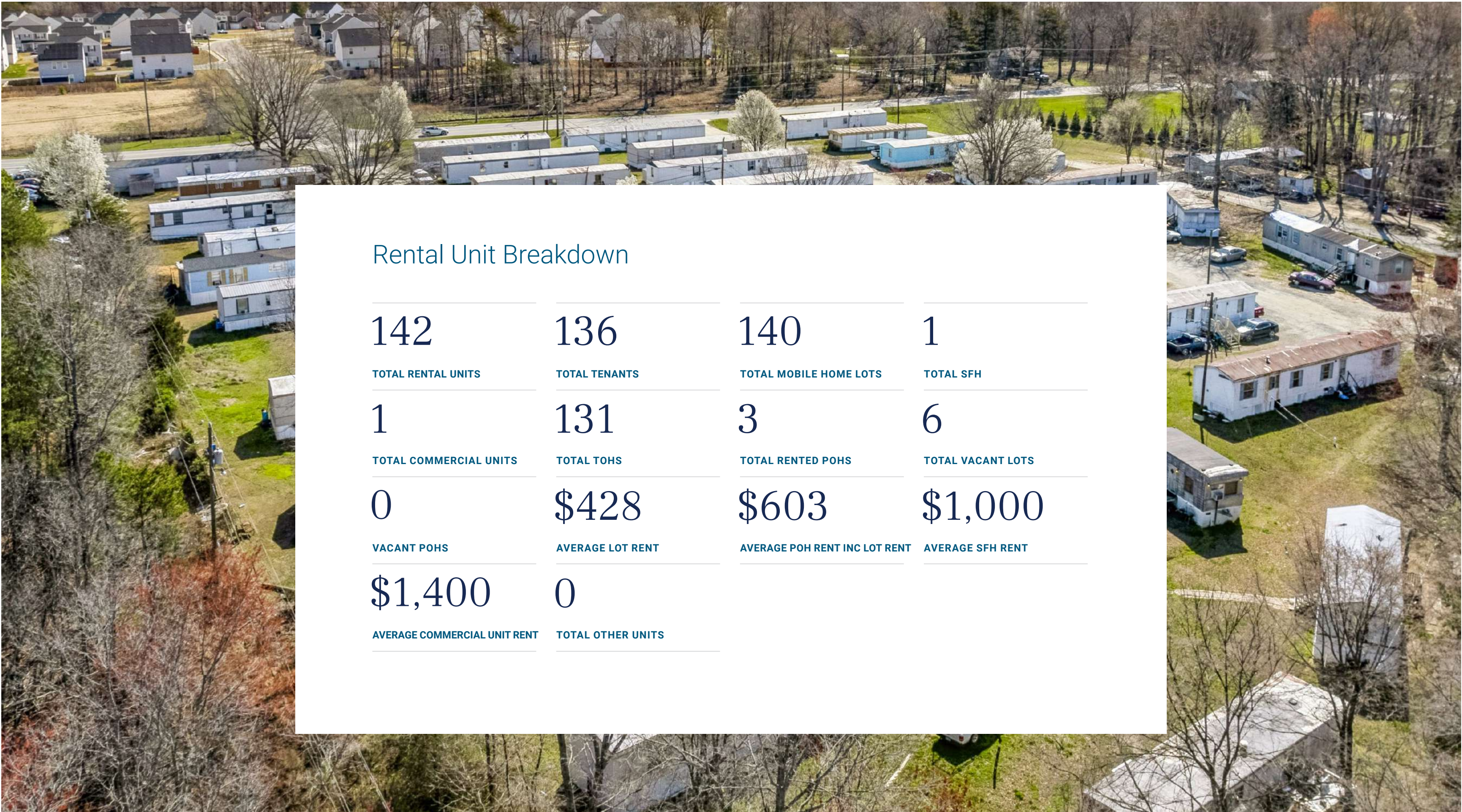
- TOH's and POH's are generally older models
- Gravel Roads at all 3 parks - currently being improved

This portfolio consists of 140 manufactured housing (MH) lots, 1 single-family home (SFH), and 1 commercial unit. There are 131 tenant owned homes (TOH), 3 rented park owned homes (POH), 1 rented SFH, 1 rented commercial unit, and 6 vacant MH lots. The average MH lot rental rate per month is \$428, the 3 POH's have an average total rent per month of \$603, the SFH is rented for \$1,000 per month, and the commercial unit is rented for \$1,400 per month. These rental rates take effect June 1, 2024.

The portfolio is serviced by public water and sewer at all parks, which are billed back to tenants based on usage. All parks are serviced by dumpster for trash, which is paid for by the landlord and included in rent. Electricity is public and billed directly to tenants at all parks. The TOH's are generally older models but in average condition. The roads are gravel at all parks and are currently being improved, but will remain gravel. The 3 POH's are older models in average condition. None of the parks are in a flood zone. All of the parks are in an opportunity zone.

With high occupancy, below market rents, and an excellent location, this portfolio presents a great opportunity to create more scale or enter with scale into one of the fastest growing regions of the country. This portfolio is being offered at a price of \$8,250,000. All offers must include price, inspection timelines, appropriate terms, proof of funds, and relevant real estate experience.





Rental Unit Breakdown

142

TOTAL RENTAL UNITS

136

TOTAL TENANTS

140

TOTAL MOBILE HOME LOTS

1

TOTAL SFH

1

TOTAL COMMERCIAL UNITS

131

TOTAL TOHS

3

TOTAL RENTED POHS

6

TOTAL VACANT LOTS

0

VACANT POHS

\$428

AVERAGE LOT RENT

\$603

AVERAGE POH RENT INC LOT RENT

\$1,000

AVERAGE SFH RENT

\$1,400

AVERAGE COMMERCIAL UNIT RENT

0

TOTAL OTHER UNITS



Local Mobile Home Park Rent

LOT RENT

Hidden Valley

Utilities: Tenant Pays W/S
 Address: See Property Overview
 Page for Address List

Nature Trail MHP

Utilities: Tenant Pays W
 Address: 326 Nature Trail,
 Chapel Hill, NC

Creekside MHP

Utilities: Tenant Pays W/S/T
 Address: 400 Stoney Creek Dr,
 Reidsville, NC

Sleepy Hollow MHP

Utilities: Tenant Pays W/S/T
 Address: 2833 NC-87,
 Graham, NC



Rent Comp Comments

Parks surveyed near this portfolio ranged in lot rents from \$450 - \$550. Tenants were generally paying for all utilities, but only water at 1 of the parks surveyed.

Local Market Statistics

	City	County	MSA
	BURLINGTON, NC	ALAMANCE COUNTY	GREENSBORO-HIGH POINT, NC MSA
POPULATION	56,563	169,185	771,751
GROWTH	3.7%	1.8%	0.5%
MEDIUM HOME PRICE	\$195,600	\$242,300	\$211,800
AVERAGE 2BD APARTMENT RENT	\$1,050	\$1,020	\$1,010
MEDIAN INCOME	\$47,158	\$55,078	\$55,544

Investment Summary

Pricing

OFFERING PRICE	\$8,250,000
CAP RATE (LOT RENT ONLY)	7.1%
GLOBAL CAP RATE	7.1%
PRICE PER LOT	\$57,897
PRO FORMA VALUE	\$9,438,522

Upside Comments

The upside on this investment consists of responsibly raising rents to market and infilling 6 vacant lots. By doing so, an investor should see a pro forma CAP rate of roughly 8% and should be able to exit or refinance for roughly \$9.44M, modeled on a 7% exit CAP rate.

Capitalized Revenues

	P&L 0	P&L 1	P&L 3
	T-12 P&L - From Seller	June 2024 T-1 P&L - From Seller	Mark-To-Market
TOTAL GROSS INCOME (ALL REVENUES)	\$673,374	\$820,054	\$1,020,981
TOTAL GROSS EXPENSE (ALL EXPENSES)	\$230,844	\$230,844	\$355,988
GLOBAL NOI:	\$442,530	\$589,210	\$664,993
GLOBAL CAP RATE:	5.4%	7.1%	8.1%
TOTAL INCOME (PARK ONLY)	\$666,498	\$815,374	\$1,008,381
TOTAL EXPENSES (PARK ONLY)	\$229,464	\$229,464	\$349,688
NET OPERATING INCOME (PARK ONLY)	\$437,034	\$585,910	\$658,693

POH Revenues

	P&L 0	P&L 1	P&L 3
TOTAL POH & RTO REVENUE	\$6,876	\$4,680	\$12,600
POH & RTO EXPENSES	\$1,380	\$1,380	\$6,300
POH / RTO NET INCOME	\$5,496	\$3,300	\$6,300
TOTAL POH VALUE	\$28,618		

Investment Metrics

	P&L 0	P&L 1	P&L 3
LOT RENT CAP RATE	5.3%	7.1%	8.0%
GROSS CAP RATE (PARK & POH)	5.4%	7.1%	8.1%
CASH ON CASH LEVERED	2.3%	7.4%	8.2%

Property Revenue & Expense

	Sellers Actuals	Sellers Actuals	Maximized	Comments
	REVENUE: T12 P&L ACTUAL PER SELLER RECORDS REVENUE AS REPORTED EXPENSE AS REPORTED	REVENUE: RR, JUNE/2024 CURRENT RENTS PER RR 95.8% OCCUPANCY EXPENSE AS REPORTED	PRO-FORMA (MARKET) MARKET RENTS 100% OCCUPANCY BROKER ADJUSTED EXPENSE	
LOT RENT REVENUE	\$567,344	\$687,420	\$882,000	PL 0: As Reported PL 1: June 2024 RR PL 3: \$525 Market Lot Rent
SINGLE FAMILY HOME (SFH) REVENUE	\$0	\$12,000	\$12,600	P&L 0,1: Actual P&L 3: +5% Revenue
COMMERCIAL REVENUE	\$0	\$16,800	\$17,640	P&L 0,1: Actual P&L 3: +5% Revenue
UTILITY REVENUE	\$88,148	\$88,148	\$116,720	W/S Only - P&L 0,1: As Reported: 67% P&L 2: 67% P&L 3: 85% Recapture Rate
FEE REVENUE (RE)	\$11,006	\$11,006	\$20,579	P&L 0,1: As Reported P&L 3: 2% of Total Revenue
COLLECTIONS LOSS/BAD DEBT	\$0	\$0	\$41,158	P&L 0,1: As Reported P&L 3: 4% of Total Revenue
TOTAL REVENUE	\$666,498	\$815,374	\$1,008,381	
PROPERTY TAX	\$14,356	\$14,356	\$28,534	P&L 0,1: Actual P&L 3: Adjusted by Broker Estimate
INSURANCE EXPENSE	\$10,338	\$10,338	\$14,200	P&L 0,1: As Reported P&L 3: \$100 Per Unit/Year
REPAIRS & MAINTENANCE SERVICES	\$18,727	\$18,727	\$21,300	P&L 0,1: As Reported P&L 3: \$150 Per Unit/Year
MOWING, LANDSCAPING & SNOW SERVICES	\$3,600	\$3,600	\$8,520	P&L 0,1: As Reported P&L 3: \$60 Per Unit/Year
UTILITY SERVICES	\$131,516	\$131,516	\$137,318	W/S Only - P&L 0,1: As Reported: \$81 P&L 3: \$81 Per Tenant/Month
TRASH SERVICES	\$17,654	\$17,654	\$18,432	P&L 0,1: As Reported: \$11 P&L 3: \$11 Per Tenant/Month
ELECTRIC SERVICES	\$9,477	\$9,477	\$9,895	P&L 0,1: As Reported: \$6 P&L 3: \$6 Per Tenant/Month
ON-SITE MANAGEMENT	\$15,720	\$15,720	\$50,419	P&L 0,1: As Reported P&L 3: 5% of Total Revenue
3RD PARTY MANAGEMENT	\$0	\$0	\$50,419	P&L 0,1: As Reported P&L 3: 5% of Total Revenue
GENERAL & ADMIN SERVICES	\$8,076	\$8,076	\$10,650	P&L 0,1: As Reported P&L 3: \$75 Per Unit/Year
TOTAL EXPENSES	\$229,464	\$229,464	\$349,688	
EXPENSE RATIO	34%	28%	35%	
NET OPERATING INCOME (NOI)	\$437,034	\$585,910	\$658,693	
CAP RATE	5.3%	7.1%	8.0%	
POH INCOME	\$3,276	\$4,680	\$12,600	P&L 3: Based on a POH Rent of \$350
RTO INCOME	\$3,600	\$0	\$0	P&L 1: Per Rent Roll P&L 3: RTO Complete, Income Removed
POH/RTO EXPENSES	\$1,380	\$1,380	\$6,300	P&L 0,1: As Reported P&L3: 50% Expense Ratio
NET POH/RTO INCOME	\$5,496	\$3,300	\$6,300	
CASH FLOW BEFORE DEBT	\$442,530	\$589,210	\$664,993	
DEBT SERVICE - NEW LOAN	\$375,375	\$375,375	\$428,122	
NET INCOME	\$67,155	\$213,835	\$236,871	
CASH ON CASH RETURN	2.3%	7.4%	8.2%	
DEBT COVERAGE RATIO (DCR)	1.16	1.56	1.54	Based on Lot Rent Revenue Only
GLOBAL DEBT COVERAGE RATIO (DCR)	1.18	1.57	1.55	Based on Gross Rent Revenue
GLOBAL CAP RATE	5.4%	7.1%	8.1%	

Advertised Pricing	P&L 1	Per Unit	Comments
REAL ESTATE VALUE	\$8,221,382	\$57,897	7.1% Cap Rate
POH VALUE	\$28,618	\$9,539	3 Park Owned Homes
TOTAL VALUE	\$8,250,000		

Upside Value	P&L 3		Comments
REAL ESTATE VALUE	\$9,409,904		7.0% Cap Rate
POH VALUE	\$28,618		
TOTAL VALUE	\$9,438,522		

Unit Types	Count	Avg Rent	Comments
TOTAL RENTABLE UNITS	142		
TOTAL MOBILE HOME UNITS	140		
TENANT OWNED HOME	131	\$428	
RENTED PARK OWNED HOME (POH)	3	\$603	Inc Lot Rent
SINGLE FAMILY HOME (SFH)	1	\$1,000	
COMMERCIAL	1	\$1,400	
VACANT PARK OWNED HOME (POH)	0	\$350	Above Lot Rent
VACANT SINGLE FAMILY HOME (SFH)	0	\$1,050	
VACANT COMMERCIAL	0	\$1,470	
VACANT MOBILE HOME LOT	6	\$525	

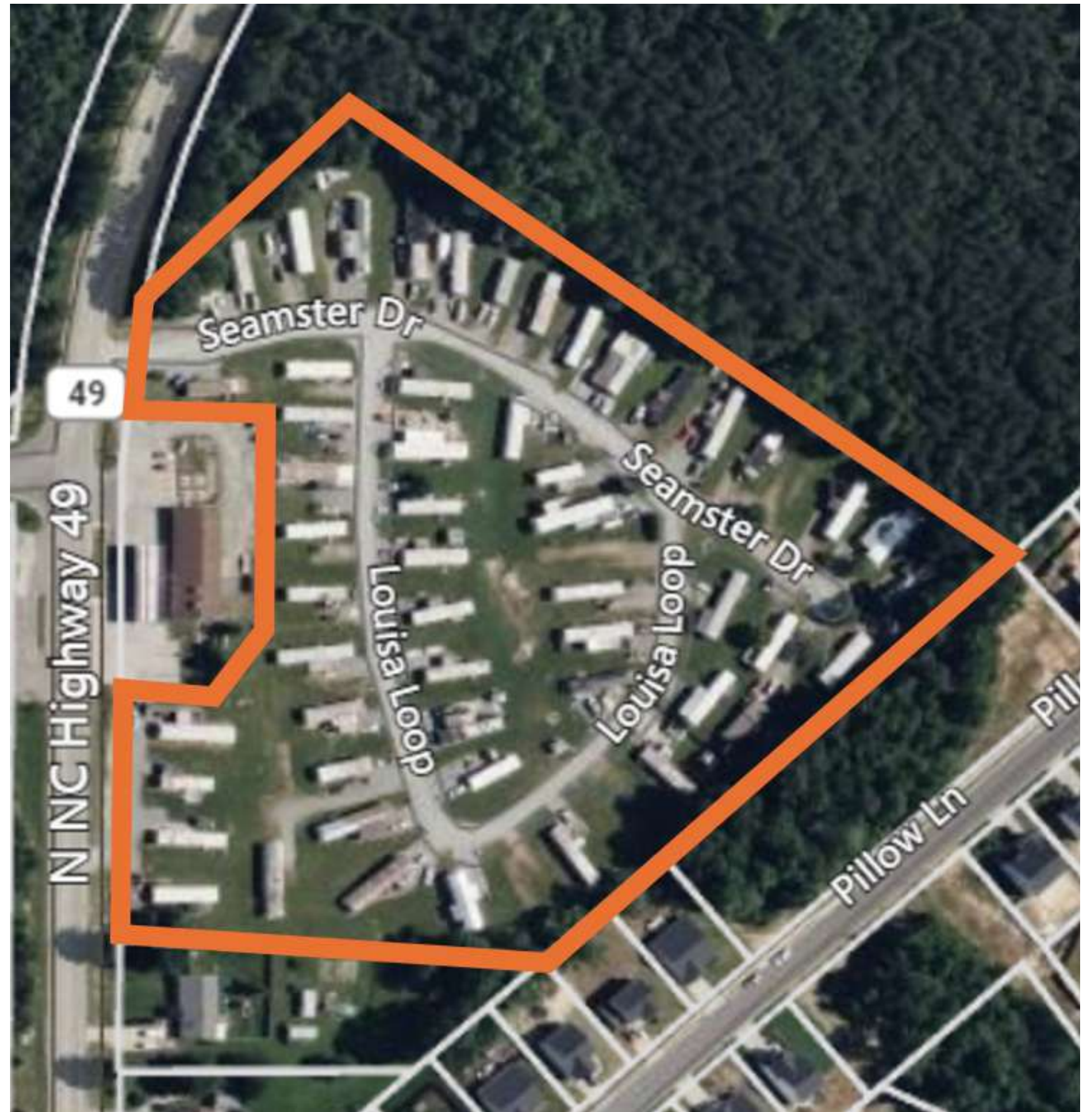
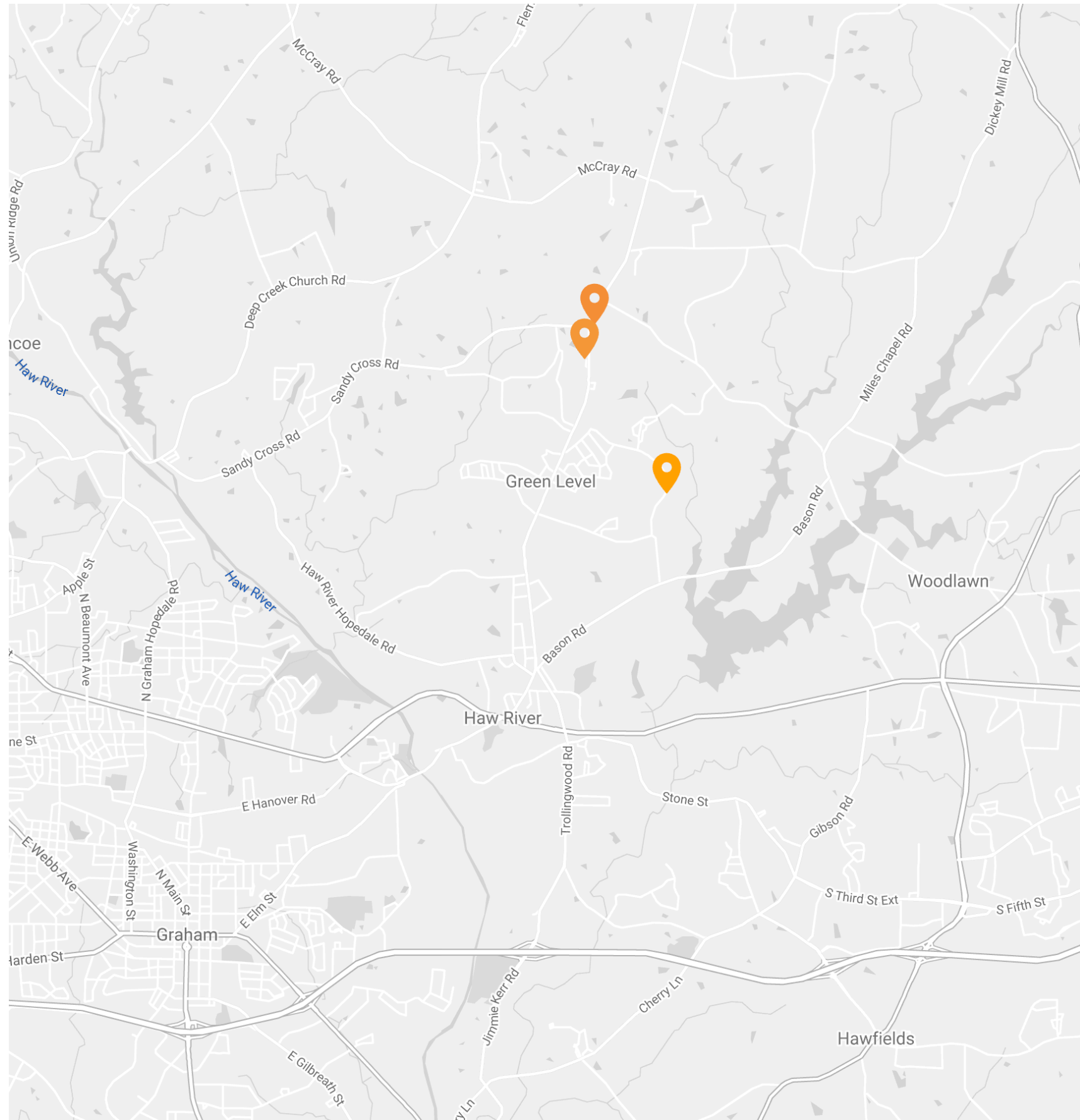
Loans	New Loan	Loan Info	Comments
LOAN AMOUNT	\$5,362,500	Recourse	65% LTV
INTEREST RATE	7.00%	Community Bank	
AMORTIZATION	30	I/O Period	



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	\$8,250,000	100%
1ST POSITION LOAN	\$5,362,500	65%
CASH TO CLOSE	\$2,887,500	35%

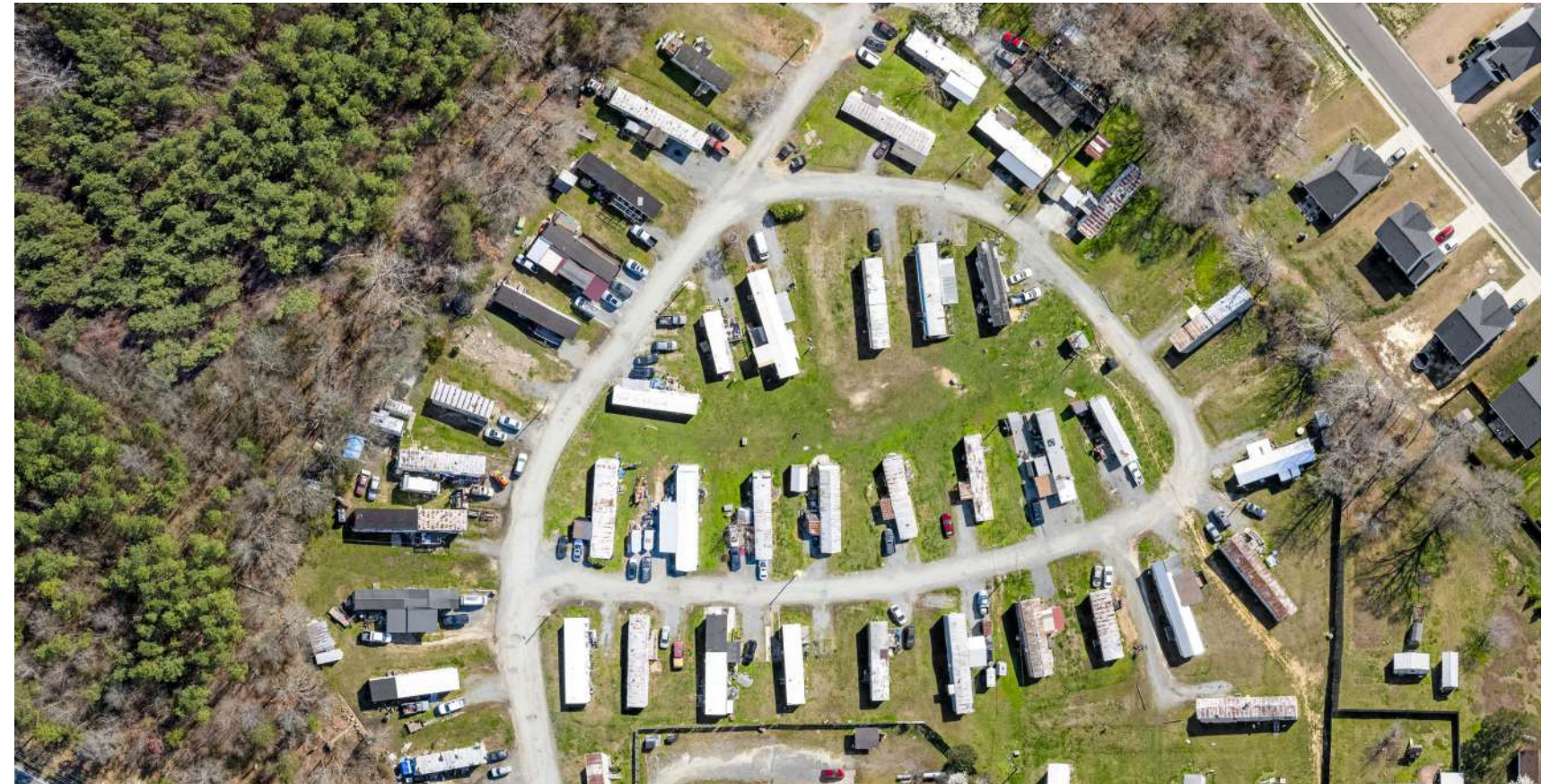
▶ Location Map and Property Parcel



► Property Parcels



▶ Property Photos



▶ Property Photos



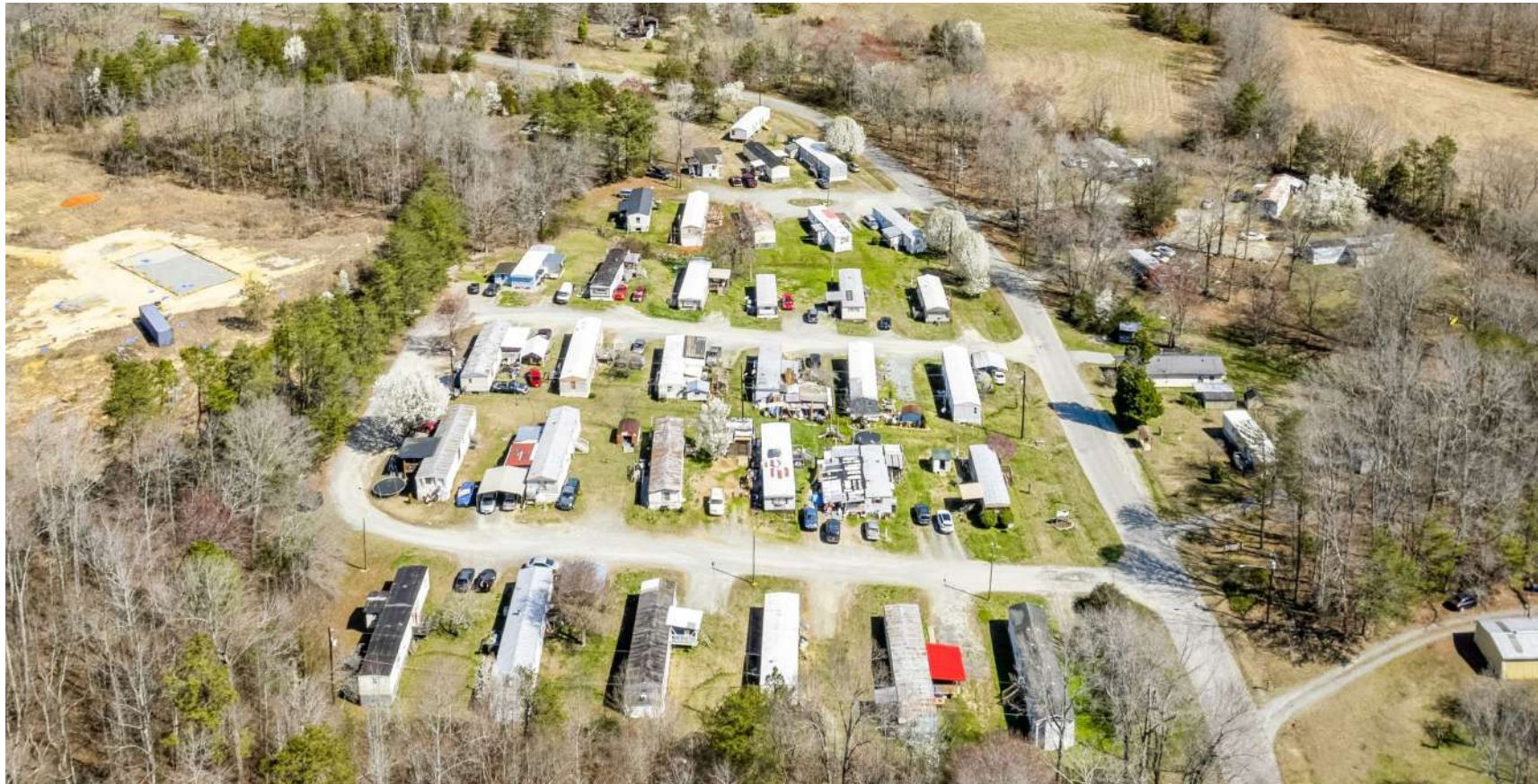
▶ Property Photos



▶ 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. With a focus on the Southeast, Mid-Atlantic, and Mideast markets, Dylan is now a Senior Associate and 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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