CASE STUDIES

CURRENT PARKS

Anchor MHC
Florence MHC
Tennessee Portfolio
Sierra Sands
Marshfield MHC

CONTACT

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ANCHOR MHC

Purchased **2021**

Purchase **Highlights**

- » 82 space mobile home community, 84% occupied
- » 65 self-storage units, 100% vacant
- » 6 SFRs, 100% vacant
- » 3-unit office building, vacant
- » 2-star community
- » $2,670,640 purchase price (6% cap rate)
- » Utilities paid by park

Business **Strategy**

- Raise rents to market
- Fill vacant homes
- Increase curb appeal and star rating
- Install water meters
- Bill back water sewer and trash
- Fill vacant lots
- Projected refinance year 3

Since **Takeover**

- Raised rents from $374 to $450
- All vacant homes filled
- All vacant lots filled
- Single family homes remodeled and rented
- Office building rented
- Water sewer and trash billed back year 1
- Increased NOI from $209,000 at purchase to $319,000 in 18 months
- Self-storage facility renovated and is 33% leased up
- Qualification for Fannie refinancing in progress at a valuation of $5,600,000
- Improved from a 2-star to a 3-star community

FLORENCE MHC

Purchased **2022**

Purchase **Highlights**

- 51% occupancy for MHC and 7% occupancy for Self-Storage
- 39 space mobile home community
- 15 self-storage units
- 2-star community
- $930,000 purchase price (7.14% cap rate)
- Private loan at 6% interest
- Direct billed public utilities

Business **Strategy**

- Renovate and lease 18 vacant POHs
- Lease 15 self-storage units
- Raise rents
- Pave roads
- Projected refinance end of year two

Since **Takeover**

- 9 vacant POHs rented and 9 rent-ready and advertised, with 2 remodels currently in progress
- Average rent increased from $482 to $615
- Roads repaved
- Refinance expected in Q1 2024, which places us a year ahead of initial projections
- 18 remodels have been completed, with 9 of them leased. The remaining 9 will be leased in the next 2-months to bring the MHC to 100% occupancy

TENNESSEE PORTFOLIO

Purchased **2022**

Purchase **Highlights**

- 54% occupancy
- 88 space mobile home portfolio
- 2-star community
- $2,032,857 purchase price (6.2% cap rate)
- Direct billed water
- Trash paid by the park

Business **Strategy**

- Renovate and lease 30 vacant POHs
- Fill 19 vacant lots
- Billback trash
- Increase rents to market
- Bill back trash
- Increase curb appeal
- Projected refinance end of year two

Since **Takeover**

- Improved aesthetics by implementing a community trash clean-up, repairing roads, adding new skirting, decks, and signage
- Lot rents increased from $250 to $400
- 28 vacant homes remodeled and rented, 1 remodel in progress
- 8 homes demolished
- 12 new POHs on order from factory with the remaining 7 being ordered late Q3 2023
- Trash billback going into effect November 2023
- Refinance expected in Q1 2024, which places us a year ahead of initial projections

SIERRA SANDS

Purchased **2015**

Purchase **Highlights**

- 38 space, mobile home community
- 2-star community
- Accredited and non-accredited investors
- $570,000.00 purchase price (12% cap rate)
- Private loan 9% I.O.
- Trash paid by park
- Projected annual return 22.2% (cash flow + equity)
- 3 bed SFR + office / laundry / storage building

Business **Strategy**

- Raise rents to market
- Fill all vacant homes
- Convert all home renters to home ownership
- Increase curb appeal / star rating
- Install gas and electric meters
- Bill back all utilities to residents
- Develop vacant lots
- Repave roads
- Projected 5 year hold

Since **Takeover**

- Rents raised from $280 to $355
- 18.4% cap rate (based off purchase price)
- All vacant homes have been filled
- Developed 6 lots ready for homes
- Gas and electric meters installed at each lot
- Trash billed back 100%
- Roads have been fully repaved
- Increased from 2 star to 2.75-star community
- Sold for $1,300,000.00 on 10/2019
- 57.14% annual returns distributed to investors (*significantly above our projections!*)

MARSHFIELD MHC

Purchased **2017**

Purchase **Highlights**

- 200 space, mobile home community
- 3-star community
- Accredited and non-accredited investors
- CMBS loan, 5 year balloon
- 50% water / sewer recapture
- 7% preferred return hurdle 70/30 split
- Projected annual return 22.2% (cash flow + equity)
- Projected IRR 19.25%
- 3,000,000.00 purchase price (8.7% cap rate, market in 7% range)

Business **Strategy**

- New management (by our vertically integrated property management company)
- Fill vacant homes and prep and fill vacant lots
- Convert all home renters to home ownership
- Enforce "no-pay no-stay"
- Increase rents gradually over 5 years from $261 to market
- 100% bill back of water and sewer
- 5 year hold then sell or re-finance

Since **Takeover**

- Rents raised from $261 to $320
- 12.2% cap rate (based off purchase price)
- All delinquent tenants have been removed
- All vacant homes and 11 vacant lots filled
- 20+ park owned homes have been remodeled
- Digital meters have been installed to allow full water & sewer bill back
- Infrastructure improved as needed (water/sewer lines and electrical pedestals)
- Outstanding on-site management
- Market cap rates have dropped to the 6%-7% range
- Sold for $5,750,000 in 2021 exceeding projected returns