

APPROVED LENDER
SHORT SALE OPPORTUNITY



LENDER SHORT SALE
A MANUFACTURED HOUSING COMMUNITY INVESTMENT OPPORTUNITY

THE ORCHARDS
3600 Townsquare Blvd
Carleton, MI 48117

Asking Price: ~~\$6,500,000~~ **\$5,500,000**

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HOUSING

THE ORCHARDS AREA HIGHLIGHTS

- Located just 13 miles south of the Detroit airport in Carleton, MI, the Orchards is only 35 miles from Ann Arbor, MI and 36 miles from Toledo, OH. It is conveniently situated minutes from Lake Erie and provides convenient access to I-75.
- The property's proximity to the University of Michigan campus alone makes the area a thriving location. The University of Michigan has more than 56,000 students, and employs nearly 40,000 people (30,500 of which are non-instructional).
- The Detroit area continues to improve as the auto industry recovers. According to a study by KPMG in June 2011, 62% of auto executives expect to hire people in the next year, more than any other sector. For Example, GM plans to hire nearly 4,000 people to fill shifts at its Hamtramck factory and two other Michigan plants.
- The General Electric Co. is increasing its commitment to Michigan, announcing plans for another 220 jobs in addition to the 1,100 previously announced new positions at the company's AMSTC plant in Van Buren Township, roughly 25 miles from the Orchards.
- The Brookings Institution released a report 12-2010 which stated Detroit was poised to make a full recovery following the global economic downturn of 2007-09. Further stating that Metro Detroit ranked 7th in the nation and 46th in the world for economic recovery between 2009 and 2010.
- Economist George Fulton, from the University of Michigan stated in May of 2011 that he believes 2011-2013 will be the best years for Michigan's economy since 2000.
- Within a 5-mile radius, the 2010 estimated family household income is \$68,661 and median housing cost is \$139,227.

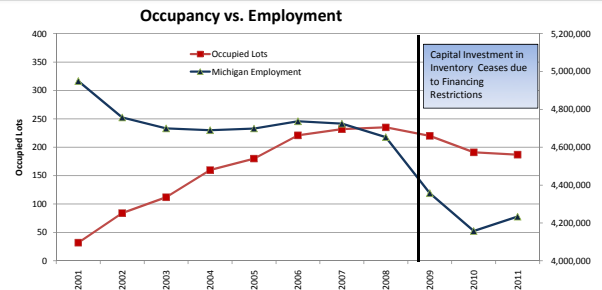
INVESTMENT HIGHLIGHTS

- Lender has pre-approved sale - Bank letter available upon request with executed confidentiality agreement
- 5-star community built in 2001
- The Orchards won the 2004 MHI Community of the Year, and was honored for its excellence in community planning and design
- An 80 acre, all age community with vacancy upside and opportunity for future growth (up to approximately 480 sites)
- 52 of the pads sold as site condominiums and are paying HOA fees
- Tenants direct billed for gas, electric, and cable
- Community contains private on-site waste-water treatment plant and city water (sub-metered)
- Low density, in-fill location with all sites able to accommodate multi-section homes
- Amenities include a resort style clubhouse, lending library, well maintained fitness center, sparkling swimming pool with a sundeck, and playground

SITE INFORMATION

MH Sites	393 Licensed Sites (478 potential)
Year Completed	2001
Land Size	80 Acres
Lot for Lease*	Occupied - 131; Vacant - 210
Home Inventory*	25 rental homes
Site Condominium*	52 (Pay \$80 per month)
Physical Occupancy	47% (July 2011) - stable +/- 3% since 2008
Utility System	
Electricity	Individually metered at each site
Water	City Sub-metered
Sewer	Private WWTP
Gas	Individually metered
Amenities	Resort style clubhouse; lending library; fitness center; sparkling swimming pool with sundeck; a playground
Parcel Numbers	5801-012-001-10, 5801-012-001-20, & 5801-012-001-30

*Note: Totals as of July 2011
www.theorchardscommunity.com



Graph prepared and provided by Owner

FINANCIAL ANALYSIS

INCOME	2010	June '11 T6 Annualized ¹	Proforma
Gross Scheduled Rent ²	\$740,203	\$704,833	\$1,790,373
Less: (Gain)/Loss-to-Lease	0	0	0
Gross Potential Income	\$740,203	\$704,833	\$1,790,373
Less: Vacancy	0	0	1,096,327
Less: Home Rental Vacancy ⁷	0	31,608	31,608
Less: Concession/Collection Loss	0	0	17,904
Total Site Rental Income	\$740,203	\$673,225	\$644,534
Plus: Utilities Income ³	87,688	92,942	95,730
Plus: Other Income ³	20,959	21,700	22,351
Plus: Condo Cost Alloc	50,152	50,272	51,780
Total Other Income	158,799	164,914	169,862
Effective Gross Income	\$899,002	\$838,139	\$814,396
EXPENSES			
Repairs & Maintenance	\$16,393	\$19,566	\$21,615
Payroll	88,351	81,739	90,390
Administrative	15,134	6,254	19,650
Marketing	0	0	5,895
Professional Fees	0	0	1,965
Utilities ⁴	155,588	148,388	152,840
Total Variable Expenses	\$275,466	\$255,947	\$292,355
Taxes ⁵	115,000	115,000	80,964
Home Rental Lot Expense	0	0	0
Insurance	0	0	17,685
Management Fee	0	0	24,432
Total Operating Expenses	\$390,466	\$370,947	\$415,435
Plus: Capital Reserves ⁶	0	0	0
Total Expenses	\$390,466	\$370,947	\$415,435
NET OPERATING INCOME	\$508,537	\$467,192	\$398,960
Home Rental Income	0	0	\$105,674
NOI WITH HOME INCOME	\$508,537	\$467,192	\$504,634

- 1) Actual numbers based on financials provided by the client
- 2) Proforma GSR grown 0% from the Site Mix
- 3) Utility & Other Income grown 3% from June '11 T-6
- 4) Adjusted Utilities grown 3% from June '11 T-6
- 5) Proforma Taxes = 100% of Price x 09 Tax Rate
- 6) Numbers do not reflect actual expense
- 7) Includes 6 unoccupied rental homes currently in refurbishment

SITE PLANS

The Orchard Site Plan



RENT COMPARABLES

#	Subject Property	Address	Sites	Occupancy	Average Rent	Rent Includes	Adjusted Rent
1	The Orchards	3600 Townsquare Blvd., Carleton, MI 48117	393	47%	\$439	T	\$431
1	Belle Villa Meadows	955 Sumpter Rd., Belleville, MI 48111	246	95%	\$462	T/M	\$444
2	Belleville Manor	8701 Belleville Rd., Belleville, MI 48111	358	96%	\$386	T	\$378
3	Country Meadows	3211 Will Carleton, Flat Rock, MI 48134	577	90%	\$458	T	\$450
4	Metro Commons	28745 Van Born Rd., Romulus, MI 48174	227	86%	\$442	T	\$434
5	Woodhaven Place	23501 Van Horn, Woodhaven, MI 48183	220	94%	\$445	T	\$437
Submarket Average			299	93%	\$480		\$457

* Trash (T) - \$8, Lawn Mowing (M) - \$10



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FOR MORE INFORMATION
ON THIS PROPERTY
PLEASE CONTACT

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