

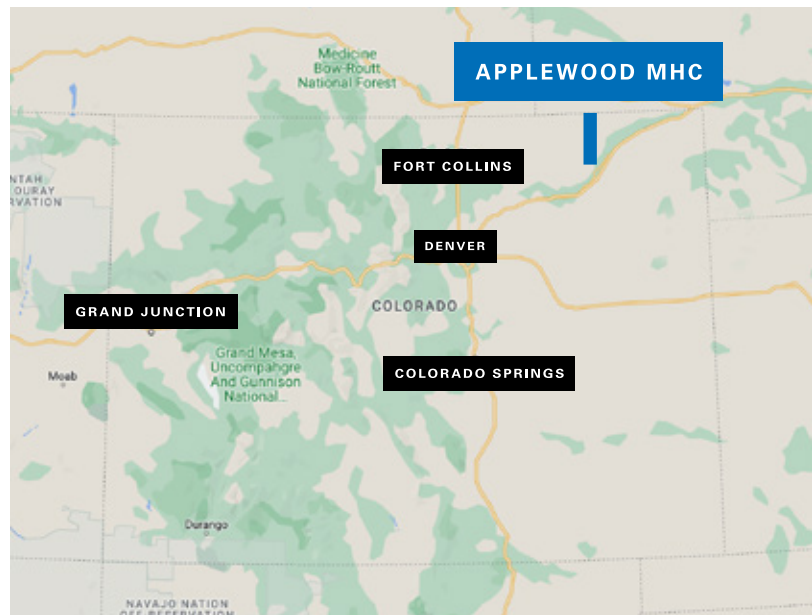
A 155-SITE MANUFACTURED HOME COMMUNITY  
CONTACT BROKER FOR PRICE

# Applewood MHC

315 HAYS AVENUE  
STERLING, CO 80751



**NEWMARK**



## Site Information

Address	315 Hays Ave., Sterling, CO 80751
Price	Contact Broker
County	Logan
Year Built	1999
Sites	155
Storage Units	144
Community Type	All-ages
Land Size	27.93 acres (5.59 sites/acre)
MH Phy. Occ.	78.06% (121 sites as of Jan '25)
MH Eco. Occ.	74.19% (115 sites as of Jan '25)
Inventory Homes	25 (20 occ as of Jan '25)*
Home Notes	31 (current balance of ~\$511,000)
Avg. Lot Rent	\$350
Last Rent Increase	\$25 (2024 at lease expirations)
Next Rent Increase	\$25 (2025 upon lease expirations)
Zoning	Mobile Home Park
Roads	Asphalt
Floodplain	Zone X / Zone AE (small portion in floodplain)
Website	<a href="https://www.applewoodmhc.com/">https://www.applewoodmhc.com/</a>

## Utilities

Water	City of Sterling (billed back to tenants effective Jan '23)**
Sewer	City of Sterling (billed back to tenants effective Jan '23)**
Electricity	Xcel Energy (direct billed to tenants)
Gas	Sterling Energy (direct billed to tenants)
Trash	Waste Management (community pays)

\* All 2022 model homes

\*\* Tenants are charged a flat fee of \$80 for water/sewer



## Area Highlights

- Applewood MHC is ideally located in Sterling, CO and offers a private country feel but in an urban market with city conveniences nearby such as restaurants, malls, parks and more. The community is adjacent to a Walmart Supercenter, Home Depot, and Bomgaars.
- The city of Sterling is in Logan County in the northeastern corner of Colorado situated just off Interstate 76, providing easy access to other larger markets such as Fort Collins (92.3 miles), Denver (88.0 miles), Colorado Springs (137.7 miles). Sterling has the largest population of any municipality in Colorado east of Pueblo and is a regional shopping destination for Northeast Colorado and Southwest Nebraska.
- Sterling is home to the highly rated RE-1 Valley School District, featuring two high schools, one middle school, and three elementary schools with a total enrollment of 2,104 students. The city is also blessed with beautiful parks and miles of scenic walking trails. With 17 parks totaling 130 acres, Sterling has abundant options for anyone looking for outdoor recreational opportunities.
- The community is within close proximity to Sterling's major employers including the Department of Corrections, the Banner-Sterling Regional Health Center, and Northeastern Junior College.

## Investment Highlights

Applewood MHC is an all-age, 155-site community (plus 144 storage units) located in a desirable market within a two hour drive to Metro Denver and 1.5 hours to Fort Collins, Colorado. There is significant value-add potential and relatively low percentage of park-owned homes.

- The community is serviced by municipal water/sewer and billed back to the tenants at a flat rate of \$80 per month for tenant owned homes and usage amount for the home renters.
- Current owners purchased the community in December 2021 with 55 vacant sites. After their first home order, 34 empty sites remain. Demand has been impressive and they have successfully rented most rent-ready homes within one month of obtaining certificates of occupancy. Occupancy as of January 2025 is up to 74% (115 sites), an increase of 13% from October 2022.
- Along with strong demographics and lack of affordable housing in the area, this presents a significant value-add opportunity for a potential buyer. Increasing occupancy by 15% (23 sites) would add over \$90,000 of annual site rental revenue for a new owner.
- The offering includes 25 homes, of which 23 are 2022 homes that were recently brought in and two are ones that were acquired from the RTO pool. 20 of the 25 homes are occupied as of today.
- There are 31 home notes that will be sold with the community with a current balance of approximately \$511,000 with an average interest rate of 10.84% and remaining term of 4.34 years.
- The community has 144 storage units available for rent, of which 132 are currently occupied paying an average of \$53 per month.
- The community has an attractive layout with a subdivision feel featuring off-street parking, paved roads, and spacious lots.
- Within a five-mile radius of the community, the average household income is \$75,912 and expected to rise to \$88,131 by 2029. Average home values within the same radius are \$281,315 and expected to rise to \$286,578 by 2029.
- In 2020, Colorado passed a bill requiring a park owner to provide tenants an effective right of first refusal to buy the park. The bill was updated in 2024 to include additional provisions. The Owners notified the tenants on Feb 1, 2023 when the listing agreement was executed and Owner never received an offer from the residents. Another notice will need to be sent after going under a purchase and sale agreement. Please click here for further details: <https://cdola.colorado.gov/mobile-home-park-sales>.



## FINANCIAL ANALYSIS

	2023		2024		Yr 1 Proforma	
	Totals	% GSR	Totals	% GSR	Totals	% GSR
<b>INCOME</b>						
<sup>2</sup> Gross Scheduled Rent	\$430,158		\$457,618		\$676,333	
<sup>3</sup> Less: Vacancy	0	0.00%	0	0.00%	174,538	25.81%
<sup>4</sup> Less: Office	0	0.00%	0	0.00%	4,363	0.65%
Less: Bad Debt	14,734	3.43%	20,327	4.44%	20,290	3.00%
<sup>5</sup> Less: Concessions	29,360	6.83%	20,927	4.57%	6,763	1.00%
<b>Total Rental Income</b>	<b>\$386,063</b>	<b>89.75%</b>	<b>\$416,365</b>	<b>90.99%</b>	<b>\$470,379</b>	<b>69.55%</b>
<sup>6</sup> Plus: Utility Income	98,224	634	106,652	688	109,851	709
<sup>7</sup> Plus: Storage Income	89,757	579	87,362	564	89,983	581
<sup>8</sup> Plus: Other Income	34,577	223	23,338	151	24,039	155
<sup>9</sup> Plus: POH Income	226,921	1,464	286,495	1,848	201,000	1,297
<sup>10</sup> Plus: RTO Income (Interest)	0	0	0	0	145,303	937
<b>Total Other Income</b>	<b>449,480</b>	<b>2,900</b>	<b>503,847</b>	<b>3,251</b>	<b>570,176</b>	<b>3,679</b>
<b>Effective Gross Income</b>	<b>\$835,543</b>	<b>\$5,391</b>	<b>\$920,212</b>	<b>\$5,937</b>	<b>\$1,040,555</b>	<b>\$6,713</b>
<b>EXPENSES</b>						
	Actuals	Per Site	Actuals	Per Site	Proforma	Per Site
Repairs and Maintenance	\$37,273	\$240	\$19,675	\$127	\$23,250	\$150
Payroll	87,089	562	81,358	525	81,375	525
Administrative	8,851	57	11,791	76	10,850	70
Marketing	57	0	223	1	775	5
Professional Fees	11,313	73	17,806	115	3,875	25
<sup>11</sup> Utilities						
Electricity	13,435	87	4,233	27	4,360	28
Water/Sewer	146,694	946	168,616	1,088	173,675	1,120
Trash	26,399	170	32,937	212	33,925	219
<b>Total Variable Expenses</b>	<b>\$331,111</b>	<b>\$2,136</b>	<b>\$336,639</b>	<b>\$2,172</b>	<b>\$332,085</b>	<b>\$2,142</b>
<sup>12</sup> Taxes	32,133	207	19,624	127	24,070	155
Insurance	49,328	318	49,574	320	49,574	320
Management Fee	44,768	5.36%	46,173	5.02%	31,217	3.00%
<b>Total Operating Expenses</b>	<b>\$457,340</b>	<b>\$2,951</b>	<b>\$452,009</b>	<b>\$2,916</b>	<b>\$436,945</b>	<b>\$2,819</b>
<sup>13</sup> Plus: Capital Reserves	0	0	0	0	7,750	50
<b>Total Expenses</b>	<b>\$457,340</b>	<b>\$2,951</b>	<b>\$452,009</b>	<b>\$2,916</b>	<b>\$444,695</b>	<b>\$2,869</b>
<b>Net Operating Income</b>	<b>\$378,203</b>	<b>\$2,440</b>	<b>\$468,203</b>	<b>\$3,021</b>	<b>\$595,860</b>	<b>\$3,844</b>
<i>Expense Ratio</i>	<i>54.74%</i>		<i>49.12%</i>		<i>42.74%</i>	

## Underwriting Assumptions

- Actual numbers based on financials provided by the client.
- Proforma Gross Scheduled Rent ("GSR") = 155 MH sites x \$364 average lot rent x 12 months (\$25 rent increase planned for 2025 at lease expiration). Year 1 Proforma assumes 63 tenants receive a \$25 rent increase (lease renews in either Q1 or Q2 2025). Historical GSR from owner's financials only provides Total Rental Income received for that period. Our Proforma GSR shows all potential income as if the community were 100% occupied and then deducts a vacancy percentage based on the current rent roll.
- Year 1 Proforma assumes units 148 and 150 are occupied. This tenant purchased the 2 homes as a repair project and the Owners offered him 12 months of free rent to get the homes fixed up. He will begin paying lot rent on the sites in April 2025.
- Includes 1 office (no rental income).
- Historical concessions include compensation for employees (maintenance technician and property manager), promotions for new homes filled, and storage units used for store equipment. The Year 1 Proforma excludes the promotions offered to fill the new homes. Owner said, "In 2023 from about March onward, we offered half off the first month's rent as a promotional effort to fill those homes. We will not be offering any type of renewal offers."
- Year 1 Proforma Utility Income grown 3% from 2024. The community began billing back for water/sewer charges beginning in Jan '23, where the tenant owned homes get charged a flat rate of \$80 per month and the home renters get billed back based on usage. The home renters do not pay a flat rate because they are the only homes enrolled on the water billing service (sub-metered). The rent roll does not show these charges but are accounted for in the utility income on the P&L.
- Storage Income grown 3% from 2024. The community has 144 storage units available for rent, of which 136 are currently occupied paying an average of \$53 per month.
- Other Income grown 3% from 2024. Other income includes application fees, pet fees, cancellation income, and late fees from the profit and loss statements.
- Year 1 Proforma POH Income = 20 occupied homes x \$837.5 avg home rent x 12 months.
- Year 1 Proforma Home Note Income annualized from the current RTO Schedule as of Jan '25. There are currently 31 home notes paying \$390.6 in home note payments per month (principal and interest), with an average balance of \$16,510 and 4.3 years remaining. Please note that this income is within the "Home Rent" line item on the historical P&L. However, the P&L only includes the interest portion of the payment (principal is a balance sheet line item for the Owners), while the Year 1 Proforma includes both principal and interest payments (total payments shown under the "RTO Charge" column on rent roll).
- Adjusted Utilities grown 3% from 2024 (except electric).
- Year 1 Proforma Taxes = 2024 tax payment grown 15%.
- Numbers do not reflect actual expense.

## DEMOGRAPHICS

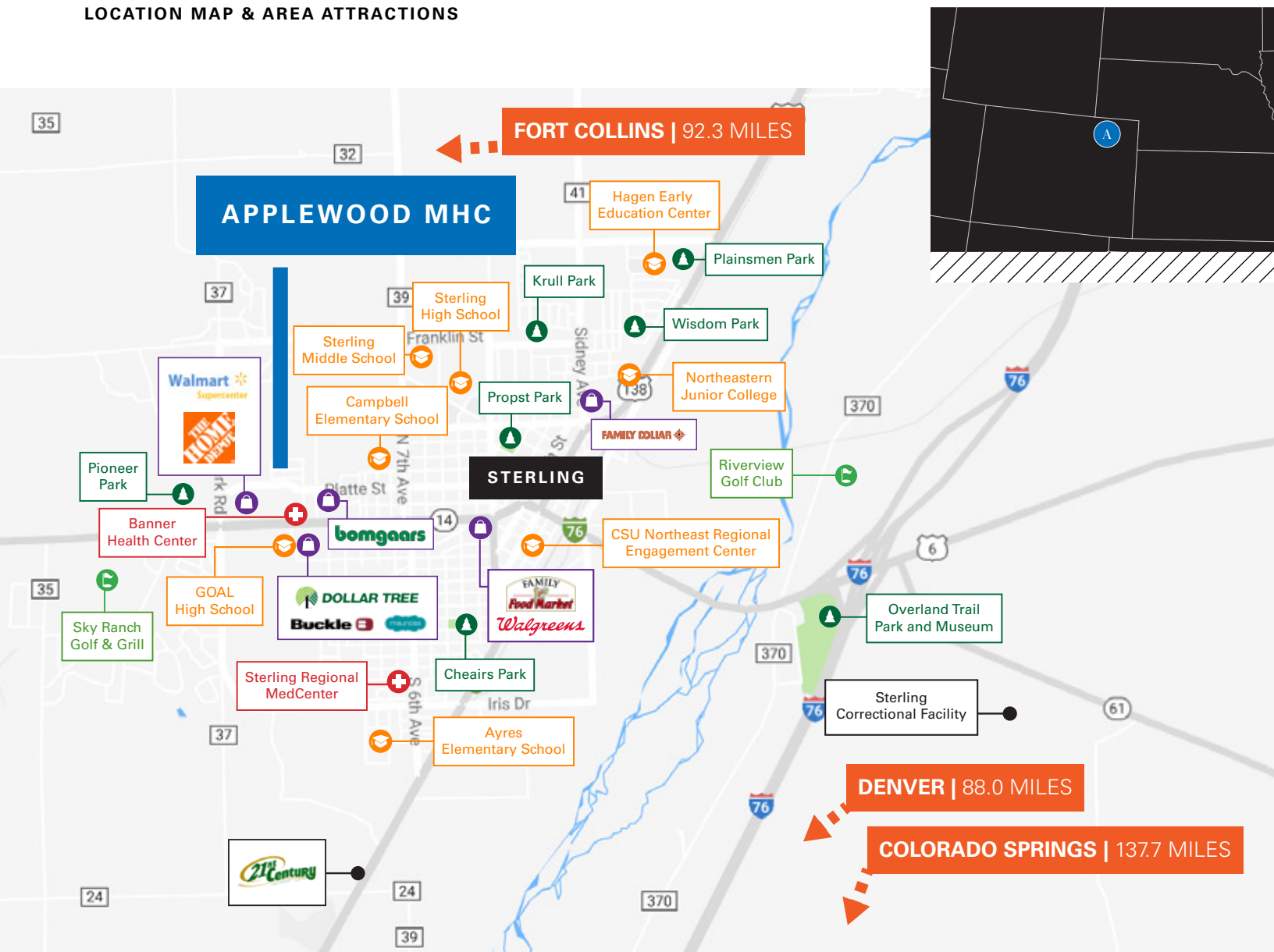


### Demographic Information

	1 MILE	3 MILES	5 MILES
<b>2024 Population Estimate</b>	4,020	13,509	16,336
<b>2024 Renter Occupied Housing Percentage</b>	34.0%	34.8%	33.9%
<b>2024 Owner Occupied Housing Percentage</b>	58.3%	56.8%	57.8%
<b>2024 Estimated Average Household Income</b>	\$75,894	\$74,791	\$75,912
<b>2024 Estimated Average Owner-Occupied Housing Value</b>	\$243,913	\$276,145	\$281,315

Source: U.S. Census Bureau, Esri

LOCATION MAP & AREA ATTRACTIONS



Northeastern Junior College



Downtown Sterling



**APPLEWOOD MHC**

APPLEWOOD CIRCLE

N. 12TH AVE.

PLATTE ST.

HAYS AVE.

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Additional information is available online at:  
<https://bit.ly/applewoodmhc-nmrk>



For a video tour, please visit:  
<https://vimeo.com/799147482>



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