

Morganton MHP

1810 & 1815 Conley Rd,
Morganton, NC 28655

PROPERTY ADDRESS

26-lot, stable with significant
upside, manufactured housing
investment opportunity in a
strong market.

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.

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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

Morganton MHP

PARK NAME	Morganton MHP
PROPERTY ADDRESS	1810 & 1815 Conley Rd, Morganton, NC 28655
COUNTY	Burke County
METRO AREA	Hickory-Lenoir-Morganton MSA
PARCEL NUMBER(S)	1771700475, 1771706367

[Click Here To Access Due Diligence Items](#)



Site Description

PURCHASE PRICE	\$1,350,000
TOTAL RENTAL UNITS	26
TOTAL MOBILE HOME LOTS	26
EXPANSION APPROVED	No
TOTAL OTHER UNITS	0
TOTAL LAND AREA	6.2 Acres
ROADS	Public-Paved
FLOOD ZONE	No
OPPORTUNITY ZONE	No

Mechanical Description

WATER SYSTEM	Public, Tenant Pays
SEWER SYSTEM	Private, Landlord 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

The Esterson MHC Team is pleased to present Morganton MHC, a 26-unit, stabilized with significant upside, manufactured housing community investment opportunity located in a strong market.

Morganton is strategically located about 1 hour from Asheville, Winston-Salem, and Charlotte, NC. This location provides convenient access to major highways, transport hubs, and a major commerce corridor. The Hickory-Lenoir-Morganton MSA population is over 360,000 people. With local population growth of 5.3%, median home pricing of \$216,000, and 2-bedroom apartment rents averaging \$1,300, the need for affordable housing is only growing stronger.

Morgantown MHP has 26 total units, all manufactured housing (MH) lots, consisting of 13 tenant owned homes (TOH), 8 rented park owned homes (POH), 2 rent to own homes (RTO), 1 abandoned home, and 2 vacant lots. The average lot rental rate per month is \$402, the average POH rent above lot rent is \$419, and the average RTO payment above lot rent per month is \$382. The average age of the POH's is 2003. The age of one of the POH is unknown and is not being factored into the average.

The park is serviced by public water and the sewer is septic. Water is billed back to tenants at a flat rate and sewer is paid for by the park and included in rent. Trash is serviced by curbside bins and is billed directly to tenants. Electricity is also billed directly to tenants. The park has newer concrete roads and driveways. The park is NOT in a flood zone and is NOT in an opportunity zone.

This property is being offered at an asking price of \$1,350,000. All offers must include price, inspection timelines, list of due diligence required from owners, proof of funds, and relevant real estate experience.

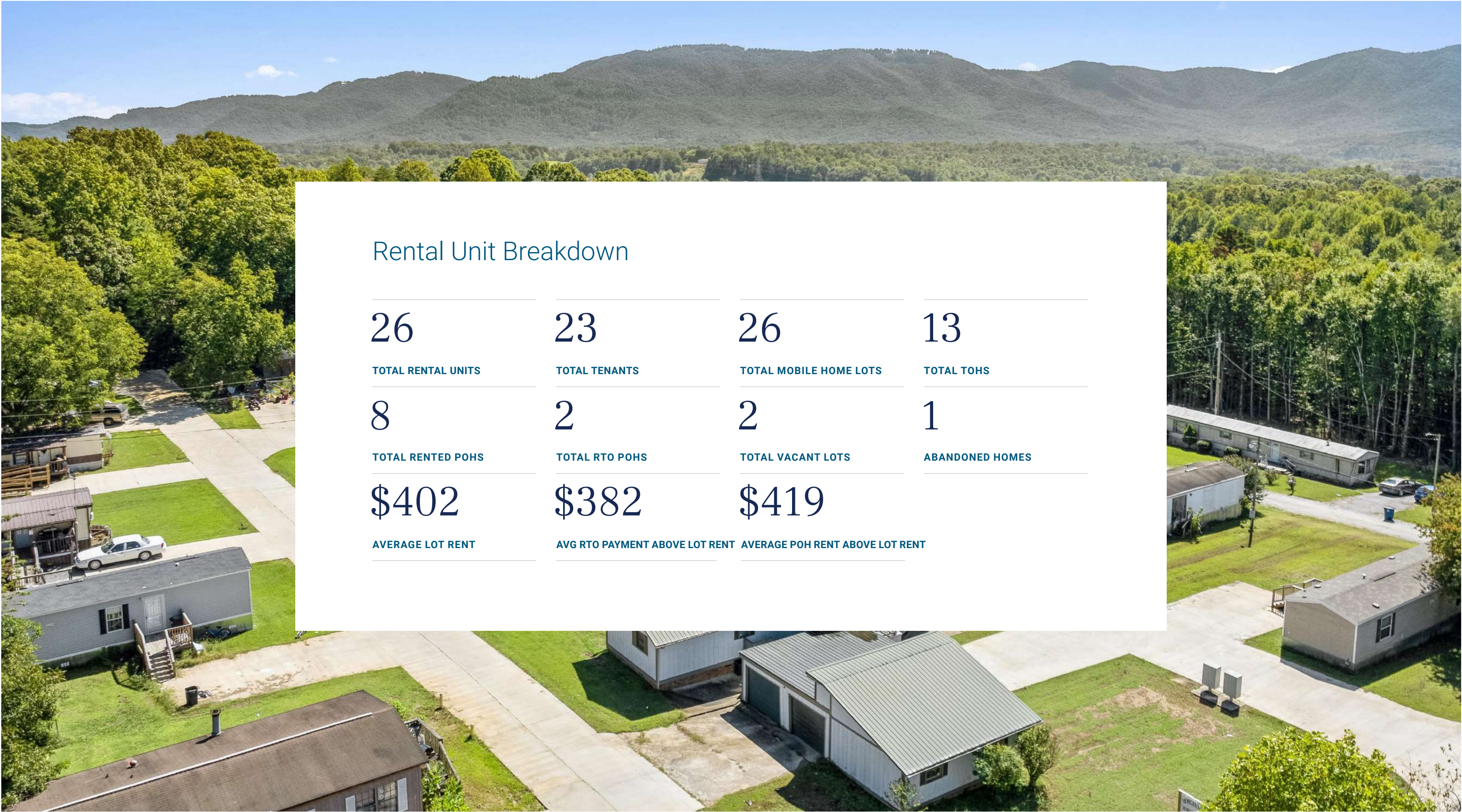
▶ HIGHLIGHTS

- Significantly below market rents
- Public water
- Opportunity to infill 2 vacant lots and 1 abandoned home
- Significant local population growth
- Easy access to Asheville, Winston Salem, and Charlotte

▶ KNOWN ISSUES

- Private sewer
- Some park owned homes are older models





Rental Unit Breakdown

26

TOTAL RENTAL UNITS

23

TOTAL TENANTS

26

TOTAL MOBILE HOME LOTS

13

TOTAL TOHS

8

TOTAL RENTED POHS

2

TOTAL RTO POHS

2

TOTAL VACANT LOTS

1

ABANDONED HOMES

\$402

AVERAGE LOT RENT

\$382

AVG RTO PAYMENT ABOVE LOT RENT

\$419

AVERAGE POH RENT ABOVE LOT RENT



Local Mobile Home Park Rent

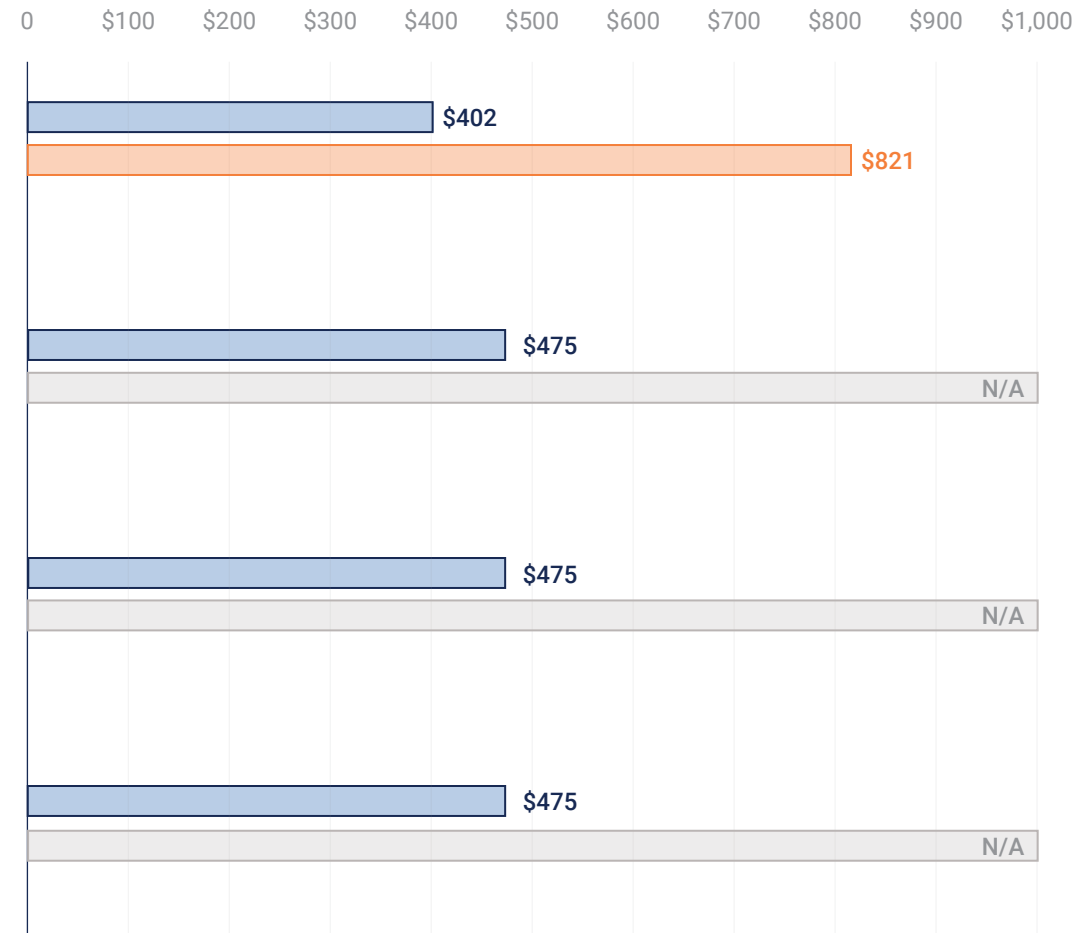
■ LOT RENT
 ■ POH RENT
 ■ N/A

Subject: Morganton MHP
 Utilities: Tenant Pays W/T
 Address: 1810 & 1815 Conley Rd,
 Morganton, NC 28655

J&R MHP
 Utilities: Tenant Pays W/T
 Address: 2509 NC 18 US 64,
 Morganton, NC

Morganton Woods MHP
 Utilities: Tenant Pays W/S/T
 Address: 215 Shuffler Rd,
 Morganton, NC

Suburban MHP
 Utilities: Tenant Pays W/T
 Address: 1726 Suburban Dr,
 Morganton, NC



Rent Comp Comments

Comparable properties surveyed near this park were charging lot rents at \$475 per month with tenants paying for most utilities.

Local Market Statistics

	City	County	MSA
	MORGANTON, NC	BURKE COUNTY	HICKORY-LENOIR-MORGANTON, NC
POPULATION	17,389	87,829	364,877
GROWTH	5.3%	-2.6%	-0.8%
MEDIAN HOME PRICE	\$216,500	\$207,100	\$228,300
AVERAGE 2BD APARTMENT RENT	\$1,290	\$790	\$790
MEDIAN INCOME	\$43,103	\$48,142	\$53,163

Investment Summary

Pricing

OFFERING PRICE	\$1,350,000
CAP RATE (LOT RENT ONLY)	7.3%
GLOBAL CAP RATE	8.7%
PRICE PER LOT	\$44,203
PRO FORMA VALUE	\$2,000,296

Upside Comments

The upside on this opportunity consists of infilling the 2 vacant MH lots and 1 abandoned home, and responsibly reaching market rents.

Capitalized Revenues	P&L 0	P&L 1	P&L 2	P&L 3
	T-12 P&L - From Seller	T-1 P&L - From Seller	T-1 P&L - From Seller	Mark-To-Market
TOTAL GROSS INCOME (ALL REVENUES)	\$125,620	\$165,876	\$163,546	\$225,134
TOTAL GROSS EXPENSE (ALL EXPENSES)	\$48,123	\$48,123	\$61,830	\$73,899
GLOBAL NOI:	\$77,497	\$117,753	\$101,715	\$151,235
GLOBAL CAP RATE:	5.7%	8.7%	7.5%	11.2%
TOTAL INCOME (PARK ONLY)	\$95,620	\$116,520	\$114,190	\$176,534
TOTAL EXPENSES (PARK ONLY)	\$32,119	\$32,119	\$41,730	\$49,599
NET OPERATING INCOME (PARK ONLY)	\$63,501	\$84,401	\$72,459	\$126,935

POH Revenues	P&L 0	P&L 1	P&L 2	P&L 3
TOTAL POH & RTO REVENUE	\$30,000	\$49,356	\$49,356	\$48,600
POH & RTO EXPENSES	\$16,004	\$16,004	\$20,100	\$24,300
POH / RTO NET INCOME	\$13,996	\$33,352	\$29,256	\$24,300
TOTAL POH VALUE	\$186,935			

Investment Metrics	P&L 0	P&L 1	P&L 2	P&L 3
LOT RENT CAP RATE	5.5%	7.3%	6.3%	11.0%
GROSS CAP RATE (INCLUDES POH I&E)	5.7%	8.7%	7.5%	11.2%
CASH ON CASH LEVERED	3.2%	9.2%	6.8%	14.1%

Property Revenue & Expense

	Sellers Actuals	Sellers Actuals	Broker Adjusted	Maximized	Comments
	REVENUE: T12 P&L ACTUAL P/SELLER RECORDS REVENUE AS REPORTED EXPENSE AS REPORTED	REVENUE: RR, DEC 2024 CURRENT RENTS PER RR 88.5% OCCUPANCY BROKER ADJUSTED EXPENSE	REVENUE: RR, DEC 2024 CURRENT RENTS PER RR 88.5% OCCUPANCY BROKER ADJUSTED EXPENSE	PRO-FORMA (MARKET) MARKET RENTS 100% OCCUPANCY BROKER ADJUSTED EXPENSE	
LOT RENT REVENUE	\$95,620	\$111,000	\$111,000	\$171,600	P&L 3: Based on Market Lot Rent of \$550
WATER REVENUE	\$0	\$5,520	\$5,520	\$8,537	P&L 0,1: As Reported: 0% P&L 2: 66% P&L 3: 90% Recapture Rate
FEE REVENUE (RE)	\$0	\$0	\$2,330	\$3,603	P&L 0,1: As Reported P&L 2,3: 2% of Total Revenue
COLLECTIONS LOSS/BAD DEBT	\$0	\$0	\$4,661	\$7,205	P&L 0,1: As Reported P&L 2,3: 4% of Total Revenue
TOTAL REVENUE	\$95,620	\$116,520	\$114,190	\$176,534	
PROPERTY TAX	\$3,928	\$3,928	\$4,910	\$4,910	P&L 0,1: Actual P&L 2,3: Adjusted by Broker Estimate
INSURANCE EXPENSE	\$1,765	\$1,765	\$2,600	\$2,600	P&L 0,1: As Reported P&L 2,3: \$100 Per Unit/Year
REPAIRS & MAINTENANCE SERVICES	\$8,023	\$8,023	\$4,550	\$4,550	P&L 0,1: As Reported P&L 2,3: \$175 Per Unit/Year
MOWING, LANDSCAPING & SNOW SERVICES	\$833	\$833	\$3,120	\$3,120	P&L 0,1: As Reported P&L 2,3: \$120 Per Unit/Year
WATER SERVICES	\$8,391	\$8,391	\$8,391	\$9,486	P&L 0,1: As Reported: \$30 P&L 2: \$30 P&L 3: \$30 Per Tenant/Month
SEWER SERVICES	\$0	\$0	\$4,140	\$4,680	P&L 0,1: As Reported: \$0 P&L 2: \$15 P&L 3: \$15 Per Tenant/Month
ON-SITE MANAGEMENT	\$4,847	\$4,847	\$5,709	\$8,827	P&L 0,1: As Reported P&L 2,3: 5% of Total Revenue
3RD PARTY MANAGEMENT	\$0	\$0	\$5,709	\$8,827	P&L 0,1: As Reported P&L 2,3: 5% of Total Revenue
GENERAL & ADMIN SERVICES	\$4,333	\$4,333	\$2,600	\$2,600	P&L 0,1: As Reported P&L 2,3: \$100 Per Unit/Year
TOTAL EXPENSES	\$32,119	\$32,119	\$41,730	\$49,599	
EXPENSE RATIO	34%	28%	37%	28%	
NET OPERATING INCOME (NOI)	\$63,501	\$84,401	\$72,459	\$126,935	
CAP RATE	5.5%	7.3%	6.3%	11.0%	
POH INCOME	\$30,000	\$40,200	\$40,200	\$48,600	P&L 3: Based on a POH Rent of \$450
RTO INCOME	\$0	\$9,156	\$9,156	\$0	P&L 1,2: Per Rent Roll P&L 3: RTO Complete, Income Removed
POH/RTO EXPENSES	\$16,004	\$16,004	\$20,100	\$24,300	P&L 0,1: As Reported P&L 2,3: 50% Expense Ratio
NET POH/RTO INCOME	\$13,996	\$33,352	\$29,256	\$24,300	
CASH FLOW BEFORE DEBT	\$77,497	\$117,753	\$101,715	\$151,235	
DEBT SERVICE - NEW LOAN	\$55,964	\$55,964	\$55,964	\$55,964	
NET INCOME	\$21,534	\$61,790	\$45,752	\$95,271	
CASH ON CASH RETURN	3.2%	9.2%	6.8%	14.1%	
DEBT COVERAGE RATIO (DCR)	1.13	1.51	1.29	2.27	Based on Lot Rent Revenue Only
GLOBAL DEBT COVERAGE RATIO (DCR)	1.38	2.10	1.82	2.70	Based on Gross Rent Revenue
GLOBAL CAP RATE	5.7%	8.7%	7.5%	11.2%	

Advertised Pricing	P&L 1	Per Unit	Comments
REAL ESTATE VALUE	\$1,149,265	\$44,203	7.34% Cap Rate
POH VALUE	\$186,935	\$23,367	8 Park Owned Homes
RTO VALUE	\$13,800	\$6,900	2 RTO Contracts
TOTAL VALUE	\$1,350,000		

Upside Value	P&L 3	Comments
REAL ESTATE VALUE	\$1,813,361	7.0% Cap Rate
POH VALUE	\$186,935	
RTO VALUE	\$0	
TOTAL VALUE	\$2,000,296	

Unit Types	Count	Avg Rent	Comments
TOTAL RENTABLE UNITS	26		
TOTAL MOBILE HOME UNITS	26		
TENANT OWNED HOME	13	\$402	
RENTED PARK OWNED HOME (POH)	8	\$419	
RENT TO OWN MOBILE HOME (RTO)	2	\$382	
VACANT PARK OWNED HOME (POH)	0	\$450	
ABANDONED HOME	1	\$550	
VACANT MOBILE HOME LOT	2	\$550	

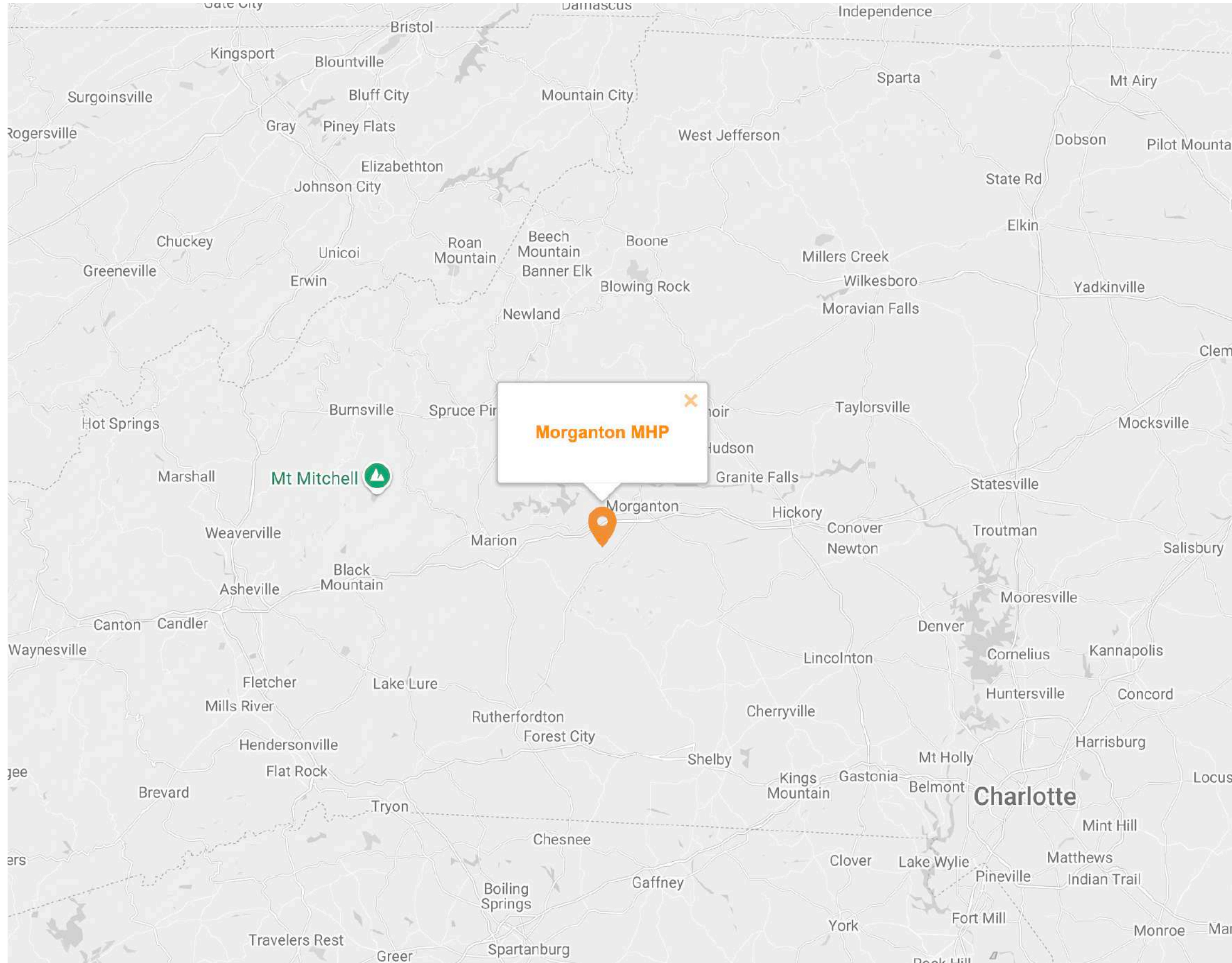
Loans	New Loan	Loan Info	Comments
LOAN AMOUNT	\$675,000	Recourse	50% LTV
INTEREST RATE	6.75%	Community Bank	
AMORTIZATION	25	Balloon	



Infrastructure	Type	Comments
WATER SYSTEM	Public	Tenant Pays - Billed Back
SEWER SYSTEM	Private	Landlord Pays
TRASH	Curbside	Tenant Pays - Direct Billed
ELECTRIC SERVICES	Public	Tenant Pays - Direct Billed
GAS SERVICES	Public	Tenant Pays - Direct Billed

Uses of Capital	Amount	% of Purchase
TOTAL PURCHASE PRICE	\$1,350,000	100%
1ST POSITION LOAN	\$675,000	50%
CASH TO CLOSE	\$675,000	50%

► Location Map and Property Parcel

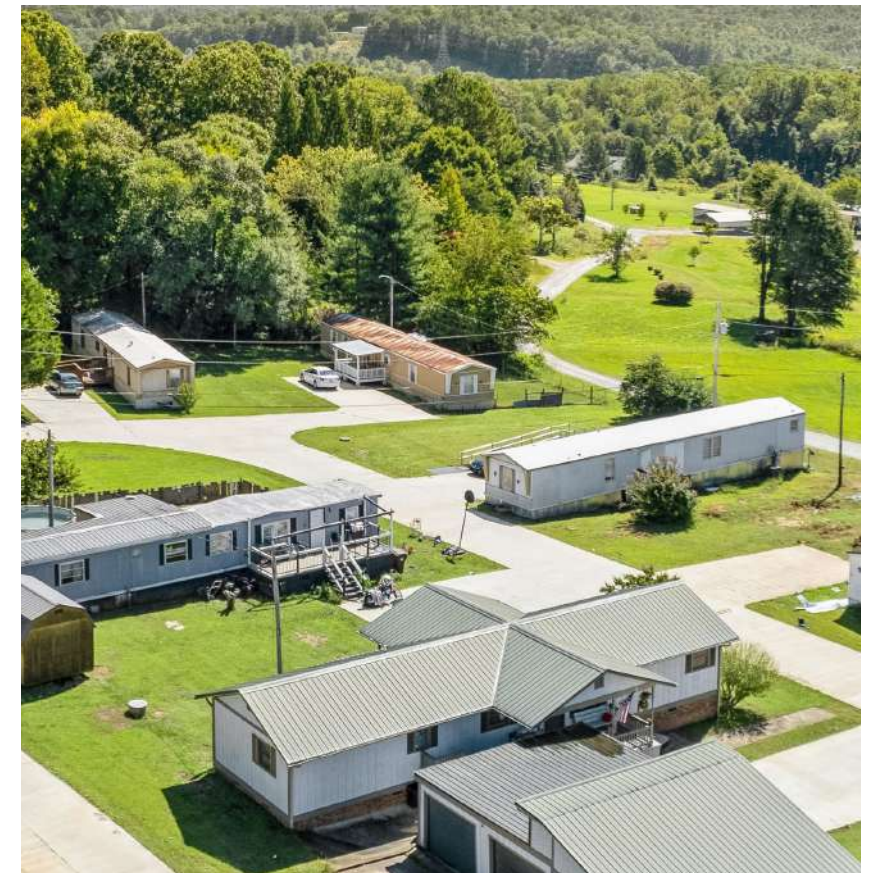


▶ Property Photos

[See All Property Photos Here](#)



▶ 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 and is now a Senior Associate. 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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