

MIDWEST MOBILE HOME PARK AND RENTALS

411 STANFORD STREET

VERMILLION, SD 57069

\$2,000,000

Plus 4 homes sold on CFD and balance due is \$81,579

Total is \$2,081,579

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This is a 55 unit manufactured housing community completed in the 1995. Sale price includes the park real estate, 29 rental houses which have 100% occupancy, 9 storage units and 4 homes sold on CFD. Local property management company currently conducts all management of the facility, so ownership

transfer would be seamless. I have an on site handyman that lives rent free on lot 13. He gets paid a monthly salary to do repairs and maintenance.

Many rental house updates completed in 2017. Current rental rates are well under market. This is a turn-key profitable investment in a great location close to shopping and the University of South Dakota campus. Sellers would consider contract for deed.

The picture above is before 2012. Since then I removed the basketball court and added two more lots along the road and one more doublewide lot in the NE corner to get a total of 55 lots. Sanford street was lowered and widened to add a turning lane, curb and gutter plus street lights and a sidewalk. Those assessments were paid in full in 2013. The cornfield to the west is now a new high end residential development call Bliss Point where many new homes have just been built.

We have pulled out around 10 trailers and replaced with new ones since this picture. We only have 3 units that are the older 1970's era style homes. The rest all are newer pitched roof units with vinyl siding ranging from 1995 to 2017 models. We have replaced a lot of the shingled roofs with decorative steel roofs and also replaced the vinyl skirting with steel so you can easily weed eat around the trailers. We have also replaced most of the older decks with a set of concrete steps on a poured concrete patio slab and we have put in LED street lights. This is option is very low maintenance. Our repair expense is high in 2017 because we have been investing in new homes and fixing up the units we have and I write off as much expense as I can. Most of the double wides and single wide units that are 2000 and newer have concrete footings for the blocks to set on.

The streets are concrete and the water & sewer lines are all PVC. I put the water shutoff valves in the middle of the yards so if you have to fix one you are not digging under the trailer. I also have a main water shutoff valve on each row of trailers so you don't have to shut down the entire court if you have an issue with a valve. I have water meters on most of the trailers but when I switched over property management they did not want to bother reading 55 meters each month and billing out water. You could increase cash flow by charging for water and sewer.

SITE INFORMATION:

ADDRESS:	411 Stanford Street Vermillion SD
COUNTY:	Clay
SITES:	55 (7 doublewide spaces and 48 for up to 18x80' singlewides)
ACRES:	8
AVG LOT RENT:	\$225
LAST RENT INCREASE:	\$10 in 2016

PARK OCCUPANCY: 96.4% (2 vacant lots at the moment) will be 100% this summer.
I have two new 16x80's coming in May that will be owner occupied

STORAGE UNITS: 8 (3200 sq ft building with 24x36 heated shop and 8 storage units)

STORAGE OCCUPANCY: 89% (1 6x12 unit just opened up)

PARK OWNED HOMES: 29 (4 -double wides, 4 -14x70's and 21 -16x80's) All late model homes.

CFD HOMES:

Unit	Monthly Payment	last payment date	Current Balance
10	\$ 276.21	6/1/2022	\$ 12,041.00
24	\$ 366.64	4/1/2027	\$ 26,194.00
34	\$ 252.41	5/1/2026	\$ 16,630.00
47	\$ 471.47	6/1/2024	\$ 26,714.00
Loans are at 10% interest and do not include lot rent			
total			\$ 81,579.00

VALUE OF LAND : \$1,130,000

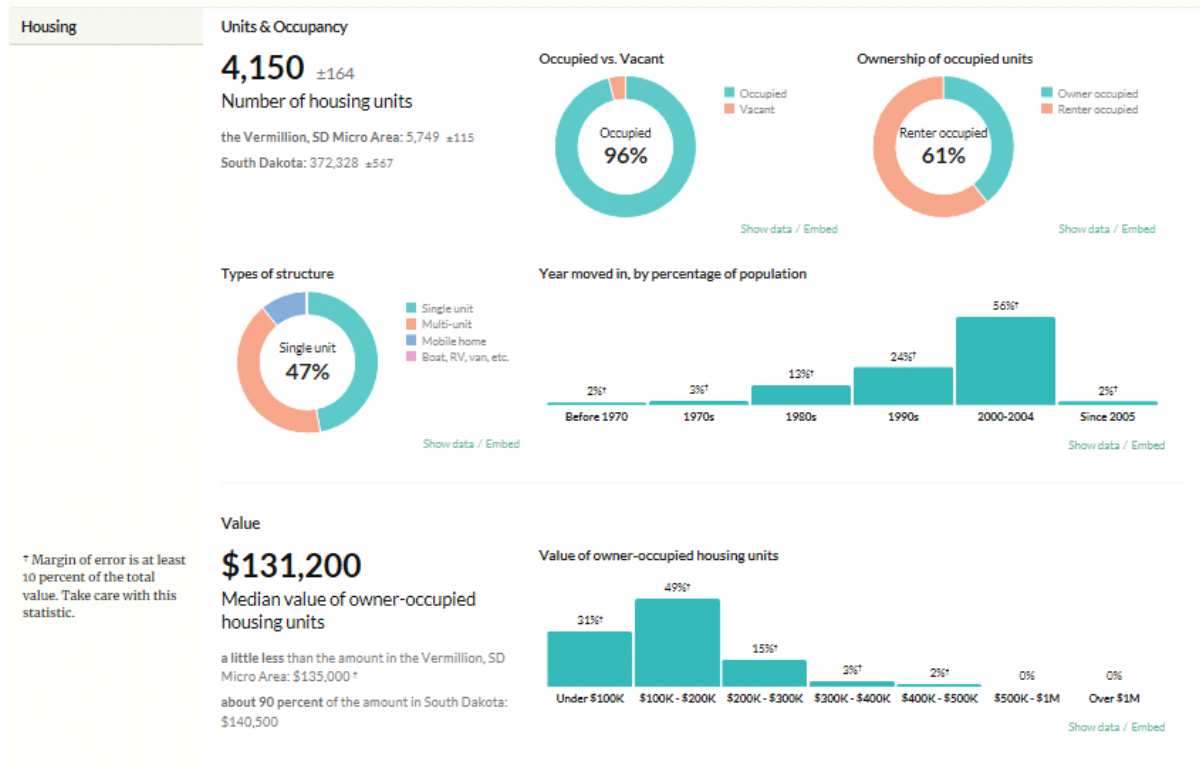
VALUE OF 29 HOMES: \$870,000 OR \$30,000 PER TRAILER

HOMES OCCUPANCY: 100%



AREA HIGHLIGHTS:

- Vermillion South Dakota has a population of 10,746.
- Home of the University of South Dakota with an enrollment of over 10,000.
- 23.2 Median Age
- \$29,254 Median Household Income



CFD Terms: 20% down, 6% interest with 20 year term, balloon payment in 5 years and can decide whether to extend contract and adjust interest rate. Rate can be based 1 point above prime rate.

\$400,000 down finance \$1,681,579 is monthly payment of \$12,047

Financial Analysis

	2017 Actual	2018 Projected
Gross Income	317,532.00	323,352.00
Expenses		
Repairs & Maintenance	79,732.00	30,000.00
Cleaning	2,766.00	2,766.00
Fees	1,774.00	1,774.00
Postage	363.00	363.00
Professional Fees	1,402.00	1,402.00
Insurance	12,651.00	12,651.00
Property Tax	24,239.00	24,239.00
Electric	3,106.00	2,000.00
Water & Sewer	25,318.00	-
garbage	6,788.00	6,788.00
Natural Gas	1,784.00	950.00
Property management 8%		

	24,545.00	25,868.16
Sales Tax	1,605.00	1,605.00
Total Expenses	186,073.00	110,406.16
Net Income	131,459.00	212,945.84
Debit Service		144,564.00
Cash Flow		68,381.84
ROI	6.3%	10.2%

Note: Repairs and Maintenance should be much lower because you will not need to roof any homes, remodel, or pour foundations. The owners of the two new 16x80's coming this spring will pay for foundations and all onsite setup. You may want to budget for replacing a few units with steel skirting and possibly a roof. That's why you have \$30,000 budget. Justin, the onsite repair/maintenance guy lives in unit 13 and gets \$750 per month plus a phone and you pay his utilities. I also lowered the utility allowance in 2018 because we had some units we had open and I paid the utilities on them until we got them sold.

Suburban estates MHP in Vermillion is an older park that has smaller lots and they charge \$280 per lot plus you pay water, sewer, garbage and lawn mowing!! They have mostly the 1970's era mobile homes in their park. A company from Colorado bought it a couple years ago and have been raising rents each year.

I built the park myself and have owned and operated it for the past 23 years. I lived in the park for a number of years and many of the tenants are good friends and have been there for years. I am looking for a good candidate that I could trust selling to on a contract for deed.

Thanks for Looking,

Dave Hertz

Owner

