



CUSHMAN &  
WAKEFIELD

THALHIMER

CONFIDENTIAL OFFERING MEMORANDUM

# ARCH MOBILE HOME PARK

5115 JEFFERSON AVENUE

NEWPORT NEWS, VA 23605

▲  
Huntington Ingalls  
Newport News Ship Building

Jefferson Avenue

30-PAD MOBILE HOME PARK | 3 FULLY--LEASED APARTMENTS  
\$1,900,000 | 10.34% CAP

# CONFIDENTIALITY + CONDITIONS

This Offering was prepared by Cushman & Wakefield | Thalhimer and has been reviewed by the Owner. It contains select information pertaining to the Project and does not purport to be all-inclusive or to contain all of the information which a prospective purchaser may desire. All financial projections are provided for general reference purposes only and are based on assumptions relating to the general economy, competition, and other factors beyond control and, therefore, are subject to material change or variation. An opportunity to inspect the Project will be made available to qualified prospective purchasers. In this Offering, certain documents, including the leases and other materials, are described in summary form. The summaries do not purport to be complete nor, necessarily, accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to independently review all documents.

This Offering is subject to prior placement, errors, omissions, changes or withdrawal without notice and does not constitute a recommendation, endorsement or advice as to the value of the Project by Cushman & Wakefield | Thalhimer or Owner. Each prospective purchaser is to rely upon its own investigation, evaluation and judgment as to the advisability of purchasing the Project described herein.

Owner and Cushman & Wakefield | Thalhimer expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Project and/or to terminate discussions with any party at any time with or without notice. Owner shall have no legal commitment or obligation to any purchaser reviewing this Offering or making an offer to purchase the Project unless a written agreement for the purchase of the Project has been fully executed, delivered, and approved by Owner and any conditions to Owner's obligations thereunder have been satisfied or waived. Cushman & Wakefield | Thalhimer is not authorized to make any representations or agreements on behalf of Owner.

This Offering is the property of Cushman & Wakefield | Thalhimer and may be used only by parties approved by Cushman & Wakefield | Thalhimer. The Project is privately offered and, by accepting this Offering, the party in possession hereof agrees (i) to return it to Cushman & Wakefield | Thalhimer immediately upon request of Cushman & Wakefield | Thalhimer or Owner and (ii) that this Offering and its contents are of a confidential nature and will be held and treated in the strictest confidence. No portion of this Offering may be copied or otherwise reproduced or disclosed to anyone without the prior written authorization of Cushman & Wakefield | Thalhimer and Owner.

The terms and conditions set forth above apply to this Offering in its entirety.

## INVESTMENT ADVISORS

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# EXECUTIVE SUMMARY

Cushman & Wakefield | Thalhimer is pleased to exclusively offer for sale Arch Mobile Home Park, a 30-pad mobile home park with an additional 3 apartment structure in the sought-after Hampton Roads MSA in the city of Newport News, Virginia.

The property has 30-pads and an additional 2,500 SF apartment building with three apartments and additional storage space. Located mere miles from Huntington Ingalls Shipbuilding, the property has historically been fully occupied. Currently there are three pads available for homes giving a future owner the opportunity to add value.

This location offers a high barrier to entry for manufactured housing. With occupancy and rents historically on the rise and the growing demand for affordable housing in the area, this property is well-positioned for an ideal investment opportunity.

Size: 1.93 Acres  
Zoning: MF-AC

## PROPERTY ADDRESS

5115 Jefferson Avenue, Newport News, VA

## # OF LOTS / APARTMENTS

30 Lots | 2,500 SF Building with 3 Apartments

## CAPITAL RESERVES

\$10,000

## MARKET LOT RENT

\$699

## SALES PRICE

\$1,900,000

## MANAGEMENT FEE (% OF GROSS INCOME)

5.00%

## ACTUAL VACANCY

20.00%

## ANNUAL INCOME GROWTH

3.00%

## ANNUAL EXPENSE GROWTH

2.00%

## LOAN AMOUNT

\$1,425,000

## DOWN PAYMENT

\$475,000

## LTV

75.00%

## AMORTIZATION

25

## INTEREST RATE

6.50%

## CAP RATE

10.34%





# FINANCIAL ANALYSIS

## HISTORICAL FINANCIALS

	2021	2022	2023
<b>OPERATING INCOME</b>			
Rental Income	\$95,835	\$147,798	\$166,245
Application Fees	\$448	\$64	\$64
Late Fees	\$970	\$1,383	\$1,949
Water & Sewer Income	\$10,483	\$15,595	\$16,246
Other Income	\$5,941	\$4,987	\$6,908
<b>EFFECTIVE GROSS REVENUE</b>	<b>\$113,677</b>	<b>\$169,827</b>	<b>\$191,412</b>
Insurance	\$1,900	\$2,320	\$4,586
Property Tax	\$24,067	\$22,000	\$20,114
Electricity	\$1,007	\$2,193	\$943
Water & Sewer	\$23,392	\$23,517	\$17,624
Trash	\$6,423	\$6,137	\$7,030
<b>OPERATING EXPENSES TOTAL</b>	<b>\$59,252</b>	<b>\$56,307</b>	<b>\$50,566</b>
<b>NET OPERATING INCOME</b>	<b>\$54,425</b>	<b>\$113,520</b>	<b>\$140,846</b>
Total Mobile Home Sales Income	\$10,124	\$43,236	\$29,490
Total Mobile Home Sales Expense	\$1,572	\$18,540	\$14,052
Net Mobile Home Sales Income	\$8,552	\$24,696	\$15,438

## RENT ROLL

Lot	IN PLACE RENT		MARKET RENT	
	Monthly	Annual	Monthly	Annual
21 ARCH	\$649	\$7,788	\$699	\$8,388
APT #A1	\$699	\$8,388	\$699	\$8,388
APT #A2	\$799	\$9,588	\$799	\$9,588
APT #A3	\$1,099	\$13,188	\$1,099	\$13,188
11 ADELAIDE	\$649	\$7,788	\$699	\$8,388
12 ADELAIDE	\$649	\$7,788	\$699	\$8,388
13 ADELAIDE	\$649	\$7,788	\$699	\$8,388
14 ADELAIDE	\$0	\$0	\$699	\$8,388
15 ADELAIDE	\$649	\$7,788	\$699	\$8,388
16 ADELAIDE	\$649	\$7,788	\$699	\$8,388
17 ADELAIDE	\$649	\$7,788	\$699	\$8,388
22 ARCH	\$649	\$7,788	\$699	\$8,388
23 ARCH	\$0	\$0	\$699	\$8,388
24 ADELAIDE	\$649	\$7,788	\$699	\$8,388
25A ARCH	\$649	\$7,788	\$699	\$8,388
25B ADELAIDE	\$649	\$7,788	\$699	\$8,388
26 ADELAIDE	\$649	\$7,788	\$699	\$8,388
27 ADELAIDE	\$0	\$0	\$699	\$8,388
31 ARCH	\$649	\$7,788	\$699	\$8,388
32 ARCH	\$649	\$7,788	\$699	\$8,388
33A EDYTHE	\$649	\$7,788	\$699	\$8,388
33B ARCH	\$649	\$7,788	\$699	\$8,388
34 EDYTHE	\$649	\$7,788	\$699	\$8,388
35 EDYTHE	\$649	\$7,788	\$699	\$8,388
37 EDYTHE	\$649	\$7,788	\$699	\$8,388
41 EDYTHE	\$649	\$7,788	\$699	\$8,388
42 EDYTHE	\$649	\$7,788	\$699	\$8,388
43 EDYTHE	\$0	\$0	\$699	\$8,388
44 EDYTHE	\$649	\$7,788	\$699	\$8,388
45 EDYTHE	\$0	\$0	\$699	\$8,388
46 EDYTHE	\$0	\$0	\$699	\$8,388
47 EDYTHE	\$649	\$7,788	\$699	\$8,388
36 ARCH	\$649	\$7,788	\$699	\$8,388

	IN PLACE RENT		MARKET RENT	
	Monthly	Annual	Monthly	Annual
	<b>\$18,173</b>	<b>\$218,076</b>	<b>\$23,567</b>	<b>\$282,804</b>

## CASH FLOW

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Gross Potential Rent</b>	\$282,804	\$291,288	\$300,027	\$309,028	\$318,298	\$327,847	\$337,683	\$347,813	\$358,248	\$368,995
<b>Loss to Lease</b>	(\$13,500)	(\$12,150)	(\$10,935)	(\$9,842)	(\$8,857)	(\$7,972)	(\$7,174)	(\$6,457)	(\$5,811)	(\$5,230)
<b>Vacancy</b>	(\$50,328)	(\$45,295)	(\$40,766)	(\$36,689)	(\$33,020)	(\$29,718)	(\$26,746)	(\$24,072)	(\$21,665)	(\$19,498)
<b>Water/Sewer Income</b>	\$25,536	\$26,302	\$27,091	\$27,904	\$28,741	\$29,603	\$30,491	\$31,406	\$32,348	\$33,319
<b>Trailer Purchase Income</b>	\$29,200	\$30,076	\$30,978	\$31,908	\$32,865	\$33,851	\$34,866	\$35,912	\$36,990	\$38,099
<b>Late Fees</b>	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262
<b>EFFECTIVE GROSS REVENUE</b>	<b>\$276,212</b>	<b>\$292,796</b>	<b>\$309,048</b>	<b>\$325,040</b>	<b>\$340,840</b>	<b>\$356,510</b>	<b>\$372,105</b>	<b>\$387,678</b>	<b>\$403,277</b>	<b>\$418,947</b>
<b>OPERATING EXPENSES</b>										
<b>Insurance</b>	(\$5,000)	(\$5,100)	(\$5,202)	(\$5,306)	(\$5,412)	(\$5,520)	(\$5,631)	(\$5,743)	(\$5,858)	(\$5,975)
<b>Management Fee</b>	(\$13,811)	(\$14,640)	(\$15,452)	(\$16,252)	(\$17,042)	(\$17,825)	(\$18,605)	(\$19,384)	(\$20,164)	(\$20,947)
<b>Property Tax</b>	(\$22,000)	(\$22,440)	(\$22,889)	(\$23,347)	(\$23,814)	(\$24,290)	(\$24,776)	(\$25,271)	(\$25,777)	(\$26,292)
<b>Electricity</b>	(\$1,200)	(\$1,224)	(\$1,248)	(\$1,273)	(\$1,299)	(\$1,325)	(\$1,351)	(\$1,378)	(\$1,406)	(\$1,434)
<b>Water/Sewer</b>	(\$20,200)	(\$20,604)	(\$21,016)	(\$21,436)	(\$21,865)	(\$22,302)	(\$22,748)	(\$23,203)	(\$23,668)	(\$24,141)
<b>Trash</b>	(\$7,500)	(\$7,650)	(\$7,803)	(\$7,959)	(\$8,118)	(\$8,281)	(\$8,446)	(\$8,615)	(\$8,787)	(\$8,963)
<b>Legal</b>	(\$500)	(\$510)	(\$520)	(\$531)	(\$541)	(\$552)	(\$563)	(\$574)	(\$586)	(\$598)
<b>Permit Expense</b>	(\$100)	(\$102)	(\$104)	(\$106)	(\$108)	(\$110)	(\$113)	(\$115)	(\$117)	(\$120)
<b>OPERATING INCOME</b>	<b>\$205,901</b>	<b>\$220,526</b>	<b>\$234,813</b>	<b>\$248,830</b>	<b>\$262,641</b>	<b>\$276,304</b>	<b>\$289,871</b>	<b>\$303,393</b>	<b>\$316,914</b>	<b>\$330,477</b>
Capital Reserves	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
<b>NET OPERATING INCOME</b>	<b>\$195,901</b>	<b>\$210,526</b>	<b>\$224,813</b>	<b>\$238,830</b>	<b>\$252,641</b>	<b>\$266,304</b>	<b>\$279,871</b>	<b>\$293,393</b>	<b>\$306,914</b>	<b>\$320,477</b>
Debt Service	(\$115,460)	(\$115,460)	(\$115,460)	(\$115,460)	(\$115,460)	(\$115,460)	(\$115,460)	(\$115,460)	(\$115,460)	(\$115,460)
<b>NET CASH FLOW</b>	<b>\$80,441</b>	<b>\$95,066</b>	<b>\$109,352</b>	<b>\$123,370</b>	<b>\$137,181</b>	<b>\$150,843</b>	<b>\$164,411</b>	<b>\$177,933</b>	<b>\$191,454</b>	<b>\$205,016</b>
<i>Cash on Cash Return</i>	16.93%	20.01%	23.02%	25.97%	28.88%	31.76%	34.61%	37.46%	40.31%	43.16%

# LOCATION OVERVIEW

## HAMPTON ROADS

Hampton Roads is strategically located in the heart of the Mid-Atlantic at the center of the U.S. Eastern Seaboard and is the second largest metro area in the state of Virginia, with a population of more than 1.7 million. The area is home to the Port of Virginia as well as the world’s largest naval base, Norfolk Naval Station, and is serviced by two of the nation’s largest rail providers – Norfolk Southern and CSX. Due to the large military presence, Hampton Roads enjoys a highly skilled workforce, fitting to the area’s exceptional amount of specialty trades. Historic sites and landmarks as well as over 2,000 miles of coastline fuel the Hampton Roads’ burgeoning tourism industry.

## NEWPORT NEWS

Newport News, centrally located in the core of the Hampton Roads MSA is a welcoming community accessible to recreational and cultural activities and outstanding healthcare and educational choices. The Newport News economy is comprised of high-growth industries such as manufacturing, defense, research and development and advanced technologies offering a high concentration of major employment and is home to some of the largest and most important employers within the Hampton Roads MSA market including Huntington Ingalls Industries (20,000 employees), Riverside Health System (7,000 employees), Canon of Virginia (2,000 employees), and Jefferson Lab (750 employees plus over 2,000 scientists from around the world conducting research in this facility.)

Canon Virginia, Incorporated which as the wholly owned subsidiary of Canon Inc. (NYSE:CAJ) serves as the manufacturing, engineering, recycling, and technical support center in the Americas region.

## HAMPTON ROADS MAJOR EMPLOYERS



Canon Virginia announced a \$100 million investment to expand operations in the City of Newport News. This investment comes on top of a \$27 million dollar investment that occurred in 2013. Additional major companies in the area include Huntington Ingalls, Riverside Health, Continental, Ferguson Enterprises, Jefferson Lab, and High Liner Foods.

The technology sector is driven by the scientific discoveries at the Thomas Jefferson National Accelerator Facility (Jefferson Lab) and nearby NASA Langley Research Center as well as companies like Canon, Alion Science and Technology, C<sup>2</sup> Technologies and Triumph Aerospace Systems. Jefferson Lab will anchor a new 100-acre mixed- use development Tech Center to convert scientific discoveries into practical uses.

## HAMPTON ROADS, VIRGINIA

### Transportation

The industries and people of Hampton Roads are well served by its roadway transportation network. First among them is Interstate 64, which links the area with Richmond and the Midwest as well as with Interstate 95, the east coast's primary arterial. The Hampton Roads Beltway is a loop of I-64 and I-664 that links the Virginia Peninsula north of the harbor with Southside Hampton Roads through two bridge-tunnels. A third bridge-tunnel, the 17-mile Chesapeake Bay Bridge-Tunnel, links Hampton Roads to Virginia's Eastern Shore for quick access to the Northeast. Amtrak provides passenger service to Richmond, Washington DC, and beyond via Norfolk and Newport News. Norfolk Southern and CSX long-haul freight rail lines are complemented by short-haul lines to serve area ports and industrial facilities featuring double-stacked container service to Midwest markets.

### Key Infrastructure Improvements

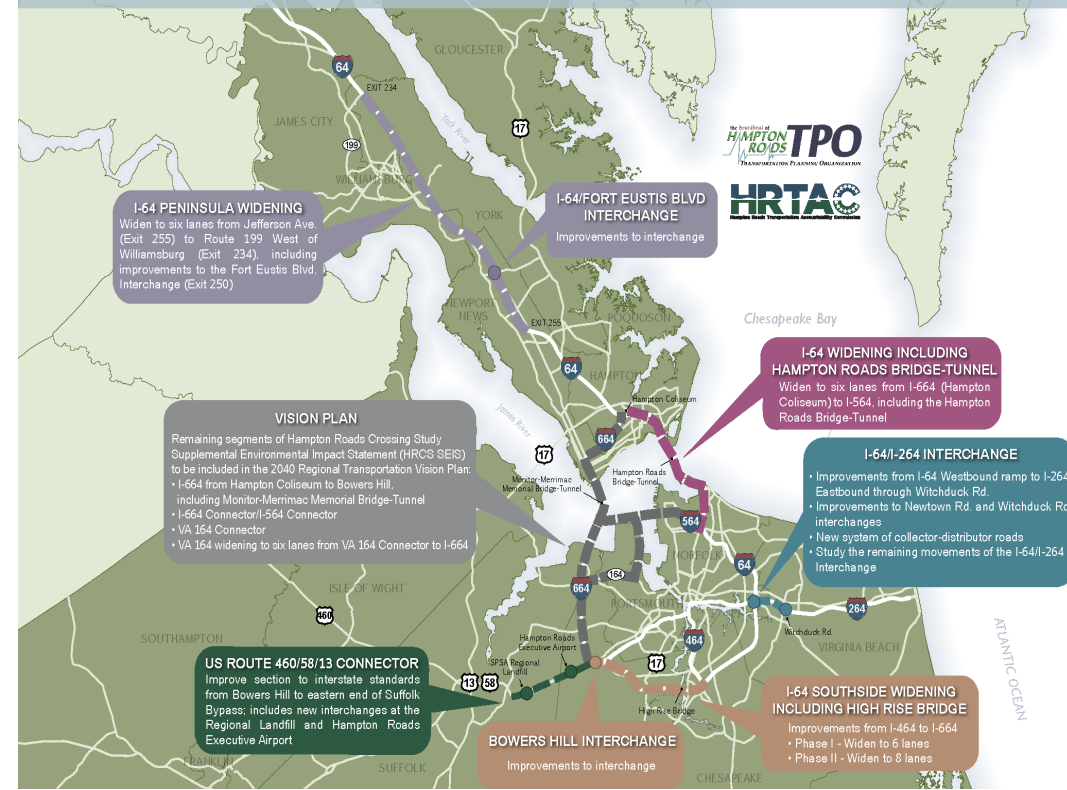
\$5.5 billion in roadway infrastructure projects currently underway, including:

- Interstate 64 lane expansion (recently completed)
- Hampton Roads Bridge Tunnel expansion from four to eight lanes (estimated completion 2025)
- 55' depth and channel widening dredging project (estimated completion 2024)

### Air Transportation

Three passenger airports serve the Hampton Roads Region – Norfolk International Airport (ORF), Richmond International Airport (RIC) and Newport News/Williamsburg International Airport (PHF). Nine major airlines offer over 200 flights per day through these airports, serving over six million passengers in 2021.

## HAMPTON ROADS REGIONAL PRIORITY PROJECTS







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