

Medary Village Estates

Mobile Home Park

324 Medary Ave S, Brookings, SD 57006

List Price: \$2,550,000

MEDARY  
VILLAGE  
*Estates*



OPERATED BY  
SAWGRASS CAPITAL  
PARTNERS

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**NA** Sioux Falls



# FEATURES

**Medary Village Estates**  
**Mobile Home Park**  
324 Medary Ave S, Brookings, SD 57006  
List Price: \$2,550,000

**NAI Sioux Falls is pleased to present Medary Village:** The property is located in Brookings, SD, and consists of 81 lots and an on-site laundromat. The park is serviced by public utilities. Buyers can infill vacant lots and reduce current operating expenses to realize significant upside with this value-add opportunity. The property is located just outside of downtown Brookings, offering residents access to shopping, restaurants and employment. Brookings, SD has experienced a population growth of 9.3% since 2020. The average rent for a 2-bedroom apartment in Brookings is \$792 with a median home price of \$220,800.

## PROPERTY DESCRIPTION

Lots: 81  
Occupied Lots: 62

## PRICING

Offering price: \$2,550,000  
Park Value: \$2,375,000  
POH Inventory: \$175,000  
Cap rate: 5%  
Pro Forma Cap Rate: 7.58%  
Pro Forma NOI: \$180,020

- 20 POH with avg rent of \$485
- Lot rent of \$255 scheduled for Spring 2022
- Laundromat on site
- Water and Sewer are public and serviced with Brookings Municipal Utilities
- Trash is a dumpster and serviced with Brookings Dumpster Service



## Comparable Lot Rents:

- \$285 - Sunny Meadows Estates - 900 15th St S, Brookings, SD
- \$285 - Prairie Ridge Estates - 600 5th Ave S, Brookings, SD
- \$250 - Broadacre Mobile Home Park - 120 2nd St S, Brookings, SD

# FINANCIALS

Income/Expense	Owner Numbers		Yr 2	Yr 3	Comments	Park Medary Village MHP	
	Spring 2022 \$255 76.54% 62/81 lots	Market Rents \$255 80.25% 3 add'l homes	Market Rents \$275 85.19% 4 add'l homes	324 Medary Ave		Real Estate Value	\$2,375,000
					Rent increase to \$255 scheduled for Spring 2022	POH Value (GRM 1.5x)	\$175,000
Lot Rent Revenue	\$189,720	\$198,900	\$227,700		Yr 2 is based off scheduled rent increase Yr 3 is \$20 increase in lot rent	RTO	\$0
RV Rental Income	\$17,676	\$17,676	\$17,676		Actual without increase	Total Offering Price	\$2,550,000
Laundromat Income	\$88,990	\$88,990	\$88,990		Actual without increase	Down Payment	30.00% \$712,500
RV Utility Recapture	\$5,375	\$5,375	\$5,375		Actual without increase	Loan Amount	70.00% \$1,662,500
Utility Recapture	\$2,048	\$2,048	\$2,048		Actual without increase	Amortization (Months)	300
Late Fees	\$45	\$0	\$0		Yr 2 & Yr 3 do not include late fees	Rate	4.50%
Escrow Transfer Tax	\$11,680	\$0	\$0		Yr 2 & Yr 3 do not include escrow transfer tax	Payment	-\$9,241
<b>Total Revenue</b>	<b>\$315,534</b>	<b>\$312,989</b>	<b>\$341,789</b>			Debt Service	-\$110,889
Property Tax	\$15,823	\$18,196	\$19,106		Yr 2 is increase of 15% - Yr 3 is additional increase of 5% from Yr 2	Cash to Close (includes POH and CapEx)	48.74% \$1,157,500
Insurance Expense	\$9,282	\$10,530	\$10,530		Yr 2 & Yr 3 are \$130 per lot	Lots	81
Repairs & Maintenance Services	\$39,489	\$27,489	\$28,864		Owner numbers include expense for POH - Yr 2 & Yr 3 is for park expense only	Occupied	62
Mowing, Landscaping & Snow Services	\$13,648	\$8,648	\$9,080		Owner numbers include one time stump removals - Yr 2 & Yr 3 is normalized with broker estimate	POH	20
Water & Sewer Services	\$38,543	\$13,543	\$14,220		<i>Owner Numbers include ongoing repairs for water lines - Yr 2 &amp; Yr 3 is normalized with broker estimate %</i>	POH Rent	\$485
Trash Services	\$8,347	\$8,764	\$9,203		Actual + 5% increase in Yr 2 & Yr 3	RTO Monthly Payment	\$0
Electric Services	\$1,144	\$1,201	\$1,261		Actual + 5% increase in Yr 2 & Yr 3	RTO Balance	\$0
Gas Services	\$7,038	\$7,390	\$7,759		Actual + 5% increase in Yr 2 & Yr 3		
On-Site Management	\$21,489	\$22,564	\$23,692		Actual + 5% increase in Yr 2 & Yr 3		
Payroll Tax	\$2,149	\$2,256	\$2,369		10% of mgt expense		
Supplies	\$3,186	\$2,500	\$2,625		Yr 2 & yr 3 is normalized broker estimate with 5% increase in Yr 3		
3rd Party Management	\$18,000	\$0	\$0		Yr 2 & Yr 3 omits 3rd party (syndication) asset mgt fee		
General & Admin	\$17,978	\$9,888	\$10,382		Yr 2 & Yr 3 is normalized with broker estimate		
<b>Total Expenses</b>	<b>\$196,115</b>	<b>\$132,969</b>	<b>\$139,091</b>		Yr 2 & Yr 3 are normalized with broker estimate and align with traditional expense ratio		
Expense Ratio	62.15%	42.48%	40.69%		Yr 2 & Yr 3 are normalized with broker estimate and align with traditional expense ratio		
<b>Net Operating Income (NOI)</b>	<b>\$119,419</b>	<b>\$180,020</b>	<b>\$202,698</b>				
Cap Rate	5.03%	7.58%	8.53%		Yr 2 rent increase is scheduled for Spring 2022		
POH/RTO Income	\$116,316	\$121,200	\$127,200		20 POH (see inventory list) at \$485 per month with 5% increase in Yr 2 & Yr 3		
POH/RTO Expenses	\$38,000	\$39,900	\$41,895		33% expense ratio for repairs and maintenance and taxes		
Net POH/RTO Income	\$78,316	\$81,300	\$85,305				
<b>Cash Flow Before Debt</b>	<b>\$197,735</b>	<b>\$261,320</b>	<b>\$288,003</b>		Net Lot Rent + Net Rental Income		
Debt Service - New Loan	(\$110,889)	(\$110,889)	(\$110,889)		25 years @ 4.5% with 30% down payment		
<b>Cash</b>	<b>\$86,847</b>	<b>\$150,431</b>	<b>\$177,114</b>				
Cash on Cash Return	7.50%	13.00%	15.30%				
Global Debt Coverage Ratio (DCR)	1.78	2.36	2.60		Based on Gross Rent Revenue		
Global Cap Rate	7.75%	10.25%	11.29%		Based in Gross Rent Revenue		

% \$270,000 bid to complete water line replacement %





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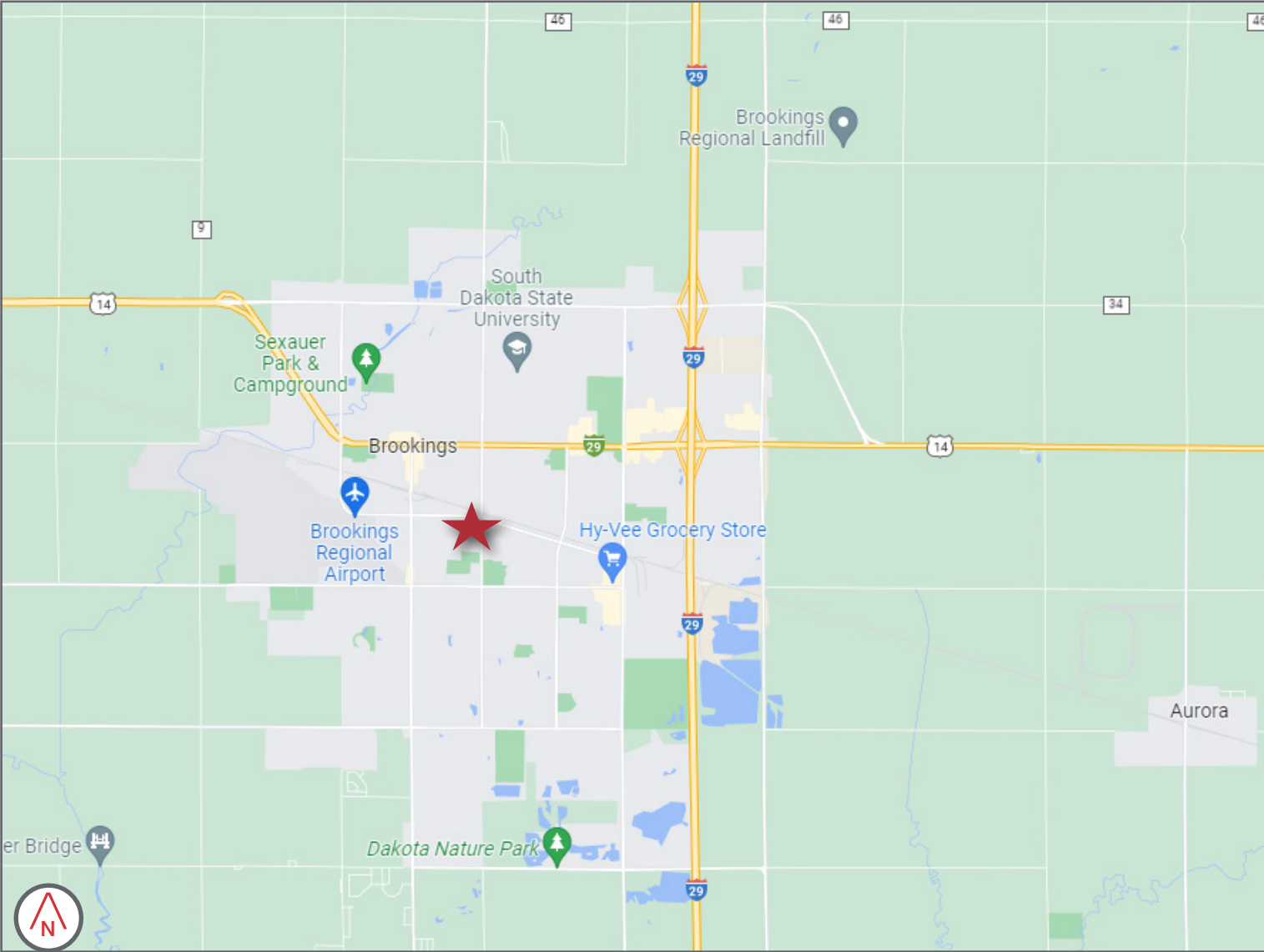


# AERIAL VIEW



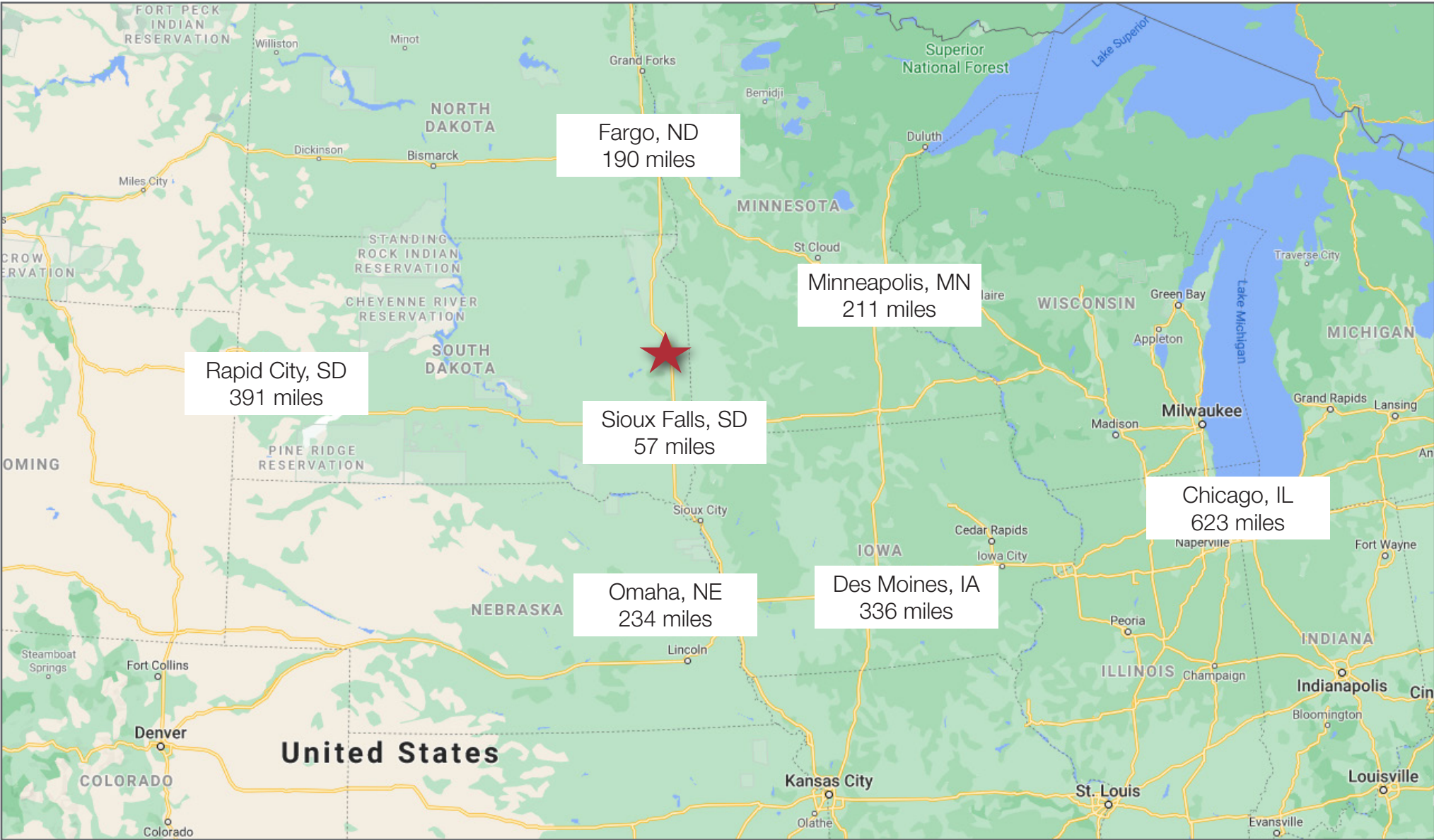


# LOCAL MAP





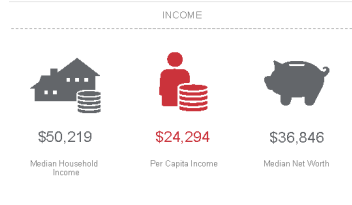
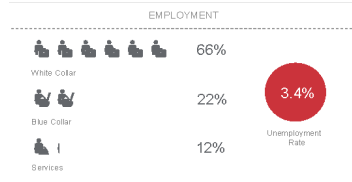
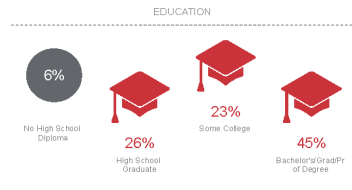
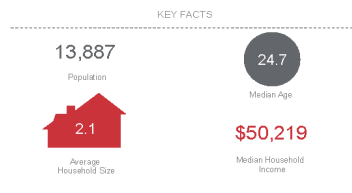
# REGIONAL MAP





# MARKET OVERVIEW

## 1 Mile



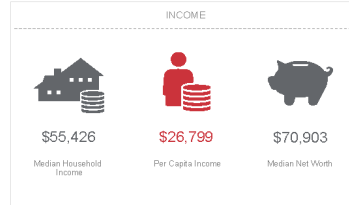
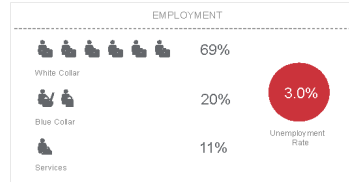
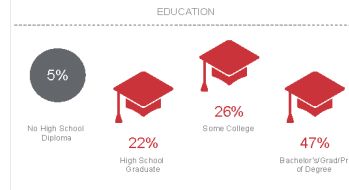
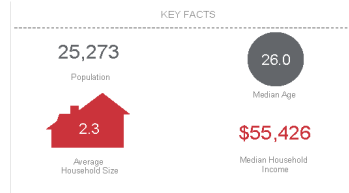
### Households By Income

The largest group: \$50,000 - \$74,999 (20.6%)  
The smallest group: \$200,000+ (2.3%)

Indicator	Value	Diff
<\$15,000	13.4%	+5.0%
\$15,000 - \$24,999	11.1%	+2.4%
\$25,000 - \$34,999	7.0%	-0.4%
\$35,000 - \$49,999	18.2%	+3.2%
\$50,000 - \$74,999	20.6%	-0.2%
\$75,000 - \$99,999	13.0%	-2.3%
\$100,000 - \$149,999	11.7%	-5.0%
\$150,000 - \$199,999	2.7%	-1.5%
\$200,000+	2.3%	-1.2%

Bars show deviation from

## 3 Miles



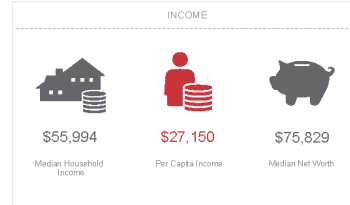
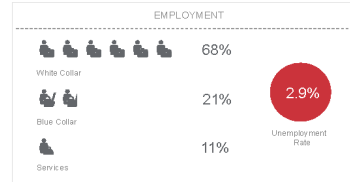
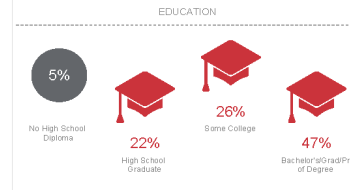
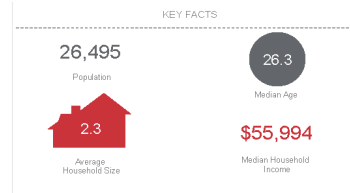
### Households By Income

The largest group: \$50,000 - \$74,999 (19.5%)  
The smallest group: \$200,000+ (2.8%)

Indicator	Value	Diff
<\$15,000	10.1%	+1.7%
\$15,000 - \$24,999	9.9%	+1.2%
\$25,000 - \$34,999	7.7%	+0.3%
\$35,000 - \$49,999	16.5%	+1.5%
\$50,000 - \$74,999	19.5%	-1.3%
\$75,000 - \$99,999	15.3%	0
\$100,000 - \$149,999	14.8%	-1.9%
\$150,000 - \$199,999	3.4%	-0.9%
\$200,000+	2.8%	-0.7%

Bars show deviation from

## 5 Miles



### Households By Income

The largest group: \$50,000 - \$74,999 (19.5%)  
The smallest group: \$200,000+ (2.9%)

Indicator	Value	Diff
<\$15,000	9.9%	+1.5%
\$15,000 - \$24,999	9.8%	+1.1%
\$25,000 - \$34,999	7.7%	+0.3%
\$35,000 - \$49,999	16.3%	+1.3%
\$50,000 - \$74,999	19.5%	-1.3%
\$75,000 - \$99,999	15.3%	0
\$100,000 - \$149,999	15.0%	-1.7%
\$150,000 - \$199,999	3.5%	-0.7%
\$200,000+	2.9%	-0.6%

Bars show deviation from