

# RANCHO MOBILE HOME PARK

1914 AUTO AVENUE, STOCKTON, CA 95205

## OFFERING MEMORANDUM



### LISTING AGENT

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# RANCHO MHP

1914 AUTO AVE, STOCKTON, CA



## PROPERTY PICTURES



With the change in on site management, Rancho MHP has been getting 1-2 new tenants a month. The area local to the MHP has been cleaned up and the criminal gang activity markedly reduced. Rancho MHP is centrally located in Stockton.

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## INVESTMENT OPPORTUNITY

Rancho Mobile Home Park is a 34 space, all age, working class MHP located in the City of Stockton, San Joaquin County, California

The mobile home park sits on 1.21 acres and is located in central Stockton just west of Highway 99. The park is located just off the busy thoroughfare Waterloo Road.

The park is serviced by City of Stockton water and sewer, master metered for gas and electricity (PG&E) and trash service provided by the City of Stockton. The park was constructed in approximately 1950. There is no rent control in the City of Stockton and County of San Joaquin.

**Rancho MHP is a proforma, value add investment opportunity.** The property is currently only 52% occupied due to absentee ownership. The existing tenants are 100% current on rent except for two evictions pending at space #19 and #21.

Tenants pay rent with cashier check or money order only. There are current leases for all existing tenants. The off site property management company collects the rent payments.

Capital projects needed at the property are 1) installing meters to allow for submetering of utilities. The pedestals are in OK condition 2) Demolition of stick built building in middle of property.

Increasing occupancy will require an investor to purchase low cost mobile home fixer uppers (\$2,000-\$3,000) with working A/C and heat and reselling to new tenant for additional improvements. It is estimated that these homes could achieve \$500 in space rent plus utilities and \$200 +/- in home payments.

There is always a demand for low cost housing which Rancho MHP can provide. The trailer park vacancy can be filled more quickly but does require greater hands-on management by the trailer park owner. Rancho MHP is this opportunity, by increasing occupancy to market levels a new owner can realize attractive double digit cash on cash returns.

**Attractive Seller financing is being offered to facilitate a new owner increasing occupancy and stabilizing income.**

<b>List Price</b>	<b>\$</b>	<b>1,350,000</b>
Price Per Space	\$	39,706
<b>Seller Financing</b>		
Down payment	\$	202,500
Down payment %		15%
Loan Amount	\$	1,147,500
Loan Terms 3.50%, 30 year am, due in 5 (mo. Pmt)	\$	5,153
Annual Debt Service	\$	61,833

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## RENT ROLL

August 2015 Rent Roll		
Space	Space Rent	Notes
1	\$ 450	
2	\$ 450	Vacant
3	\$ 514	
4	\$ 480	
5	\$ 500	
6	\$ 450	
7	\$ 450	Vacant
8	\$ 470	
9	\$ -	On Site Mgr
10	\$ 450	Vacant
11	\$ 450	
12	\$ 450	Vacant
13	\$ 450	Vacant
14	\$ 450	
15	\$ 450	
16	\$ 450	Vacant
17	\$ 450	
18	\$ 450	
19	\$ 450	Eviction pending
20	\$ 450	Vacant
21	\$ 500	Eviction pending
22	\$ 450	
23	\$ 450	Vacant
24	\$ 450	Vacant
25	\$ 450	Vacant
26	\$ 450	Vacant
27	\$ 450	
28	\$ 500	
29	\$ 450	
30	\$ 500	Vacant
31	\$ 500	
32	\$ 450	Vacant
33	\$ 450	
34	\$ 450	Vacant
Total \$		15,214
Vacancy \$		(7,300) 48%
Net Monthly \$		7,914
<b>Annual Rental Income</b>	<b>\$</b>	<b>94,968</b>

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## FINANCIALS

<b>Operating Income:</b>		
Annual Operating Income	\$	94,968
<b>Expenses:</b>		<b>Broker Estimate</b>
Insurance	\$	3,500
Outside Services	\$	1,628
Licenses & Permits	\$	1,800
Management Fees	\$	9,439
Bank Charges	\$	318
Repair & Maintenance	\$	1,443
Tax Real Estate (1.3%)-Adj to new price	\$	17,550
Telephone	\$	600
Utilities	\$	26,675
Site/space improvements	\$	2,400
Reserves & Replacements	\$	3,400
<b>Total Expenses:</b>	<b>\$</b>	<b>68,753</b>
	<i>Expense Ratio</i>	72%
Exp per space	\$	2,149
<b>Net Operating Income:</b>	<b>\$</b>	<b>26,215</b>
	<b>List Price</b>	<b>\$ 1,350,000</b>
	Price Per Space	\$ 39,706
	<b>Seller Financing</b>	
	Down payment	\$ 202,500
	Down payment %	15%
	Loan Amount	\$ 1,147,500
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	Annual Debt Service	\$ 61,833

### Notes:

- 1) There is an onsite manager at space #9. Manager receives free rent and utilities, job duties are to watch over the park, minor landscaping and repairs, keeping up the grounds.
- 2) All utilities are included in the space rent.

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## LOCATION NARRATIVE

### City of Stockton, County of San Joaquin

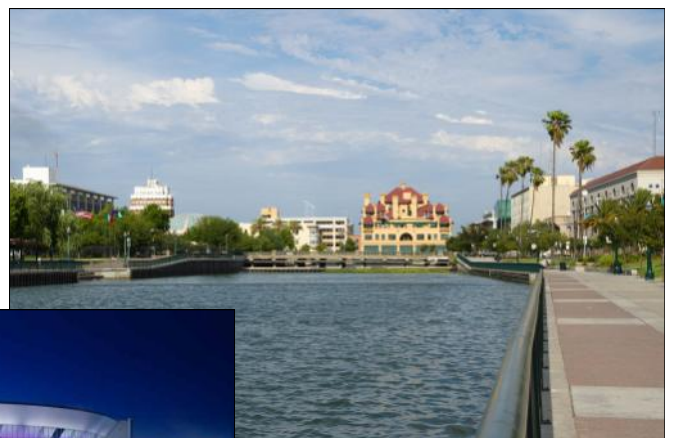
Stockton is the county seat of San Joaquin County in north-central California. The city is located on the San Joaquin River in northern San Joaquin Valley and has an estimated population of 300,899 people as of 2014. It is the 13th largest city in California and the 63rd largest city in the United States. It has been home to the University of the Pacific since 1923.

Stockton is sited amidst the farmland of California's San Joaquin Valley, a subregion of the Central Valley. In and around Stockton are thousands of miles of waterways which make up the California Delta. Interstate 5 and State Route 99, inland California's major north-south highways, pass through the city. State Route 4 and the dredged San Joaquin River connect the city with the San Francisco Bay Area to its west. Stockton and Sacramento are California's only inland sea ports.

Historically an agricultural community, Stockton's economy has since diversified. These include telecommunications and manufacturing among others. Stockton is centrally located relative to both San Francisco and Sacramento. Given its location, its proximity to the state and interstate freeway system, and relatively inexpensive land costs, several companies base their regional operations in Stockton.

Beginning in the late 1990s, under the mayorship of Gary Podesto, Stockton had commenced some revitalization projects. [citation needed] Newly built or renovated buildings include the Bob Hope Theater, Regal City Centre Cinemas and IMAX, San Joaquin RTD Downtown Transit Center, Lexington Plaza Waterfront Hotel, Hotel Stockton, Stockton Arena, San Joaquin County Administration Building, and the Stockton Ballpark.

A new Downtown Marina and adjacent Joan Darah Promenade were added along the South Shore of the Stockton Deep Water Channel during 2009. Various public art projects were also installed throughout the area (see Stockton's public art section). Other projects under consideration by the city council as of January 2009 include South Shore housing, the revitalization of the Robert J. Cabral Train Station neighborhood, bridges across the Stockton Deep Water Channel, and a new San Joaquin County Court House.



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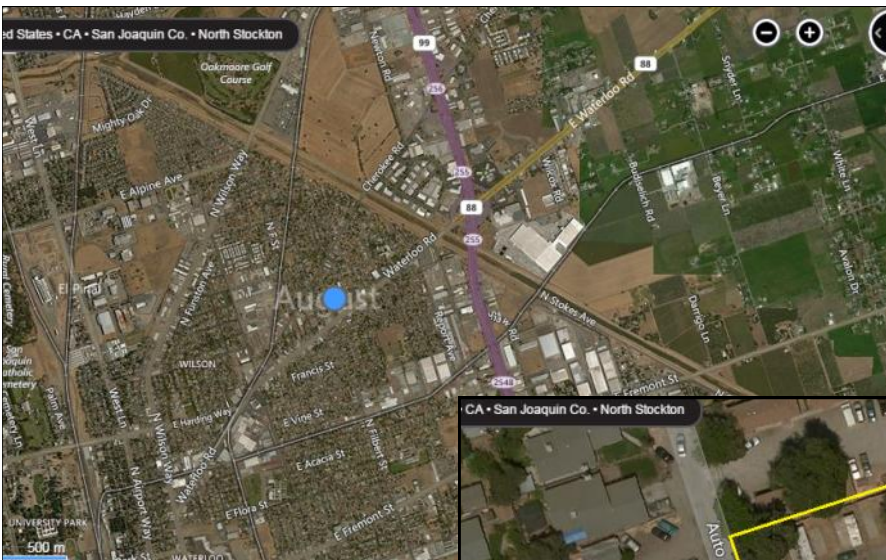
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## PROPERTY PICTURES



## AERIAL PHOTOS



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