

MANUFACTURED HOME COMMUNITIES OFFERING

46 SPACES
HEART O THE HILLS
 13792 Highway 8
 El Cajon, CA 92021



INVESTMENT HIGHLIGHTS

- Well Located 3-Star All Age Community
- The Park Can Accommodate Up to 95% Doublewide Homes. There are 44 DW and 2 SW Sites
- High Demand for Doublewide Spaces - New Home Sales in the Low \$100,000's
- San Diego County. No Rent Control. Twenty Four (24) 15 Year Leases which begin to expire in 2010
- Annual San Diego CPI Increases (3.8% 2006) for Long Term Lease Residents

LOCATION HIGHLIGHTS

- 20 Miles from Downtown San Diego
- Alternative and Affordable Housing
- Encircled by Mountain Barriers
- Covers 14 Square Miles

OFFERING SUMMARY

Price	\$4,250,000
Down Payment	(35%) \$1,500,000
Loan Amount	\$2,750,000
Loan Type	Proposed New
Interest Rate	6.250%
Spaces	46
Price Per Space	\$92,391
Year Built	1968
Lot Size	214,750 / 4.93 Acres
Current Cap Rate	4.77%
Pro Forma Cap Rate	5.03%
Current GRM	12.70
Pro Forma GRM	12.30
Current Net Cash Flow After Debt Service	2.1%
Pro Forma Net Cash Flow After Debt Service	2.8%
Current Total Return	2.1%
Pro Forma Total Return	2.8%



Listed by:

DOUGLAS A. DANNY
 Vice President Investments
 Senior Director
 National Manufactured Home Communities Group
 Tel: (858) 373-3100 x 3222
 Fax: (858) 373-3264
 ddanny@marcusmillichap.com
 www.mhpbroker.com

Offices Nationwide

Listing Office: 9255 Towne Centre Drive, Suite 700
 San Diego, CA 92121 • Tel: (858) 452-8300 Fax: (858) 546-8254

www.marcusmillichap.com

13792 HIGHWAY 8 • EL CAJON, CA 92021



INVESTMENT OVERVIEW

Heart O the Hills Mobile Home Park is a 46 space mobile home park located in El Cajon, California. The property has been improved with streets, curbs, gutters, lighting, fencing and utility hookups. According to County Zoning, the subject property is zoned RS7 (Single-Family Residential - 1 unit per 6,000 S.F). This zoning permits one single family home per legal lot. The subject property is a non-conforming use and does not have a major use permit because the park was in place before major use permits were issued according to County Zoning.

The existing site improvements consist of recently resealed asphalt pave internal roads, fencing, signage and poured concrete pads. The concrete pads can accommodate 44 doublewide mobile home and 2 singlewide mobile homes. Currently, there are 12 singlewide homes and 34 doublewide homes in the park. Of the 34 double wide homes, 17 are newer (maximum of four years old), 7 have been rebuilt and 3-4 are less than ten years old. The park has all city services: water is supplied by the County Water Authority and is administered by the city of San Diego, sewage treatment is provided by the Metropolitan Sewage System, natural gas and electric power are supplied by San Diego Gas and Electric Company, and Pacific Bell is the telephone service supplier.

SPACE MIX

No. of Spaces	Space Type	Current Rents	Monthly Income	Pro Forma Rents	Monthly Income
12	SingleWide	\$363-\$526	\$6,032	\$377-\$546	\$6,261
34	SingleWide	\$527-\$550	\$18,244	\$547-\$571	\$18,937
46	Total		\$24,276		\$25,198

OPERATING DATA

	Current	Pro Forma
INCOME		
Gross Potential Rent	\$291,312	\$302,376
Other Income	2400	2400
Utility Income	44955	44955
Gross Potential Income	\$338,667	\$349,731
Vacancy/Collection Allow.	<u>1.0% 2,913</u>	<u>1.0% 3,024</u>
Effective Gross Income	\$335,754	\$346,707
Expenses	132,885	132,885
Net Operating Income	\$202,869	\$213,822
Debt Service	171,875	171,875
Net Cash Flow After Debt Service	<u>2.1% \$30,994</u>	<u>2.8% \$41,947</u>
Total Return	<u>2.1% \$30,994</u>	<u>2.8% \$41,947</u>



	Current	Pro Forma
EXPENSES		
Real Estate Taxes	\$47,300	\$47,300
Insurance	4,270	4,270
On-Site Management / Rent Credit	6,000	6,000
Utilities	50,864	50,864
Repairs & Maintenance	15,000	15,000
Supplies	1,050	1,050
Legal / CPA	2,138	2,138
Replacement & Reserves	4,600	4,600
Fees / Dues	1,663	1,663
Total Expenses	\$132,885	\$132,885
Expenses per Space	\$2,889	\$2,889
% of EGI	39.6%	38.3%

Listing Office:

9255 Towne Centre Drive
Suite 700
San Diego, CA 92121
Tel: (858) 452-8300
Fax: (858) 546-8254

www.marcusmillichap.com

Marcus & Millichap
Real Estate Investment Brokerage Company