

*32 pad manufactured home park*

# North Richland Hills Mobile Home Park

6520 Harmonson Rd.  
N. Richland Hills, Texas

Prepared for:  
Prospective Purchasers

Prepared by:  
Randy Smith  
Principal Broker



Western Equities  
Investment Real Estate Services  
1910 N.E. 30th Ave., Portland, OR 97212 USA  
Tel: (503) 242-0033 Fax: (503) 281-4054



# North Richland Hills Mobile Home Park

## Executive Summary

6520 Harmonson Rd.

N. Richland Hills, Texas 76180-8702

One of the nicest manufactured home parks in Texas!

**Please don't disturb tenants or managers!**

Asking Price: For the park plus manager's home: \$ 795,000

For contracts of sale on 6 homes approximately \$ 63,500

Total Purchase price: \$ 858,500

Financing: Buyer may assume the existing loan on the park in the amount of \$432,805. The interest rate is 5.61% and is a variable rate mortgage. There is approximately 25 years left on the note, and is fully amortizing (no balloon!) There are 7 homes in the park which have been sold to the tenants. These contracts are to be purchased by the buyer separately from the park. Total estimated down payment required from the buyer is approximately \$282,500.

Income/Expenses: Estimated 2010 effective income is \$ 125,126

Estimated 2010 expenses are \$ 51,228

Net Operating Income \$ 73,898

The park consists of 32 mobile home pads, all of which are occupied by homes. The pad rent has not been raised in over 5 years. There are a total of 6 park owned mobile homes which have been sold on contract. These homes are to be sold separately, but must be purchased by the buyer at the same time as the park

at an estimated value of \$63,500. The actual balances will be determined prior to closing.

Cap Rate: Based on current rent roll & 2010 actual expenses: 9.30%.

Disclosure: One of the principals in the park ownership has a valid real estate license, and is acting as transactional consultant for the property.

Property Description: North Richland Hills Mobile Home Park, in North Richland Hills, Texas, is a well maintained manufactured home community, with city sewer, city water, cable TV, gas & electricity on site, with scheduled rents of \$317.00 per month per pad. One late model manufactured home, the manager's residence, is included in the price of the park. Individual water metering is in place, and the new owner may bill the tenants separately for water and sewer, provided this is done in accordance with Texas law. The state of Texas allows the landlord to charge up to 9% surcharge on the water bill

This is one of the nicest older manufactured home parks in Texas! The current owners have invested lots of time and money to increase the park's "curb appeal". There are a number of mature oaks and other hardwoods on the grounds. It is conveniently located in a very nice suburb just north of Ft. Worth, Texas, and is only 15 minutes from Dallas Fort Worth International Airport. North Richland Hills is a vibrant and beautiful city of 63,000+ residents, and is growing rapidly (9.8% in the past 5 years!) It's one of the 100 best places to live in the United States, according to Money Magazine. The magazine released the list of best places in its August 2006 issue and at [www.CNNMoney.com](http://www.CNNMoney.com). North Richland Hills is the only city in Tarrant County to make the list.

"We have always known North Richland Hills is a great place to live and raise a family," said Mayor Oscar Trevino. "It is nice that others are also recognizing the high quality of life we have in our community."

The magazine considered more than 700 cities in its search for the country's best places. Cities making the list had the best possible blend of good jobs, low crime,

quality schools, plenty of open space, rational home prices and lots to do. You can get further information at the city website: <http://www.nrhtx.com> or at the Tarrant County website: <http://tarrantcounty.com>

Feel free to call the consulting broker, Randy Smith for further details, or to answer questions you may have. He can be reached at: (503) 242-0033, or on his cell phone: (503) 320-3030 or via email: [randysmith@westernequities.com](mailto:randysmith@westernequities.com).

Please note that the consulting broker is one of the owners of this property.





# Annual Property Operating Data

## North Richland Hills Mobile Home Park

Purpose	Proposed Sale
Name	North Richland Hills Mobile Home Park
Location	N. Richland Hills, Texas
Property Type	Manufactured Home Community
Date	5 April 2011
Units	31

Price	\$795,000
-Loans	432,805
Down Payment	362,195
+Acq Costs	10,000
+Loan Points	4,328
Investment	376,523

	\$/Unit	% of GI	Annual \$
<b>Gross Income</b>			
31 Pads @ \$317 per pad (31 units)	\$3,804	90.0%	\$117,924
One Pad @ \$296 (1 units)	3,552	2.7%	3,552
Late Fees	63	1.5%	1,943
6 Mobile Home Contracts	245	5.8%	7,603
<b>Total Gross Income</b>	<b>\$4,227</b>	<b>100.0%</b>	<b>\$131,022</b>
- Vacancy & Credit Loss	190	4.5%	5,896
<b>Effective Income</b>	<b>\$4,036</b>	<b>95.5%</b>	<b>\$125,126</b>
<b>Less: Operating Expenses</b>			
Property Taxes 2010	391	9.3%	12,122
Advertising & Bank Charges	4	0.1%	131
Equipment Rent & Fuel	5	0.1%	143
Insurance for 2011	95	2.3%	2,959
Water & Sewer	664	15.7%	20,598
Trash Removal	154	3.7%	4,789
Maintenance Park & Grounds	36	0.9%	1,114
Supplies/Postage/	3	0.1%	102
Manager Total	299	7.1%	9,270
<b>Total Operating Expenses</b>	<b>\$1,653</b>	<b>39.1%</b>	<b>\$51,228</b>
<b>Net Operating Income</b>	<b>\$2,384</b>	<b>56.4%</b>	<b>\$73,898</b>
<b>Less: Debt Service</b>			
Assume existing ARM @ 1% fee	1,133	26.8%	35,123
<b>Total Debt Service</b>	<b>\$1,133</b>	<b>26.8%</b>	<b>\$35,123</b>
<b>Cash Flow Before Taxes</b>	<b>\$1,251</b>	<b>29.6%</b>	<b>\$38,775</b>

Capitalization Rate	9.30%
Gross Income Multiplier	6.07
Debt Coverage Ratio	2.104
Cash on Cash	10.30%
Price/Unit	\$25,645

The data and calculations presented herein, while not guaranteed, have been obtained from sources we believe to be reliable, primarily from the seller. Potential purchasers must verify all information regarding this property independently, and are urged to obtain the advice of qualified accounting, legal, and 1031 tax-deferred exchange professionals.

# Analysis Assumptions Report

## North Richland Hills Mobile Home Park

### Investment Assumptions

Price of Property	\$795,000.00
Closing Costs	\$10,000.00
Date of Acquisition	1 January 2011
Holding Period	5 Years
Inflation Rate	3% per Year
Sale Price Method	8.5% Capitalization of NOI on Sale Date
Selling Costs	4.25%

### Investor's Assumptions

Present Value Discount Rate	8% per Year
Tax Rate - First Year	28%
Tax Rate - Following Years	28%
Capital Gain Rate	15%
Cost Recovery Recapture Rate	25% - Losses Carried Forward

### Estimated Depreciation Assumptions

Depreciable Amount	\$300,000.00
Depreciable Life	15 Years
Depreciation Method	150% Declining Balance
Recapture Method	Excess Over Straight Line
Depreciation Start Date	at Acquisition

### Assume existing ARM @ 1% fee Loan Assumptions

This loan is fixed until July 1, 2008. After that it will adjust every 6 months. Caps of 1% per adjustment, 5.61% minimum and 12.11% maximum. Monthly payment is \$2,820.88.

Loan Amount	\$432,805.00
Loan Interest Rate	5.61% Annually
Original Loan Period	21 Years
Loan Origination Date	at Acquisition
Loan Type	Monthly Payments, Amortizing
Prepayment Penalty	6 Mos Interest on Declining Balance
Loan Points Charged	1 Point, Amortized over Loan Life

### 31 Pads @ \$317 per pad Revenue Assumptions

There are currently 4 vacant pads. Price includes 1 manufactured home provided to the manager.

Annual Revenue (31 Units @ \$317.00/Unit/Month)	\$117,924.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate
Vacancy Factor	5%



# Analysis Assumptions Report

## North Richland Hills Mobile Home Park

### One Pad @ \$296 Revenue Assumptions

Annual Revenue (1 Units @ \$296.00/Unit/Month)	\$3,552.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate

### Late Fees Revenue Assumptions

Annual Revenue	\$1,943.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	No Growth is Projected

### 6 Mobile Home Contracts Revenue Assumptions

Annual Revenue	\$7,603.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate

### Property Taxes 2010 Expense Assumptions

Annual Expense	\$12,122.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

### Advertising & Bank Charges Expense Assumptions

Annual Expense	\$131.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Continuous at the Inflation Rate

### Equipment Rent & Fuel Expense Assumptions

Annual Expense	\$143.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	No Growth is Projected

### Insurance for 2011 Expense Assumptions

Annual Expense	\$2,959.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

# Analysis Assumptions Report

## North Richland Hills Mobile Home Park

### Water & Sewer Expense Assumptions

Annual Expense	\$20,598.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

### Trash Removal Expense Assumptions

Annual Expense	\$4,789.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

### Maintenance Park & Grounds Expense Assumptions

Annual Expense	\$1,114.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

### Supplies/Postage/ Expense Assumptions

Annual Expense	\$102.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

### Manager Total Expense Assumptions

Annual Expense	\$9,270.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate



NORTH RICHLAND HILLS  
MANUFACTURED HOME COMMUNITY

6520 HARMONSON ROAD

1-800-533-8837





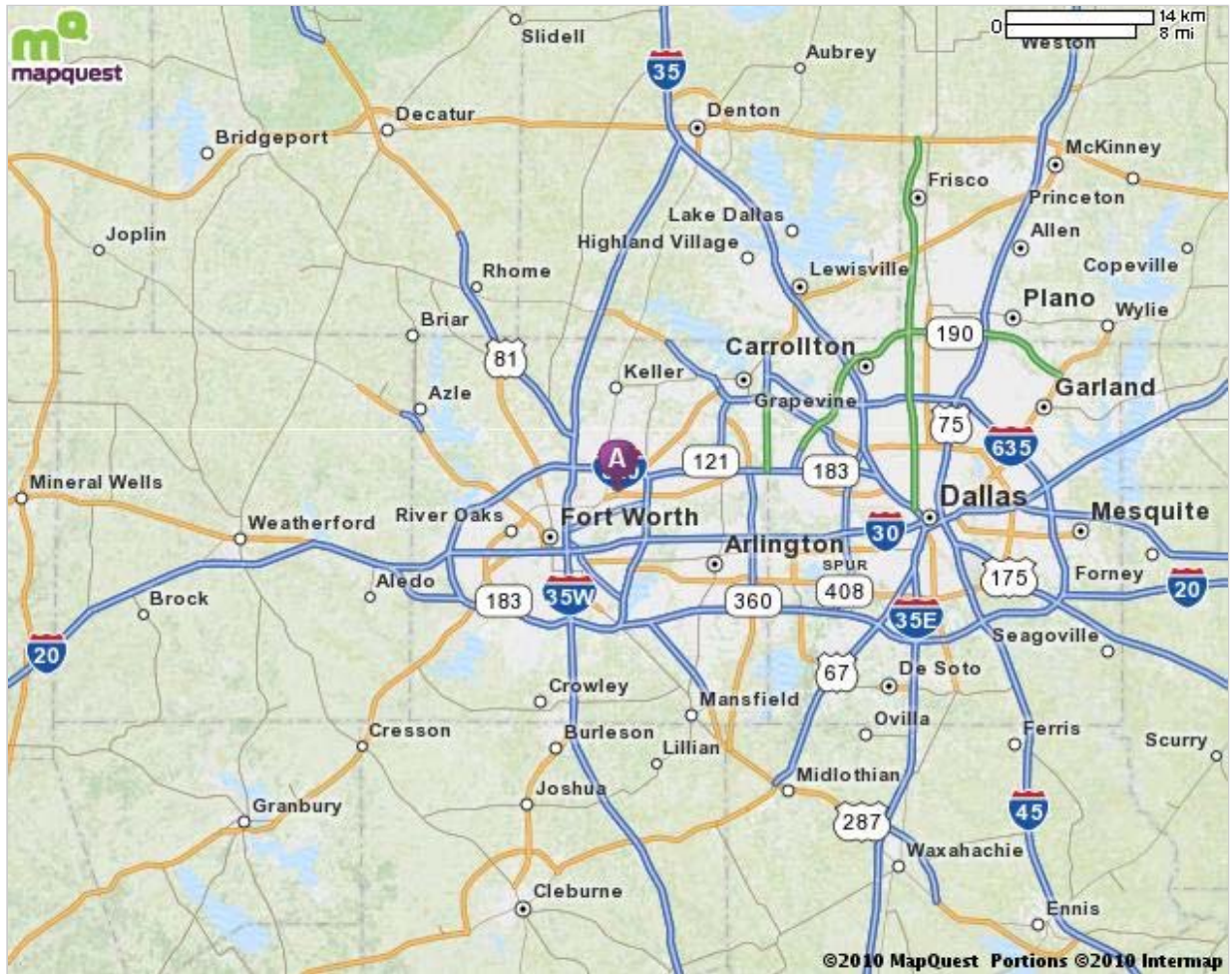


# MAPQUEST.

## Map of 6520 Harmonson Rd North Richland Hills, TX 76180-8702

Notes

North Richland Hills Mobile Home Park  
32 pads



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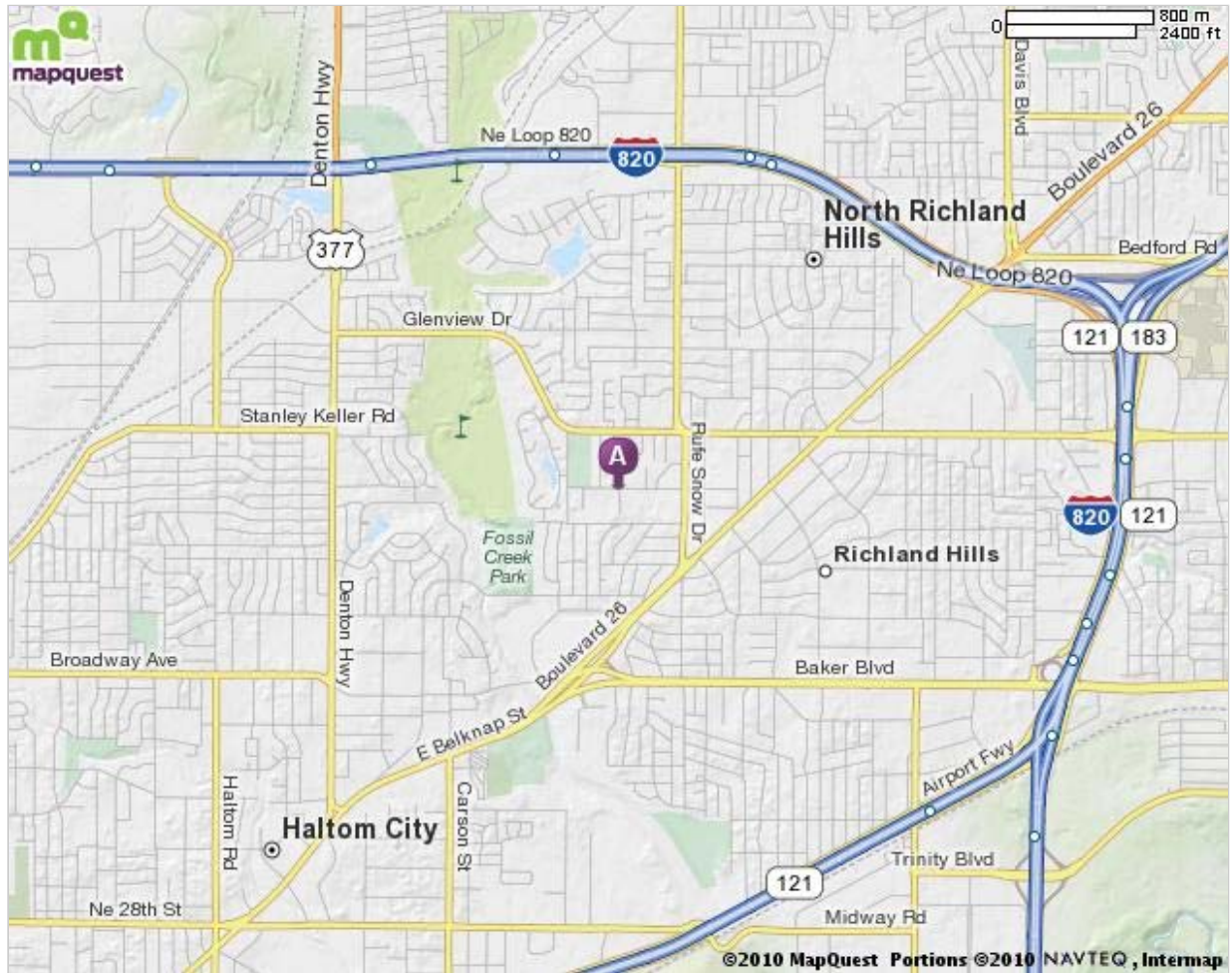
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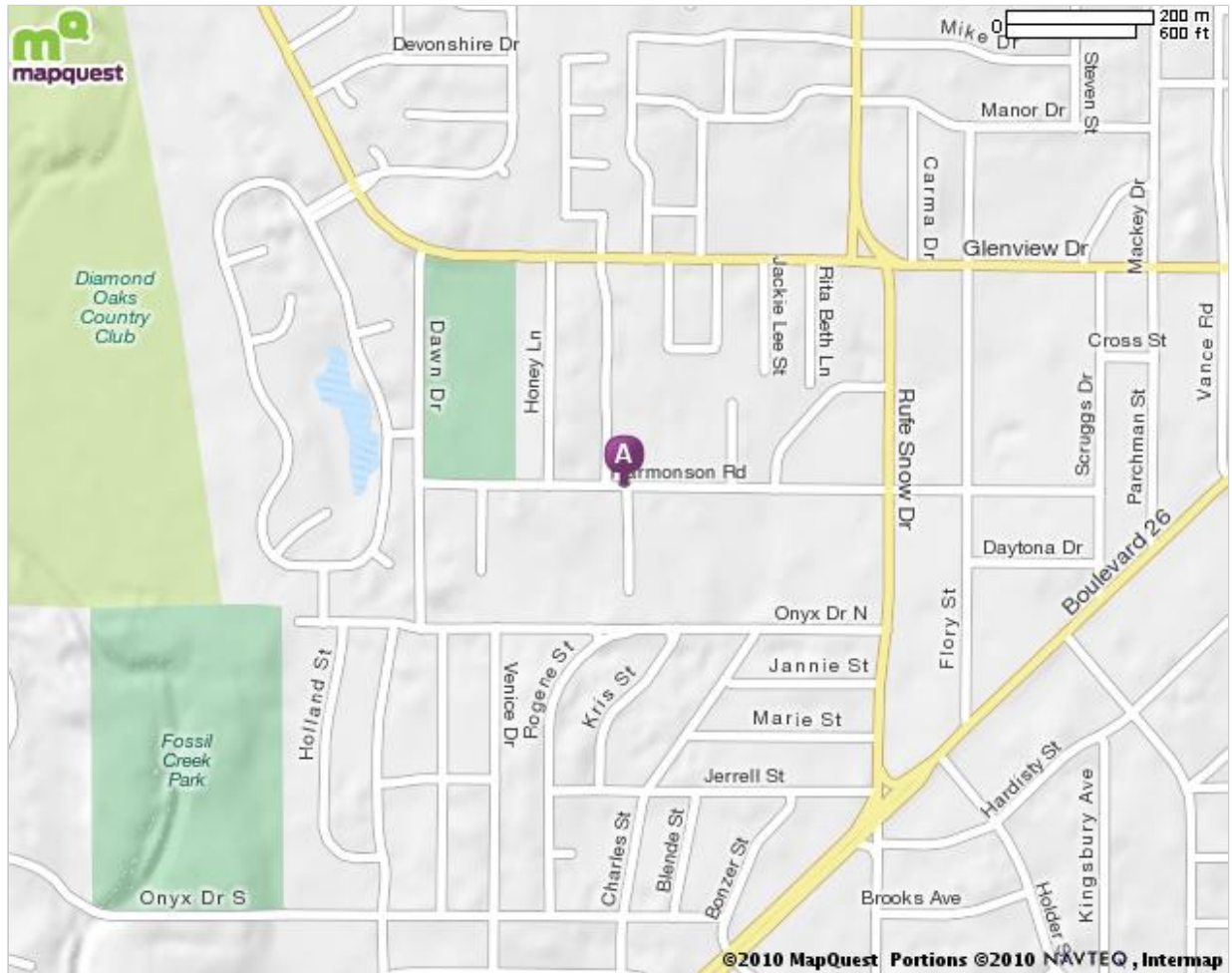
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32 Pads



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## TENANTS

Auturo Nunez  
Edvordo Esparza & Margarita Avita - NEW  
Arturo Valenzuela  
Miguel Berumen  
Jesse White & Anita Sanders Lot Rent \$296  
Marco Carazo  
Roberto Kell  
Domingo Terrazas  
Santiago Pacheco  
Leonel Valenzuela  
Nicoles R Gonzales  
Felicia Land/Karen Mayes  
Philip Counts  
Walter Rayuleer- New Owner  
Cornello Torres  
Ramiro Rangel  
Mark Rawson  
Alberton Cervantes  
Roberto Perez  
JD HOLLAND - MGR  
Jesus Nunez  
Bobby Scott Massengale & Patty King  
Johnny Brown & Dena Rawlinson  
Nancy V. Hayes/ Rent Due Date 20th  
Carlos Marquez  
Jose Irgoyen  
Manuel Rodriguez  
Janie Dimas  
Humberto Campos  
Juan Pablo  
Marcos Alonso

## LOTS

3800 Park Owned  
3801  
3804  
3805  
3808 Park Owned  
3909  
3812 Randy's  
3813  
3816  
3817  
3820  
3821 Park Owned  
3824  
3825 Park Owned  
3828  
3829  
3832  
3833  
3836  
3837 Park Owned  
3840  
3841 Park Owned  
3844  
3845 Randy's  
3848  
3849  
3852  
3853 Sue's  
3855  
3856  
3859 Park Owned